

BBVA

Responsible Banking Report 2014

Verified information



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Informe de Banca Responsable 2014

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Letter from the Chairman



Dear friend,

2014 was a difficult year, although it was positive from the economic point of view. Global GDP grew by 3.3%, slightly above the figure for 2013. The stronger growth in the developed economies offset a certain slowdown in emerging economies as a whole, where the performance of individual countries varied greatly.

For BBVA it was a productive year because we achieved good earnings, took important decisions that improve the Group's growth potential and made notable progress in our digital transformation strategy to become the best Bank in the world.

The net attributable profit in 2014 was €2,618m, an increase of 25.7% in current euros. In constant euros, i.e. not taking into account the exchange-rate effect, the net attributable profit increased by 54.6% from a year earlier. These results have been characterized by increased revenue, cost control, improved risk indicators and a strengthening of the capital base.

Gross income totaled €21,357m, slightly above the figure in 2013, and an increase of 9.6% in constant euros. Overall, expenses fell by 2.2% as a result of management actions adapted to each market. The trend in risk indicators has been positive. The NPA ratio has improved to 5.8%, the coverage

ratio has increased to 64%, loan-loss and real-estate provisions have dropped by 25% and the cost of risk is down 34 basis points to 1.25%.

As regards capital, we have increased the phased-in core capital ratio to 11.9%, well above the minimum levels required by the new regulation, while fully-loaded core capital closed the year at 10.4%, 70 basis points higher than in 2013. The stress tests carried out on European banks confirmed the extraordinary solvency of BBVA, which under the most adverse scenario would reach a fully-loaded core capital ratio of 8.2% in 2016. It is one of only three large European banks to exceed the 8% threshold.

In short, the strength of BBVA's capital base enables us to fund our growth, comfortably comply with the regulator's requirements and, at the same time, offer our shareholders a sound and predictable remuneration model linked to profit growth.

In recent months we have also taken important steps to improve future growth prospects. First, the acquisition of Catalunya Banc enables us to grow significantly in Catalonia, a market with great economic potential, and become Spain's number one financial institution in terms of loans and customer funds. Second, the increase in our stake in Garanti to 39.9% makes us the largest shareholder in what is the

best bank in Turkey and possibly the most technologically advanced bank in the world. Lastly, the divestments announced in Citic International Financial Holdings Limited and in China CITIC Bank Corporation Limited will have a very positive impact on our capital base.

In 2014 we made notable progress in our digital transformation strategy to become the best Bank in the world. Technology is changing the banking business. New generations of customers demand a new standard of service, and new competitors emerging from the digital world are beginning to provide it. Banks need to change fast, and that is what we are doing.

After completing the initial construction stage of the new, highly innovative and world-class technological platform which we initiated eight years ago, we are now working hard on the next stage, creating new distribution models, processes and products and a new organization, while we explore new digital businesses. To accelerate the process, in 2014 we created the Digital Banking area, made up of more than 3,000 people from the Group's different geographical areas and to which we are adding external talent from top-level digital companies.

Apart from transforming our business internally, in 2014 we have followed very closely the emergence and development of new digital businesses, in some cases as investors and in others as new owners.

BBVA Ventures, the corporate venture arm of BBVA Group that studies disruptive initiatives in Silicon Valley, has made some very interesting investments in 2014 in companies with a great disruptive potential for the world of finance. They

operate in fields such as e-signature (DocuSign), cloud-based invoice payments (Taulia), software for financial management

This year the Board of Directors has approved the renewed CSR Policy and made significant progress in the area of responsible banking.

of assets (Personal Capital) and bitcoin wallets (Coinbase). We have also acquired startups with potential, such as Simple in the United States, which has developed a highly innovative online and cell-phone alternative to the traditional banking experience, and Madiva Soluciones, a Spanish startup specializing in services based on big data and cloud computing, which will help us generate a more valuable product offering for our customers.

In 2014 we continued to "work for a better future for people". For its part, the Board of Directors approved the Group's renewed Corporate Social Responsibility Policy. In addition, significant progress was made in responsible banking. Examples include: the partnership with the OECD to prepare the PISA report on financial literacy for the first time; the Group's progress in transparent, clear and responsible communication; and the development of products with a high social impact.

2015 will again be a year of challenges and opportunities and I am sure that BBVA's response to them will be outstanding, thanks to the nearly 110,000 men and women who work in this Group around the world to make BBVA a different Bank. I want to take this opportunity to thank them all and encourage them to continue working with the same enthusiasm and dedication.

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challenges and opportunities and
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them will be outstanding.

Ladies and gentlemen, shareholders, I want to thank you for your support. Your trust is what motivates us to continue working with the greatest enthusiasm and effort to consolidate our current leading position and build the next generation BBVA, the best Bank in the world.

Francisco González
Chairman and CEO

Letter from the Chairman

Letter from the Secretary of the Responsible Business Committee

Dear friend,

The financial industry continued to be overshadowed in 2014 by the questioning of its social legitimacy, progressive regulation and demand for greater transparency.

This questioning is particularly accentuated in Spain where 80% of the population believes that financial institutions do not behave responsibly. In the United States, however, 2014 was a year of shifting trends, especially with regard to regional banks, which have seen marked improvement in their reputation. In Latin America, financial institutions continue to maintain a highly positive reputation, although society's expectations are growing.

In terms of regulation, there is a clear trend toward heightened consumer protection, which is reshaping the sector's competitive context. As far as social responsibility is concerned, this year the Spanish Corporate Social Responsibility Strategy 2014-2020 was approved, and the European Directive on disclosure of non-financial and diversity information was published. This Directive establishes the obligation to publish annual reports on this subject as of the year 2017.

The most important material concerns in 2014 were fulfilling the strictest ethical standards while undertaking activities,

allowing customers to make informed financial decisions and offering solutions for customers in difficult situations.

All of the above gives BBVA the ideal opportunity to reinforce its differential Responsible Banking model with the aim of winning back the trust of society. The year 2014 has marked another year of advances toward the gradual and full integration of social, environmental and ethical aspects in all of our activity.

In 2014 we have continue to work on the Responsible Business Plan, with significant progress being made on its three strategic priorities.

The Board of Directors approved the new CSR Policy, setting the objectives, principles and guidelines and governance thereof. Decision-making is made easier through the Responsible Business Committee, set up in 2012, chaired by the Chairman and with the main duty of promoting and monitoring responsible business plans throughout the BBVA Group.

In 2014 work continued on the roadmap established in 2012 with the Responsible Business Plan, with significant progress on its three strategic priorities.

Firstly, in relation to transparent, clear and responsible communication, TCR product sheets have already been fully implemented in Spain and Mexico. In the U.S. and South America they will be completed in the first quarter of 2015. As for TCR contracts, the five most frequently issued are expected to be complete in the first semester of the year. This year the decision was also made to expand the scope of the project. The TCR publicity code was launched and the plan to integrate TCR in Digital Banking was also established.

Secondly, last year was also an important year in terms of financial literacy. The impact of BBVA's various initiatives continued to increase. These included 244,475 people who benefited from the financial literacy program to assist banking penetration processes in South America and Mexico, initiatives for children and young people with 1,099,430 beneficiaries across the group, the Spanish Pension Institute with "Mi jubilación" (My retirement) with 509,407 simulations, and SME training programs, most notably training for growth with 1,582 participants in 2014.

BBVA continued to be a leader and benchmark in this field, receiving support to draft the OECD PISA Report on financial literacy for the first time, and participation in various international forums.

Thirdly, high social impact products continued to be promoted. These products involve using our capacities and reach to respond to the major challenges in the societies in

which we are present.

This includes the consolidation of global initiatives such as the BBVA Microfinance Foundation, which already benefits more than 1.5 million micro-enterprises in Latin America, and the Momentum Project in Spain, Mexico and Peru.

There are also high impact programs in Spain linked to employment and housing. "Yo Soy Empleo" (I am employment) has already helped to create 7,427 new jobs for SMEs and self-employed workers. The Social Housing Policy has provided 2,500 houses and 1,150 customers have accessed the job support program.

This has all led to excellent results in terms of responsible banking reputation and perception in 2014. Indeed, BBVA is in first place for reputation for the first time in Spain since 2007, in United States and in Venezuela. Despite these excellent results it is important to remember that there is still a way to go to achieve comprehensive responsible banking, always.

The challenges for 2015 are to speed up the initiatives in these three priority areas, become a benchmark for responsible banking and consolidate our improved reputation.

Finally, the year 2015 will be one of transformation and consolidation. Challenges include boosting initiatives for the three priorities defined in the Responsible Banking Plan, especially in relation to TCR Communication, strengthening BBVA's position as a leading Responsible Bank, continuing to strike a balance between “saying” and “doing” and consolidating the bank's improved responsible banking reputation and perception in every geographical area.

We welcome these challenges and look forward to continuing to work for a better future for people, always.

Antoni Ballabriga

Secretario del Comité de Negocio Responsable

BBVA profile



BBVA is a customer-centric global financial services group founded in 1857. It has a strong position in Spain, is the largest financial institution in Mexico and has leading franchises in South America and the Sunbelt region of

the United States. Its diversified business is focused on high-growth markets and it relies on technology as a key sustainable competitive advantage.



€ 652
billion in total assets

51
million customers

31
countries

7,371
branches

22,104
ATMs

108,770
employees

BBVA Group Highlights (Consolidated figures)

| | 2014 | 2013 | 2012 |
|---|---------|---------|-----------|
| Balance sheet and Income statement (million euros) | | | |
| Loans and advances to customers (gross) | 366.536 | 350.110 | 367.415 |
| Deposits from customers | 330.686 | 310.176 | 292.716 |
| Total equity | 51.609 | 44.850 | 43.802 |
| Operating income (1) | 10.406 | 10.196 | 11.106 |
| Net attributable profit (1) | 2.618 | 2.084 | 1.676 |
| Ratios (%) | | | |
| ROE (Net attributable profit/average equity) | 5,6 | 5,0 | 4,0 |
| ROA (Net income/average total assets) | 0,50 | 0,48 | 0,37 |
| Efficiency ratio | 51,3 | 52,3 | 49,3 |
| NPA ratio | 5,8 | 6,8 | 5,1 |
| NPA coverage ratio | 64 | 60 | 72 |
| Ratio BIS II (2) | 15,1 | 14,9 | 13,0 |
| Share data | | | |
| Number of shareholders | 960.397 | 974.395 | 1.012.864 |
| Number of shares (millions) | 6.171 | 5.786 | 5.449 |
| Share price (euros) | 7,85 | 8,95 | 6,96 |
| P/BV (Price/book value; times) | 1,0 | 1,1 | 0,9 |
| PER (Price/earnings; times) | 17,3 | 23,2 | 21,5 |
| Net attributable profit per share (euros) (1) | 0,44 | 0,38 | 0,30 |

Memorandum item: the consolidated accounts of the BBVA Group have been drawn up according to the International Financial Reporting Standards (IFRS) adopted

by the European Union and in accordance with Bank of Spain Circular 4/2004 and with its subsequent amendments. As regards the stake in the Garanti Group, the information is presented as in previous periods and consolidated in proportion to the percentage of the Group's stake.

(1) The Group income statement figures for the year 2013 have been modified as they were published in 2013, with the restatement following the change in the accounting policy relating to contributions to the Deposit Guarantee Fund in Spain.

(2) The capital ratios in 2014 have been calculated under the Basel III phased-in regulations. For previous periods, the calculation was done in accordance with the Basel II regulations in force at the time.

Scope: BBVA Group.

BBVA profile

Key Responsible Banking indicators

| | 2014 | 2013 | 2012 |
|--|--------|--------|--------|
| Economic | | | |
| International ranking of private European banks by market capitalization (1) | 8º | 7º | 8º |
| Socially Responsible Investment (SRI) funds (million €) | 10.567 | 2.978 | 2.725 |
| Socially Responsible Investment funds (SRI) (%) | 13,9 | 5,09 | 2,57 |
| Position in the synthetic sustainability index compared with peer group (2) | 1ª | n.a | 1ª |
| Economic value generated (million €) (3) (4) | 20.724 | 20.906 | 22.120 |
| Economic value distributed (million €) (3) | 11.080 | 10.458 | 10.414 |
| Economic value retained (million €) (3) | 9.697 | 10.488 | 11.742 |
| Social | | | |
| Community | | | |

| | | | |
|--|-----------|-----------|-----------|
| Investment in social programs (million €) | 107,2 | 97,1 | 81,3 |
| The Group's net attributable profit allocated to social programs (%) | 4,1 | 4,4 | 4,8 |
| Number of financial literacy program beneficiaries (5) | 1,385,447 | 1,339,549 | 1,174,372 |
| Number of beneficiaries of education for society programs (5) | 316,692 | 118.420 | 91,135 |
| Number of micro-entrepreneurs supported by the BBVA Microfinance Foundation | 1,544,929 | 1,493,709 | 1,293,514 |
| Total volume of the loan portfolio of the BBVA Microfinance Foundation (million €) (6) | 907 | 861 | 887 |
| Average microloan amount (€) (7) | 1,026 | 994 | 1,027 |
| Customer claims for each €1 billion of activity (8) | 1,017 | 879 | 647 |

Human capital (number)

| | | | |
|--|---------|---------|---------|
| Employees | 108,770 | 109,305 | 115,852 |
| Global employee satisfaction index (9) | 77,3 | n.d. | 75,8 |
| Employee gender diversity (% women/workforce) | 53 | 53 | 53 |
| Management team | 1.937 | 2.038 | 2.075 |
| Gender diversity in management team (% women/total) | 18,5 | 17,8 | 17,2 |
| Average employee age (years) | 37,7 | 37,8 | 37,6 |
| Job stability (% permanent employment) | 94 | 94,5 | 92,9 |
| Employee turnover (10) | 8,4 | 11,61 | 10,82 |
| Net jobs created (11) | -647 | -619 | 3,773 |
| Length of service (years) | 10,6 | 10,9 | 10,6 |
| Hours of training per employee | 52 | 46 | 48 |
| Participants in volunteer initiatives by BBVA employees (12) | 10,403 | 6,131 | 4,334 |

Environmental (13)

| | | | |
|--|--------|--------|--------|
| CO2 emissions per person (t) | 2,7 | 2,8 | 3,1 |
| Paper consumption per person (t) | 0,1 | 0,1 | 0,1 |
| Water consumption per person (m3) | 24,0 | 23,5 | 29,5 |
| Electricity consumption per person (MWh) | 6,4 | 6,5 | 7,4 |
| People working in certified buildings | 22,217 | 21,220 | 26,697 |

Corporate governance

Data (number)

| | | | |
|---|------|------|------|
| Directors | 14 | 14 | 14 |
| Independent directors | 7 | 10 | 11 |
| Executive Committee | 5 | 6 | 6 |
| Audit committee | 4 | 5 | 6 |
| Appointments committee | 5 | 5 | 5 |
| Remuneration Committee | 5 | 5 | 5 |
| Risks Committee | 5 | 4 | 5 |
| Board meetings | 14 | 12 | 14 |
| Board remuneration (million €) | 15,4 | 14,6 | 13,4 |
| Gender diversity on the Board (% women/total board members) | 21 | 14 | 14 |

(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) Prepared by applying criteria defined by BBVA. 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 values for 2013 have been recalculated to adapt to Interpretation 21 on levies of the International Financial Reporting Standards Interpretation Committee. This has meant a change with respect to the contributions to the deposit guarantee fund.

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

(5) For purposes of comparison with previous years, the data for 2013 and 2012 have been recalculated by classifying the participants in the "Valores de Futuro"

program as beneficiaries of financial literacy programs rather than education for society programs. The data for BBVA Compass has not been included in the financial literacy indicator, as it is not available for 2014. USA data for 2014 on education for society are under review.

(6) Formed by current portfolio, defaulted portfolio and interest.

(7) Calculated as the cumulative total paid out in the year, divided by the number of cumulative operations in the same period.

(8) No. of complaints procedures before the banking authorities. Claims for each €1 billion of activity. Not including USA in 2014, 2013 and 2012 and Paraguay and Uruguay in 2012. The data for 2014 are provisional.

(9) There is no survey in odd years.

(10) Turnover rate: $\text{Turnover} = [\text{Resignations (excluding early retirement)}/\text{No. employees at start of period}] \times 100$.

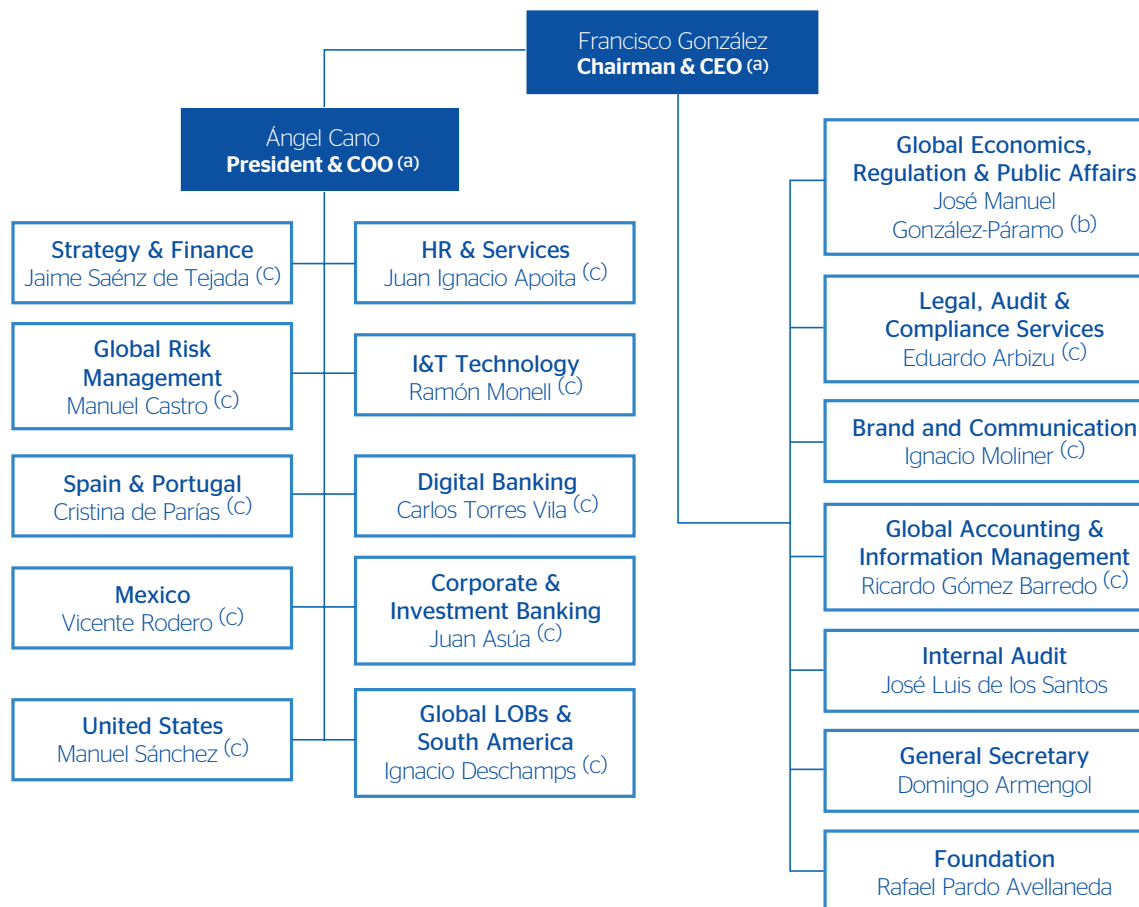
(11) Does not include new hires and losses due to changes in the scope of consolidation.

(12) Data estimated according to the information provided by participants. United States data for 2014 under review.

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

Scope: BBVA Group.

Business organization chart and structure



(a) Executive Director and Member of the Management Committee

(b) Executive Director

(c) Member of the Management Committee

BBVA profile

Sustainability ratings

Sustainability ratings measure a company's ESG (environmental, social and corporate governance) performance and determine its presence in the sustainability indices. The continued presence and ranking in these sustainability indices

thus depends on the demonstration of constant progress in a company's sustainability.

In 2014, BBVA maintained its place in the main sustainability indices at the international level:



Listed on the DJSI World and DJSI Europe.



Listed on the MSCI Global Sustainability Indexes. AAA Rating.



FTSE4Good

Listed on the FTSE4Good Global, FTSE4Good Europe and FTSE4Good IBEX indices.



Industry Leader according to the latest ESG 2014 rating.



Listed on the Euronext Vigeo Eurozone 120 and Euronext Vigeo Europe 120 indices.



Listed on the ESI Excellence Europe and the ESI Excellence Global indices (as of 22-Sep-2014).



Listed on STOXX Global ESG Environmental Leaders, STOXX Global ESG Environmental Leaders and STOXX Global ESG Social Leaders.



Classified as Prime.



In 2014 BBVA received a score of 85 points for disclosure and a Band C rating for performance.

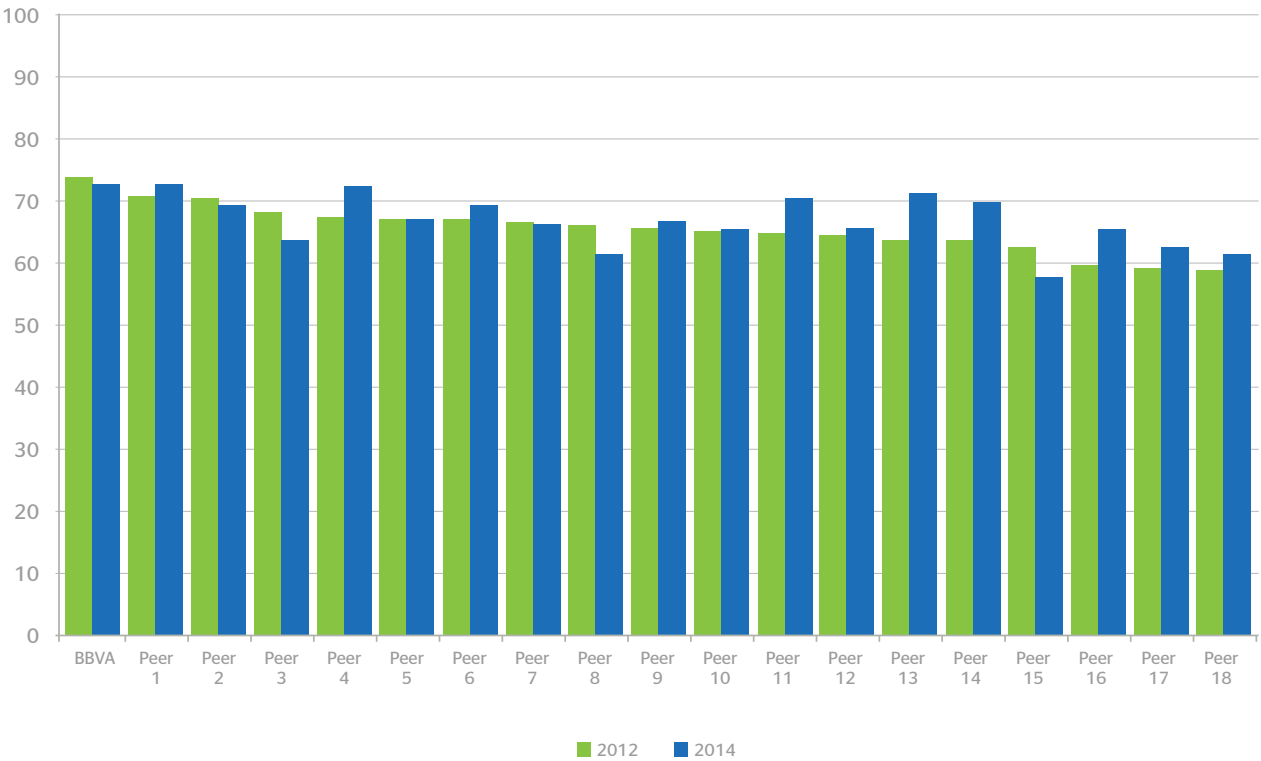
In addition, BBVA has become part of the investment universe of Triodos Investment Management, the Triodos Group subsidiary that manages socially responsible mutual funds. It is the only Spanish Bank on this list.

Synthetic Responsible Banking index

Given the many different sustainability indices currently available in the market, BBVA has developed the synthetic Responsible Banking index to provide aggregate information

on the Group's position in relation to its competitors, in accordance with the analyses of the main international sustainability agencies. This index also allows us to identify best practices and to continue to make progress in our responsible business strategy.

According to the analysis carried out in 2014, BBVA has improved its position and is in first place in the index, ahead of the other 18 banks in its peer group:



Note: Arithmetic mean calculated using the results of the analyses by MSCI, RobecoSAM, Bloomberg and Sustainalytics (results from 0 to 100 points).

Dialogue with analysts and investors

One of the aims of our ESG Investment Committee is to boost communication and dialogue with shareholders, investors and specialized analysts. BBVA engages in a constant dialogue with analysts and investors through meetings and conference calls throughout the year.

In addition, in 2014 BBVA took part in two meetings with investors and asset managers from around the world, one

organized by Société Générale and the other by Exane BNP Paribas. At the two meetings, we explained our Responsible Business Plan, which was extremely well received, and noted the growing interest among the investment community for corporate ESG matters. The document presented at both conferences is available on the Group's shareholders and investors website and [Responsible Banking website](#). BBVA has also participated in a webinar organized by MSCI for analysts and investors as a model of best practices in 2014.

BBVA profile

Awards and recognition

January 2014. BBVA Bancomer receives the Executive Education Award 2013 from Institución Tecnológico de Monterrey for its vision for talent development.

March 2014. BBVA is chosen the best company in the world in communicating sustainability through its channels and profiles in the social media by the consultancy Sustainly.

May 2014. BBVA Bancomer receives the award for Excellence in Financial Literacy Education for its Financial Literacy program "Adelante con tu Futuro" (Forward with Your Future) from the Institute for Financial Literacy.

May 2014. Centro Mexicano para la Filantropía (Mexican

Center for Philanthropy) grants BBVA Bancomer an award as Socially Responsible Company.

June 2014. BBVA is recognized by Lundquist as the best Spanish company in online communication of corporate responsibility.

October 2014. BBVA is a winner at the WLMT awards for innovation in the management of diversity.

October 2014. BBVA receives the Latin American Award for Corporate Responsibility from Foro Ecuémico Social (Social Ecumenical Forum) for its commitment to education for society and its integration scholarship program.

Noviembre 2014. BBVA Continental is recognized for its good corporate governance practices in a study by the Lima Stock Exchange and Ernst & Young.

December 2014. BBVA receives an award from the SERES Foundation for innovation and social commitment for its "Yo Soy Empleo" (I am Employment) initiative.

BBVA profile

Progress and objectives

Activity targets

| | | TARGET 2015 | PROGRESS 2014 ⁽¹⁾ |
|-----------------------------|---|--|---------------------------------------|
| Education | Number of beneficiaries of the financial literacy program | 3,000,000 | 2,724,996 |
| | Number of SMEs benefiting from training for growth programs | 8,000 | 3,249 |
| | Number of SMEs benefiting from other training programs | 57,991 | |
| | Number of annual grants for underprivileged children (2) | 200,000 | 150,364 |
| | Number of beneficiaries of other education for society programs | 284,748 | |
| High social impact products | Consolidate the presence of the Microfinance Foundation in Latin America | To increase the number of participants | + 19,4% |
| | | | This increase is 251,415 participants |
| | Number of financial aid packages granted to SMEs to create jobs (Yo Soy Empleo program) | 10,000 | 7,427 |

| Shareholders and investors | Synthetic index | 1st/2nd position in index | 1st position |
|----------------------------|---|---------------------------|--------------|
| Eco-efficiency (2) | % reduction in CO2 emissions | -6% | -11% |
| | % reduction in paper consumption per person | -3% | -35% |
| | % reduction in water consumption per person | -3% | -18% |
| | % reduction in electricity consumption per person | -3% | -14% |
| | % of people working in certified buildings | 33% | 18% |

(1) Achievements during 2013-2014

(2) United States data for 2014 under review

Objetivos de percepción

| Target 2015 | | |
|-----------------------------|--|---------------------------------|
| TCR Communication | The perception of a clear and transparent bank | 1st or 2nd bank in each country |
| PROGRESS IN 2014 BY COUNTRY | | |
| Argentina | 3rd for customers and 1st for non-customers | |
| Chile | 1st for customers and 4th for non-customers | |
| Colombia | 4th for customers and 4th for non-customers | |
| Spain | 2nd for customers and 3rd for non-customers | |
| United States | 4th for customers and 3rd for non-customers | |
| Mexico | 1st for customers and 2nd for non-customers | |
| Peru | 2nd for customers and 2nd for non-customers | |
| Venezuela | 1st for customers and 4th for non-customers | |

| Target 2015 | | |
|-----------------------------|--|--|
| Education | Perception of support for financial literacy | 1st or 2nd best perceived bank in each country |
| PROGRESS IN 2014 BY COUNTRY | | |
| Argentina | 1st for customers and 1st for non-customers | |
| Chile | 2nd for customers and 3rd for non-customers | |
| Colombia | 3rd for customers and 4th for non-customers | |
| Spain | 1st for customers and 1st for non-customers | |
| United States | 4th for customers and 2nd for non-customers | |
| Mexico | 2nd for customers and 4th for non-customers | |
| Peru | 2nd for customers and 3rd for non-customers | |
| Venezuela | 4th for customers and 4th for non-customers | |
| Target 2015 | | |
| Customers | External customer reputation | 1st or 2nd bank with best reputation in each country |
| PROGRESS IN 2014 BY COUNTRY | | |
| Argentina | 2nd | |
| Chile | 3rd | |
| Colombia | 4th | |
| Spain | 1st | |
| United States | 1st/2nd | |
| Mexico | 2nd | |
| Peru | 2nd | |
| Venezuela | 1st/2nd | |

| Target 2015 | | |
|-----------------------------|----------------------------------|--|
| The Team | Internal employee reputation | Increase reputation in each country by 2 points |
| PROGRESS IN 2014 BY COUNTRY | | |
| Argentina | 5 | |
| Chile | -2 | |
| Colombia | 1 | |
| Spain | 3 | |
| United States | 2 | |
| Mexico | 5 | |
| Peru | 1 | |
| Venezuela | 0 | |
| | | |
| Society | External non-customer reputation | 1st or 2nd bank with best reputation in each country |
| PROGRESS IN 2014 BY COUNTRY | | |
| Argentina | 2nd | |
| Chile | 3rd | |
| Colombia | 4th | |
| Spain | 2nd | |
| United States | 2nd | |
| Mexico | 4th | |
| Peru | 2nd | |
| Venezuela | 3rd | |

| Target 2015 | | |
|-----------------------------|---|--|
| Society | Reputation among people in general | 1st or 2nd bank with best reputation in each country |
| PROGRESS IN 2014 BY COUNTRY | | |
| Argentina | 2nd for customers and 1st for non-customers | |
| Chile | 3rd for customers and 3rd for non-customers | |
| Colombia | 2nd for customers and 4th for non-customers | |
| Spain | 2nd for customers and 1st for non-customers | |
| United States | 2nd for customers and 2nd for non-customers | |
| Mexico | 3rd for customers and 4th for non-customers | |
| Peru | 2nd for customers and 2nd for non-customers | |
| Venezuela | 2nd for customers and 2nd for non-customers | |

Vision, mission and policy



Vision, mission and policy

Vision and mission

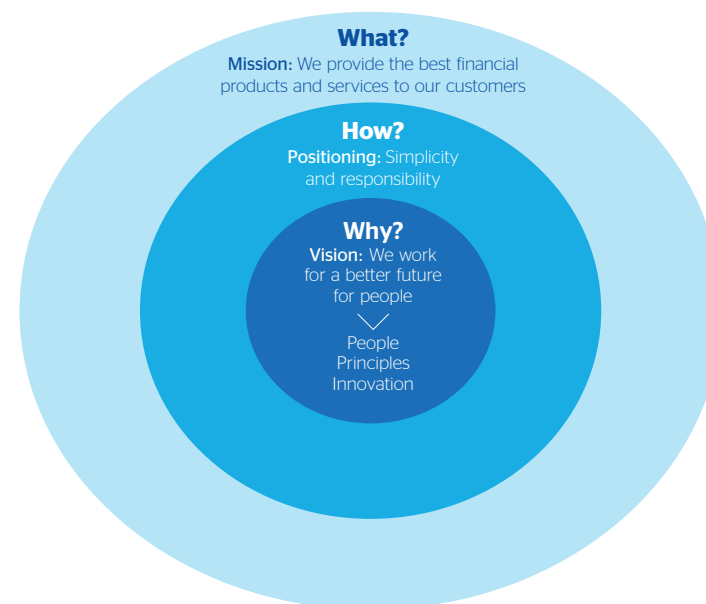
BBVA practices responsible banking as an ongoing commitment to reinforcing the Group's social function and winning back the trust of society. We make life easier for people by acting responsibly. Our differential approach to banking is based on returns adjusted to principles of integrity, prudence and transparency.

- Integrity as a manifestation of ethics in our actions and in all our relations with stakeholders.
- Prudence as the principle of precaution in assuming risk.
- Transparency as a rule offering clear and truthful access to information within the limits of the law.

BBVA Group's vision "we work for a better future for people" is our Why. It rests on three pillars: people, principles and innovation.

The Group's mission is "to offer the best financial solutions, products and services to our customers." And our positioning is to do so simply and responsibly.

For BBVA simplicity means ease, proximity, accessibility and clarity. We understand responsibility as a long-term process, a balanced relationship with customers and support for the development of society.



Through its **CSR policy** BBVA assumes commitments including:

- Engage in its core business operations responsibly at all times.
- Maximize the creation of sustainable and shared value for its shareholders and other stakeholders, and for all the community in which it operates.
- Identify, prevent and minimize possible negative impacts.

The policy is established by the guidelines which must govern the Group's CSR actions. These guidelines are to:

- Conduct our financial activity keeping people in mind.
- Establish a balanced relationship with our customers with a view to the long term.
- Help our customers always to make informed decisions through transparent, clear and responsible communication and financial literacy.
- Offer products and services with a high social impact adapted to the needs of our customers and the context in which they live.

- Promote financial inclusion and universal, responsible access to financial services.
- Promote a culture of social commitment and shared values among the Group's employees.
- Support the development of the societies where we operate through financial activity, as well as through social programs focused on education and knowledge.

The CSR policy was updated in 2014 and approved by the Board of Directors, which has this duty attributed to it according to its Regulation. The Board of Directors also receives the report on the implementation and application of the policy every year.

The CSR Policy is developed and complemented through a series of specific policies, rules and commitments that guarantee appropriate compliance with this global policy in its corresponding areas of application.

The current environment still demands a change in behavior and a new focus from financial institutions. That is why BBVA has continued to work in 2014 to respond to this social demand. The vehicle for channeling this response is a different model of banking: responsible banking. It integrates the requirements and expectations of its different stakeholders, and in particular, of its customers. It creates value for BBVA and it creates value for its main stakeholders.

In 2014 BBVA Group continued to promote the Responsible Business Plan, approved in 2013.

This plan is developed with three strategic priorities:

- **Transparent, Clear and Responsible (TCR) Communication.** Transparency and clarity are fundamental for helping people understand the products they buy. All communication with customers, any document or contract, must be clear and transparent. To achieve this, the Bank is developing product leaflets that make it easier for customers to make decisions when choosing products, and introducing new contracts that are drafted in simple, clear and precise language, with the customers in mind.
- **Financial Literacy.** Strengthening financial literacy is a strategic priority of the Group's social programs, through:

- Financial culture to prepare children and young people for their future.
- Financial literacy for adults, which, along with TCR Communication, is the other key to enabling customers to make informed decisions.
- Training in finance and business skills for SMEs, which play an important role in the development of the economic and business fabric of the countries in which they operate.
- **High social impact products.** This involves developing financial products with a high social impact; in other words products that include outstanding social attributes. Products that boost growth and financial inclusion, and respond to people with special needs.



Letter from the Chairman

BBVA profile

Vision, mission and policy

Governance systems

Dialogue with stakeholders and
materiality analysis

Social impact

Priority 1: TCR Communication

Priority 2: Financial literacy

Priority 3: High social impact
products

Responsible customer management

Social, environmental and
reputational risk

The team

Suppliers

Society

Information criteria and standards

Independent assurance report

The Responsible Business Plan integrates a holistic vision of our business. As well as these three strategic priorities, it includes initiatives linked to the Plan's three core elements: customers, banking for people; society, education and science; and committed employees.

The Responsible Business Plan was approved by the Responsible Business Committee, chaired by the Chairman and CEO of BBVA. It is implemented through local Responsible Business plans in the main countries.

Governance systems



Governance systems 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.

Governance systems Compliance system

The Group's Compliance System constitutes one of the bases upon which BBVA consolidates its institutional pledge to conduct all 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 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.

During 2014 BBVA continued promoting the documentation and management model in every jurisdiction through the technological tool deployed by Compliance worldwide.

Ethical and legal conduct consultancy

BBVA has established a Code of Conduct, approved by the Board of Directors, that enshrines its specific commitments with regard to one of its corporate culture principles: Integrity as way of understanding and conducting business. Said Code also establishes the corresponding whistleblowing channels, available in the event of breach of the Code, as well as continuous training and refresher courses for all key personnel in the financial division.

The Compliance function
continues to structure its activity
around the implementation of
policies and procedures and
mitigation of possible risks.

The Code of Conduct is applicable to all BBVA Group companies, as well as all employees and executives. It is circulated to ensure that all personnel are familiar with its content, while it is also posted on the [Bank's website](#) and the employee site (intranet). Furthermore, all new staff are required to pledge to abide by the principles and standards via an express declaration of understanding and adherence.

As for its content, the Code of Conduct is structured around the following sets of principles and standards: ethical values, integrity in relationships, integrity on the markets, personal integrity and organizational integrity.

The dissemination of its content is supplemented by induction training for newly appointed staff at the Group, which is based on mandatory online training for all employees when they join and refresher classroom courses as deemed necessary. This training covers both the general Code of Conduct and the Policy of Conduct in the area of Securities Markets, as well as their subsequent developments based on Internal Standards of Conduct in the area of securities markets.

In 2014, BBVA Group continued to work on strengthening the model for managing the risk of money laundering and financing of terrorist activities.

In 2014 the Compliance Unit continued providing consultancy support to members of the Group and senior management with regard to the application of the Group Code of Conduct.

Specifically, the Corporate Compliance Unit issued general principles for attending specific international events, while responding individually to 35 written inquiries. It also maintained its permanent consultancy support via other media, chiefly via telephone. The inquiries were mostly with regard to accepting gifts and handling and managing potential family or personal conflicts of interest.

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, 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 that are part of the BBVA Group within the scope of PML&TF, and not only takes into account regulations on prevention of money laundering in the jurisdictions in which BBVA operates, but also incorporates the best practices used in the international financial industry in this regard, as well as the recommendations provided by international institutions 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. In particular, risk analysis ensures that controls can be duly implemented, as well as any additional mitigating measures that may be required to bolster the model.

BBVA Group continued working in 2014 to strengthen the aforementioned Model for Managing the Risk of Money Laundering and Financing of Terrorist Activities by:

- Increasing human resources assigned directly to the PML&TF units of each jurisdiction.
- Progress in implementing improvements through centralized guidelines for customer risk categorization or assignment systems with regard to PML&TF, based on the factors identified by the sector as relevant for quantifying the risks of money laundering. The progress made in Spain, Mexico, Peru, Uruguay and Paraguay has been particularly significant.
- The adjustment of internal policies and procedures to regulatory changes made in the countries where the Group operates and the adoption of best international practices in such matters. For example, in Spain those that resulted from the issue of Royal Decree 304/2014, dated May 5, approving regulations enshrined in Law 10/2010, April 28, on the prevention of money laundering and financing of terrorist activities; in Mexico a resolution amending, reforming and repealing the general provisions referred to in Article 115 of the Credit Institution Law; in Argentina Communication “A” 5612, Prevention of

money laundering, financing of terrorism and other illicit activities. Supplementary client due diligence procedures.

- 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. In 2014 replacement was completed of the existing monitoring tool in the U.S. and South America units for a new one providing more extensive capacities for detection.

The Code of Conduct is based on: ethical values, integrity in relationships, integrity in the markets, personal integrity and organizational integrity.

Over 2014, 61,375 people from across the Group took part in PML&TF training courses.

At the same time, the BBVA Group continued to work in partnership with governmental bodies and international organizations in this field. One highlight was BBVA's involvement in the Mutual Evaluation of Spain run by GAFI in 2014.

Finally, the Model for Managing the Risk of Money Laundering and Financing of Terrorist Activities is constantly evolving

and subject to independent review. Pursuant to Spanish regulations, an independent expert annually audits the PML&TF system for the parent company (including supervision of subsidiaries and branches abroad) and all companies subject to PML&TF standards in Spain.

This review is complemented in each jurisdiction with internal audits, external audits and those from supervisory bodies themselves.

In 2015 the BBVA Group will remain committed to improving the Model for Managing the Risk of Money Laundering and Financing of Terrorist Activities, especially in terms of providing due human and technological resources, and encouraging supervision of units in this field through its global PML&TF department.

Governance systems

Responsible Banking management model

Responsible Business is managed at the highest level in the BBVA Group. Pursuant to its Regulations, the Board of Directors is responsible for approving and monitoring the [CSR policy](#), receiving an annual report on its implementation and achievements from the Global Corporate Responsibility and Reputation Director.

BBVA also has a Responsible Business Committee, the main function of which is to promote and monitor responsible business plans throughout the Group. The Chairman and Chief Operating Officer are members of the Committee, together with the members of the Management Committee for the various functional areas: Brand and Communication; Global lines of business and South America; Corporate & Investment Banking; Human Resources and Services; Digital Banking;

BBVA Foundation; Legal Services, Audit and Compliance; BBVA Microfinance Foundation; with the Corporate Responsibility and Reputation department acting as the secretary. This committee meets three times a year.

Local committees that mirror the composition and functions of the global Responsible Business Committee have also been set up. These committees are responsible for local Responsible Business plans in their geographic areas.

Governance systems

Internal Control Model

Following the recommendations of the Basel Committee and best practices in the industry, the BBVA Group has implemented an Internal Control structure based on the Three Lines of Defense Model. This aims to ensure that the Group's operations comply with applicable regulations and its internal policies and procedures.

The Three Lines of Defense Model is organized as follows:

The Group's business units form the first line of defense. They are responsible for managing current and emerging risks and implementing control procedures.

The second line of defense consists of Specialist Control Units (Compliance, Global Accounting & Informational Management/ Internal Financial Control, Internal Risk Control, IT Risk, Fraud & Security and Operational Control, and Production Divisions in support units, such as Human Resources, Legal Services, etc.). This line of defense identifies current and emerging risks, defines the control policies within the scope of its cross-sector specialty, ensures that they are implemented correctly and provides training and advice to the first line; it is also responsible for reporting to management.

The third line of defense is the Internal Audit unit. The BBVA Group applies the guidelines of the Basel Committee on Banking Supervision and the Institute of Internal Auditors

to its Internal Audit function. This has been set up as an independent and objective compliance and consulting activity, designed to add value and improve the Group's operations. Internal Audit helps the BBVA Group accomplish its objectives by applying a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

BBVA complies with the most advanced standards for internal control issued and updated in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Corporate Assurance

In 2013, the BBVA Group decided to enhance its control model by implementing a Combined Assurance structure, which it calls Corporate Assurance.

This aims to promote coordination among the Three Lines of Defense, thus increasing the effectiveness of the internal control model, ensuring adequate management of the risks incurred by the BBVA Group in its business activities and improving its efficiency.

It also provides an orderly management communication mechanism, enabling important internal control issues to be

prioritized and escalated, as necessary.

This mechanism involves a number of Committees meeting every four months. The Committees comprise the members of the Management Committees of the Group and its subsidiaries. The Committees seek to understand control issues and make decisions that will have a significant impact on the objectives of the Units, both at the local level and on a consolidated basis.

Internal Audit

The functions of Internal Audit are universal. Its scope covers all activities and entities in the BBVA Group, with no exceptions and irrespective of geographic location or reporting situation. Its scope also extends to the activities and services the Group has outsourced.

The aim of Internal Audit as a third line of defense in the control model is to evaluate the activity carried out by the first and second lines of defense.

Internal Audit has unrestricted access to employees, workplaces, systems, IT and physical records and, in general, any information it needs to perform its functions.

As the third line of defense, its objective is to assess the activities of the first and second lines of defense.

MAIN INTERNAL AUDIT ACTIVITIES IN 2014. BREAKDOWN BY LINE OF ACTIVITY

| | |
|------------------------|-----|
| Tecnology & Innovation | 42 |
| Customer Centric | 19 |
| Banking processes | 59 |
| Suppliers | 3 |
| Fraud Prevention | 369 |
| Regulatory | 187 |

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

The main focus of the work of Internal Audit in 2014 was:

- Innovation and technology. In accordance with BBVA's commitment to Digital Banking, Internal Audit has reviewed:
 - The cyber-attack prevention and response capacities of the main elements with which customers and employees interact through the internet.
 - The implementation of new transaction channels (omni-channel approach) providing customers with a high-quality and consistent "user experience", ensuring their security at all times.
 - The implementation of new App-based services and the use of social networking (Facebook, Twitter, etc.) techniques and technologies as communication and marketing tools for the Group to enhance our relationship with our customers.
 - Management of projects transforming banking applications.
 - Assessment of customer satisfaction with our commercial practices, products and services and the customer experience we offer, assessing whether they are correctly segmented, as part of our customer-centric approach and customer-focused distribution and relationship model.
 - A comprehensive review of our transactional banking processes, relating to both day-to-day processes in our branches and centralized processes. This includes audit
- work based on "Data Analytics" reviewing transversal processes administered in the branch network, through remote auditing and auditing of centralized processes.
- In relation to suppliers, we have reviewed the control model for some outsourced services and strategic plans and investment projects in South America. Internal Audit has also advised on the transformation project for contracting software and new developments.
- With regards to fraud prevention, we have enhanced "forensic" auditing and "post mortem" event analysis. We have continued identifying weaknesses in fraud control processes and developing, monitoring and analyzing potential fraud indicators. We have used this to create our Professional Integrity Model, which generates a ranking of offices for analysis through remote or on-site audits at the affected branches or units, prioritizing cross-cutting approaches over in situ approaches.
- With regard to compliance with regulatory requirements, Internal Audit assessed BBVA's compliance with the Euribor-EBF Code of Conduct and the Personal Data Protection Law (LOPD, for the Spanish acronym). Internal Audit also reviewed PML & TF policies in Spain, Portugal, Mexico, the U.S., various countries in South America and branches abroad, to ensure they are consistent with corporate policies and local regulations.

Governance systems

Standards of Conduct

A key component of the Compliance system is the [BBVA Group Code of Conduct](#), as described in the previous section.

Another key mechanism for managing conduct risk at the Group are its Responsible Attitude channels. As stated in the Code of Conduct, upholding BBVA's corporate integrity transcends mere personal responsibility for individual actions and requires commitment from all employees to communicate, in a timely manner, any situations that, even if not related to his or her own actions or sphere of responsibility, he or she considers ethically questionable in accordance with the Code of Conduct, and especially any that could lead to non-compliance with the regulations in force.

The Code establishes all possible recipients to whom said communications can be addressed, who, among other obligations, have the duty to safeguard the anonymity of those individuals who, in good faith, report legitimate concerns regarding potential breaches of legislation or apparently ethically questionable situations.

BBVA Group has Responsible Attitude channels set up in all jurisdictions where it has subsidiaries. It also has a central corporate channel available to all corporate employees, which is managed from Madrid.

Standard postal addresses, telephone lines and email

addresses are available for such notifications, all of which can be found on the Group Intranet system.

Furthermore, commitments aimed at preventing corruption at the Group (relations with suppliers, anti-bribery policies, gifts, organizing events, prevention of money laundering, commitments regarding politically exposed persons - PEPs -, etc.) are all included in the Code of Conduct as specific policies.

The Group's Responsible Attitude channels are a fundamental mechanism in the management of its conduct risk.

2014, BBVA Group continued to enforce specific preventative measures regarding politically exposed persons. These measures had already been implemented and are enshrined in the corporate action procedure for establishing business relations with such persons.

Finally, it is worth mentioning here the Policy of Conduct in

the area of Securities Markets, which develops the guidelines laid down in the BBVA Group 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 market operations undertaken by employees on their own accord.

As well as these mechanisms, the company has established other specific instruments for managing core commitments in each functional area. The more salient of these are:

- Rules of conduct in the field of securities markets.
- 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 in all countries at 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.
- **Commitment to human rights.**
- **Environmental policy.**
- **Responsible Procurement Policy.**

With regards to BBVA business conduct, in 2014 the Compliance Unit continued operations aimed at protecting clients/investors:

- Evaluating risks for clients associated with Group products, services and activities, and promoting or implementing measures to mitigate the same, mainly by bolstering the information provided to clients regarding their specifications, risks and costs. The Compliance Unit is represented on several new product committees at the Group, thus ensuring that this side of product sales is taken into account at all times.
- Coordinating action plans to adapt to any new

requirements and criteria regarding the protection of investors or the Bank's users that are issued, chiefly by the CNMV and Bank of Spain, but also EU authorities.

- Evaluating remuneration systems for sales staff, in order to prevent conflicts with the interests of clients.
- Working closely with product and business development units on a permanent basis, both for retail and wholesale markets, seeking to instill the concept of client/investor protection into the same from the outset.
- Keeping the internal regulatory framework fully up-to-date at all times to ensure that all product and service sales made at the bank are compliant with requirements.
- Participating in improvement projects and updating sales processes, as well as the Bank's IT systems supporting the same, seeking to ensure their coherence with best practices in terms of protecting the client's interests.
- Promoting communication and training initiatives for the sales network and support departments.
- Evaluating existing measures at the Bank, according to customer complaints, internal and independent audit reviews and inspections and regulatory requirements.

Likewise, BBVA Group has continued its efforts to ensure due knowledge and adoption by employees of the standards of conduct contained in the Group Code of Conduct, which include anti-corruption commitments. In 2014, 53,000 employees from across the Group formally pledged to comply

with said Code or endorsed adhesion to the same.

Legal compliance

As of December 31, 2014, the BBVA Group has neither 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, nor provisioned any of them in the Group's consolidated financial statements.

In 2014, 53,000 employees
from the whole Group formally
undertook to comply with this
Code or subscribed to it.

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, 2014, 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.

Governance systems

International commitments signed

BBVA es firmante de las siguientes iniciativas internacionales:

- United Nations Global Compact.
- The 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.
- Green Bond Principles.

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

Human rights

Since the approval in 2011 of the United Nations Guiding Principles on Business and Human Rights, this is an increasingly prominent issue on institutional agendas and also for our various stakeholders.

These Principles establish standards for tackling the negative impacts on human rights had by business operations, regardless of where they occur.

BBVA has a Commitment to Human Rights that establishes basic standards of conduct required in all relationships with stakeholders.

They lay down a framework known as 'Protect, Respect and Remedy', under which it is each company's responsibility to respect human rights, regardless of the ability or will of states to comply with their obligations in this regard.

It is also the duty of companies to provide access to reparations for any negative impact that they have on human rights.

Since 2007 BBVA has had a [Commitment to human rights](#), establishing the basic standards of conduct required in all relationships with clients, suppliers, employees and society in general.

BBVA continues to work within the framework of the Millennium Development Goals (MDG), an initiative we have supported since 2000.

This is enshrined within the Code of Conduct, which expressly states BBVA's pledge to observe the Universal Declaration of Human Rights, the United Nations Global Compact and other treaties from organizations such as the OECD and ILO.

BBVA is also a member of the Thun Group of Banks, an informal group of banks that includes Barclays, Credit Suisse, ING, RBS, UBS and Unicredit. Founded in 2011, the group aims to understand and propose means of applying the 'Protect, Respect and Remedy' framework at financial institutions.

In 2013 the group published a [paper](#) on the progress made to

date, chiefly focusing on Principles 16-21, the most relevant to banking, identifying potential risks in each business area for banks and establishing due diligence procedures.

The Thun Group is now focusing its discussions on complaints and access to remedy.

BBVA was one of the first banks in 2004 to adhere to the Equator Principles, which are benchmark standards in the financial sector for determining, assessing and managing environmental and social risk in projects that are financed.

According to these voluntary guidelines, projects are only financed if they can prove that they will be managed with social and environmental responsibility.

One hallmark of BBVA is that the EPs are extended well beyond standard levels, being applied not only to project finance, financial advisory services and corporate loans related to projects, bridge loans, but also to projects funded using other financial products: project bonds, assignment of credit rights and project-linked guarantees. Furthermore, not only does the bank investigate new projects, but also those already in operating stages.

As part of its Responsible Business policies, BBVA has established a [Social Housing Policy](#) that goes beyond legally required criteria and is designed to: 1. Offer solutions to all families struggling to pay their mortgage loans. 2. Ensure that any family at risk of exclusion that is a customer of BBVA has a roof over its head and cannot be evicted. 3. Back employment through job-search programs and financial aid, to enable families to regain their confidence and self-esteem.

Since 2005 BBVA has had a [Defense Sector Policy](#), which, following an extensive review in 2012, is currently the market's strictest and most advanced. Application of the policy is based on exclusion lists for companies and countries that are updated on a quarterly basis by our consultant Sustainalytics.

Pursuant to this policy, BBVA is not allowed to finance, invest in or provide any financial services to companies associated with the manufacture, development, maintenance or trade in controversial armaments, meaning anti-personnel weapons,

cluster bombs or biological and chemical weapons. Nor does BBVA participate in operations associated with arms that have their origin or destination in countries with a high risk of violating human rights.

The Millennium Development Goals

BBVA continues to work within the framework of the Millennium Development Goals (MDG), an initiative that 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 | BBVA Microfinance Foundation "Niños Adelante" (Children Forward) integration grants program |
| Achieve universal primary education | "Niños Adelante" (Children Forward) integration grants program "Reading counts" and "Team. Works. In school" initiatives "Educational Goals for 2021" project from the OIS "Acción Magistral" Project |
| Promote gender equality and empower women | BBVA Microfinance Foundation Global Diversity Plan Diversity Charter Signing of the UN Women Women's Empowerment Principles |
| Reduce the mortality of children under the age of 5 | Healthcare initiatives by BBVA Foundation BBVA Foundation Frontiers of Knowledge Awards for Biomedicine |

| | |
|--|---|
| Improve maternal health | Healthcare initiatives by BBVA Foundation BBVA Foundation Frontiers of Knowledge Awards for Biomedicine |
| Combat HIV/AIDS, malaria and other diseases | Healthcare initiatives by BBVA Foundation BBVA Foundation Frontiers of Knowledge Awards for Biomedicine |
| Ensure environmental sustainability | Global Eco-Efficiency Plan 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 | BBVA Foundation Frontiers of Knowledge Awards for Development Cooperation |

Dialogue with stakeholders and materiality analysis



Dialogue with stakeholders and materiality analysis

Dialogue tools

BBVA has a broad range of tools for consultation and dialogue with all its stakeholders in each country and business area in which it operates.

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.

The table below shows our main stakeholders and most important dialogue tools:

| CONSULTATION AND DIALOGUE TOOLS | SCOPE |
|--|----------------|
| 1. Society and Customers | |
| Satisfaction and recommendation survey for customers and other qualitative and quantitative quality and satisfaction research by our Customer Experience areas | BBVA Group |
| Customer service and complaint and claims analysis committees | BBVA Group |
| Customer ombudsman | Some countries |
| External reputation survey of customers and society in general (Reprtrak) | BBVA Group |
| Continuous tracking of advertising and the brand | BBVA Group |
| In-depth investigation into responsible business (planned every three years) | BBVA Group |
| Focus groups and workdays with customers to learn their opinions on specific issues (in addition to service quality) | BBVA Group |

Analysis of our social network (Facebook, Twitter, etc.) and online media presence

- HootSuite
- Blog bbvasocialmedia.com
- Epsilon Dashboard
- Alto Analytics

BBVA Group

Analysis of our media presence: Kantar Media

BBVA Group

Direct dialogue with NGOs, the media, experts and academic and research centers

BBVA Group

Secondary sources for trends and expectations in public opinion and civil society organizations: Globescan, the Edelman Trust Barometer, Corporate Excellence studies, such as the Issues 2014 report, etc.

BBVA Group

Involvement in Corporate Responsibility and Reputation events and forums

BBVA Group

BBVA Research

BBVA Group

Communication & Brand and Corporate Responsibility and Reputation Departments use most of these tools and sources, acting as a “radar”

BBVA Group

2. Employees

Employee Service (SAE, for the Spanish acronym)

BBVA Group

Annual employee satisfaction survey

BBVA Group

Annual internal reputation survey for employees (Reptrak)

BBVA Group

Oracle and other tools for regular listening to employees in the branch network

BBVA Group

Focus groups and workdays with employees to learn their opinions on specific issues

BBVA Group

Regular personal interviews between managers and their team members

BBVA Group

Breakfasts with management

BBVA Group

Employee portal: Tu&BBVA and websites for dialogue on specific issues, for example, the Genera website (for work/life balance)

BBVA Group

Code of Conduct mailbox

BBVA Group

| | |
|--|------------|
| Mass meetings and events (meetings with managers, area days, etc.) | BBVA Group |
| In-depth investigation into responsible business (planned every three years) | BBVA Group |
| Ad hoc diagnosis of the degree to which BBVA is a family-responsible company (EFR Certification) | BBVA Group |
| HR department, particularly the officers who regularly interview employees | BBVA Group |
| Discussions with employees' representatives | Spain |

3. Shareholders and Investors

| | |
|--|------------|
| General Shareholders Meeting | BBVA Group |
| Website for shareholders and investors | BBVA Group |
| Annual and quarterly reports and significant events | BBVA Group |
| Constant contact with shareholders and investors (email and telephone helplines, events in branches, etc.) | BBVA Group |
| Roadshows and meetings with shareholders and investors | BBVA Group |
| Attendance at conferences for shareholders and investors | BBVA Group |
| Communication with analysts and rating agencies | BBVA Group |
| Alert services and distribution of relevant information | BBVA Group |
| Analysis of the expectations and priorities of sustainability analysts (MSCI, RobecoSAM, Sustainalytics, Vigeo, CDP, GS Sustain, Oekom, EIRIS, etc.) and investors interested in the issue | BBVA Group |

4. Regulators

| | |
|---|------------|
| Institutional Relations: Coordinates the bank's participation in formal and informal forums to gain a better understanding of regulators' concerns | BBVA Group |
| Departments involved in managing relations with regulators: General Secretary, Legal Services, Institutional Relations, Internal Control, Risks, Chairman's Office | BBVA Group |
| Reports on regulatory trends. For example: <ul style="list-style-type: none"> · KPMG – Evolving Banking Regulation · Deloitte – Top 10 or 2014: Our Outlook for financial markets, regulation and supervision | BBVA Group |

· Sustainability Accounting Standards Board (SASB)

5. Suppliers

| | |
|---|------------|
| Approval questionnaires | BBVA Group |
| Satisfaction surveys | BBVA Group |
| Regular meetings with suppliers | BBVA Group |
| Online negotiation and procurement tool (Adquira) | BBVA Group |
| Procurement Department | BBVA Group |

Dialogue with stakeholders and materiality analysis

Materiality analysis

The material aspects for BBVA for 2014 were determined through an analysis of our stakeholders to identify where we should concentrate our efforts to deliver them value.

The results were analyzed as a whole and filtered through the prism of our vision, principles and strategy and impact on the business.

Our analysis draws on many of the tools for listening and dialogue with our stakeholders we set out in the previous section.

We then used it to determine the most relevant issues, based

on their importance to our stakeholders and their impact on the management of BBVA as a financial institution.

Customers and society

The relevance of issues to our customers and society can be summarized into a pyramid, according to our in-depth research of responsible business.

The main issue, both because it is the most important and because it is the necessary starting point, is our responsibility to our customers, which consists of building more balanced relationships with them.

We are responsible for helping them make more informed financial decisions by communicating with them transparently and clearly, and by promoting financial literacy. Building lasting, long-term relationships and avoiding opportunistic short-termism are also essential.

Materiality analysis determines events that are relevant due to their importance for stakeholders and the impact on BBVA's management.

Transparency and clarity are the most important elements to being considered a responsible bank, and are the

only variables with a highly significant impact on both recommendations and consideration, and, therefore, on our business.



The most important attributes for perception as a responsible business (scale 0-10)

| | BBVA | SP | MX | US | ARG | CHI | COL | PER | VEN |
|---|------|------|------|------|------|------|------|------|------|
| Explain clearly in easy-to-understand language | 9.23 | 9.11 | 9.33 | 9.18 | 9.21 | 9.36 | 9.14 | 9.14 | 9.39 |
| Support the country's development (entrepreneurs, SMEs, etc.) | 9.04 | 8.94 | 9.19 | 8.24 | 9.24 | 9.25 | 9.05 | 9.23 | 9.55 |
| Employees not pressured to sell | 8.87 | 8.64 | 9.17 | 8.56 | 8.87 | 9.09 | 8.6 | 8.87 | 9.04 |
| Financial literacy | 8.81 | 8.37 | 9.13 | 8.41 | 8.86 | 9.12 | 8.93 | 9.11 | 9.26 |

| | | | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|------|------|
| Lasting relationships with customers | 8.75 | 8.17 | 9.02 | 8.74 | 8.79 | 8.99 | 8.95 | 9.01 | 9.41 |
| Actions with social impact | 8.74 | 8.62 | 8.91 | 7.87 | 8.73 | 8.95 | 8.83 | 9.08 | 9.33 |
| Financial inclusion | 8.61 | 8.41 | 8.9 | 7.66 | 8.75 | 8.53 | 8.68 | 8.73 | 9.24 |

These conclusions are widely supported by other consultation tools (the external reputation survey, the Edelman Trust Barometer, GlobeScan), which show that ethics and customer focus are the most important elements to a bank's reputation.

The second level of the pyramid is closely related to the first. Customers expect banks to train their employees and provide them with guidelines so as to ensure a professional and comprehensive relationship.

The third layer of the pyramid is social and community responsibility: involvement in the problems of the communities in which we operate. The issue most in demand is support for economic and social growth (job creation, support for SMEs and entrepreneurs), followed by social action (grants for education, help for marginalized groups, etc.).

The fourth level includes responsibility as a company, effective management and compliance with regulations and payment of taxes. This is a necessary condition for being responsible, but it is also something that the bank is presumed to do.

At the top of the pyramid is the world. As an international financial group, we are expected to be involved in resolving global problems on the public agenda (the environment, weapons, poverty, human rights, etc.).

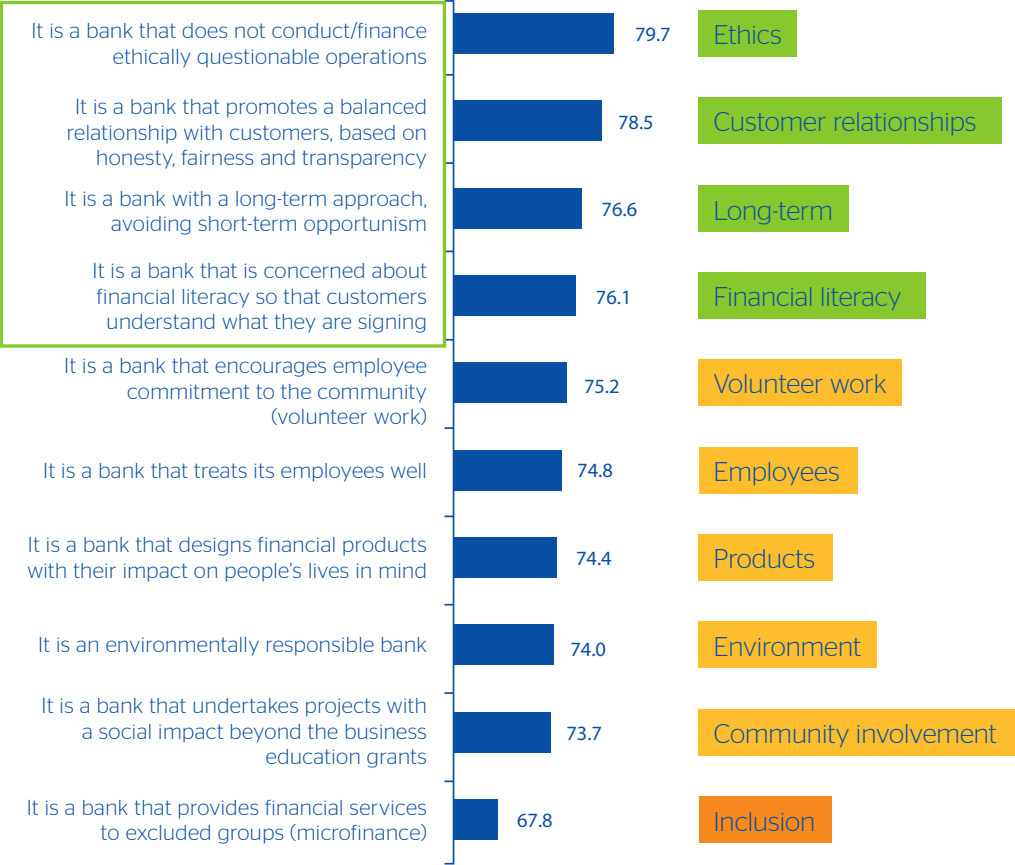
These are all material aspects for global public opinion, among both customers and non-customers. They are very consistent across countries, though there are sometimes significant local issues, such as Spain's housing problem, which we treat as sensitive issues.

Employees

There are three elements that make our team proud to work for BBVA and consider it to be a responsible bank: firstly, a long term approach; secondly, a balanced relationship with our customers (without asymmetry, and with honesty, fair dealing, plain language, responsible product design and good commercial practices); and, thirdly, and most importantly, a commitment to our impact and development of countries, with the latter of these two being the most significant.

Our employees define a responsible entity as one that is not involved in and does not finance ethically dubious operations, one that promotes balanced, honest and transparent relationships with customers, promotes financial literacy and takes a long-term approach.

Degree of agreement with the statements
(Scale 0-100)



Source: In-depth survey of BBVA employees.

Likewise, the internal reputation survey finds that pride in belonging is based above all on being a good place to work and its ethical and responsible behavior. Employees point to personal and professional development as factors that make BBVA a good place to work.

Investors

We analyze the questions of sustainability analysts and investors (surveys and questions) to identify their expectations and priorities. In 2014, these focused on aspects such as ethics in business, responsible project finance, responsible

marketing of products and services, development of human capital and stability of the financial system.

Regulation

An analysis of regulations from 2013 to 2014 shows that regulatory pressure on banks increased in 2014. Much of the new banking regulation focuses on:

- **Consumer protection: culture and conduct.** Cases of poor practices by some financial institutions over recent years have led to increased regulatory pressure for consumer protection, such as MiFID 2 (Markets in Financial Instruments Directive), for example. Moreover, regulators have clarified what constitutes conduct risk and have defined guidelines for managing it at the strategic level. The objective is for consumers to fully understand the risks they are undertaking, and to achieve a harmonized and consistent framework at the European level.
- **Consumer protection: customer privacy and data security.** Guaranteeing the privacy and security of the customer's financial data is a fundamental responsibility of the financial industry. Customers' demands for information security are increasing as new technologies proliferate and the internet is used more and more for financial transactions. As a result, banks are being required to dedicate more resources to mitigating these risks and to regulatory compliance. All reports into regulatory trends concur that consumer protection is one of the most powerful trends.
- **Banking supervision and union: the level of supervision**

on European banks is increasing with the transfer of responsibilities from national regulators to the European Central Bank.

- **Capital and liquidity:** The Regulations and European Directive on the Basel 4 capital requirements have increased the quantity and quality of capital required by financial institutions, introducing new liquidity and leverage requirements, etc.
- **Systemic risk and structural reform of the financial system:** regulatory discussions in this area are focusing in particular on whether it would be appropriate at the European level to separate the trading activities of financial institutions from their retail activities, to the extent that such trading activities might be a source of systemic risk (the Liikanen Report) and could infect entities with retail deposits.
- **Risk governance and reporting:** risk governance requirements are increasing at both the European and international levels in terms of the information to be disclosed to both regulators and the market in general.

Dialogue with stakeholders and materiality analysis

Significant issues

The above analysis, filtered through the prism of our vision, principles, strategy and impact on the business, has allowed

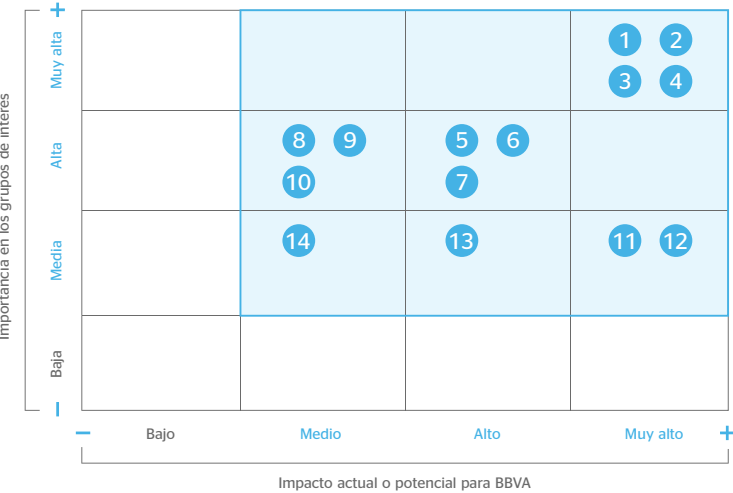
us to identify the following significant issues:

| ORDER | ISSUES | AFFECTED STAKEHOLDERS | SCOPE | CURRENT OR POTENTIAL IMPACT FOR THE COMPANY | BBVA'S RESPONSE |
|-------|--|--|---|---|--|
| 1 | Do business with the highest ethical standards | Society Customers Employees Investor Regulator | Global | Very high | CSR Policy, Governance systems |
| 2 | Promote informed decisions: clear/transparent language and financial literacy | Society Customers Employees Investor Regulator | Global | Very high | TCR Communication; Financial literacy |
| 3 | Maintain a lasting relationship with customers, focusing on the long term, not the short-term sale, and making the right products available to customers. | Society Customers Regulator | Global | Very high | Responsible Business Plan; Responsible customer management |
| 4 | Set up a value-for-money relationship, with fair terms and conditions (fees, interest), fair banking... | Society Customers Investor Regulator | Global with a greater impact in South America and Mexico | Very high | Compliance system; Internal control model; and Standards of conduct |

| | | | | | |
|----|--|--|--|-------------|---|
| 5 | Provide a solution for customers in a difficult situation | Society Customers Regulator | Global with a greater impact in Spain and United States | High | Support for individuals with special needs |
| 6 | Guarantee the privacy and security of customer data | Society Customers Employees Investor | Global | High | Customer protection |
| 7 | Employee training and development | Society Customers Employees | Global | High | Recruitment, training and development |
| 8 | Contribution to developing local societies where we operate (job creation, support for SMEs, and access to credit) | Society Regulator | Global with a greater impact in South America and Spain | Medium | Impact on society; BBVA Microfinance Foundation, Support for SMEs |
| 9 | Respect Human Rights | Society Customers Employees Investor Regulator | Global | Environment | Recruitment, training and development |
| 10 | Promote community involvement (grants) | Society Employees Regulator | Global with a greater impact in South America and Mexico | Medium | Impact on society; BBVA Microfinance Foundation, Support for SMEs |
| 11 | Giving people on a lower income easier access to financial services | Society Employees Regulator | Global with a greater impact in South America and Mexico | Very high | Financial Inclusion/ BBVA Microfinance Foundation |

| | | | | | |
|----|--|--|--------|-----------|---|
| 12 | Ensuring the bank's financial solvency | Sociedad Clientes Empleados Inversor Regulador | Global | Very high | Corporate governance; Compliance system |
| 13 | Fiscal responsibility and compliance | Sociedad Empleados Inversor Regulador | Global | High | Tax contribution |
| 14 | Helping to solve global and eco-efficiency problems | Sociedad Inversor | Global | Medium | International agreements signed; Innovation, culture and knowledge; Environment |

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



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

Sensitive issues

In both social networks and other communication tools, the most sensitive issue addressed in 2014 continued to be the problems linked to home loss due to mortgage default.

Housing

BBVA's mortgage loan portfolio totaled €107,160 million as of December 31, 2014, to finance the purchase of 1.8 million houses which are home to 5.8 million people. Spain accounts for €75,957 million, i.e. 890 thousand houses in which 2.4 million people live.

The problem arises when a person has a mortgage on their home and cannot meet their debt payments. Since the start of the crisis, we have been acutely aware of the difficult economic and social situation that some of our customers have experienced. BBVA has established a [Social Housing Policy](#) that goes beyond legally required criteria and is designed to: 1. Offer solutions to all families struggling to pay their mortgage loans. 2. Ensure that any family at risk of exclusion that is a customer of BBVA has a roof over its head and cannot be evicted. 3. Promote employment through job-search programs and financial aid, to enable families to regain their confidence and self-esteem.

In this sense, BBVA has established several measures to tackle the difficult situation in which some customers find

themselves. These measures include debt refinancing, dation in payment, rented social housing, direct economic aid for families and a job support program.

BBVA channels these measures through the Committee for the Protection of Mortgage Debtors formed by the Real Estate, Recovery, Legal Services and Corporate Responsibility and Reputation Units.

Since the start of the crisis, 66,166 customers have received refinancing. To date, 1,194 rented social houses out of the 2,500 available have been awarded, and the number of beneficiaries of the employment program with Fundación Adecco totals 1,150.

Human Rights

In December 2014, the Banktrack organization published a report entitled "Banking with Principles?" which measured 32 of the world's leading banks against the United Nations Guiding Principles on Business and Human Rights. Each bank is benchmarked against a set of 12 criteria classified into several categories: human rights policy, due diligence commitment, reporting and access to remedy. BBVA is halfway up the ranking of the companies assessed.

Since 2007 BBVA has undertaken a [Commitment to Human](#)

Rights, establishing the basic standards of conduct required in all relationships with clients, suppliers, employees and society in general.

This is enshrined within the **Code of Conduct**, which expressly states BBVA's pledge to observe the Universal Declaration of Human Rights, the United Nations Global Compact and other treaties from organizations such as the OECD and ILO.

In keeping with our commitment to human rights and with the aim of seizing opportunities for improvement, in 2015 we plan to conduct a comprehensive and cross-sector human rights study in every area of the company. Our objective is to identify the potential impact that each of their activities has on human rights and to define an action plan for its management.

Social impact



Two of the most important commitments of [BBVA's CSR Policy](#) (updated in 2014) are to maximize the creation of sustainable and shared value for society as a whole across the Group's global footprint, and identify, prevent and mitigate any possible negative impacts.

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, the net interest income, is the 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 we operate 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 direct investment in social programs that benefit a variety of groups, focused on education.

BBVA's social impact data show
the main positive impacts of its
financial business on society.

At the same time, we at BBVA strive 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.

At BBVA we keep people in mind while we go about our financial activity, and [so we have designed simple and easy-to-understand](#) people-centric indicators to measure social impact.

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.

Social impact

Indicators of impact on society

| | 2014 | 2013 | 2012 |
|---|-----------|-----------|-----------|
| Contribución al desarrollo y bienestar social | | | |
| Number of people who live in homes financed by BBVA ⁽¹⁾ | 5,027,943 | 4,939,731 | 4,742,622 |
| Number of families with difficulties in meeting their loan repayments that BBVA has helped through new financing conditions adapted to their needs ⁽²⁾ | 144,715 | 139,709 | 117,481 |
| Number of SMEs supported or financed by BBVA ⁽³⁾ | 412,104 | 348,445 | 321,918 |
| Number of micro-enterprises and self-employed people supported or financed by BBVA ⁽⁴⁾ | 1,222,436 | 1,117,411 | 999,107 |
| Number of micro-entrepreneurs supported by the BBVA Microfinance Foundation | 1,544,929 | 1,493,709 | 1,293,514 |
| Total volume of the loan portfolio of the BBVA Microfinance Foundation (million €) ⁽⁵⁾ | 907 | 861 | 887 |
| Number of people with a mobile bank account in Mexico ⁽⁶⁾ | 1,486,360 | 1,973,407 | 1,810,530 |
| Number of banking correspondents in Latin America | 45,070 | 27,722 | 22,756 |

Wealth creation

| | | | |
|---|---------|---------|-----------|
| Total taxes accrued and collected by BBVA's business activity (Million €) ⁽⁷⁾ | 8,179 | 9,848 | 9,408 |
| Total investment in technology and innovation (million €) | 748 | 891 | 866 |
| Economic value generated (million €) ⁽⁸⁾ | 20,724 | 20,906 | 22,120 |
| BBVA's share in the economic value of economies where generated (weighted %) ⁽⁹⁾ | 0.5 | 0.5 | 0.5 |
| Number of individual shareholders ⁽¹⁰⁾ | 951,284 | 994,846 | 1,008,099 |
| Average dividend received per individual shareholder (€) | 870 | 1,100 | 1,066 |

Job creation

| | | | |
|--|-----------|-----------|-----------|
| Net jobs created at BBVA ⁽¹¹⁾ | -647 | -619 | 3,773 |
| New permanent hires | 7,915 | 6,493 | 7,045 |
| New permanent hires under 30 years old (%) | 57 | 51 | 50 |
| Number of people hired through by third parties with the financial assistance of the "Yo Soy Empleo" (I am employment) program | 7,427 | 3,397 | n/a |
| Number of people employed by SMEs and micro-enterprises financed or supported by BBVA in Spain ⁽¹²⁾ | 1,398,753 | 1,364,883 | 1,387,070 |

Contributions to society

| | | | |
|---|-----------|-----------|-----------|
| Investment in social programs (million €) | 107.15 | 97.13 | 81.25 |
| The Group's net attributable profit allocated to social programs (%) | 4.1 | 4.4 | 4.8 |
| Contributions by third parties to BBVA social programs (million €) | 10.81 | 9.15 | 10.00 |
| Number of financial literacy program beneficiaries ⁽¹³⁾ | 1,385,447 | 1,339,549 | 1,174,372 |
| Number of integration scholarships in Latin America | 59,453 | 90,931 | 61,655 |
| Number of beneficiaries of other education for society programs ⁽¹³⁾ | 257,259 | 27,489 | 29,480 |

| | | | |
|---|-----|-----|-----|
| Number of beneficiaries from BBVA Microfinance Foundation activity (millions) ⁽¹⁴⁾ | 6.2 | 6.3 | 5.2 |
|---|-----|-----|-----|

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

(2) Number of outstanding refinance and restructuring operations by BBVA S.A. as of December 31 each year for natural persons who are not businesspeople, assuming that each operation corresponds to a family.

(3) Number of active customers in the BBVA SME segment.

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

(5) Formed by current portfolio, defaulted portfolio and interest.

(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. Also includes taxes paid and collected by companies registered by the equity method.

(8) Calculated according to the GRI calculation protocol for EC1. taking into account the generation of funds through discontinued operations. The values for 2013 have been recalculated to adapt to Interpretation 21 on levies of the International Financial Reporting Standards Interpretation Committee. This has meant a change with respect to the contributions to the deposit guarantee fund. It is the gross income plus the result of the deregistration of assets and non-current asset gains.

(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 Product.

(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.

(12) BBVA's SME and micro-enterprise segment. The publication "Retrato de las PYME 2014" 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) For purposes of comparison with previous years, the data for 2013 and 2012 have been recalculated by classifying the participants in the "Valores de Futuro" program as beneficiaries of financial literacy programs rather than education for society programs. BBVA Compass data has not been included as it is not available for 2014.

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

n/a = not applicable

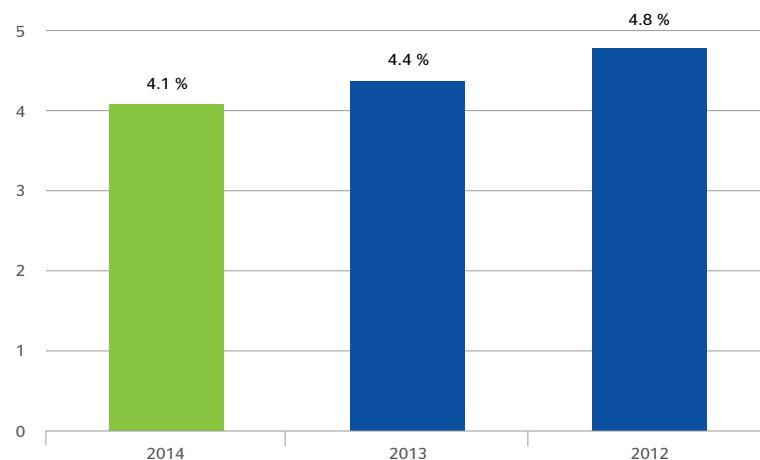
Scope: BBVA Group

Social impact

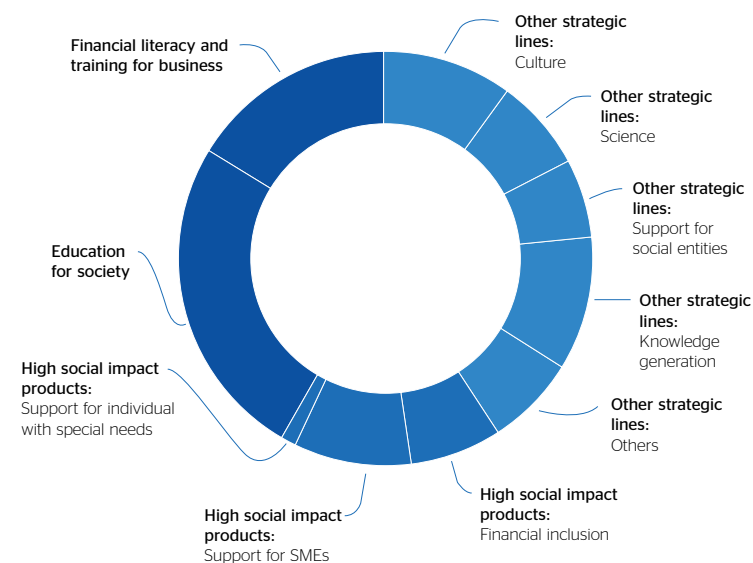
Investment in social programs

In 2014, we allocated more than €107 million to social projects. This is an increase of 10% on the previous year, representing 4.1% of the Group's net attributable profit during the year.

Investment in social programs in relation to the Group's net attributable profit.



This investment has given a boost to our educational programs (38% of the investment), support for other strategic lines (45%) and high social-impact products (17%).



Investment in social programs by strategic priority

| | INVERSIÓN | | % |
|---------------------------------|-----------|--|-----|
| Financial and business literacy | 17,428 | | 16 |
| High social impact products | 18,450 | | 17 |
| Education for society | 27,266 | | 25 |
| Other strategic lines | 44,006 | | 41 |
| Total | 107,150 | | 100 |

Scope: BBVA Group and its Foundations

Investment in social programs by geographical area and Foundation (thousand €)

| | 2014 | | 2013 | | 2011 | |
|------------------------------|------------|-----|------------|-----|------------|-----|
| | INVESTMENT | % | INVESTMENT | % | INVESTMENT | % |
| Spain and corporate area | 39,993 | 37 | 38,694 | 40 | 24,053 | 30 |
| South America | 11,300 | 11 | 11,294 | 12 | 15,976 | 20 |
| Mexico | 23,441 | 22 | 21,217 | 22 | 17,437 | 21 |
| United States ⁽¹⁾ | 4,867 | 5 | 4,143 | 4 | 3,914 | 5 |
| BBVA Foundation | 22,430 | 21 | 16,792 | 17 | 15,477 | 19 |
| BBVA Microfinance Foundation | 5,119 | 5 | 4,989 | 5 | 4,396 | 5 |
| Total | 107,150 | 100 | 97,129 | 100 | 81,253 | 100 |

(1) Figure for US in 2014 under review.

Scope: BBVA Group and its Foundations.

One of BBVA's commitments in its CSR policy is to maximize the creation of sustainable and shared value for its shareholders and other stakeholders and for society as a whole wherever it operates.

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

Economic value generated, distributed and retained (million €) ⁽¹⁾

| | 2014 | 2013 ⁽⁶⁾ | 2012 |
|--|---------------|---------------------|---------------|
| Gross Income ⁽²⁾ | 20,725 | 20,752 | 21,824 |
| Gains (losses) from written-off assets | 46 | -1,915 | 3 |
| Profit on non-current assets | -47 | 203 | -100 |
| Discontinued operations | 0 | 1,866 | 393 |
| Economic value generated | 20,724 | 20,906 | 22,120 |
| Employees - personnel costs | 5,410 | 5,588 | 5,467 |
| Suppliers - general administrative expenses ⁽³⁾ | 3,532 | 3,635 | 3,466 |
| Public Sector - Corporate tax and other taxes ⁽⁴⁾ | 1,316 | 405 | 65 |
| Shareholders - dividends ⁽⁵⁾ | 715 | 733 | 1,334 |
| Community involvement (excl. foundations) | 54 | 57 | 46 |
| Economic value distributed (EVD) | 11,027 | 10,418 | 10,378 |
| Foundations | 53 | 40 | 36 |
| Total Economic Value Distributed | 11,080 | 10,458 | 10,414 |
| Economic Value Retained | 9,697 | 10,488 | 11,742 |

- (1) Calculated according to the GRI calculation protocol for EC1. Scope: BBVA Group and its Foundations.
- (2) Gross income once deducted interest and assimilated charges of €8,456m, €9,612m and €10,341m in 2014, 2013 and 2012, 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) Includes the interim dividend against earnings for the year plus the amount used for the acquisition of free allocation rights under the "dividend option" (see note 4 of the annual consolidated accounts for 2014).
- (6) Presented for comparison purposes only. The values for 2013 have been recalculated to adapt to Interpretation 21 on levies of the International Financial Reporting Standards Interpretation Committee. This has meant a change with respect to the contributions to the deposit guarantee fund.

Social impact
Tax contribution

The BBVA Group makes a significant contribution toward the public sector through our own tax payments, third-party tax collection due to our economic activity and third-party tax collection in our 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.

Total BBVA Group tax contribution ⁽¹⁾ (million €)

| | 2014 | | | 2013 | | | 2012 | | |
|--------|-----------|-------------------|--------------------|-----------|-------------------|--------------------|-----------|-------------------|--------------------|
| | Own taxes | Third-party taxes | Total contribution | Own taxes | Third-party taxes | Total contribution | Own taxes | Third-party taxes | Total contribution |
| Spain | 783 | 1.470 | 2.253 | 1.491 | 1.639 | 3.130 | 1.342 | 1.667 | 3.077 |
| Mexico | 917 | 855 | 1.772 | 809 | 1.963 | 2.772 | 686 | 1.953 | 2.639 |

| | | | | | | | | | |
|-------------------|-----|-------|-------|-------|-------|-------|-----|-------|-------|
| United States | 205 | 204 | 409 | 173 | 174 | 347 | 177 | 168 | 345 |
| South America | 904 | 2.271 | 3.175 | 1.148 | 1.845 | 2.993 | 935 | 1.823 | 2.758 |
| Argentina | 302 | 1.783 | 2.085 | 264 | 1.389 | 1.653 | 255 | 1.383 | 1.638 |
| Bolivia | 1 | 0 | 1 | - | - | - | - | - | - |
| Chile | 71 | 33 | 104 | 217 | 42 | 259 | 49 | 45 | 94 |
| Colombia | 190 | 222 | 412 | 186 | 199 | 385 | 206 | 223 | 429 |
| Panama | - | - | 0 | 20 | 6 | 26 | 24 | 8 | 32 |
| Paraguay | 10 | 12 | 22 | 9 | 6 | 15 | 3 | 8 | 11 |
| Peru | 165 | 64 | 229 | 218 | 77 | 295 | 230 | 57 | 287 |
| Uruguay | 30 | 13 | 43 | 22 | 13 | 35 | 25 | 12 | 37 |
| Venezuela | 135 | 144 | 279 | 212 | 113 | 325 | 141 | 88 | 229 |
| Rest of the Group | 376 | 194 | 570 | 410 | 196 | 606 | 411 | 246 | 588 |
| Germany | 11 | 5 | 16 | 19 | 6 | 25 | 18 | 5 | 23 |
| Belgium | 1 | 1 | 2 | 1 | 1 | 2 | 1 | 1 | 3 |
| China | 14 | 0 | 14 | 13 | 0 | 13 | 17 | 0 | 17 |
| France | 16 | 1 | 17 | 28 | 1 | 29 | 35 | 2 | 37 |
| Hong Kong | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ireland | 2 | 0 | 2 | 2 | 0 | 2 | 1 | 0 | 2 |
| Italy | 33 | 4 | 37 | 72 | 8 | 80 | 37 | 21 | 58 |
| Japan | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| South Korea | 0 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 |
| Luxembourg | 1 | 0 | 1 | 12 | 0 | 12 | 7 | 0 | 7 |
| Netherlands | 5 | 2 | 7 | 6 | 2 | 8 | 3 | 2 | 5 |

| | | | | | | | | | |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Portugal | 18 | 29 | 47 | 17 | 46 | 63 | 19 | 50 | 69 |
| United Kingdom | 13 | 17 | 30 | 26 | 14 | 40 | 12 | 17 | 29 |
| Romania | 1 | 1 | 2 | 2 | 1 | 3 | 2 | 2 | 3 |
| Russia | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Singapore | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 1 |
| Switzerland | 10 | 7 | 17 | 13 | 7 | 20 | 10 | 7 | 17 |
| Taiwan | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Turkey | 248 | 126 | 374 | 198 | 109 | 307 | 244 | 138 | 382 |
| TOTAL | 3.185 | 4.994 | 8.179 | 4.031 | 5.817 | 9.848 | 3.551 | 5.856 | 9.408 |

(1) Includes own and third-party payments for corporate tax, VAT, local taxes and fees, income tax withholdings, Social Security payments, and payments made during the year due to tax litigation related to the aforementioned taxes.

Scope: BBVA Group

Priority 1: TCR Communication



Transparent, Clear and Responsible (TCR) communication is one of the strategic priorities in our Responsible Business Plan, as it is one of the most relevant issues for both customers and regulators.

Communicating with customers in a transparent, clear and responsible language helps them make an informed financial decision, prevents unwelcome surprises and is a key lever for generating trust. This was one of the main conclusions of research carried out in the eight main countries in which the Group operates (refer to the Materiality Analysis chapter for more details).

Furthermore, being a bank that communicates in a TCR language increases consideration (non-customers considering us as a possible financial services provider) and recommendation (existing customers recommending us).

Continuing along this path means we will remain ahead of the curve when it comes to legislation requiring increased transparency and clarity, favoring and protecting customers.

TCR content:

- Includes all information relevant to the customer, maintaining a balance between benefits and costs (transparency).

- Is easy to understand (clear).
- Looks after the customer's interests in the short, medium and long term (responsible).

Communicating in TCR language helps customers make informed financial decisions, prevents unwelcome surprises and is a key lever for generating trust.

In 2014, BBVA continued two initiatives implemented in 2013 and initiated two new ones:

- **TCR product leaflets.** These summarize the product description, setting out its advantages, but also its costs and related risks. The leaflets give customers the information they need to make an informed decision so there are no subsequent surprises, in simple language and with a glossary of terms. These leaflets are provided when the customer shows interest in a product, before they contract it. Prior to being introduced, leaflets for

each product family are tested on people who already use banking services. This project has been implemented in Spain and Mexico in 2014. We plan to incorporate the TCR criteria into 80% of leaflets for the most contracted products in our eight main geographical areas in 2015.

- **TCR contracts.** The project involves reworking current customer contracts and structuring them more intuitively with language that is easy to understand. In 2014, we redrafted and tested the first contracts using TCR criteria. In 2015, customers will receive TCR contracts when they contract one of the five most requested products in each geographical area.
- **Digital TCR.** This involves extending the TCR communication initiative to the digital sphere, as part of BBVA's digitalization strategy. In 2014, we identified and prioritized good TCR practices for digital environments before, during and after contracting. The main practices will be introduced in 2015 in each country, starting with Spain, Mexico and the USA.
- **TCR Commercial Communications Code.** This is a document containing the principles that must be followed in commercial communications and advertising in the Group to guarantee they comply with TCR criteria. The Code sets out both general and product-specific principles. It was developed in 2014 and came into effect on January 1, 2015.

Training workshops were held in 2014 for product leaflets and contracts to facilitate implementation of the projects. Between 25 and 80 people from each country took part in these

workshops, representing areas such as Business Development (Product, Segment, Marketing), Legal Services, Regulatory Compliance, etc.)

The project was implemented in Spain and Mexico in 2014. In 2015, the plan is for 80% of the leaflets for the most popular products in the eight main geographical areas to be TCR.

In 2015, we aim to be one of the top two banks for the clearest and most transparent communication in the eight main geographical areas where we operate.

Priority 2: Financial literacy



Financial literacy is another initiative by BBVA that, in line with the TCR Communication, aims to help customers make informed financial decisions.

That is why both TCR Communication and Financial Literacy are strategic priorities in the Group's Responsible Business Plan.

A number of initiatives have been set up under our global Financial Literacy Program, created in 2008, which promote:

- Financial culture to prepare children and young people for their future.

- Financial literacy for adults, for people to make informed decisions (together with TCR Communication).
- Training in finance and business skills, mainly SMEs, which play an important role in the development of the socio-economic and business fabric of the countries in which they operate.

Progress in 2014:

- €17,427,972 invested in this global program.
- 1,385,447 beneficiaries of Financial Literacy programs.

Main Financial Literacy indicators

| | 2014 | 2013 | 2012 |
|--|-----------|-----------|-----------|
| Number of beneficiaries of the Global Financial Literacy Program | 1,385,447 | 1,339,549 | 1,174,372 |
| Children and young people | 1,099,430 | 1,093,071 | 936,166 |
| Adults | 244,543 | 226,462 | 238,196 |
| SMEs | 41,474 | 20,016 | 10 |
| Number of Financial Literacy workshops | 1,010,681 | 1,000,039 | 766,879 |

Scope: BBVA Group.

Number of beneficiaries of financial literacy programs by geographical area

| | 2014 | 2013 | 2012 |
|--------------------|------------------|------------------|------------------|
| Spain and Portugal | 997.753 | 1.046.993 | 907.405 |
| Mexico | 312.550 | 230.063 | 225.875 |
| South America | 75.144 | 62.493 | 41.092 |
| TOTAL | 1.385.447 | 1.339.549 | 1.174.372 |

Scope: Spain and Portugal, Mexico and South America

As well as Financial Literacy workshops, we work hard to make training content available through the mass media, conveying clearly presented messages mainly through social networks and the radio and through our local websites in [Spain and Portugal](#), [Chile](#), [Colombia](#), [Mexico](#) and [Venezuela](#).

We do not only undertake our own programs to promote Financial Literacy globally, we also assume a strong institutional commitment. Since 2010, we at BBVA have partnered up with the Organization for Economic Cooperation and Development (OECD) by sponsoring the PISA 2012 Financial Report with a contribution of €1,175,000.

The results of this report were published in 2014, consisting of a survey on 15-year old students from 18 countries to assess their financial culture.

The countries in which BBVA operates that participated in the survey included Spain (484 points), United States (492 points) and Colombia (379 points). The OECD's average score was

500 points and the maximum 603. The results revealed great room for improvement in most of the participating countries.

Finally, in 2014, BBVA and the OECD renewed their agreement, with an allocation of €455,000, to continue to support the evaluation of financial culture, which will be published in the PISA 2015 Financial Report.

Priority 2: Financial literacy

Financial literacy for young people

The program for young people and children is aimed at stressing the value and importance of money in their lives and promoting behavior such as saving and controlled spending.

An example is the Valores de Futuro (Future Values) initiative that was created in Spain in 2009 and branched out to Portugal and later to Mexico, in 2012. It focuses on classroom-based brainstorming

workshops (more than 60), driven by teachers and volunteers from BBVA and targeted at 6-14 year-olds. These workshops promote the development of values associated with the use of money (effort, solidarity, savings, etc.) and the acquisition of financial culture in line with the PISA Financial Report.

The latest Valores de Futuro program involved 5,090 schools and 1,043,897 students, not to mention 685 BBVA volunteers enrolled in the program.

Main indicators of "Valores de Futuro" (Future Values)

| | 2014 | 2013 | 2012 |
|--------------------------------|---------|---------|---------|
| Spain | | | |
| No. of participants (students) | 870.775 | 925.652 | 780.451 |
| No. of schools | 4.108 | 4.278 | 3.825 |
| No. of volunteers | 535 | 349 | 331 |
| Portugal | | | |
| No. of participants (students) | 122.000 | 119.083 | 126.944 |
| No. of schools | 982 | 969 | 849 |
| No. of volunteers | 19 | 20 | 20 |
| Mexico | | | |

| | | | |
|--------------------------------|------------------|------------------|----------------|
| No. of participants (students) | 51.122 | 997 | n/a |
| No. of schools | 0 | 250 | n/a |
| No. of volunteers | 131 | 75 | n/a |
| TOTAL PARTICIPANTS | 1.043.897 | 1.045.732 | 907.395 |
| TOTAL SCHOOLS | 5.090 | 5.497 | 4.674 |
| TOTAL VOLUNTEERS | 685 | 444 | 351 |

Scope: Spain, Portugal and Mexico

There are other local examples of financial literacy for children and young people. In Spain workshops are taught in coordination with the Institute of Financial Studies, a program targeted at 14-18 year-olds, with 3,684 beneficiaries in 2014.

There are also online initiatives in Chile, workshops in the US classrooms and a financial literacy initiative on saving, credit and investment at the Entrepreneurship School in Colombia, with 40,000 beneficiaries.

Priority 2: Financial literacy

Financial literacy for adults

Financial Literacy initiatives for adults are aimed at improving or furthering their financial training to allow them to make informed financial decisions.

The most important initiative is through Financial Literacy workshops targeted at customers and non-customers and which is available in most of the countries in which BBVA operates. These workshops cover a wide range of topics throughout a person's financial life cycle and are in keeping

with local situations and needs.

Adelante con tu futuro (Forward with your future) is one initiative worthy of mention. It was created in Mexico in 2008 and has already branched out to Chile, Colombia, Paraguay, Uruguay and Venezuela.

Since it started and until 2014, BBVA Bancomer, in conjunction with the Interactive Museum of Economics

(MIDE), has provided more than 3 million classroom-based and online workshops with more than 600,000 beneficiaries. This program received recognition in 2014 for Best Financial Literacy Program for Adults in the Excellence in Financial Literacy Education awards organized by the US Financial Literacy Institute.

"Adelante con tu futuro" (Forward with your Future) has run over 3 million in-person and online workshops that have benefited over 600,000 people since its start in 2008.

In 2014 the conclusion drawn from measuring the results was that the workshops have a positive impact on knowledge generation and improving people's financial behavior to turn them into better savers and debtors. This year alliances were also formed with new strategic partners such as VISA, INADEM, Liga Bancomer México and 7 Mexican universities.

Other countries such as Chile and Colombia have undertaken initiatives to foster financial literacy at the workplaces of companies and institutions that are BBVA customers.

Online training initiatives and clips are also gaining in importance. One which stood out in 2014 was the TV

Financial Literacy campaign in Chile with the broadcasting of [financial literacy educational shorts on CNN Chile](#), through videos on different themes. We must also mention the hard work by all of the Group's banks on generating and disseminating Financial Literacy content through social networks.

Finally, in 2014 saw consolidation of the [My Retirement](#) initiative launched in 2013 in Spain and Portugal. This initiative covers three areas of retirement and pensions:

- Economic research on pension reform.
- Contribution to the pension dialog with proposals that guarantee their future.
- Financial literacy for society, improving information and knowledge about pensions to be able to make informed financial decisions.

The My Retirement website received 88,962 visitors in 2014 and 509,407 people used the simulator to plan their retirement.

Number of financial literacy workshops by geographical area

| | 2014 | 2013 | 2012 |
|--------------------|------------------|------------------|----------------|
| Spain and Portugal | 40.658 | 31.205 | 31.895 |
| Mexico | 905.871 | 824.611 | 656.339 |
| South America | 64.152 | 144.223 | 78.645 |
| TOTAL | 1.010.681 | 1.000.039 | 766.879 |

Scope: Spain and Portugal, Mexico and South America

Priority 2: Financial literacy

Business literacy and training

Businesses, especially SMEs, play a crucial role in the development of the country's economic and business fabric in the countries in which we operate. The most significant initiatives targeted at these groups are:

Financial Literacy Workshops for SMEs.

They were launched in 2013 in Mexico and are targeted at entrepreneurs, business owners and executives with decision-making powers in the SMEs, to consolidate and boost projects and guarantee their sustainability.

BBVA Bancomer currently organizes workshops on credit, cash flow and credit cover. So far more than 50,000 workshops

have taken place, and in 2014 around 40,000 SMEs took part.

Training for SME growth.

One important program in 2014 was the regional training program launched in South America, specifically in Argentina, Chile, Colombia and Venezuela. This regional program gives companies access to courses designed to address their needs, given by top-level local business schools. A total of 553 SMEs received training in the region in 2014.

In Spain, the training program continued under the Yo Soy Empleado (I am employment) initiative, launched in 2013. The classroom-based training courses targeted at SMEs and self-

employed people given by the top business schools in Spain came to an end, at no cost for the company. These 36-hour courses were designed to boost the growth of companies with potential so they can continue to create jobs.

In 2013, the 41 courses planned for this first round of training took place, with 1,414 beneficiaries. Based on the success of this training module, in 2014 the program was extended,

making 1,000 new places available through 25 training seminars on the key topics most demanded by companies. These courses are also classroom-based and took place in 9 Spanish cities. In 2014, 1,216 people from 1,009 companies took the courses in this second round of training. Since the program started, 1,216 people from 2,382 SMEs benefited from the Yo Soy Empleado training courses.

| | 2014 | 2013 | 2012 |
|--|--------|--------|------|
| Number of SMEs benefiting from Business literacy and training programs | 41,267 | 19,973 | 10 |
| In Financial Literacy workshops | 39,685 | 18,306 | 0 |
| In training for SME growth | 1,582 | 1,667 | 10 |

Scope: BBVA Group.

We continue to foster the growth and consolidation of social enterprises through Momentum Project. Momentum Project is a program in coordination with top business schools and involves the participation of BBVA executives who provide a pro-bono strategic mentoring service.

This program, set up in 2011, is currently available in 3 countries: Spain, Mexico and Peru. Since it was launched, 66 companies have participated in the comprehensive training, strategic mentoring, visibility, financing and follow-up program for participating entrepreneurs, to consolidate and boost their social impact.

Globally, there have been a total of 1,146,059 beneficiaries, of whom 81.77% have seen their quality of life improved thanks to the ventures.

In particular in Spain, since 2011 and through Momentum Project, BBVA has financed 19 of the 40 participant companies, with an investment of more than €4.4 million.

Main Momentum Project indicators

| | SPAIN 4 editions | MEXICO 2 editions | PERU 1 edition |
|---|---------------------|----------------------|-------------------|
| Candidates | 543 | 279 | 187 |
| Participants | 40 | 20 | 6 |
| BBVA mentors | 41 | 17 | 6 |
| Jobs supported | 1.131 | 1.429 | n/a |
| Turnover of financial companies (euros) ⁽¹⁾ | 18.351.495 | 9.754.978 | n/a |
| Companies financed | 19 | 5 | n/a |
| Investment in companies (euros) ⁽⁴⁾ | 4.403.500 | 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) Only includes Spanish companies financed in 2012. The data is from October 2013.

(4) Investment in capital and loans. BBVA finances the growth of these companies through a variety of products (in Spain a mutual fund, in Mexico soft loans).

(5) BBVA's investment in the fund in Spain is greater than the amount actually injected by the fund into these companies.

Scope: BBVA Group

Priority 3: High social impact products



As the third strategic priority of the Responsible Business Plan, high social impact products are being developed as financial products and services that integrate important social attributes.

High social impact products are created as financial and service products that include outstanding social attributes.

A significant social impact is already generated through the bank's routine activities. Large numbers of people have benefited from the bank's mortgages, and companies are generating growth and creating jobs with the help of funding from BBVA. The Group thus has a great opportunity to design products and services with a higher social impact, taking into account the needs of customers and the context in which they live.

Progress in 2014:

- BBVA's financial inclusion strategy gives us the ability

to reach out to 9.5 million lower-income customers in emerging countries where we operate, as well as other groups linked to the digitalization process, through low-cost channels and products.

- The BBVA Microfinance Foundation provides a service to 1,544,929 customers, 96% of whom are successful in the businesses they have launched to escape poverty, to whom €907 million have been granted.
- The YSE (Yo Soy Empleo, I am Employment) program has awarded 7,427 grants to more than 4,600 companies and self-employed workers, resulting in the hiring of 6,427 people and the registration of 1,000 new self-employed workers. A total of 67% of the hiring has been open-ended contracts.
- The BBVA-Fundación Adecco Plan (Families Plan) is a job support program to help all customers who have lost their only home, from which 1,150 families have benefited.

Priority 3: High social impact products

Financial inclusion

At BBVA we have been working since 2008 on a global financial inclusion strategy. This has been, since 2013 part of the third priority of the Responsible Business Plan, in which distinguishing social attributes, like the promotion of financial inclusion are integrated.

This global strategy is channeled both through our significant presence in Latin America, leading to various initiatives to combat financial exclusion, and through the Group's strategic commitment to digitalization, which allows us to create low-cost channels and products for lower-income customers to guarantee them security, availability and proximity.

This financial inclusion strategy enables us to reach out to 9.5 million customers in the segment. The aim is to make it easier

for these people to access products and financial services, with a degree of loyalty of 1.68, especially through alternative solutions to the traditional branch model.

The target for 2015 is to continue to adapt the model to the specific needs of customers in the segment to promote its use.

The BBVA Microfinance Foundation is also working on other products, such as microloans and microinsurance, which more adequately fulfill the needs of low-income people and foster their financial development.

In terms of impact on society, we have realized that greater financial inclusion has a favorable impact on the welfare and economic growth of the countries.

Customers in the Financial Inclusion segment by country

| | No. of customers 2014 | Year-on-year change (%) | Degree of loyalty | Customers with debit card (%) | No. of customers 2013 |
|---------------|-----------------------------|-------------------------------|-------------------------|-------------------------------------|-----------------------------|
| Spain | 1.265.839 | -7,5 | 2,9 | -- | 1.368.475 |
| United States | 1.080.277 | -3,6 | 3,9 | -- | 1.120.619 |
| Mexico | 4.938.985 | -10 | n/av | -- | 5.487.761 |

| | | | | | |
|---------------|------------------|-------------|------------|----|-------------------|
| South America | 2.251.376 | -3,6 | 1,2 | 43 | 2.335.452 |
| Argentina | 548.254 | -6,8 | 1,6 | 60 | 588.255 |
| Chile | 36.202 | 0,2 | 1,5 | 51 | 36.130 |
| Colombia | 267.987 | -21,9 | 1,3 | 45 | 343.133 |
| Peru | 446.980 | 11,8 | 1,9 | 66 | 399.803 |
| Venezuela | 881.305 | -2,4 | 0,7 | 20 | 902.976 |
| Paraguay | 21.412 | -6 | 1,1 | -- | 22.779 |
| Uruguay | 49.236 | 17,5 | 1,3 | -- | 41.903 |
| TOTAL | 9.536.477 | -7,5 | 1,7 | | 10.309.705 |

Scope: BBVA Group

Financial inclusion initiatives and products

Celularízate, a BBVA Bancomer initiative in conjunction with Coca-Cola FEMSA, is aimed at the financial inclusion of microbusinesses and their customers via cell phones. An application downloaded to cell phones allows small retailers to receive card payments, make electronic payments to their suppliers and activate them to sell financial and non-financial products. Their suppliers can collect the money electronically and on-line, reducing operation costs.

In Mexico, Cuenta Express is a straightforward account designed to operate as a non-branch account, either via banking correspondents or electronic means (ATMs, mobile banking, third-party electronic platforms and Internet). It gives

customers access to more operating points and allows them to control their spending and saving.

In Peru, BBVA Continental has launched "Efectivo Móvil" (Mobile Cash), which enables people to send cash from a cell phone and withdraw it from any of the bank's ATMs without the need to be a customer or use a card. This is a technological innovation that will benefit over 4 million self-employed people.

A debit product is also being designed and developed which is targeted at the low-income population: a low-cost account that can be operated via the professional mobile payments platform set up by Asociación de Bancos de Perú (Asbanc). It is planned to be launched in the second half of 2015.

Along these lines, BBVA set up the “Tarjeta de Crédito Congelada BBVA” (BBVA Frozen Credit Card) in Colombia. It is an initiative that provides a special credit card to people with low incomes.

Mobile banking is another channel that BBVA is developing in Mexico, Colombia and Peru to reach out to people who do not have access to basic financial services, and as an additional model for people who already use banking services. This banking model allows people to make queries, payments, transfers and set up transaction alerts via text messages with any telephone provider. The number of mobile banking customers totals 991,000, with around 14 million transactions.

Banking correspondents

Banking correspondents are retailers and institutions with which BBVA enters into a business relationship: retail chains, pharmacies or supermarkets that act on the Bank's behalf and where customers can carry out simple bank transactions, as well as being places to deposit and withdraw money for its

mobile banking model.

In Mexico we have the largest network in the country with 24,504 correspondents. Through them, 45.6 million transactions were completed this year.

In Colombia, the banking correspondent network continued to record sustained growth during 2014, reaching 11,160 points of contact and an estimated 1.6 million transactions this year. In Peru, BBVA Banco Continental created “Agentes Bancarios” (Bank Agents) as banking correspondents, with a total of 5,399 points of contact, 10% in rural areas, and 23.2 million transactions during the year.

In Argentina, the BBVA Francés banking correspondent network totals 4,000 points of contact. At these points, the bank's customers can make credit card payments. More than 1.1 million transactions were carried out this year.

In 2015 we expect growth in the network, in the number of correspondents and in national coverage.

Banking correspondents by country

| | 2014 | | 2013 | 2012 |
|-----------|---------------|---------------------|---------------|---------------|
| | No. of points | No. of transactions | No. of points | No. of points |
| Mexico | 24.504 | 45.557.000 | 24.013 | 20.879 |
| Argentina | 4.000 | 1.194.384 | -- | -- |
| Colombia | 11.160 | 1.629.457 | 1.218 | -- |

| | | | | |
|--------------|---------------|-------------------|---------------|---------------|
| Peru | 5.399 | 23.225.000 | 2.491 | 1.877 |
| TOTAL | 45.063 | 71.605.841 | 27.722 | 22.756 |

Scope: South America and Mexico

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 all remittances sent from the United States to Mexico. The money can be withdrawn at various establishments, for example, Elektra, Coppel stores, pharmacies and supermarkets. This service has recorded 13.2 million transactions.

The platform generates unique passwords to be sent by text message to the cell phone of the recipient residing in Mexico, which can be used at BBVA Bancomer ATMs without needing to go physically to a branch.

Priority 3: High social impact products

BBVA Microfinance Foundation

As part of its pledge to financial inclusion, in 2007 BBVA set up the [BBVA Microfinance Foundation](#) ¹, which aims to promote sustainable and inclusive economic and social growth for the most underprivileged people in society, through responsible productive finance.

In 2014, the Foundation continued working to develop the areas in most need, with 7,472 employees and 488 branches

1. The BBVA Microfinance Foundation was created as a response to the BBVA Group's corporate responsibility, but as a non-profit institution it is independent of the Group in both governance and management. Accordingly, the BBVA Group wishes this Annual Report to reflect the fact that the BBVA

in the seven countries in which it is operating, through eight microfinance entities: [el banco de las microfinanzas Bancamía](#) in Colombia; [Financiera Confianza](#), in Peru; [Banco Adopem](#), in Dominican Republic; [Emprende Microfinanzas](#) and [Fondo Esperanza](#) in Chile; [Contigo Microfinanzas](#) in Argentina; [Microserfin](#) en Panama; and the [Corporación para las Microfinanzas](#) in Puerto Rico.

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 data

| | 2014 | 2013 | 2012 |
|---|-----------|-----------|-----------|
| Number of customers | 1,544,929 | 1,493,709 | 1,293,514 |
| Social impact (million people) ⁽¹⁾ | 6.2 | 6.0 | 5.2 |
| Number of employees | 7,472 | 7,069 | 6,829 |
| Number of branches | 488 | 481 | 476 |
| Total microloan volume (€ million) ⁽²⁾ | 907 | 861 | 887 |
| Average microloan (€) ⁽³⁾ | 1,026 | 994 | 1,027 |

| | | | |
|---|---|---|---|
| Number of countries where BBVA operates | 7 | 7 | 7 |
|---|---|---|---|

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

(2) Formed by current portfolio, defaulted portfolio and interest.

(3) Weighted by accumulated number of transactions.

Scope: BBVA Microfinance Foundation

At year-end 2014, the BBVA Microfinance Foundation had 1,544,929 customers, 96% of whom are successful in the businesses they have launched to escape poverty. Customers who have been with the entity for four years have seen their sales grow by 40%, while their assets increased three-fold

and their profits are up by 12% per year, as shown in the [2013 Development Report: Measuring what really matters](#), published by the Foundation in 2014, which assesses in detail its impact on the lives of its customers.

Data by microfinance institution

| | 2014 | | | 2013 | | | 2012 | | |
|--|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|
| | Customers | Employees | Branches | Customers | Employees | Branches | Customers | Employees | Branches |
| Bancamía (Colombia) | 698.642 | 3.290 | 187 | 604.603 | 2.934 | 181 | 502.980 | 2.740 | 171 |
| Financiera Confianza (Peru) ⁽¹⁾ | 408.413 | 2.225 | 155 | 506.595 | 2.381 | 164 | 456.480 | 2.522 | 179 |
| Emprende Microfinanzas (Chile) | 13.641 | 145 | 26 | 15.324 | 166 | 28 | 13.067 | 157 | 27 |
| Fondo Esperanza (Chile) | 92.605 | 499 | 53 | 80.275 | 436 | 46 | 66.474 | 372 | 37 |

| | | | | | | | | | |
|--|-----------|-------|-----|-----------|-------|-----|-----------|-------|-----|
| Corporación para las Microfinanzas (P. Rico) | 883 | 24 | 1 | 597 | 19 | 1 | 1.009 | 26 | 1 |
| Contigo Microfinanzas (Argentina) | 224 | 4 | 1 | 1.417 | 17 | 1 | 2.158 | 48 | 5 |
| Microserfín (Panama) | 14.197 | 200 | 9 | 12.849 | 170 | 8 | 11.022 | 154 | 8 |
| ADOPEM (Dom. Republic) | 316.324 | 1.085 | 56 | 272.049 | 946 | 52 | 240.324 | 810 | 48 |
| TOTAL | 1.544.929 | 7.472 | 488 | 1.493.709 | 7.069 | 481 | 1.293.514 | 6.829 | 476 |

(1) In 2013 Caja Nuestra Gente merged with Financiera Confianza in Peru, so the figures reported in 2012 for Financiera Confianza Peru are the aggregate of the two entities.

Scope: BBVA Microfinance Foundation

Since the Foundation was set up, it has granted loans amounting to an accumulated total of €5,471 million to 4.7 million entrepreneurs to pursue their business activities (2007-2014), in addition to providing advice and training. This

philanthropic initiative is currently having more impact than any other such initiative in Latin America, indirectly impacting the lives of 6.2 million people.

Loan portfolio data broken down by microfinance institution

| | 2014 | | | 2013 | | | 2012 | | |
|---------------------|-----------------------------|---------------|------------------------------------|-----------------------------|---------------|------------------------------------|-----------------------------|---------------|------------------------------------|
| | Average loan amount (€) (1) | NPA ratio (%) | Loan Portfolio Volume (thousand €) | Average loan amount (€) (1) | NPA ratio (%) | Loan Portfolio Volume (thousand €) | Average loan amount (€) (1) | NPA ratio (%) | Loan Portfolio Volume (thousand €) |
| Bancamía (Colombia) | 1.153 | 5 | 377.731 | 1.142 | 6 | 388.101 | 1.123 | 4 | 406.598 |

| | | | | | | | | | |
|---|-------|----|---------|-------|----|---------|-------|----|---------|
| Financiera Confianza (Peru) ⁽²⁾ | 1.709 | 3 | 383.776 | 1.575 | 3 | 357.054 | 1.566 | 2 | 374.185 |
| Emprende Microfinanzas (Chile) | 828 | 7 | 10.672 | 744 | 8 | 10.810 | 776 | 8 | 10.899 |
| Fondo Esperanza (Chile) | 492 | 1 | 35.885 | 462 | 1 | 29.927 | 453 | 1 | 24.402 |
| Corporación para las Microfinanzas (P. Rico) | 1.728 | 14 | 1.190 | 1.802 | 24 | 700 | 1.558 | 21 | 1.268 |
| Contigo Microfinanzas (Argentina) | 1.340 | 15 | 184 | 878 | 19 | 900 | 1.009 | 4 | 1.857 |
| Microserfín (Panama) | 1.043 | 5 | 16.656 | 800 | 4 | 12.223 | 814 | 3 | 10.932 |
| ADOPEM (Dom. Republic) | 486 | 3 | 80.557 | 406 | 2 | 61.425 | 414 | 2 | 56.787 |

(1) This average is calculated by dividing the average amount placed in the months of the current year, divided by the number of accumulated operations over the same period.

(2) In 2013 Caja Nuestra Gente merged with Financiera Confianza in Peru, so the figures reported in 2012 for Financiera Confianza Peru are the aggregate of the two entities.

Scope: BBVA Microfinance Foundation

In addition to the comprehensive support our customers receive, in 2014 the Foundation continued training its customers to enhance their productive skills and promote the development of their businesses. The Foundation provided training to more than 250,000 customers in skills and

competences training programs related to their businesses and specific segments, together with financial literacy in general.

Highlights include: 95,628 customers received training in financial literacy, business management, personal and family

development, etc. at the Fondo Esperanza's Entrepreneurship School in Chile; 36,970 women received training in health, productive technology and financial literacy as part of the "Palabra de Mujer" (Woman's Word) program designed by Financiera Confianza in Peru for women with limited resources, also featuring workshops developing new and existing skills; agricultural training for 380 rural customers by Microserfin in Panama; and the Bancamía program in Colombia providing financial literacy training to over 110,000 people, customers and non-customers alike, delivered by the entity's microfinance executives.

In 2014, the Foundation signed a framework agreement with the Ministry of Foreign Affairs and Cooperation and Latin America to combine and coordinate efforts and work together to develop microfinance initiatives, enhancing the scope and effectiveness of such actions.

The Foundation is continuing to enhance its commitment to the development of the microfinance sector, through diverse initiatives, such as: the launch of "Progreso" (Progress), a quarterly digital newsletter with legal news

for the microfinance sector; a new "Training Workshop on Corporate Governance for MFIs" in the Dominican Republic; and organization of the first "Forum for Rural Development" in Colombia, working with Bancamía and the International Finance Corporation (IFC).

The BBVA Microfinance Foundation received further recognition in 2014 for its microfinance institutions, its customers and its senior levels. With regard to its institutions, the benchmark report for the sector by Mix Market and IDB-MIF, "Microfinance Americas: The Top 100 for 2014", put Banco Adopem in fifth place as the best entity in Latin America and the Caribbean; for the third consecutive year, Microserfin was the only Panamanian company in the ranking; and Financiera Confianza holds first place for Peruvian entities for micro-enterprises and retailers.

In addition to this recognition, in 2014 Banco Adopem was awarded the highest financial and social rating by MicroRate, ALPHA PLUS (a+) with a Stable outlook, the only microfinance entity worldwide to reach this level.

Customer data from the gender perspective by microfinance institution

| | 2014 | | 2013 | | 2012 | |
|---------------------|-------------------------|---|-------------------------|---|-------------------------|---|
| | 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) | 397.499 | 57 | 347.956 | 58 | 295.002 | 59 |

| | | | | | | |
|---|----------------|-----------|----------------|-----------|----------------|-----------|
| Financiera Confianza (Peru) ⁽²⁾ | 198.620 | 49 | 250.685 | 49 | 235.478 | 52 |
| Emprende Microfinanzas (Chile) | 8.548 | 63 | 9.675 | 63 | 7.690 | 59 |
| Fondo Esperanza (Chile) | 78.210 | 85 | 68.397 | 85 | 57.167 | 86 |
| Corporación para las Microfinanzas (P. Rico) | 436 | 49 | 277 | 46 | 519 | 51 |
| Contigo Microfinanzas (Argentina) | 148 | 66 | 834 | 59 | 1.267 | 59 |
| Microserfín (Panama) | 6.152 | 43 | 6.032 | 47 | 5.305 | 48 |
| ADOPEM (Dom. Republic) | 218.959 | 69 | 193.185 | 71 | 175.437 | 73 |
| TOTAL | 908.572 | 59 | 877.041 | 59 | 777.865 | 60 |

(1) The percentage of women includes both deposit and loan customers (in net terms).

(2) In 2013 Caja Nuestra Gente merged with Financiera Confianza in Peru, so the figures reported in 2012 for Financiera Confianza Peru are the aggregate of the two entities.

Scope: BBVA Microfinance Foundation

Priority 3: High social impact products

Support for SMEs

As part of its day-to-day business, BBVA provides support to more than 400,000 SMEs and 1.2 million microbusinesses and self-employed workers, by offering financing and other financial services. Overall, as at December 31, 2014, this group received an additional €20,009 million in loans, 17.7% more than the previous year.

BBVA also develops solutions with a greater social impact

through initiatives to support SMEs and entrepreneurs that encourage networking and give them visibility, as well as tools and training that foster their growth and social impact.

We now know that SMEs do not just need financing to grow; they also need training, valuable content, tips and advice in each stage of the business.

Yo Soy Empleo (I am Employment)

Program launched by BBVA in February 2013 to resolve the biggest challenge that Spain is facing to leave the crisis behind: job creation.

With "Yo soy empleo" we have helped to create 7,427 new jobs in Spain.

Yo Soy Empleo (I am employment) provides comprehensive support to SMEs and self-employed workers in their key social role when it comes to creating jobs. Three types of independent and compatible aid are provided: direct economic aid, for the creation of new jobs, training for growth and advice during the recruitment process.

The aim is to help to create 10,000 new jobs. Since the program was set up, and until December 31, 2014, we have

helped to create 7,427 new jobs, 482 recruitment processes have taken place and more than 15,000 job offers have been published on the Yo Soy Empleo website.

Under the program, there have been 7,427 grants issued to more than 4,600 companies and self-employed workers (each one can request up to 10 grants), resulting in the hiring of 6,427 people and the registration of 1,000 new self-employed workers. A total of 67% of the hiring has been open-ended contracts.

In 2014, Yo Soy Empleo was extended to new groups. As well as self-employed workers, 500 of the 10,000 financial grants have been set aside to hire workers with disabilities.

This has been possible thanks to collaboration agreements with the National Federation of the Self-Employed (ATA) which also awards lines of credit under special terms and conditions for ATA self-employed workers, and with Fundación ONCE, which allows handouts to be channeled to companies who hire disabled people and offer a specialist job placement service, via the Portalento.es website.

Yo Soy Empleo Main indicator

| | 2014 | 2013 |
|--|-------|-------|
| Businesses benefiting from the program | 6,741 | 3,658 |
| New jobs supported | 7,427 | 3,397 |

| | | |
|---|--------|--------|
| People hired aged under 30 (%) | 40 | 38 |
| Average number of months hired people had been unemployed | 14.3 | 13.2 |
| People who have received training | 1,216 | 1,414 |
| Total number of employees in companies receiving financial assistance | 55,632 | 34,010 |

The Yo Soy Empleo program is supplemented by business training which is offered to the SMEs participating in the program.

BBVA's Yo Soy Empleo program earned it the SERES 2014 Award, by Fundación SERES. The Foundation has valued the Yo Soy Empleo initiative for meeting the requirements of innovation, business and social value and integration of community involvement as part of the company's strategy.

Yosoypyme.net

BBVA reaches out to SMEs and entrepreneurs in Mexico through yosoypyme.net, a digital community that provides valuable content to this segment. In 2014, there were more than 80,000 visits a month to the SME support website yosoypyme.net, which works with more than 50 renowned partners, for example, Impuestum, SAP, PayPal, Coaches and Mentors.

By 2015, [yosoypyme.net](#) will be transformed to give it a much more approachable look and feel, by changing our tone and the way we speak to followers, in accordance with the Bank's TCR communication strategy.

ICO Lines

In Spain we have arranged 52,482 transactions with ICO financing for SMEs, compared to 24,257 the year before, totaling €3,215.4 million, i.e. an 84% increase on the previous year. The share of ICO financing among financial institutions is 15%.

Activity with multilateral financial institutions

In 2014, BBVA maintained an extensive institutional and business relationship with companies belonging to the World Bank Group and the Inter-American Development Bank (IDB). 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.

This strategic relationship was backed by several meetings held during the year at a high institutional level, for example, the meetings with the IDB and IFC during the IDB Annual Assembly in March in Bahía, and the IMF and World Bank Annual Assembly in October in Washington.

BBVA also sat on a panel on The Internationalization of SMEs and Development at the conference entitled “The World Bank and IDB’s Activity with the Private Sector: Opportunities for Spanish Firms” which the World Bank, IDB and ICEX (Ministry of Economy and Competition) organized in May in Madrid.

Activities carried out as part of this strategic relationship in 2014:

- **Foreign trade finance.** Foreign Trade Programs are developed by supranational organizations to promote foreign trade activities in the countries that they cover. They offer partial or full guarantees to Confirming Banks to cover political and commercial risks in transactions with local banks. These programs promote inter-regional “South-South” trade in Latin America among local SMEs. BBVA plays a crucial role through its eight subsidiary banks in the region and large customer base.
- **Financial brokerage.** BBVA regularly participates in the Financial Brokerage transactions of these institutions in Europe and Latin America. Under these transactions, these institutions channel finance to priority sectors (for example, green energy, urban development, SMEs, exports) for transactions that meet the set eligibility criteria. BBVA Colombia was selected as IDB financial partner to provide financing to SMEs with the guarantee that the IDB provides to BBVA up to 100%, ultimately assuming the credit risk in the transactions.
- **Local capital market development.** We contribute toward local capital market development through structuring the debt issuances of these institutions and providing

new sources of liquidity. In this sense, BBVA Bancomer has been designated as leader of a new issuance in local currency for the Inter-American Investment Corporation (CII, IDB Group) in Mexico, which will take place in 2015.

- **Internationalization of SMEs.** In October, the Inter-American Development Bank (IDB) and the European Investment Bank (EIB) agreed to create financing mechanisms for the international expansion of SMEs in Europe, Latin America and the Caribbean. BBVA actively participated in the analysis and identification of the potential demand for this facility. BBVA also participates in the IDB’s connectAmericas platform. This is a social network for the internationalization of SMEs based on three pillars: education, connectivity and financing.

Secondments. As part of the strategic alliance between BBVA and these institutions, BBVA has developed a Secondments Program in recent years, in which two members of the Group’s management team participated, assigned temporarily to Multilateral Financial Institutions.

Priority 3: High social impact products

Support for individuals with special needs

At BBVA we are committed to finding the right 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 countries in the Americas.

Comprehensive Plan to help families in difficult situations

In Spain, the comprehensive plan to help families in difficult situations which has been applied since the crisis first broke out, and has been consolidated under [BBVA's Social Housing Policy](#). The primordial aim is for customers to be able to keep their home, and it focuses in three main areas:

- Offer solutions to all families struggling to pay their mortgage loans.
- Ensure that any family at risk of exclusion that is a customer of BBVA has a roof over its head and cannot be evicted.
- Support employment through labor-market integration programs and financial aid, to enable customers to regain their confidence and self-esteem.

BBVA abides by the Code of Good Practices, proactively

reports on the benefits of Law 1/2013 and contributed around 900 houses to the Social Housing Fund, with an average rental price of €93.

At BBVA we look at every refinancing option available in accordance with the customer's payment capacity, with the main aim for them to be able to keep their homes. We have done this for 66,166 families.

Any case can be referred to the Committee for the Protection of Debtors for review. It analyzes every case in which the customer or their family faces the risk of exclusion not protected by Law, providing individual solutions in accordance with each family's specific circumstances. These solutions include refinancing, debt remission, dation in payment, rented social housing for one's own house or the Bank's available houses, employment plan and aid through the agreement between BBVA and Fundación Adecco.

The BBVA-Fundación Adecco Plan (Families Plan) is a job support program to help all customers who have lost their only home. It consists of several stages, and provides a training plan tailored to each customer's profile. In 2014, the number of beneficiaries of this plan totaled 1,150.

Until June 30, 2014, as well as this job support plan, BBVA provided financial support to all beneficiary families for two

years. For particularly vulnerable families in need (advanced age or dependency, domestic violence, large families, people with disabilities, among other difficult situations), the financial support was €400. Families in need but not considered to be in a particularly vulnerable situation received €200 a month.

Mortgage refinancing has benefited more than 66,166 customers since the start of the crisis through 2014.

BBVA is also aware of the situation of families who are not customers of BBVA. That is why it is implementing other measures as a sign of our social responsibility. It signed a first agreement with Cáritas Barcelona in 2014, with the first assignment of 50 houses over a five-year period.

Community Reinvestment Act (CRA)

In 2014 BBVA Compass made major efforts to comply with the Community Reinvestment Act (CRA). This is federal legislation designed to guarantee that financial institutions meet the credit needs of the communities to which they provide a service.

The bank pledged to provide €11,000 million in loans, investments and services to help people and communities on low and moderate income and plans on announcing new

distribution channels, products and services in 2015 for people who fall into the low and moderate income category.

Also, this year BBVA Compass reinforced this function internally to take it to the maximum level of responsibility and centralize management of the bank's community development initiatives.

Against this backdrop, this year BBVA Compass presented its first initiative called service week. More than one thousand employees devoted more than 6,800 hours of their time to volunteer work in communities with low and moderate income, giving financial training to children, seminars on small companies and affordable houses, and lending their professional experience to community development organizations.

Mejora Mutualista

In Mexico we have created a comprehensive recovery model (social, physical and financial) for housing developments financed by BBVA Bancomer, which had fallen into physical disrepair due to deterioration of the surrounding area, insecurity and vandalism, and whose owners had run into serious problems with overdue payments.

This model involves financial recovery, through solutions for mortgage loans; social recovery, through neighborhood organizations, working together with the community, local authorities, the Water Agency, Universities, etc; and physical recovery, by investing in improvements that the community has requested and conditional upon full payment (mortgage, water, property tax and maintenance fee).

In 2014 the pilot stage concluded successfully in the El Laurel community, in Tijuana, Baja California, Mexico, with 30 developments refurbished. The results can be viewed in the BBVA Bancomer RB Report.

Flexible mortgage loan

In Peru, BBVA Provincial launched its Flexible mortgage loan in 2014. This is a loan of goods and services aimed at individuals, with flexible terms, intended to cover their financing needs, not designated for a specific purpose and without guarantees. This new loan gives customers the chance to manage the payments of each of the installments to their situation, thus giving them control of their finances in a convenient, safe and reliable way.

BBVA Suma

At BBVA we provide NGOs and other non-profit organizations with a gateway to free funding on the BBVA Suma [crowdfunding](#) website. 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 in 2012, 81 charitable and 14 humanitarian aid causes have been set up. The total amount raised has been €644,026.

Aware of our responsibility to society and under the project “Lo que mejor se nos da” (What we're best at), we have set up a charitable campaign to support 3 social challenges in Spain led by 3 organizations: food (Food Bank), education

(Cruz Roja) and employment (Cáritas), from December 2014 to January 31, 2015. Under this campaign, BBVA has donated €1.5 million directly (€500,000 to each organization) and has doubled the €790,795 donated by third parties. The total amount donated is €3.08 million.

Third-party contributions took form in more than 2,200 donations, of which 79% were through BBVA Suma, amounting to €245,000 (31%). The average donation through BBVA Suma under the campaign was €140.

Priority 3: High social impact products

Responsible investment

BBVA assumed its Socially Responsible Investment (SRI) commitment in 2008 when it subscribed to the United Nations Principles for Responsible Investment through the employee Pension Plan and one of the Group's major asset managers, Gestión de Previsión y Pensiones.

Two years later, we became a founding member of the Spanish Socially Responsible Investment Forum (Spainsif) and are currently a member of the Board of Directors, through BBVA as a Group and through the asset manager mentioned above.

The volume of funds managed using SRI criteria amounts to €10,567 million, accounting for 14% of the total funds managed by BBVA.

The idea back then was to start to build our own SRI model from the ground up. From the start, implementation would reach across the whole employment funds business and gradually extend through the Asset Management area. The total volume of funds managed using SRI criteria currently

totals €10,567 million, accounting for almost 14% of the total funds managed by BBVA.

In 2014, BBVA Asset Management began work to expand and enhance SRI solutions offered to our customers, by:

- Expanding ESG criteria to be considered in the due diligence processes that third party funds must fulfill to be recommended by BBVA.
- Increasing internal resources allocated to SRI, such as adding a new partner to focus on developing SRI in the Group.
- Collaborating with the Work Group convened by the Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones (Inverco) to write the Circular on Applying Environmental, Social and Corporate Governance (ESG) Criteria in the Investment Policy established by the Collective Investment Institutions (CII), to update the one published in 1999.
- Improving the information given to our customers by holding events on SRI and creating periodic newsletters.

Basic SRI data

| | 2014 | 2013 | 2012 |
|--|-----------|--------|--------|
| Volume of funds managed with SRI criteria (million €) ⁽¹⁾ | 10.567 | 2.978 | 2.725 |
| Volume of funds managed with SRI criteria out of total managed funds (%) (1) | 13,9 | 5,1 | 2,6 |
| SRI fund investors and beneficiaries ⁽¹⁾ | 1,268,907 | 51.355 | 47,840 |
| Equity investments under SRI management (%) | 15 | 22 | 26 |

(1) In 2014 information was included on the rest of the employment and individual funds managed using SRI criteria.

Equity investments under SRI management

| | 2014 | | | 2013 | | | 2012 | | |
|---|---------------------|----------------------------|--------------|---------------------|----------------------------|--------------|---------------------|----------------------------|--------------|
| | 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) | 34 | 819 | 853 | 28 | 907 | 935 | 24 | 824 | 848 |
| Total assets in equity (Million euros) | 2.758 | 2.931 | 5.688 | 1.965 | 2.247 | 4.211 | 1.357 | 1.963 | 3.320 |
| Percentage (%) | 1,2 | 28 | 15 | 1,4 | 40 | 22 | 1,8 | 42 | 26 |

(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

Inclusion of ESG criteria in the investment process

ESG criteria were included in the investment process by developing an internal model that incorporates these criteria into a model portfolio, built around the fundamental analysis. This model was initially implemented for equity and was gradually extended to other types of assets.

Likewise, as part of this process of considering non-financial variables, we developed an internal ESG rating which directly affects specific decisions on management and on how we periodically inform customers in the management reports.

This analysis and inclusion of non-financial criteria in management models allows us to improve the information that our managers compile about the pool of investible companies and more accurately evaluate possible risks in portfolios.

In addition, the aforementioned model is combined with an exclusion strategy based on the BBVA Group's Defense Policy, which applies to all of the Group's companies.

This strategy applies to all of the Employment Pension Fund portfolios managed by the Group's asset managers.

Extending ESG analysis to third party funds

Under our model, third party investment funds held in the portfolio for specific assets and geographical areas and their respective asset managers undergo a thorough due diligence process with several questions about their SRI actions and

their status as signatories to the United Nations Principles for Responsible Investment.

Like in the case of portfolios managed directly, the consideration of these non-financial assets supplements the rest of the analysis of managers and investment funds and, although it is not a pre-requisite, the implementation of SRI policies by said managers is taken into account when selecting them for Pension Fund portfolios.

Exercise of voting rights

Our responsibility as Asset Manager does not stop at the management duty entrusted to it. For all Employment Pension Funds that have delegated this responsibility to it, we exercise a voting right at the AGMs of all European and Spanish companies for the positions that each one holds in the portfolio.

This duty is not limited to Pension Funds. It applies to the same extent for all investment funds and SICAVs managed by BBVA Asset Management. We use the services of an independent external provider for this purpose, as an additional opinion to that of our own analysts.

By way of example, in 2014, we attended 178 AGMs (45 Spanish and 133 European companies) with holdings in the portfolios of the various investment vehicles managed by BBVA AM.

BBVA Employment Fund

Since it subscribed to the United National Principles for

Responsible Investment in 2008, BBVA Employment Fund assets are managed using SRI criteria. At the end of 2014, the Fund's volume was around €2,597 million and 47,602 investors and beneficiaries. In 2014, Sustainalytics created the Fund's annual sustainability rating, 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.

Solidarity funds

BBVA currently manages the following 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. The investor decides to which of these NGOs to allocate his/her percentage.
- BBVA Bolsa Desarrollo Sostenible, an equity fund that mainly invests in shares in companies that are considered sustainable investment companies. The fund also makes an annual donation to the Foundation for Applied Medical Research (FIMA).
- In Mexico, B+EDUCA is a fixed-income fund that allocates 25% of the monthly return directly to the Por los que se quedan (For those left behind) integration grant program. BBVA Bancomer also charges a lower fee for a fund of this type, and instead makes a direct contribution to this scholarship program.
- BBVA Leer es estar adelante (Read to Get Ahead) is the leading mutual fund in Peru through which the investor donates one tenth of the share value (fund price) to the BBVA Continental Foundation program.

Volume and members of funds managed using SRI criteria and solidarity funds

| | 2014 | | 2013 | | 2012 | |
|--|------------------------------|---------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Volume (million euros) | Members and beneficiaries | Volume (million euros) | Members and beneficiaries | Volume (million euros) | Members and beneficiaries |
| Funds managed using SRI criteria | | | | | | |
| BBVA Desarrollo Sostenible | 34 | 4.700 | 28,1 | 5.443 | 24,3 | 5.842 |
| BBVA Employment Plan | 2.597 | 47.602 | 2.950 | 45.912 | 2.701 | 41.998 |
| Employment Pension Funds (formerly BBVA Employment Plan) ⁽¹⁾ | 5.103 | 849.010 | n/av | n/av | n/av | n/av |

| | | | | | | |
|--------------------------|--------|-----------|-------|--------|-------|--------|
| Individual pension funds | 2.833 | 367.595 | n/av | n/av | n/av | n/av |
| Solidarity funds | | | | | | |
| BBVA Solidaridad | 12,3 | 418 | 10,2 | 356 | 10,1 | 322 |
| B+EDUCA | 865,4 | 39.112 | 588 | 28.202 | 680 | 27.349 |
| Leer es Adelante | 19,6 | 216 | 41,3 | 257 | 28,4 | 306 |
| TOTAL | 11.465 | 1.308.653 | 3.618 | 80.170 | 3.443 | 75.817 |

n/av = not available

(1) The figures represent the total fund assets. The assets invested using SRI criteria account for 6.4% of the total.

Scope: BBVA Group

Responsible customer management



The customer is at the center of the BBVA business model and is the focus of our Responsible Business Plan. Our aim is to be the best bank for its customers, offering them the most appropriate products and services, based on the principles of simplicity, transparency, accessibility, offering them quickly, at any time and from any device. The challenge that we have set for ourselves is to be the most recommended bank by our customers in all the countries where we operate.

With around 51 million customers around the world, the BBVA Group is moving toward a more digital model, which is needed to address the challenges faced by the financial industry: more regulation, higher levels of transparency and accountability, and increased competition due to changes in customer preferences resulting from the technological revolution.

The Bank's global digital transformation strategy means improving the customer's experience, not only in the purely digital world, but in all channels. In general terms, we aspire for our customers to feel they are being offered a unique experience when interacting with BBVA in any of our geographical areas.

Processes and technology are key instruments for implementing this model. Processes must be simple, uncomplicated and user-friendly. In every country where we operate, we work to ensure that we have the appropriate

processes in place to generate positive experiences for our customers at key times, such as for example when new customers begin to interact with us, when they need advice or when we handle their claims.

With around 51 million customers around the world, BBVA views them as the core of its business, and they form the basic element of the Responsible Business Plan.

Progress during 2014 includes the following:

- Creation of the Digital Banking division, which aims to turn BBVA into the leading bank of the digital age. This new business unit is set up to speed up the Group's digital transformation in every region and develop new digital businesses.
- Progress on implementing the IReNe 2.0 corporate system for ongoing improvement, based on continuous customer feedback.

- Consistent expansion of a single appraisal system and internal recommendation on key services, which improves the service provided to the customer.
- The agreement to implement a global Customer Experience Management technological tool.

Our challenge for 2015 is to move forward with the customer-centric business model, simplifying processes and designing

products, with the aim of generating noteworthy experiences. We want to evolve toward turning the corporate ongoing improvement model into a management system right across the Group. We will do this by encouraging cooperation between the Quality areas in different countries to identify and share best practices, making full use of the Group's strengths, and evolving toward a corporate claims and complaints model that does more than just resolve complaints.

Responsible customer management

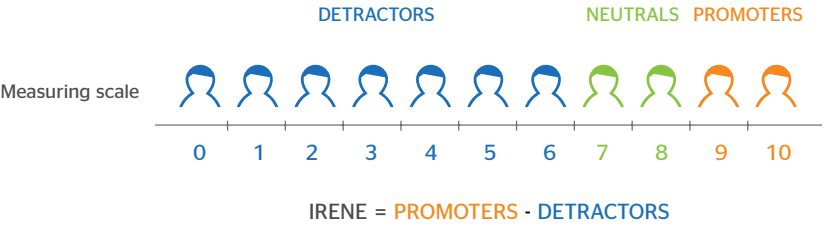
Customer insight

Listening to customers and understanding their needs, offering responsible and innovative solutions, and building long-term relations based on trust, are all of the greatest priority for the Group. We were the first on the market to understand the need to boost the customer-centric management model as a competitive advantage in the medium term.

The challenge that BBVA has set itself is to be the most recommended bank in all the countries where it operates. The Quality and Customer Experience areas work on the development of the customer experience model in retail banking. Being customer-centric requires extensive knowledge of our customers and their financial needs, as well as having

a good value offering and being capable of generating differential experiences.

We at BBVA have made progress over the last three years in building and implementing a global methodology based on recommendation. It is called IReNe (Net Recommendation Index), and provides us with a deep understanding of our customers across the whole Group. The customer relationship must be considered as a whole, including all the processes, channels and products, aiming to make progress toward greater simplicity with the aim of turning customers into fans.



To achieve these objectives it is essential to approach the business through each customer profile. Each segment is a business in itself, with a differentiated value proposition and adapted to each kind of customer, in both the physical and virtual world.

In 2014 we evolved the methodology application further, concentrating efforts on developing a customer infrastructure, which has made the use and regular publication of the results of studies easier to allow better monitoring and comparison

between countries.

Based on surveys, the IReNe methodology gives a better insight into BBVA's competitive situation and our position with respect to our competitors in terms of recommendation.

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

IReNe trend by bank ⁽¹⁾

| | 2014 | 2013 |
|-------------------------|------|------|
| Spain | 2 | 9 |
| Mexico | -9 | 8 |
| United States | 21 | -2 |
| Argentina | 3 | -29 |
| Chile | 7 | 4 |
| Colombia ⁽²⁾ | -11 | 7 |
| Peru | 8 | 2 |

| | | |
|-----------|----|----|
| Venezuela | 1 | 15 |
| Paraguay | 33 | 1 |
| Uruguay | 4 | 2 |

(1) The difference between the IReNe value in the second half of 2014 and the second half of 2013, expressed in percentage points.

(2) Despite of the drop in the value, BBVA Colombia climbed up the ranking during 2014.

Taking into account the measurements taken in 2014, the bank has become a benchmark in customer rating in relation

to its competitors in Peru, Argentina, Paraguay and Uruguay and headway has been made in Colombia.

IReNe, BBVA and peer group by country ⁽¹⁾

| | 2014 | 2013 |
|------------------------------|------|------|
| Spain | 2 | 3 |
| Mexico | 3 | 1 |
| United States ⁽²⁾ | -2 | -18 |
| Argentina | 4 | -7 |
| Chile | -4 | 3 |
| Colombia | 14 | 1 |
| Peru | 7 | 8 |
| Venezuela | -5 | 13 |
| Paraguay | 30 | 6 |
| Uruguay | -4 | 8 |

(1) Difference between BBVA's IReNe value and the average IReNe values for the peer group.

(2) Value affected by reconfiguration and expansion undertaken during second half of 2014 by the peer group.

We at BBVA also use an Internal IReNe methodology that is essential to consistently evaluating critical services for the branch network.

Based on the knowledge of the aspects that are most important for the external customer, we have created an internal process consisting mainly of diagnosis and checking with employees to then select and evaluate the most important services for which the best attention and service quality must be provided to its branch customers.

This results in an indicator that measures the perception that the network has of the service provided by its internal suppliers (Central Areas) all by way of recommendation (IReNe per Service).

At the same time, the methodology sets specific objectives based on:

- Identifying levers and attributes on which actions can be taken to promote recommendation.
- Boosting plans and commitments from providers that improve the service in the branch network.
- Transferring the effort to the incentive for employees.

Thanks to the IReNe methodology, we are aware of the assessment and causes requiring action for each type of customer and relationship channel, thus providing the elements needed to establish quality plans and integrating the customers' priorities into the Group's transformation projects.

The effort of all the areas is geared toward boosting the plans and actions that BBVA has underway. The result is having an effect on an increase in customer satisfaction, their recommendations, and thus the increase in the base of new customers and increased loyalty of current customers.

Responsible customer management

Complaints and claims management

Customer experience and quality are the key levers for attracting and retaining customers in the new competitive environment. Claims are a source of customer opinions: they allow us to identify the causes that lie behind the complaints

and activate action plans. Without a doubt, they represent a moment of truth, whose analysis and management provide relevant information on the reasons for the lack of customer satisfaction.

Complaints and claims

| | 2014 | 2013 | 2012 |
|--|-------|------|------|
| Average time for settling complaints (days) | 12 | 12 | 9 |
| Complaints settled by FCR (%) | 14 | 19 | n/a |
| No. of complaints before the banking authorities | 1.017 | 847 | 640 |

Scope: Spain, Mexico and South America

In 2014, the Group's countries have continued to make progress in the comprehensive transformation of customer service, developing their claims and complaints management systems to achieve an optimal model, making the Bank a benchmark for quality and customer service.

One of the most important landmarks in complaints management in recent years has been the First Contact Resolution 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 banks, and currently a high percentage of complaints are resolved on the same day, leading to greater customer satisfaction. In 2014, 14% of customer claims were resolved using this methodology.

We are determined to turn customer claims into opportunities to regain them, and so we have strengthened the channels for dealing with complaints to facilitate the process.

The new complaints and claims model has the following objectives:

- Streamlined and simplicity through swift processes with automatic assignments that allow management of simpler claims to be resolved online.
- Greater transparency, allowing managers and customers to have clear and precise information on claims through mechanisms that provide a view of their traceability.
- Resolution of claims within the bank, without being transferred to regulatory bodies, thus ensuring that the management of these claims and complaints make us leaders in responding to cases of customer dissatisfaction.
- Provide communication with customers from the different channels, having defined the management model as a multi-channel process with a tool that provides comprehensive support throughout the whole process.
- To achieve our goals, we make use of the digital mechanisms we have implemented, such as the digital library, in which all documentation is scanned in a single place, making it unnecessary to physically review the

customers' contractual documentation. BBVA is committed to technology and the digitization of customer service,

with the customer being a key reference point in the entire process.

Average time for settling complaints by country (in days)

| | 2014 | 2013 | 2012 |
|-----------------------|------|------|------|
| Spain ⁽¹⁾ | 15 | 34 | 7 |
| Mexico ⁽²⁾ | 14 | 8 | 7 |
| Argentina | 5 | 19 | 12 |
| Chile | 9 | 8 | 9 |
| Colombia | 4 | 7 | 7 |
| Paraguay | 7 | 7 | n/a |
| Peru | 10 | 12 | 16 |
| Portugal | 6 | 6 | 6 |
| Uruguay | 9 | 9 | n/a |
| Venezuela | 5 | 6 | 6 |

n/a = not applicable

(1) In Spain, the request for documentation and old contracts, which is one of the main subjects of request, extended management times in 2014.

(2) Mexico: The implementation in 2014 of the new DataMart has allowed for a more accurate and complete calculation of the processing times.

Scope: Spain, Mexico and South America.

Complaints settled by FCR by country (%)

| | 2014 | 2013 | 2012 |
|-------------------------|------|------|------|
| Spain ⁽¹⁾ | n/a | n/a | n/a |
| Mexico | 13 | 16 | n/a |
| Argentina | 30 | 33 | n/a |
| Chile | 7 | 5 | n/a |
| Colombia | 45 | 46 | n/a |
| Paraguay | 14 | n/a | n/a |
| Peru | 24 | 37 | n/a |
| Portugal ⁽²⁾ | n/a | n/a | n/a |
| Uruguay | 12 | 18 | n/a |
| Venezuela | 19 | 23 | n/a |

n/a = not applicable

(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.

Scope: Spain, Mexico and South America.

Complaints before the banking authorities, by country ⁽¹⁾ ⁽²⁾

| | 2014 | 2013 | 2012 |
|-----------|------|------|------|
| Spain | 2 | 4 | 2 |
| Mexico | 632 | 352 | 289 |
| Argentina | 131 | 159 | 96 |
| Chile | 16 | 17 | 21 |

| | | | |
|-----------|-----|-----|------|
| Colombia | 135 | 149 | 117 |
| Paraguay | 1 | 1 | n/av |
| Peru | 10 | 43 | 40 |
| Portugal | 20 | 21 | 15 |
| Uruguay | 15 | 13 | n/av |
| Venezuela | 55 | 88 | 60 |

n/av = not available

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

(2) "Banking authorities" refers to the external body to which customers can present claims against BBVA.

(3) The changes with respect to the figures reported in previous years are due to adjustments to the final data on activity.

Scope: Spain, Mexico and South America.

Responsible customer management Omni-channel banking

BBVA designs its omni-channel strategy so that customers can contact the bank however it suits them, regardless of when, how or where they want to access: *anywhere, anytime, any device*.

BBVA's omni-channel strategy is based on three main pillars:

- **Full channel choice:** The customer can choose the right channel for each transaction.

- **Consistent experience:** The customer must perceive a single experience during its contact with BBVA, not viewing the different channels as different ways of accessing.

- **Seamless journeys:** With analysis of the processes, giving the customer a streamlined and sound experience that fulfills its needs.

Datos básicos de omnicanalidad

| | 2014 | 2013 | 2012 |
|---------------------------------------|-------|-------|-------|
| Digital customers (thousands) | 9,082 | 7,533 | 6,200 |
| Mobile customers (thousands) | 4,323 | 2,438 | 1,277 |
| Non-branch financial transactions (%) | 89 | 86.8 | n.d. |

Several lines of work have been developed to achieve our omni-channel transformation. In terms of customer experience, we are promoting a new model in which cell phones represent one of the main points of interaction with the customer and are a key piece of the omni-channel strategy. The main features of this model are self-service, one-click access, the option of scheduling meetings with bank agents, receiving notifications and marketing proposals, and signing digital contracts. Our new websites also feature a responsive design with new functions and value-added services. They also include analytical functions to be able to track which transactions customers undertake.

The distribution model is also characterized by a more user-friendly digital offer, the use of customized remote managers that help customers to resolve any incident or question easily, by telephone, e-mail or the website, and a “hub&spoke” branch model more in line with business needs. This model consists of implementing a large branch (hub) to which more complicated transactions are sent from smaller, more local branches (spoke).

In 2014, BBVA had over 9 million digital customers and 4 million customers operating via mobile devices.

We are also developing new business models, such as BBVA Wallet, a vertical application design to allow customers to pay by cell phone and manage their cards. This application also includes other functions that enhance the customer experience, such as consumer financing, the option of linking photos to expenses, and the geolocation of payments.

Responsible customer management Customer protection

During 2014 concepts like cybersecurity has emerged strongly, with incidents suffered by various sectors, including the financial industry. However, the BBVA Group has not suffered any incidents directly or indirectly in this sense.

In line with our ongoing improvement model in relation to technology risk management, we continue to work to protect ourselves from such incidents. The Master Plan 4.0. has consequently been designed, with a heavy emphasis on the different aspects of cybersecurity.

During 2014, technology fraud management focused on improving processes and tools that improve fraud prevention and reduce the losses caused by fraud.

BBVA has evolved the technology control framework toward the COBIT 5 standard to mitigate technology risks that could have a serious impact on its systems and therefore affect the Group's results. The technology control framework is integrated into the system to evaluate and mitigate the risks defined in the corporate internal control and operational risk structure. The review and audit of said risks undertaken in 2014 did not reveal any weaknesses that, after being mitigated by the controls implemented, could be considered material.

In 2014, in order to verify compliance with security measures

regarding personal data processing in accordance with Section VIII of the Implementing Regulation (RD 1720/2007) of Organic Law 15/1999, on Personal Data Protection (L.O.P.D.), the necessary biennial audits on the security measures implemented in 51 BBVA Group companies in Spain were conducted. No significant shortcomings were detected in any of them.

In 2014 we continued to focus on improving the processes and tools that enhance fraud prevention.

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 2014

Social, environmental and reputational risk



As a financial institution, BBVA has an impact on the environment and society, directly through the consumption of natural resources and its relationship with stakeholders, and indirectly through our credit activity and the projects we finance. These impacts lead to direct, indirect and reputational risks.

These non-financial 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.

Together with the financial variables, BBVA takes into account environmental, social and reputational aspects.

To manage such risks, BBVA takes into account environmental, social and reputational aspects, alongside traditional financial variables, in its risk management.

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.

The Ecorating tool is one of the instruments available to integrate these variables and is used to rate the risk portfolio of SMEs from an environmental point of view.

As regards training, in 2014 BBVA continued to award grants to risk analysts to put into practice the Online Training Program for Environmental and Social Risks Analysis given by UNEP FI (*United Nations Environment Programme Finance Initiative*) given by INCAE Business School. Over the year the 30-hour online training course was taken by 11 risk analysts from various countries in which BBVA Group operates (Argentina, Colombia, Spain, the United States, Mexico, Peru, Chile, Venezuela, Paraguay and Uruguay).

Social, environmental and reputational risk

Reputational risk management model

Since 2008 BBVA has had a reputational risk model. This was updated and reinforced in 2014.

BBVA has a Reputational Risk Operating Committee to drive the management of this type of risk in the Group. It includes the Operational Risk and Control, Regulatory Compliance, Corporate Communication and Corporate Responsibility

and Reputation areas. This last area acts as secretary. The Committee meets both at the global level and in the various geographical areas.

The Committee is responsible for designing the reputational risk management model, promoting its adequate implementation in the BBVA Group.

Social, environmental and reputational risk

Responsible lending

BBVA has incorporated best practices in responsible granting of loans to consumers and has policies and procedures in place that improve the transparency of the banking services and responsibility in the granting of loans.

Specifically, the Corporate Retail Credit Risk Policy (approved by the Executive Committee of the Bank's Board of Directors on April 3, 2013) and the Specific Rules that arising from it set out the policies, methods and procedures in relation to the responsible granting of loans to consumers, which can be summed up as:

- The need to adapt the payment plans to the sources of income generation.
- The requirements for assessing the ability to pay.
- The need to take into account the foreseeable level of income once the borrower has retired.
- The need to take into consideration the payment of existing financial obligations.

- In those cases where, for commercial reasons or because the type of rate/currency is adequate, the borrowers are offered the inclusion of contractual clauses or the contracting of financial products to hedge against the interest-rate and exchange-rate risks.

BBVA has policies, methods and procedures for the responsible granting of consumer loans and finance.

- When collateral exists, the need to establish a prudent relationship between the amount of the loan and its potential increase, and the value of the collateral, without taking into account the revaluations of the latter.
- The need to be very prudent when using appraisal values in credit transactions with real-estate assets as collateral in addition to the borrower's personal security.
- The regular review of the value of the collateral accepted to cover loans granted.
- A series of management elements for the purpose of ensuring independence in the activity of appraisal companies.
- The need to inform the customer of the potential consequences of default in terms of cost, interest on

arrears and other expenses.

- The debt renegotiation criteria (refinancing and restructuring).
- The minimum documentation required for the transactions, both for granting and during their term.

BBVA has the following mechanisms in place for monitoring compliance with the aforementioned policies:

- Computer controls and validations incorporated into the transaction analysis, decision and contracting workflows to embed these principles in management.
- Alignment between the specifications of the product catalog and the responsible lending policies.
- Different penalties that ensure appropriate levels of comparison of the decisions, based on the complexity of the transactions.
- A reporting scheme to monitor proper application of the responsible lending policies.

Equator Principles

BBVA has undertaken to adhere to the Equator Principles (EP) since 2004. Based on the International Finance Corporation's Policy and Performance Standards on Social and Environmental Sustainability and the World Bank's Environmental, Health and Safety guidelines, the EP are a set of standards for assessing and managing social and environmental risks in project finance.

These principles have set the benchmark for responsible finance. BBVA undertakes to encourage their development and dissemination through the EP Management Committee and the Work Groups in which it participates.

BBVA sees the EPs as the basis to apply responsible finance best practices and as the framework for dialog with customers and groups interested in the projects we finance.

Equator Principles transactions

| | 2014 | 2013 | 2012 |
|--------------------------------------|---------|-------|--------|
| Number of transactions | 44 | 28 | 59 |
| Total amount (million €) | 170,265 | 7,934 | 23,173 |
| Amount financed by BBVA (millions €) | 1,867 | 719 | 2,553 |

Scope: BBVA Group.

The Corporate and Investment Banking team takes on responsibility for analyzing financed projects, representing the Bank before stakeholders, accountability before Senior Management and designing and implementing the management system, proposing best practices and contributing toward training and communication regarding EP-related aspects.

Project analysis consists of subjecting each transaction 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, reflects the level of the project's environmental and social risk. A review of the environmental and social documentation submitted by the customer and the independent advisors allow a rating

of fulfillment of the requirements established in the Equator Principles in accordance with the project category. Finance

agreements incorporate the customer's environmental and social obligations, which a specialist team monitors.

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

| | | 2014 | | | 2013 | | | 2012 | | |
|----------------------------|----------|---------------------|----------------|-------------------------|---------------------|--------------|-------------------------|---------------------|---------------|-------------------------|
| (millones de euros) | Category | No. of transactions | Total amount | Amount financed by BBVA | No. of transactions | Total amount | Amount financed by BBVA | No. of transactions | Total amount | Amount financed by BBVA |
| Europe and North America | A | 3 | 4.584 | 302 | 1 | 3.190 | 31 | 0 | 0 | 0 |
| | B | 14 | 8.618 | 414 | 11 | 2.412 | 361 | 18 | 9.550 | 1.071 |
| | C | 13 | 3.146 | 417 | 3 | 105 | 29 | 8 | 1.482 | 271 |
| TOTAL Europe | | 30 | 16.348 | 1.133 | 15 | 5.708 | 422 | 26 | 11.033 | 1.341 |
| Latin America | A | 3 | 1.353 | 331 | 1 | 561 | 27 | 4 | 1.380 | 135 |
| | B | 7 | 1.747 | 304 | 6 | 730 | 168 | 19 | 3.652 | 781 |
| | C | 2 | 150.689 | 68 | 3 | 398 | 18 | 7 | 438 | 190 |
| TOTAL Latin America | | 12 | 153.789 | 703 | 10 | 1.689 | 212 | 30 | 5.470 | 1.106 |
| Rest of Group | A | 0 | 0 | 0 | 1 | 157 | 26 | 1 | 6.615 | 78 |
| | B | 0 | 0 | 0 | 1 | 22 | 22 | 2 | 56 | 28 |
| | C | 2 | 128 | 31 | 1 | 169 | 26 | 0 | 0 | 0 |
| TOTAL Rest of Group | | 2 | 128 | 31 | 3 | 348 | 74 | 3 | 6.670 | 106 |
| TOTAL Group | | 44 | 170.265 | 1.867 | 28 | 7.744 | 708 | 59 | 23.173 | 2.553 |

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

To guarantee integrity in BBVA's application of the Equator Principles, the management thereof is integrated in the internal transaction structuring and acceptance processes and is subject to regular controls by the Internal Audit and Control departments.

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

The Equator Principles III entered into force on January 1 2004. One of the main changes is expansion of the scope of application of the Principles to corporate loans linked to projects and bridge loans. At BBVA the scope is even wider, because we also apply the EPs to projects financed with other financial products: project bonds, assignment of credit rights and project-linked guarantees. Furthermore, not only does the bank investigate new projects, but also those already in operating stages.

The EP III have broken new ground in relation to two main topics: climate change and human rights. New transparency requirements have also been included. On the BBVA website we provide much more information than is requested about all of the projects we finance. During 2014, at BBVA we have updated the management system, incorporating the changes that we had previously anticipated.

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 2014 we financed seven renewable energy operations with an installed capacity of 1,045 MW for a total of over €234 million.

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for over €234 million.

Some transactions financed this year include:

- The Javiera Solar Photovoltaic Project. Located in the Chañaral province in Chile, with an installed capacity of 75 MW, it will supply all the energy required for the Los Pelambres copper mine. The Sponsor will work in conjunction with the Chañaral Municipal Labor Information Office to ensure that local workers are hired.
- CSolar West Solar Photovoltaic project, with a nominal capacity of 250 MW, in California (United States). Spanning more than 1,100 hectares of abandoned farmland, the project will produce enough electricity to meet the needs of more than 55,000 homes and will offset the emission of 229,500 tons of CO₂ equivalent a year into the atmosphere.

Since 2005, BBVA has a [defense policy](#), applicable to all of its geographical and business areas worldwide, that complies with current legislation and has been subject to an ongoing review in order to adapt it to the most stringent criteria.

A more in-depth review was conducted in 2011 to extend its scope, increase clarity and simplicity, and ensure compliance therewith, in line with the needs revealed by the internal audit carried out the previous year.

In 2014 a new version of the Defense Policy was issued, with improvements in the identification of companies and management of assets.

A work group was set up for this purpose, made up of all the areas involved, and advice was provided by a renowned external consultant (Sustainalytics). Major discussions were also held with NGOs and important stakeholders in this sector.

The application of the Policy, which came into force in February 2012, is based on exclusion lists of companies

and countries which are updated on a quarterly basis by our consultant Sustainalytics. Pursuant to this policy, BBVA does not finance, invest in or provide any financial service to companies associated with the manufacture, development, maintenance or trade in controversial armaments, meaning anti-personnel weapons, cluster bombs or biological and chemical weapons. Nor does BBVA participate in operations associated with arms that have their origin or destination in countries with a high risk of violating human rights.

In 2013, this Policy and the internal procedure defined for its application were adapted and implemented, within the corporate framework, across the entire Group.

A new process for reviewing the Policy was opened in April 2014, also with the participation of all the areas involved and the advice of Sustainalytics, which ended in June with the approval, by the Global Risk Management Committee, of a new version that incorporates improvements in the identification of armament-related companies and in the processing of wealth management.

The lists of companies related to controversial armaments, countries under arms embargoes and countries with a high risk of violating human rights are updated on a quarterly basis, and with the same frequency, this list is sent to the Group's different areas involved.

The team



At BBVA we believe that people construct companies. We are therefore committed to attracting professionals who can contribute the greatest value. Today, our team is made up of 108,770 people in 31 countries. Men account for 47% and

women 53%. The average age of staff is 37.7 years, and their average length of service in the organization is 10.6 years. The management team is local in 90% of cases.

Basic BBVA employee data

| | 2014 | 2013 | 2012 |
|-----------------------------------|---------|---------|---------|
| Number of employees | 108,770 | 109,305 | 115,852 |
| Average length of service (years) | 10.6 | 10.9 | 10.6 |
| Average age (years) | 37.7 | 37.8 | 37.6 |
| Diversity (% women) | 53 | 53 | 53 |
| Turnover (%) | 8.4 | 11.6 | 10.8 |
| Employee satisfaction index | 77.3 | n/a | 75.8 |

Scope: BBVA Group

We want to offer our current and potential professionals a working environment that fulfils their expectations. We have therefore carried out research using external and internal studies, 27 working groups and 36 in-depth interviews. The conclusions have given us objective information on what people demand and what the features that identify us are.

The results obtained define us as "a solid and reputable organization that offers careers in an environment of camaraderie and teamwork, committed to developing talent, without discrimination, and rewarding people based on their results."

In exchange, "the organization asks its teams for effort and dedication in order to obtain good results. For the Group, achieving this goal involves maintaining, at all times, customer focus, respect for people, teamwork and acting in accordance with high ethical standards."

These concepts are materialized in a new graphic identity that allows us to communicate clearly and simply the way we are, what we offer and what we demand: Tú & BBVA, You & BBVA,

Sen & BBVA, Você & BBVA, Vos & BBVA.

Every year, we publicly recognize the 12 employees whose attitude has demonstrated outstanding commitment to customers, simplicity, teamwork and responsibility managing the business. In 2014, 1,013 people were nominated for the BBVA Pasión awards by their supervisors, who considered their attitude to be worthy of them.

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

| | 2014 | | | | 2013 | | | | 2012 | | | |
|--------------------|-------------|------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|------------|-------------|-------------|
| | Average age | <25 | 25-45 | >45 | Average age | <25 | 25-45 | >45 | Average age | <25 | 25-45 | >45 |
| Spain and Portugal | 42,2 | 0,5 | 64,5 | 35,0 | 42,3 | 0,5 | 62,3 | 37,2 | 42,1 | 0,7 | 61,4 | 37,9 |
| Mexico | 34,0 | 13,3 | 72,3 | 14,4 | 34,1 | 14,1 | 71,4 | 14,4 | 33,8 | 16,9 | 69,4 | 13,7 |
| United States | 40,0 | 8,0 | 60,0 | 32,0 | 39,8 | 8,2 | 60,1 | 31,8 | 39,5 | 8,4 | 60,5 | 31,1 |
| South America | 37,2 | 8,9 | 68,8 | 22,3 | 37,1 | 9,0 | 69,5 | 21,5 | 37,2 | 8,6 | 69,5 | 21,9 |
| Rest of the World | 39,3 | 2,6 | 71,6 | 25,8 | 39,9 | 1,3 | 72,0 | 26,7 | 39,1 | 1,5 | 74,3 | 24,2 |
| TOTAL | 37,7 | 8,0 | 68,1 | 24,0 | 37,8 | 8,2 | 67,2 | 24,7 | 37,6 | 9,1 | 66,4 | 24,6 |

Scope: BBVA Group

Average length of service (years)

| | 2014 | 2013 | 2012 |
|--------------------|-------------|-------------|-------------|
| Spain and Portugal | 16,6 | 17,0 | 16,9 |
| Mexico | 8,0 | 8,0 | 7,6 |
| United States | 6,7 | 6,7 | 6,5 |
| South America | 9,7 | 9,6 | 9,4 |
| Rest of the World | 5,1 | 6,2 | 5,5 |
| TOTAL | 10,6 | 10,9 | 10,6 |

Scope: BBVA Group

Employees by job category and geographical area

| | 2014 | | 2013 | | 2012 | |
|---------------------------|------------------|-------------------------------------|------------------|-------------------------------------|------------------|-------------------------------------|
| | No. of employees | % of workforce in geographical area | No. of employees | % of workforce in geographical area | No. of employees | % of workforce in geographical area |
| Spain and Portugal | | | | | | |
| Management team | 1.072 | 3,7 | 1.155 | 3,7 | 1.153 | 3,5 |
| Middle management | 1.635 | 5,6 | 1.659 | 5,3 | 1.739 | 5,3 |
| Specialists | 7.571 | 25,8 | 8.360 | 26,8 | 8.848 | 27,2 |
| Sales force | 13.076 | 44,6 | 13.460 | 43,1 | 14.195 | 43,6 |
| Rank and file | 5.954 | 20,3 | 6.573 | 21,1 | 6.617 | 20,3 |
| Mexico | | | | | | |
| Management team | 346 | 0,9 | 339 | 0,9 | 352 | 0,9 |
| Middle management | 590 | 1,5 | 537 | 1,4 | 475 | 1,2 |

| | | | | | | |
|---------------|--------|------|--------|------|--------|------|
| Specialists | 12.102 | 31,8 | 12.595 | 33,6 | 12.141 | 30,9 |
| Sales force | 13.593 | 35,7 | 13.695 | 36,5 | 15.593 | 39,7 |
| Rank and file | 11.476 | 30,1 | 10.353 | 27,6 | 10.683 | 27,2 |

United States

| | | | | | | |
|-------------------|-------|------|-------|------|-------|------|
| Management team | 138 | 1,3 | 151 | 1,4 | 145 | 1,3 |
| Middle management | 1.358 | 12,7 | 1.432 | 13,0 | 2.387 | 21,1 |
| Specialists | 1.721 | 16,1 | 1.843 | 16,7 | 1.751 | 15,5 |
| Sales force | 3.580 | 33,4 | 3.466 | 31,4 | 2.463 | 21,8 |
| Rank and file | 3.915 | 36,5 | 4.163 | 37,7 | 4.541 | 40,2 |

South America

| | | | | | | |
|-------------------|--------|------|-------|------|--------|------|
| Management team | 291 | 1,0 | 294 | 1,0 | 309 | 1,0 |
| Middle management | 2.879 | 9,8 | 2.818 | 10,0 | 2.724 | 8,8 |
| Specialists | 9.680 | 33,0 | 7.911 | 28,0 | 9.378 | 30,2 |
| Sales force | 10.543 | 35,9 | 9.934 | 35,2 | 11.137 | 35,9 |
| Rank and file | 5.948 | 20,3 | 7.275 | 25,8 | 7.475 | 24,1 |

Rest of the World

| | | | | | | |
|-------------------|-----|------|-----|------|-----|------|
| Management team | 90 | 6,9 | 99 | 7,7 | 116 | 6,6 |
| Middle management | 218 | 16,7 | 246 | 19,0 | 267 | 15,3 |
| Specialists | 368 | 28,3 | 374 | 28,9 | 444 | 25,4 |
| Sales force | 339 | 26,0 | 312 | 24,1 | 467 | 26,7 |
| Rank and file | 287 | 22,0 | 261 | 20,2 | 452 | 25,9 |

Group average

| | | | | | | |
|-------------------|--------|------|--------|------|--------|------|
| Management team | 1.937 | 1,8 | 2.038 | 1,9 | 2.075 | 1,8 |
| Middle management | 6.680 | 6,1 | 6.692 | 6,1 | 7.592 | 6,6 |
| Specialists | 31.442 | 28,9 | 31.083 | 28,4 | 32.562 | 28,1 |

| | | | | | | |
|---------------|--------|------|--------|------|--------|------|
| Sales force | 41.131 | 37,8 | 40.867 | 37,4 | 43.855 | 37,9 |
| Rank and file | 27.580 | 25,4 | 28.625 | 26,2 | 29.768 | 25,7 |

Scope: BBVA Group

The team

Recruitment, training and development

Recruitment

BBVA's capacity to attract talent was manifested in the 295,415 CVs received in 2014 and the 12,150 new entries into the Group; 60% of the workforce is under the age of 30. Most were hired in the country of origin.

To help young people enter the labor market, we have invested €13 million in the two-yearly "Becarios 3.000" program in Spain. All of the students are given a specific training program according to their academic record and a mentor that guides them through the scholarship. In 2014 a total of 1,423 young people benefitted from the project, and 916 scholarships were completed of the 1,644 launched.

At Group level, 2,200 people, 1.361 of them in Spain, have had the opportunity of work experience in the Group.

Training and development

As a key element for personal development, we are maintaining our investment effort in training with a budget of €40 million and an average of 52.1 hours of training activity per professional. Of this training, 59.9% is e-learning and 40.1% is classroom-based.

The e-learning format includes a course for the entire workforce on the Responsible Business Plan, in which some 10,000 people have already enrolled.

Basic BBVA training data

| | 2014 | 2013 | 2012 |
|--|------|------|------|
| Total investment in training (€ million) | 34.6 | 38.7 | 38.2 |
| Investment in training per employee (€) | 317 | 344 | 335 |
| Hours of training per employee | 52 | 46 | 48 |
| Satisfaction with the training (rating out of 10) | 8.8 | 8.5 | 9.0 |
| Employees who received training (%) | 96 | 97 | 92 |
| Subsidies received from FORCEM for training in Spain (€ million) | 2.4 | 3.2 | 3.8 |

Scope: BBVA Group

Quality training requires constant updating. In 2014 we therefore launched Campus BBVA Digital, a platform that includes multiple functionalities, assists the interactivity between our teams and manages the training of all BBVA professionals, as well as providing access to people on work experience or members of organizations that collaborate with us from time to time.

Another important aspect in professional development within BBVA is the biennial process that determines the strengths and areas for improvement for each of the professionals. Following an individualized analysis a personal training proposal is established that 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 +", our global internal job posting tool. In 2014 the application published 4,569 vacancies, which 11,895 of our professionals applied for. We also received the Talent Mobility 2014 award from Lee Hecht Harrison (LHH) for our capacity to deploy talent thanks to "apúntate +".

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

| | 2014 | | | 2013 | | | 2012 | | |
|----------------------|--------------------------|-------------|-------------|--------------------------|-------------|-------------|--------------------------|-------------|-------------|
| | Total workforce turnover | Men | Women | Total workforce turnover | Men | Women | Total workforce turnover | Men | Women |
| Spain and Portugal | 0,5 | 62,2 | 37,8 | 0,3 | 67,1 | 32,9 | 0,3 | 65,1 | 34,9 |
| Mexico | 14,4 | 51,7 | 48,3 | 23,7 | 49,7 | 50,3 | 21,9 | 46,8 | 53,2 |
| United States | 15,3 | 37,8 | 62,2 | 16,5 | 39,0 | 61,0 | 14,6 | 37,8 | 62,2 |
| South America | 6,4 | 44,6 | 55,4 | 6,6 | 44,6 | 55,4 | 6,7 | 44,7 | 55,3 |
| Rest of the World | 7,4 | 64,2 | 35,8 | 8,2 | 64,8 | 35,2 | 6,4 | 56,3 | 43,7 |
| Group average | 8,4 | 48,1 | 51,9 | 11,6 | 47,7 | 52,3 | 10,8 | 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⁾

| | 2014 | 2013 | 2012 |
|-----------------------------------|---------------|---------------|---------------|
| Spain and Portugal ⁽²⁾ | 1.992 | 2.279 | 5.258 |
| Mexico | 9.516 | 13.962 | 15.514 |
| United States ⁽³⁾ | 2.720 | 2.611 | 2.707 |
| South America ⁽⁴⁾ | 4.705 | 5.054 | 5.525 |
| Rest of the World | 243 | 109 | 121 |
| TOTAL | 19.176 | 24.015 | 29.125 |
| Of which new hires are: | | | |
| Spain and Portugal | 589 | 647 | 1.191 |

| | | | |
|-------------------|---------------|---------------|---------------|
| Mexico | 5.745 | 6.497 | 7.398 |
| United States | 2.603 | 2.424 | 2.665 |
| South America | 2.999 | 4.421 | 4.199 |
| Rest of the World | 214 | 105 | 112 |
| TOTAL | 12.150 | 14.094 | 15.565 |

(1) Includes hires through consolidations.

(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.

Bajas de empleados

| | 2014 | 2013 | 2012 |
|---------------------------------|-------|-------|-------|
| Spain and Portugal | | | |
| Retirement and early retirement | 1.831 | 1.138 | 718 |
| Voluntary redundancies | 76 | 110 | 69 |
| Resignations | 164 | 82 | 83 |
| Others | 1.820 | 2.309 | 1.636 |
| Mexico | | | |
| Retirement and early retirement | 320 | 136 | 170 |
| Voluntary redundancies | 255 | 362 | 143 |
| Resignations | 5.418 | 9.307 | 7.862 |
| Others | 2.935 | 5.882 | 4.045 |

United States ⁽¹⁾

| | | | |
|---------------------------------|-------|-------|-------|
| Retirement and early retirement | 56 | 70 | 51 |
| Voluntary redundancies | 0 | 0 | 0 |
| Resignations | 1.687 | 1.867 | 1.872 |
| Others | 1.320 | 906 | 2.295 |

South America ⁽²⁾

| | | | |
|---------------------------------|-------|-------|-------|
| Retirement and early retirement | 1 | 3 | 0 |
| Voluntary redundancies | 614 | 598 | 477 |
| Resignations | 1.815 | 2.093 | 2.064 |
| Others | 1.166 | 5.371 | 2.215 |

Rest of the World

| | | | |
|---------------------------------|-----|-----|-----|
| Retirement and early retirement | 3 | 4 | 2 |
| Voluntary redundancies | 23 | 66 | 21 |
| Resignations | 95 | 105 | 87 |
| Others | 112 | 153 | 108 |

TOTAL GROUP

| | | | |
|---------------------------------|-------|--------|--------|
| Retirement and early retirement | 2.211 | 1.351 | 941 |
| Voluntary redundancies | 968 | 1.136 | 710 |
| Resignations | 9.179 | 13.454 | 11.968 |
| Others | 7.353 | 14.621 | 10.299 |

(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.

The team

Diversity and work/life balance

In 2014 we made progress on the ten corporate initiatives already implemented under the Global Diversity Plan launched in 2010, focusing on three lines of action (maternity, professional development and awareness), and on additional measures of a local nature being implemented by countries/ areas.

We are increasing our efforts to ensure a level playing field for men and women in the Group. In 2014, women accounted for 18.5% of the management team, 67 basis points up on the previous year.

The "general!" networking website is a tool for raising awareness on subjects of gender diversity.

It is establishing itself among BBVA professionals as a vehicle for the exchange of opinions, experiences and news. The website has received the Women Leadership Management & Talent (WLMT) award for innovation in the management of diversity from the consultancy Intrama, with the institutional support of the Government of the Autonomous Region of Madrid and Madrid Excelente.

BBVA is signatory to the Diversity Charter at European level, and the UN Women's Empowerment Principles. In Spain, we have renewed the company's Equality Seal with the Ministry of Health, Social Services and Equality, and the

Family-Responsible Company Certificate, highlighting the commitment of our professionals to the promotion of equal opportunities.

We have also implemented the Different Capabilities Plan for 2014. Supported directly by the BBVA management, this project works on seven lines of action at corporate level, with an impact on the professionals who work in the organization, suppliers and society in general.

In Spain we continue with the policy of working with suppliers that are special employment centers, and support social enterprises that work in the world of disability, to increase the working opportunities of people with different capabilities. In this area, each year BBVA grants the Integra Award, in partnership with organizations representing this sector.

In 2014, the award was granted to the Association of Disabled People of Albacete (AMIAB), with a financial grant of €200,000. For the first time, a Special Mention award was granted worth €100,000, for to the Cantabrian association AMICA.

Breakdown of employees by gender, job category (%) and geographical area

| | 2014 | | 2013 | | 2012 | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Men | Women | Men | Women | Men | Women |
| Spain and Portugal | 52,2 | 47,8 | 53,4 | 46,6 | 54,0 | 46,0 |
| Management team | 80,0 | 20,0 | 81,3 | 18,7 | 82,0 | 18,0 |
| Middle management | 66,6 | 33,4 | 67,3 | 32,7 | 69,0 | 31,0 |
| Specialists | 53,8 | 46,2 | 54,7 | 45,3 | 55,1 | 44,9 |
| Sales force | 47,6 | 52,4 | 48,5 | 51,5 | 49,1 | 50,9 |
| Rank and file | 51,4 | 48,6 | 53,6 | 46,4 | 54,3 | 45,7 |
| Mexico | 46,9 | 53,1 | 46,4 | 53,6 | 46,0 | 54,0 |
| Management team | 87,9 | 12,1 | 87,6 | 12,4 | 88,4 | 11,6 |
| Middle management | 73,9 | 26,1 | 76,9 | 23,1 | 78,7 | 21,3 |
| Specialists | 51,3 | 48,7 | 50,9 | 49,1 | 51,0 | 49,0 |
| Sales force | 50,9 | 49,1 | 48,9 | 51,1 | 47,2 | 52,8 |
| Rank and file | 34,7 | 65,3 | 34,8 | 65,2 | 35,6 | 64,4 |
| United States | 38,1 | 61,9 | 37,0 | 63,0 | 36,0 | 64,0 |
| Management team | 84,1 | 15,9 | 85,4 | 14,6 | 84,8 | 15,2 |
| Middle management | 58,0 | 42,0 | 46,1 | 53,9 | 46,3 | 53,7 |
| Specialists | 43,7 | 56,3 | 37,9 | 62,1 | 37,4 | 62,6 |
| Sales force | 47,9 | 52,1 | 48,2 | 51,8 | 47,7 | 52,3 |
| Rank and file | 18,3 | 81,7 | 22,4 | 77,6 | 22,2 | 77,8 |
| South America | 45,2 | 54,8 | 45,7 | 54,3 | 45,5 | 54,5 |
| Management team | 76,6 | 23,4 | 76,2 | 23,8 | 77,3 | 22,7 |
| Middle management | 52,9 | 47,1 | 53,0 | 47,0 | 57,2 | 42,8 |

| | | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Specialists | 50,1 | 49,9 | 50,7 | 49,3 | 48,4 | 51,6 |
| Sales force | 39,7 | 60,3 | 39,8 | 60,2 | 39,0 | 61,0 |
| Rank and file | 41,6 | 58,4 | 44,4 | 55,6 | 45,9 | 54,1 |
| Rest of the World | 59,1 | 40,9 | 59,2 | 40,8 | 54,7 | 45,3 |
| Management team | 86,7 | 13,3 | 86,9 | 13,1 | 86,2 | 13,8 |
| Middle management | 69,3 | 30,7 | 72,0 | 28,0 | 71,9 | 28,1 |
| Specialists | 54,6 | 45,4 | 52,9 | 47,1 | 54,7 | 45,3 |
| Sales force | 63,1 | 36,9 | 61,9 | 38,1 | 53,3 | 46,7 |
| Rank and file | 43,6 | 56,4 | 42,5 | 57,5 | 37,8 | 62,2 |
| Group average | 47,1 | 52,9 | 47,4 | 52,6 | 47,3 | 52,7 |
| Management team | 81,5 | 18,5 | 82,2 | 17,8 | 82,8 | 17,2 |
| Middle management | 59,7 | 40,3 | 57,7 | 42,3 | 58,4 | 41,6 |
| Specialists | 51,2 | 48,8 | 51,1 | 48,9 | 50,7 | 49,3 |
| Sales force | 46,9 | 53,1 | 46,6 | 53,4 | 45,8 | 54,2 |
| Rank and file | 37,6 | 62,4 | 39,8 | 60,2 | 40,3 | 59,7 |

Scope: BBVA Group.

Employees by contract type and gender (%)

| | 2014 | | | 2013 | | | 2012 | | |
|--|------|-------|-------|------|-------|-------|------|-------|-------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Spain and Portugal | | | | | | | | | |
| Full-time permanent or indefinite-term | 53,6 | 46,4 | 95,2 | 54,6 | 45,4 | 95,1 | 55,3 | 44,7 | 95,0 |

| | | | | | | | | | |
|--|------|-------|------|-------|------|------|------|------|------|
| Part-time permanent or indefinite-term | 4,4 | 95,6 | 1,9 | 8,5 | 91,5 | 1,6 | 3,1 | 96,9 | 1,5 |
| Temporary | 40,3 | 59,7 | 3,0 | 41,0 | 59,0 | 3,3 | 39,7 | 60,3 | 3,5 |
| Mexico | | | | | | | | | |
| Full-time permanent or indefinite-term | 46,9 | 53,1 | 89,4 | 46,8 | 53,2 | 86,2 | 46,8 | 53,2 | 83,4 |
| Part-time permanent or indefinite-term | 30,8 | 69,2 | 1,2 | 36,2 | 63,8 | 4,7 | 36,6 | 63,4 | 4,3 |
| Temporary | 48,5 | 51,5 | 9,4 | 48,4 | 51,6 | 9,2 | 43,7 | 56,3 | 12,3 |
| United States | | | | | | | | | |
| Full-time permanent or indefinite-term | 38,9 | 61,1 | 95,2 | 37,7 | 62,3 | 94,8 | 36,9 | 63,1 | 94,2 |
| Part-time permanent or indefinite-term | 23,1 | 76,9 | 4,8 | 23,1 | 76,9 | 5,2 | 22,1 | 77,9 | 5,8 |
| Temporary | 0,0 | 100,0 | 0,0 | 100,0 | 0,0 | 0,0 | 50,0 | 50,0 | 0,0 |
| South America | | | | | | | | | |
| Full-time permanent or indefinite-term | 45,9 | 54,1 | 90,2 | 46,4 | 53,6 | 92,2 | 45,8 | 54,2 | 91,2 |
| Part-time permanent or indefinite-term | 28,4 | 71,6 | 2,5 | 24,2 | 75,8 | 2,3 | 26,8 | 73,2 | 1,7 |
| Temporary | 41,9 | 58,1 | 7,2 | 42,7 | 57,3 | 5,5 | 43,2 | 56,8 | 7,1 |
| Rest of the World | | | | | | | | | |
| Full-time permanent or indefinite-term | 59,2 | 40,8 | 99,7 | 62,7 | 37,3 | 99,0 | 62,5 | 37,5 | 99,0 |
| Part-time permanent or indefinite-term | 0,0 | 0,0 | 0,0 | 50,0 | 50,0 | 0,4 | 0,0 | 0,0 | 0,0 |
| Temporary | 0,0 | 100,0 | 0,3 | 100,0 | 0,0 | 0,6 | 61,5 | 38,5 | 1,0 |
| Group average | | | | | | | | | |
| Full-time permanent or indefinite-term | 47,8 | 52,2 | 91,9 | 48,2 | 51,8 | 91,3 | 48,2 | 51,8 | 90,0 |
| Part-time permanent or indefinite-term | 21,9 | 78,1 | 2,1 | 27,8 | 72,2 | 3,2 | 27,5 | 72,5 | 2,9 |
| Temporary | 45,2 | 54,8 | 6,0 | 45,8 | 54,2 | 5,5 | 43,0 | 57,0 | 7,1 |

Scope: BBVA Group.

The team

Compensation and remuneration

BBVA 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.

The model 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 to legal specifications at all times. It also aims to incorporate the standards and principles of the best generally accepted national and international practices.

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 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 BBVA team also has a range of social benefits that vary between geographical areas.

The team

Working conditions

Every two years, we run the internal Employee Satisfaction Survey throughout the Group in order to identify areas for improvement. In 2014, over 100,000 employees were invited to participate. With a 79% response rate, the global satisfaction index stood at 77.3%, which is an improvement of 1.5 points on the 2012 figure. The team, equality and reputation are the aspects scoring best.

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 set out in the regulations, agreements and arrangements that each company signs with the corresponding labor union representatives.

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 and are signed with the labor unions sitting on the works committees. The labor union representatives are chosen every four years by personal, free, direct and secret ballot.

In Mexico there is responsible labor union representation with a solid and accepted collective agreement that allows the continued development of actions and projects. This

ratifies the mutual commitment between labor unions and the company for the achievement of results, in line with the objectives defined by the Group.

Health at work

With respect to health and safety at work, we maintain the commitment to guarantee healthy working environments and to improve the quality of life of people through health promotion and prevention campaigns and training, information and awareness raising activities.

Activity on this front in Spain is intense: in 2014, 832 centers were evaluated, 2,157 preventive technical procedures were carried out, a total of 2,869 preventive actions were taken to improve working conditions and 16,145 appointments were made for health checks. In addition, campaigns are organized and promoted for blood donation in our largest offices.

Basic data on occupational health in Spain

| | 2014 | 2013 | 2012 |
|---|--------|--------|--------|
| Number of technical preventive actions | 2,157 | 3,334 | 2,829 |
| Preventive actions to improve working conditions | 2,869 | 4,113 | 3,624 |
| Appointments for health checks | 16,145 | 19,367 | 16,361 |
| Employees represented in health and safety committees (%) | 100 | 100 | 100 |
| Absenteeism rate | 2.2 | 2.0 | 1.9 |

Scope: BBVA Group.

The B-Well portal was a new project in 2014. It is a digital space that showcases in a single access point all the programs designed to improve the quality of life of our employees and their families. Since its implementation, it has received an average of 6,400 visits per month.

The team

Social engagement and volunteering

The definition and implementation of the Corporate Volunteering Policy has been an important step forward in strengthening our commitment to people. The policy makes it easier for our employees to carry out volunteering actions in all the countries where we operate.

These actions have a strong social impact and contribute to the development of the Responsible Business Plan. In 2014 10,403 people took part in some form of activity as volunteers, accounting for 10% of the whole workforce.

Any employees in Spain who so wish can donate €1 of their salary through the "Euro solidario" campaign, with BBVA contributing a matching sum. The destination of the contributions is a project coordinated by the non-profit organization Entreculturas providing educational support to young people at risk of social exclusion in various Spanish cities.

Financial literacy workshops have been held in other countries such as Venezuela, Paraguay and Argentina. Programs such as "Niño y Joven Adelante" (Forward Children and Young People) in BBVA Paraguay have benefited more than 2,650 families and 7,800 students.

In Argentina the "Concurso de Proyectos Solidarios" (Charity Project Competition) provides economic support for the best

ideas contributed by BBVA professionals to help people in a situation of social exclusion. Winners are offered the option to join the winning project as volunteers. In 2014, 908 people benefited from this initiative.

We continue working to strengthen the commitment and emotional ties of our employees, contributing resources and means to the different initiatives, some of them with a proven success over recent years. An example are the 16 charity runs organized in seven countries in which 47,000 people have taken part. Their aim is to promote participation by people in charity causes through sport.

In 2014, 10.403 people took part in some form of activity as volunteers, accounting for 8% of the whole workforce.

In Spain, the 10,000 participants in the run contributed €81,520 in all, which combined with the €60,000 contributed by BBVA, has gone toward the maintenance of a cooperative discount store run by Cáritas Madrid. This organization

[Letter from the Chairman](#)[BBVA profile](#)[Vision, mission and policy](#)[Governance systems](#)[Dialogue with stakeholders and
materiality analysis](#)[Social impact](#)[Priority 1: TCR Communication](#)[Priority 2: Financial literacy](#)[Priority 3: High social impact
products](#)[Responsible customer management](#)[Social, environmental and
reputational risk](#)[The team](#)[Suppliers](#)[Society](#)[Information criteria and standards](#)[Independent assurance report](#)

has helped 112 families. In Venezuela, other sports-related initiatives have been developed, such as the Carrera Caminata run/walk and Marea Azul (Blue wave) for employees and their families.

In Spain Territorios Solidarios (Solidarity territories) was in its third year. This is an initiative where employees propose and decide what social projects created by Spanish non-profit organizations will be helped financially by BBVA. Thus employees are key players in this project where most of those chosen projects are local. This year there was a boost to volunteer work through a category of projects linked to volunteering and the incorporation of CIB into the project.

In addition, the Group encourages the commitment of their teams through the Passion for People program. A number of initiatives are run under this scheme, whose beneficiaries are BBVA professionals and their families. They include access to concerts, painting workshops, support for documentaries, a Soccer League campus, the School-Free Day, etc. More than 200 cultural and family support actions were implemented in 2014 in Spain alone.

Suppliers



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

Since 2012, the Group has had in place a [Responsible Procurement Policy](#), integrating social and environmental aspects throughout the procurement process.

In the context of this policy, our actions with suppliers in 2014 focused on:

- Increased contact with companies in the social economy (Special Employment Centers) to evaluate their capabilities and for possible approval as BBVA suppliers.
- Inclusion of social responsibility clauses in both contracts and tender documents.
- Inclusion of clauses promoting supplier compliance with current legislation on social integration of people with disabilities.

In 2014 we continued our contact and negotiations with various Special Employment Centers in Spain, some of which resulted in significant contracts being awarded. The total volume of BBVA purchases from these centers over the year amounted to €2.5 million.

Basic suppliers data

| | 2014 | 2013 | 2012 |
|--|-------|-------|-------|
| Number of suppliers | 4,321 | 5,238 | 6,964 |
| Supplier turnover (€m) ⁽¹⁾ | 7,186 | 7,305 | 5,832 |
| Supplier satisfaction index ⁽²⁾ | 81.6 | n/a | 81.2 |

| | | | |
|---|-----|-----|-----|
| Number of approved suppliers ⁽³⁾ | 893 | 940 | 989 |
|---|-----|-----|-----|

n/a = not applicable.

(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.

The procurement of goods and contracting of services throughout our supply chain is governed by the Principles Applicable to Persons Participating in the BBVA Procurement Process, which implements the principles set out in the Code of Conduct and applies to all parties involved in supplying the BBVA Group.

These Principles apply to all Units involved in the procurement process in every organization in the BBVA Group, and are binding on all persons involved in the BBVA Group procurement process.

There were no significant changes to BBVA's supply chain in 2014, in terms of its structure, the location of suppliers, etc.

No negative impacts have been detected in the supply chain relating to employment practices, to human rights or to social or environmental aspects.

In this regard, we should highlight the contracting of green energy from Iberdrola (the Arte project) for our new Madrid headquarters in 2014 and for all BBVA buildings in Spain, including the branch network and other buildings, with a start date of January 1, 2015.

Suppliers ⁽¹⁾ and annual turnover by country ⁽²⁾

| | 2014 | | 2013 | | 2012 | |
|-----------|---------------|--------------------------------|---------------|--------------------------------|---------------|--------------------------------|
| | No. suppliers | Annual turnover (€ million) | No. suppliers | Annual turnover (€ million) | No. suppliers | Annual turnover (€ million) |
| Argentina | 456 | 340 | 557 | 384 | 307 | 287 |
| Bolivia | n/a | n/a | 8 | 2 | 9 | 2 |

| | | | | | | |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Chile | 227 | 151 | 226 | 162 | 200 | 144 |
| Colombia | 213 | 205 | 261 | 211 | 194 | 164 |
| United States | 419 | 370 | 584 | 457 | 428 | 402 |
| Spain | 1.233 | 1.931 | 1.902 | 2.424 | 4.357 | 2.531 |
| Mexico | 1.101 | 3.577 | 905 | 2.965 | 825 | 1.756 |
| Paraguay | 51 | 17 | 43 | 14 | 46 | 16 |
| Peru | 270 | 193 | 348 | 318 | 268 | 185 |
| Portugal | 64 | 29 | 78 | 32 | 74 | 34 |
| Uruguay | 51 | 26 | 56 | 26 | 12 | 4 |
| Venezuela | 236 | 347 | 270 | 310 | 236 | 306 |
| TOTAL | 4.321 | 7.186 | 5.238 | 7.305 | 6.956 | 5.831 |

n/a = not applicable

(1) Including "suppliers" and creditors.

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

Scope: BBVA Group

Total suppliers ⁽³⁾

| | 2014 | | 2013 | |
|---------------|---------------|-----------------------------|---------------|-----------------------------|
| | No. suppliers | Annual turnover (€ million) | No. suppliers | Annual turnover (€ million) |
| Argentina | 2.598 | 376 | 2.883 | 426 |
| Bolivia | n/a | n/a | 882 | 4 |
| Chile | 1.545 | 169 | 1.583 | 181 |
| Colombia | 3.070 | 232 | 3.033 | 236 |
| United States | 2.370 | 398 | 3.662 | 501 |
| Spain | 14.088 | 2.067 | 42.995 | 2.501 |

| | | | | |
|--------------|---------------|--------------|---------------|--------------|
| Mexico | 5.286 | 3.677 | 5.850 | 3.065 |
| Paraguay | 1.106 | 24 | 6.207 | 25 |
| Peru | 3.444 | 220 | 3.594 | 346 |
| Portugal | 1.123 | 36 | 1.091 | 38 |
| Uruguay | 525 | 31 | 598 | 32 |
| Venezuela | 1.104 | 362 | 1.024 | 325 |
| TOTAL | 36.259 | 7.591 | 73.402 | 7.681 |

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

Scope: BBVA Group

Average payment period to suppliers in days, by country

| | 2014 |
|---------------|-----------|
| Spain | 40 |
| Mexico | 20 |
| United States | n/av |
| Argentina | 35 |
| Chile | 30 |
| Colombia | 7 |
| Peru | 31 |
| Venezuela | 16 |
| Paraguay | 15 |
| Uruguay | 30 |
| TOTAL | 23 |

n/av = not available

Scope: BBVA Group

Supplier satisfaction survey

BBVA carries out a biennial survey of its supplier satisfaction. The level of satisfaction of the Group's suppliers in the 2014 survey was 81.6 out of 100.

Supplier satisfaction index ⁽¹⁾

| | 2014 | 2013 | 2012 |
|---------------|-----------|------------|-----------|
| Spain | 79 | n/a | 79 |
| Mexico | 80 | n/a | 77 |
| United States | 72 | n/a | 82 |
| Argentina | 84 | n/a | 82 |
| Chile | 83 | n/a | 81 |
| Colombia | 86 | n/a | 84 |
| Peru | 79 | n/a | 77 |
| Venezuela | 88 | n/a | 86 |
| TOTAL | 82 | n/a | 81 |

n/a = not applicable

(1) Biennial survey.

Scope: BBVA Group

Supplier approval process

BBVA has in place an approval process for its recurrent suppliers with significant procurement volumes. This assessment includes eleven aspects:

- Technical and human infrastructure.
- Economic-financial solvency.
- Compliance with payment commitments.

- Market consolidation.
- References.
- Supply capacity.
- Information supply capacity.
- Quality (processes and products/services).
- Post-sale service and guarantees.
- Organization and technology.
- Sustainability (environmental, diversity, equality, occupational health and safety, etc.)

This approval process assesses the productive, technical, financial, legal and commercial capacity required by the BBVA Group to ensure compliance with the commitments contracted and that suppliers share the same social responsibility criteria as the Group.

This sustainability criteria tells us whether suppliers are complying with their legal responsibilities (employment, data protection, etc.) and whether they promote civic responsibility, through the following questionnaire:

- Compliance with UN social and environmental principles.
- Adoption of internal measures to guarantee diversity and equal opportunities in human resource management.

- Adoption of measures to promote occupational health and safety, preventing accidents and incidents at work.
- Support for freedom of association and collective bargaining for workers in all the countries in which they operate.
- Do they have a code of conduct or policy to avoid forced and child labor, and other human rights breaches, for the company itself and its subcontractors?
- Do they have a code of conduct or policy to avoid bribery and corruption?
- Are they involved in activities through direct actions or donations or in collaboration with other organizations and institutions to promote culture, scientific knowledge, sport, the environment or marginalized parts of the population?
- Hiring people with disabilities.
- Does the company have an Environmental and Social Governance policy?

Since early 2014, BBVA has included new wording on “Different Capabilities” in its terms and conditions, assessing whether the company employs people with disabilities or has adopted the corresponding alternative measures, and whether their contracts comply with current legislative requirements on the social integration of people with disabilities.

Supplier approval in Spain

| | 2014 | 2013 | 2012 |
|---|------|------|------|
| Number of suppliers who have passed the approval process | 893 | 940 | 989 |
| Purchases from suppliers who have taken part in the approval process (%) ⁽¹⁾ | 84 | 89 | 84 |
| Number of suppliers who have failed the approval process | 2 | 48 | 80 |

(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

Global Procurement System

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 2014 is as follows:

- The complete procurement cycle is now covered by the GPS platform in Spain (11 companies), Mexico (13 companies), Peru, Colombia, Chile and Argentina.
- A procurement tool using an electronic catalog (SRM) with web access is being incorporated to issue decentralized purchasing requests across the whole organization. It has been in place in Mexico and Chile since 2013 and in Spain since 2014, and will be rolled out in the future in Colombia, Peru and Argentina.
- The GPS platform is complemented by the Latam Supplier Relationship Center. This is a global service for attracting

and providing level 1 support to suppliers in Latin America incorporated into the *Adquiria Marketplace* suppliers' portal.

The *Adquiria Marketplace* suppliers portal has been integrated into the GPS platform since 2013. This enables online interaction between Group companies and their suppliers working in a collaborative environment. It covers all stages in the supply process, from the issue of orders to the booking of invoices, allowing electronic exchange of documents and eliminating the use of paper.

Society



Society

Education for society

At BBVA our vision is to work for a better future for people. Our social programs therefore focus on education for society, to promote social integration and values training for children and young people.

In 2014, a total of 316,692 million people benefited directly from education for society programs.

Number of beneficiaries of initiatives supporting education for society

| | 2014 | | 2013 | | 2012 | |
|--|--------|----------|---------|----------|--------|----------|
| | Direct | Indirect | Direct | Indirect | Direct | Indirect |
| Pre-school and elementary | 71.599 | 262.558 | 102.919 | 226.384 | 69.798 | 339.386 |
| "Niños Adelante" (Forward, children) scholarships (South America and Mexico) | 59.433 | 249.958 | 90.931 | 210.634 | 61.655 | 322.746 |
| The Knowledge Olympics (Mexico) | 3.150 | 12.600 | 3.150 | 15.750 | 3.150 | 16.640 |
| Reading Counts ⁽¹⁾ | 1.080 | n/av | n/av | n/av | n/av | n/av |
| Team. Works. in School. NBA Cares ⁽¹⁾ | 1.152 | n/a | 4.410 | n/a | n/a | n/a |
| Papagayo Program (Venezuela) | 6.784 | n/a | 4.428 | n/a | 4.993 | n/a |

| | | | | | | |
|--|----------------|----------------|----------------|----------------|---------------|----------------|
| Secondary education | 200 | | 225 | | 225 | |
| BBVA Route | 200 | n/a | 225 | n/a | 225 | n/a |
| Training for adults | 244.893 | 72.730 | 15.276 | 45.196 | 21.112 | 40.552 |
| Organization of Ibero-American States (South America and Mexico) | 1.980 | 69.180 | 1.369 | 42.965 | 3.150 | 39.375 |
| Acción Magistral (Spain) | 3.426 | 3.550 | 1.730 | 2.231 | 177 | 1.177 |
| Teach for America (USA) ⁽¹⁾ | 218.325 | n/av | n/av | n/av | n/av | n/av |
| Educational and Production Centers (Mexico) | 16.649 | n/a | 12.035 | n/a | 17.785 | n/a |
| Plan Familias Adecco (Spain) | 1.008 | n/av | 142 | n/av | n/a | n/a |
| Can Roca (USA, Colombia, Peru and Mexico) | 3.505 | n/a | n/a | n/a | n/a | n/a |
| TOTAL | 316.692 | 335.288 | 118.420 | 271.580 | 91.135 | 379.938 |

n/a = not applicable

n/av = not available

(1) United States data for 2014 under review.

Scope: BBVA Group

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

- The “Niños Adelante” (Forward, children) integration scholarships program was set up in 2007 to promote access to quality education for underprivileged children and young people in South America and Mexico. In 2014 we allocated €14,761,525 to the Niños Adelante program which benefited 59,433 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, and in Peru, children with poor reading skills, through the “Leer es estar adelante” (Read to get ahead) program.

In 2014 we continued our initiatives 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.

Main indicators of "Niños Adelante" (Children Forward)

| INVESTMENT (€) | | | |
|----------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2012 |
| Chile | 408.427 | 595.683 | 764.240 |
| Colombia | 454.285 | 972.032 | 1.275.241 |
| Mexico | 11.533.128 | 11.290.273 | 10.575.585 |
| Paraguay | 109.850 | 123.449 | 202.859 |
| Peru | 318.873 | 88.521 | 413.990 |
| Uruguay | 104.027 | 126.549 | 60.962 |
| Venezuela | 1.832.934 | 2.108.266 | 1.594.399 |
| TOTAL | 14.761.525 | 15.304.774 | 14.887.276 |

n/a = not applicable

Scope: BBVA Group

| NUMBER OF SCHOLARSHIPS | | | |
|------------------------|--------|--------|--------|
| | 2014 | 2013 | 2012 |
| Chile | 4.396 | 4.614 | 4.686 |
| Colombia | 6.690 | 9.380 | 10.085 |
| Mexico | 17.815 | 16.815 | 15.800 |

| | | | |
|--------------|-------------------|-------------------|-------------------|
| Paraguay | 391 | 7.253 | 3.581 |
| Peru | 25.149 | 48.249 | 22.883 |
| Uruguay | 120 | 120 | 120 |
| Venezuela | 4.872 | 4.500 | 4.500 |
| TOTAL | 14.761.525 | 15.304.774 | 14.887.276 |

Scope: BBVA Group

| INDIRECT BENEFICIARIES | | | |
|------------------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2012 |
| Chile | 6.594 | 17.533 | 17.807 |
| Colombia | 41.332 | 40.334 | 41.349 |
| Mexico | 71.260 | 70.623 | 67.940 |
| Paraguay | 7.644 | 32.639 | 17.547 |
| Peru | 100.596 | 236.420 | 102.974 |
| Uruguay | 32 | 540 | 480 |
| Venezuela | 22.500 | 18.450 | 20.250 |
| TOTAL | 249.958 | 416.539 | 268.347 |

Scope: BBVA Group

| NUMBER OF VOLUNTEERS | | | |
|----------------------|------|------|------|
| | 2014 | 2013 | 2012 |
| Chile | 150 | 171 | 169 |

| | | | |
|--------------|--------------|--------------|--------------|
| Colombia | | 0 | n.a. |
| Mexico | 790 | 790 | 796 |
| Paraguay | | 65 | 15 |
| Peru | 167 | 87 | 81 |
| Uruguay | 26 | 44 | 20 |
| Venezuela | 18 | 142 | 74 |
| TOTAL | 1.151 | 1.299 | 1.155 |

n/a = not applicable

Scope: BBVA Group

| NUMBER OF AFFILIATES | | | |
|----------------------|-----------|------------|-----------|
| | 2014 | 2013 | 2012 |
| Chile | 2 | 2 | 2 |
| Colombia | 21 | 187 | n.a. |
| Mexico | 5 | 7 | 3 |
| Paraguay | 1 | 1 | 1 |
| Peru | 19 | 22 | 21 |
| Uruguay | 6 | 3 | 2 |
| Venezuela | 2 | 2 | 2 |
| TOTAL | 56 | 224 | 31 |

n/a = not applicable

Scope: BBVA Group

- The Olimpiada del Conocimiento Infantil (Children's Knowledge Olympics) in Mexico is a national competition organized by the Department of Public Education. Each year prizes are awarded to the top students in the sixth year of elementary school. Federal and state teaching staff and authorities take part in the student selection process across the country, which is divided into 3 stages: by area; by region, sector, supervisory area authority or equivalent; and finally by each institution. More than 10,000 children have received scholarships over the 13 years of this collaboration.
- Partnerships have been set up 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 some of the main states where BBVA Compass operates. 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.

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. In 2014 the destination was Peru. The 200 members of the expedition from 21 countries learned about the regions of the Amazon River, the ways of life in the Cañón del Colca and the Paracas and Nazca cultures. As well as cultural exchange activities, the academic

program provided training on entrepreneurial skills and visits to social ventures that operate in Peru and Spain.

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

- We have partnered with the Organization of Iberoamerican States (OIS) for science and culture 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). Specifically, goal number 7 involves improving the quality of education in early childhood and guaranteeing proper training for teachers. Since 2008, we have helped more than 205,000 children and teachers.
- FAD, UNESCO and BBVA launched their "[Acción Magistral](#)" project in 2012, to provide support for the daily work done by pre-school, elementary and high-school teachers. The project offers online and in-person teacher training, resources for classroom teaching and forums for debate, as well as other support. A total of 3,426 teachers participated in the project, using the platform. Since its launch in 2012, 667 teachers have been trained through the more than 40 courses offered.

The BBVA Foundation

In 2014 [the BBVA Foundation](#) strengthened its commitment to a better future for people through boosting knowledge and innovation and disseminating it in society, while extending its activity with new ways of supporting scientific research and cultural creation.

The first BBVA Foundation grants for research and creation were awarded in 2014, allowing 87 individual and team projects to be set up. Recipients were selected through three public invitations for applications aimed at: individual researchers, innovators and cultural creators in ten different areas of science and culture; research teams in scientific areas with a high social impact; and audiovisual artists for creation in video art and electronic spaces.

Through these grants, the BBVA Foundation supplements its ongoing activity supporting the generation and dissemination of knowledge, in which it has always paid special attention to basic research. At the same time, it contributes an innovative approach to the promotion of science and culture.

In the case of grants for individuals, the competition was notable for the extensive and diverse range of areas of activity included (ten fields of research and creation), the profile of recipients (at an intermediate position in their studies

or professional activities with outstanding results) and the flexibility offered in the use of funds. In total 56 grants were awarded.

The first BBVA Foundation Grants
for research and creation in 2014
allowed 87 projects to be set up.

With respect to research teams, the grants went to 21 applied research projects in areas of preferential interest for the BBVA Foundation: Biomedicine, Ecology and Conservation Biology, Socioeconomics and the Digital Humanities. This invitation for applications has also included innovative elements for the Foundation, such as the grants targeted for projects that transfer research to clinical practice in Biomedicine, and in the case of Ecology and Conservation Biology, supporting actions to restore and conserve habitats and/or threatened species, which imply cooperation with conservation bodies and public agencies in the selected projects.

With the grants for Video Art Creation, the BBVA Foundation incorporates this innovative form of artistic expression to its support for culture, also offering the opportunity to exhibit

the resulting works of the 10 artists chosen. Together with these grants, the dissemination of research and creation has continued to be one of the key cross-cutting elements of the BBVA Foundation's activity, with a number of cycles of conferences and the production of audiovisual materials.

The successful cycle of conferences on astrophysics and cosmology called The Science of the Cosmos was into its third year in 2014. The speaker at the closing ceremony was the scientist and writer on science Martin Rees, Emeritus Professor of Cosmology and Astrophysics at the University of Cambridge, UK, and Astronomer Royal since 1995.

In addition, CERN (European Organization for Nuclear Research), has chosen the BBVA Foundation to commemorate its 60th anniversary in Spain. One of the results of this collaboration has been the series of conferences The Secrets of Particles. Fundamental Physics in Daily Life. The nine-part series of talks was closed by the General Director of CERN, Professor Rolf Heuer. The talks in both cycles are available in

Spanish and English on the BBVA Foundation website.

Another of the major projects that started in 2104 aims to disseminate via the Internet validated and reliable knowledge on health and its integration into the care process. It is the result of an agreement reached between the BBVA Foundation and Hospital Clínic in Barcelona. Under the agreement, the professionals in the prestigious care, teaching and research hospital have undertaken to draw up, update and supervise a health portal that aims to become a global benchmark for more than 500 million Spanish speakers.

The different families of awards that the BBVA Foundation organizes exclusively or in partnership with other institutions have continued to give visibility and recognition to people who contribute significantly to scientific and technological and cultural progress. This goal can be seen in its highest form at the BBVA Foundation Frontiers of Knowledge Awards, through the level of its jury and the international prestige of the prizewinners.

| THE BBVA FOUNDATION AWARDS 2014 FRONTIERS OF KNOWLEDGE | WINNER |
|---|--|
| Pure Sciences (Physics, Chemistry and Mathematics) | Stephen Buchwald |
| Biomedicine | Tony Hunter, Charles Sawyers and Joseph Schlessinger |
| Ecology and Conservation Biology | David Tilman |
| Climate Change | Richard Alley |
| Information and Communication Technologies | Leonard Kleinrock |

Economics, Finance and Business Management

Richard Blundell and David Card

Development Cooperation

The NGO Helen Keller International (HKI)

Contemporary Music

György Kurtág

Jean Tirole, a winner at the first BBVA Foundation Frontiers of Knowledge awards, received the Nobel Prize for Economics in 2014. This brings the number of winners of the BBVA Frontiers of Knowledge Awards who went on to receive the Nobel Prize to four.

Culture

The multidimensional support for contemporary music also included a wide-ranging program this year, including commissions for works from groups and orchestras specializing in music of the 20th century and our time; audiovisual recordings for its collection of Spanish and Latin American composers; support for opera through collaborations with some of the major institutions in the country (the Teatro Real in Madrid; the Association of Opera Lovers of Bilbao ABAO, the Teatro Real de la Maestranza in Seville and the Gran Teatre del Liceu in Barcelona) and collaboration with regional symphony orchestras (ORCAM and the Madrid and Seville Symphony Orchestras).

In addition, the BBVA Foundation has confirmed its firm support to higher musical training with the creation of the Spanish National Orchestra and Chorus (OCNE) -BBVA Foundation Academy. The first auditions have already been

held to choose young performers who will receive a training plan that includes a mentoring program and participation in concerts with the OCNE, as well as continuous collaboration with the Reina Sofia School of Music.

The Foundation's cultural activity includes an agreement with the Spanish National Radio (RNE) to record a new radio version of Don Quixote with a script by the member of the Spanish scholar Francisco Rico and a cast including famous actors such as José María Pou, José Luis Gómez, Javier Cámara and Michelle Jenner. RNE will broadcast this major radio theater production in 2015 to commemorate the fourth centenary of the publication of the second part of the novel.

In addition, BBVA has continued its important support for culture in a number of the countries in which it operates.

In Argentina the BBVA Francés Foundation once more participated in the "Night of the Museums" and initiatives such as "Artists for Education", a program that as well as serving to raise awareness of the Integration Scholarship program contributes significant support to local artistic talent.

In Chile, the main cultural activity of the year consisted of bringing art closer to the youngest people through the

organization of a virtual visit to the Prado Museum with the participation of two experts from the museum itself. A total of 5,000 young people were involved.

The BBVA Continental Foundation continued its important work promoting art, investing around €500,000 on exhibitions such as Contemporary Peruvian Art and the sponsorship of the country's main museums.

Equally, there was again significant activity in the cultural field in Mexico and the United States. In the case of the BBVA Bancomer Foundation, the "Fomento Cultural" (Cultural Promotion) program supported more than 50 art exhibits, musical festivals, theatrical workshops and film initiatives. In the United States, the BBVA Compass Foundation acted in a similar way, in particular with numerous activities related to classical music, including sponsorship of the Houston Symphony Orchestra and the sponsorship of Houston Grand Opera.

Innovation and Entrepreneurship

At BBVA we consider that innovation is an essential lever for growth in society and one of the core elements of our Responsible Business Plan, but it also helps grow our business. That is why we work to support technological innovation and innovate in the business by developing new products and services.

In 2014 we continued to support open innovation and the [BBVA Innovation Centers](#) with activities aimed at boosting the development of the innovation and entrepreneurship ecosystem. This positions us as an active player in this area at

an international level, as well as to identify initiatives that are of interest to us.

Support for higher musical training has been confirmed with the creation of the Spanish National Orchestra and Chorus (OCNE) -BBVA Foundation Academy.

The BBVA Innovation Center has a [Living Lab](#), a set of realistic scenarios that represent the places where BBVA customers relate to their bank. It is a real laboratory where new projects are tested from their initial stages to enrich them and adapt them to the needs of people and to be able to offer new financial experiences, which is our main commitment.

In 2014, the BBVA Innovation Center organized more than 220 events and activities aimed at disseminating innovation trends and entrepreneurship activity, generating networking opportunities and boosting training. The events took place at the Madrid and Bogota centers and included collaboration with various organizations, among them [The App Date](#), [Knowsquare](#), Marketing Thinkers, the Founder Institute, the magazine Emprendedores and MITEF.

[The website of the BBVA Innovation Center](#) and its social networks provide another stage for interaction with the rest of the community. It offers access to high-value content and

publicizes all the activities carried out.

[BBVAOpen4U.com](#) is BBVA's open innovation platform targeted specifically at developers and digital entrepreneurs that supplements this Internet presence.

One of the main programs supporting technological innovation is [BBVA Open Talent](#), aimed at innovative entrepreneurs. The 6th edition was held in 2014, with the participation of 870 startups from 56 countries, in two categories: digital life and new banking, with a great growth in the category aimed at supporting fintech startups (77% up on the previous year, representing 166 projects in total).

Through the Open Innovation area created in 2013, BBVA maintains relations with universities and business schools and proposes challenges for them. In this activity with universities, BBVA departments identify problems and real challenges for BBVA which are presented to the students of ICADE, IE and ESADE for them to propose creative solutions.

[BBVA Beta testers](#) is an open tool that allows people to form part of the process of creating our applications by contributing ideas for improvement. BBVA has a community of nearly 6,000 beta testers around the world testing the bank's applications and new projects.

BBVA also 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.

This is done through a number of competitions:

[InnovaChallenge Big Data](#), which finds talented projects with BBVA's open data; [InnovaApps+](#), organized with Google to find the best productivity applications aimed at solving day-to-day problems for SMEs and startups; and [InnovaChallenge MX](#), the second year of the Big Data competition, in which BBVA once more opens up an API with open data, this time with data focused on Mexico.

Entrepreneurs play a key role in sharing the knowledge in which we are interested. 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.

The BBVA Innovation Center
has a Living Lab, a set of realistic
scenarios that represent the places
where customers can relate to their
bank.

BBVA Ventures is the BBVA Group risk capital fund that invests in disruptive startups in the financial industry. It was launched at the start of 2013 with its headquarters in Silicon Valley (San Francisco, United States) and currently has USD 100 million to invest in innovative startups at global level.

In this initiative, BBVA works alongside entrepreneurs and venture capitalists so that the bank can gain expertise in

these new trends and foster innovative banking and financial initiatives.

In 2014 BBVA invested in [Taulia](#), a company that digitizes the traditional financial processes for suppliers from a cloud-based platform; DocuSign, a company that offers digital signature technology and digital services for managing transactions; and investment has also been announced in Personal Capital, which provides financial advice and money management services.

In addition, we support entrepreneurs through initiatives that promote networking and increase their visibility with tools and training:

- Support for the [Innovators Under 35](#) initiative, boosting its implementation in Spain and Latin America. This program is an initiative of MIT Technology Review. It rewards young researchers who are developing innovative entrepreneurship projects that provide solutions for real problems.
- Support and participation in the Spain Startup Summit and [Colombia Startup Summit](#).
- Membership as founding partner the two main European Commission initiatives designed to boost innovation and leadership in the digital economy in Europe, the Startup Europe Partnership (SEP) and European Digital Forum.
- [Adventure Network](#) is an international network designed to speed up high-potential projects, constructed on a Texas-Spain axis. It is a network that will complement the

investment access channels with the upcoming launch of [Adventureros](#), one of the first equity crowdfunding platforms in Spain and in the world, and the only one constructed on the connection bridge with Texas and focused from the start on achieving rapid growth among the Hispanic population of the U.S. and in Latin America.

- [Startup Academy](#) is a catalyst for the entrepreneurship and startup ecosystem. It is the first training course designed by investors, businesspeople and professionals in the digital world that uses innovative methodologies inspired in the main technological hubs and prestigious universities such as Stanford and MIT.

BBVA Research

With respect to knowledge exchange, BBVA Research has issued 2,702 economic publications in 2014, all of them published on the [BBVA Research website](#), generating more than 10,000 news items in the media. The BBVA Research team has participated in 254 public events.

BBVA Research has issued 2,702 economic publications in 2014, all of them published on the BBVA Research website.

The subjects covered in the publications include

[Letter from the Chairman](#)[BBVA profile](#)[Vision, mission and policy](#)[Governance systems](#)[Dialogue with stakeholders and
materiality analysis](#)[Social impact](#)[Priority 1: TCR Communication](#)[Priority 2: Financial literacy](#)[Priority 3: High social impact
products](#)[Responsible customer management](#)[Social, environmental and
reputational risk](#)[The team](#)[Suppliers](#)[Society](#)[Information criteria and standards](#)[Independent assurance report](#)

macroeconomic, regional and sector analysis, the study of different financial systems and banking regulation. Financial inclusion, pensions, the labor market and the real-estate sector have also been facets of the economy that BBVA Research has dealt with in its publications.

From a geographical point of view, the documents published have covered both developed and emerging economies. It has included countries such as Spain, the U.S., Mexico, Chile, Colombia, Peru, Paraguay, Uruguay, and also economic areas such as the Eurozone, Asia and Latin America.

The global aspect of BBVA Research has been reflected in the languages in which the different documents are available. Spanish and English are the main languages, representing more than 80% of the total, but reports have also been written in Portuguese, Catalan, Basque and Mandarin Chinese.

The "Economic Outlook" magazines dealing with quarterly or half-yearly economic analysis of a significant country or economic area have continued to take the global economic pulse and stressed the different areas without forgetting to take a global view of the economy. Infographics and videos have become a key tool of BBVA Research for transmitting and spreading its rigorous economic studies in the most didactic way possible with the aim of reaching the largest possible public.

The BBVA Research website has continued to offer a free consultation service, and has taken a step forward technologically with the use of a new publication platform to meet its social commitment and adapt to the digital world of the 21st century.

BBVA's environmental policy includes the Group's commitment to responsible management of natural resources. The main expression of this commitment is the Global Eco-Efficiency Plan (GEP), which establishes the following targets per employee for the period 2013-2015:

- A 6% reduction in CO2 emissions.
- A 3% reduction in paper consumption.
- A 3% reduction in water consumption.

- A 3% reduction in electricity consumption.
- 33% of people working in buildings and offices that have been awarded environmental certifications.

As well as this, the plan establishes controls on the generation of waste such as paper, toner, electrical and electronic appliances and other dangerous waste across the whole BBVA Group.

Main GEP indicators ⁽¹⁾

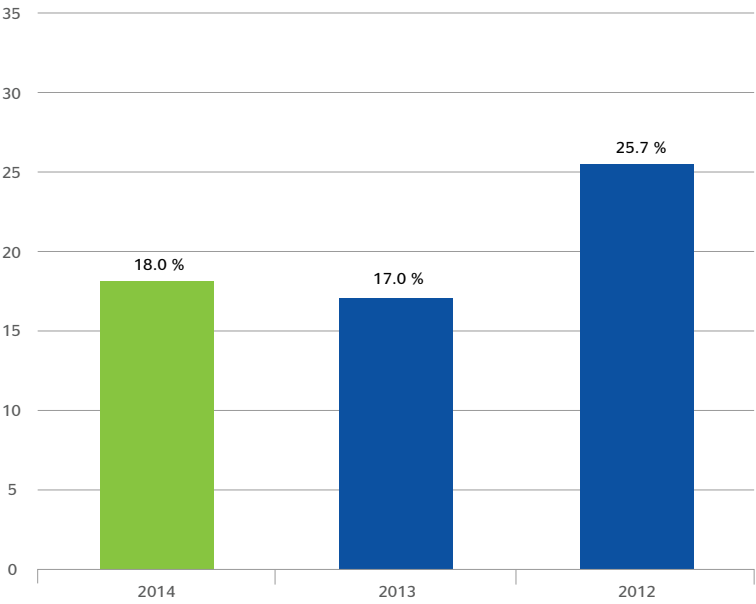
| | 2014 | 2013 | 2012 |
|--|------|------|------|
| People working in certified buildings (%) ⁽²⁾ | 18 | 17 | 25.7 |
| CO2 emissions per person (t) | 2.7 | 2.8 | 3.1 |
| Paper consumption per person (t) | 0.1 | 0.1 | 0.1 |
| Water consumption per person (m3) | 24 | 23.5 | 29.5 |
| Electricity consumption per person (MWh) | 6.4 | 6.5 | 7.4 |

(1) "People" includes bank employees and external occupants.

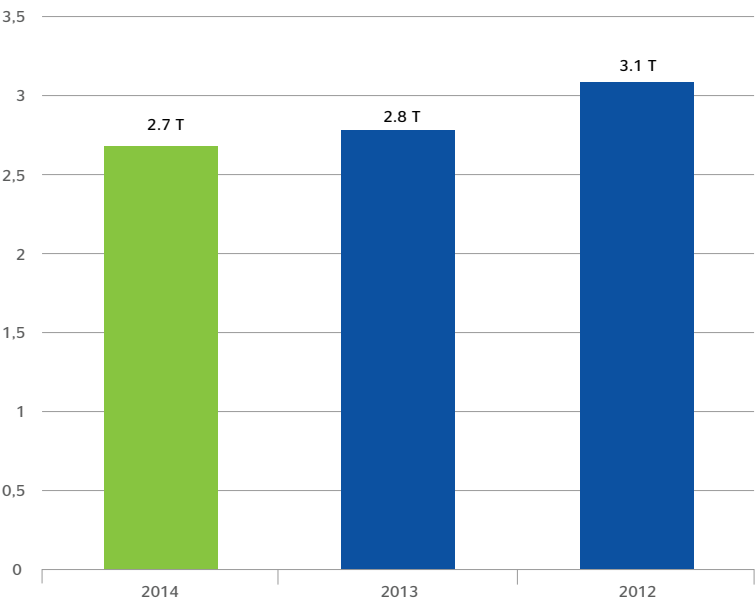
(2) Includes ISO 14001 and LEED certifications.

Scope: BBVA Group (2012: Bank). United States data for 2014 under review.

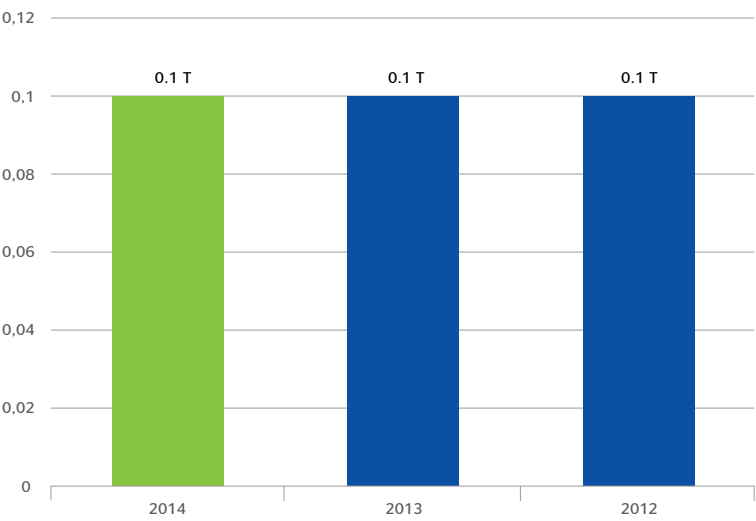
People working in certified buildings (%)



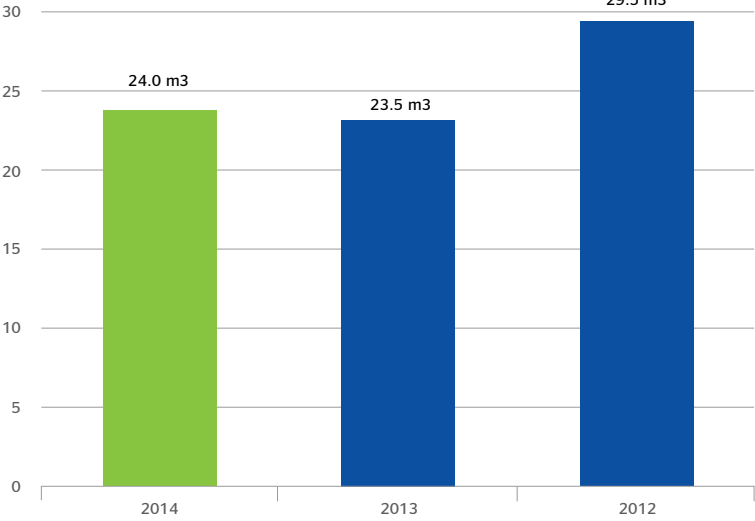
CO2 emissions per person (t)



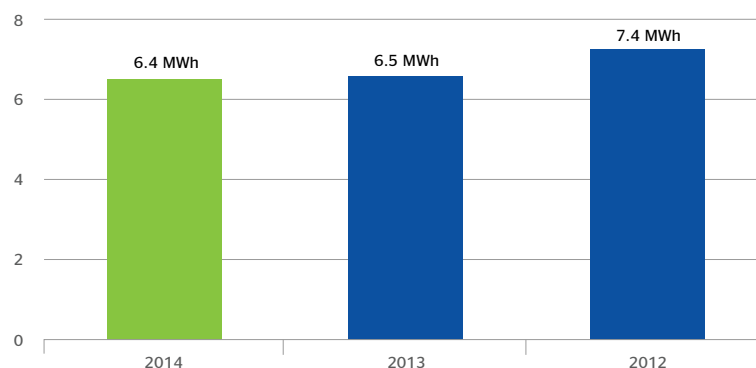
Paper consumption per person (t)



Water consumption per person (m3)



Electricity consumption per person (MWh)



In 2014 we continued to work on various initiatives within the GEP to reduce our environmental footprint. These measures include energy efficiency initiatives in facilities, implementation of renewable energy, use of new energy-saving technology, energy audits in buildings, rationalization and various actions to make facilities more efficient, within the framework of a new concept of "green branch".

Plans have been established in other areas to replace refrigeration equipment with high water consumption and to introduce the reuse of greywater and rainwater, drip irrigation or the replacement of equipment with high water consumption in buildings and branch offices.

Plans are also underway on virtual correspondence and paperless offices to reduce paper consumption. It is worth highlighting the Central Service Digitization project, which includes new and more efficient models of printing, storage and documentation management, as well as the review and improvement of documentation processes. So far the result of this project has been the elimination of 7,298 linear meters of

paper from the offices of the Central Services areas in Madrid and Bilbao. The plan is to eliminate more than 8 kilometers in the first half of 2015.

BBVA also leads the commitment to sustainability and respect for the environment by implementing the LEED certification for new construction in the main projects underway in Spain, the U.S. and Latin America.

The strategies to improve the eco-efficiency of these buildings include:

- Systems to improve energy efficiency, such as the installation of solar panels, highly efficient systems of air conditioning and heating, geothermal systems, low-energy lighting, improved insulation and heat recovery systems. Overall, the savings expected amount to around 25% of the use of energy compared with conventional buildings.
- Implementation of ISO 50001 as a tool for management and control of energy use and consumption, identifying the main areas of consumption in buildings to allow decisions to be made that can impact improved energy performance in buildings.
- Implementation of ISO 140001 to reduce environmental impact and improve the environmental performance of buildings and offices in the BBVA Group, managing consumption and waste generation from financial activity efficiently.

For the period 2015-2016 energy is being bought from renewable sources, with the result that the buildings and

offices of BBVA in Spain have a minimum impact on the environment, and CO2 emissions are down by 80%.

This approach maintains the lines set out in our first Global

Eco-Efficiency Plan 2008-2012, which ended with a reduction per employee of 15% in CO2 emissions, savings of 29% in water and 17% in paper across the Group.

Consumption of water from the public supply (m3)

| | 2014 | 2013 | 2012 |
|-----------------------------------|------------------|------------------|------------------|
| Spain and Portugal ⁽¹⁾ | 361.183 | 403.781 | 474.460 |
| Mexico | 805.343 | 628.663 | 604.493 |
| United States | 963.547 | 1.113.878 | 1.292.286 |
| South America | 875.040 | 733.109 | 685.578 |
| TOTAL | 3.005.112 | 2.879.431 | 3.056.817 |

(1) Consumption in the branch network in Spain has been estimated taking into account a sample of branches.

Scope: BBVA Group (2012: Bank). United States data for 2014 under review.

Paper consumption (t)

| | 2014 | 2013 | 2012 |
|--------------------|-------|-------|-------|
| Spain and Portugal | 3.431 | 4.545 | 5.030 |
| Mexico | 1.924 | 1.960 | 1.822 |
| United States | 1.363 | 874 | 1.364 |

| | | | |
|---------------|--------------|--------------|---------------|
| South America | 1.652 | 2.214 | 2.413 |
| TOTAL | 8.370 | 9.592 | 10.629 |

Scope: BBVA Group (2012: Bank). United States data for 2014 under review.

Energy consumption (MWh)

| | 2014 | 2013 | 2012 |
|-----------------------------|------------------|------------------|------------------|
| Spain and Portugal | 257.260 | 260.372 | 244.970 |
| Electricity | 244.800 | 246.280 | 235.583 |
| Fossil fuels ⁽¹⁾ | 12.460 | 14.092 | 9.387 |
| Mexico | 229.517 | 219.740 | 231.130 |
| Electricity | 221.782 | 214.146 | 225.669 |
| Fossil fuels ⁽¹⁾ | 7.735 | 5.594 | 5.461 |
| United States | 143.878 | 143.230 | 140.341 |
| Electricity | 143.512 | 142.772 | 139.940 |
| Fossil fuels ⁽¹⁾ | 366 | 458 | 401 |
| South America | 189.953 | 193.977 | 172.575 |
| Electricity | 186.892 | 191.396 | 169.612 |
| Fossil fuels ⁽¹⁾ | 3.062 | 2.581 | 2.962 |
| TOTAL | 3.005.112 | 2.879.431 | 3.056.817 |
| Electricity | 796.985 | 794.594 | 770.804 |
| Fossil fuels ⁽¹⁾ | 23.623 | 22.725 | 18.211 |

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

Scope: BBVA Group (2012: Bank). United States data for 2014 under review.

CO2 emissions (t) ⁽¹⁾

| | 2014 | 2013 | 2012 |
|---------------------------|----------------|----------------|----------------|
| Spain and Portugal | 102.653 | 103.230 | 86.055 |
| Electricity | 81.860 | 82.142 | 65.808 |
| Fossil fuels | 2.496 | 2.827 | 1.930 |
| Trips by plane | 18.297 | 18.260 | 18.317 |
| Mexico | 113.711 | 110.653 | 115.252 |
| Electricity | 99.802 | 97.400 | 102.675 |
| Fossil fuels | 2.241 | 1.540 | 1.347 |
| Trips by plane | 11.669 | 11.712 | 11.230 |
| United States | 76.325 | 82.687 | 78.193 |
| Electricity | 72.186 | 74.563 | 72.352 |
| Fossil fuels | 89 | 126 | 112 |
| Trips by plane | 4.049 | 7.998 | 5.729 |
| South America | 43.194 | 47.366 | 39.183 |
| Electricity | 34.388 | 37.617 | 31.098 |
| Fossil fuels | 722 | 621 | 715 |
| Trips by plane | 8.084 | 9.127 | 7.370 |
| TOTAL | 335.883 | 343.935 | 318.755 |
| Electricity | 288.236 | 291.722 | 271.933 |
| Fossil fuels | 5.549 | 5.115 | 4.176 |
| Trips by plane | 42.099 | 47.098 | 42.646 |

(1) 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, 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 have been recalculated using new conversion factors indicated by DEFRA in the 2013 revision.

Scope: BBVA Group (2012: Bank). United States data for 2014 under review.

Employees in certified buildings (%)

| | 2014 | 2013 | 2012 |
|--------------------|-----------|-----------|-----------|
| Spain and Portugal | 46 | 41 | 35 |
| Mexico | 0 | 0 | 35 |
| United States | 8 | 8 | 0 |
| South America | 13 | 13 | 15 |
| TOTAL | 18 | 17 | 26 |

Scope: BBVA Group. United States data for 2014 under review.

Waste managed (kg)

| | 2014 | 2013 | 2012 |
|--------------------------------------|------------------|------------------|----------------|
| Spain and Portugal | 771.164 | 482.447 | 433.127 |
| Paper | 596.779 | 260.711 | 358.708 |
| Toner | 133.367 | 131.161 | 10.930 |
| Electrical and electronic appliances | 19.219 | 68.100 | 55.794 |
| Donated material | 4.656 | 1.944 | 7.695 |
| Hazardous waste | 17.143 | 20.531 | n/av |
| Mexico | 1.098.987 | 1.147.570 | 736.310 |

| | | | |
|--------------------------------------|------------------|------------------|------------------|
| Paper | 1.051.703 | 1.088.058 | 710.797 |
| Toner | n/av | n/av | n/av |
| Electrical and electronic appliances | 46.555 | 59.512 | 24.233 |
| Donated material | 729 | n/av | 1.280 |
| Hazardous waste | n/av | n/av | n/av |
| United States | 2.142.465 | 2.549.312 | 3.913.798 |
| Paper | 2.102.201 | 2.478.601 | 3.876.932 |
| Toner | 129 | 615 | 1.193 |
| Electrical and electronic appliances | 40.134 | 70.096 | 35.673 |
| Donated material | n/av | n/av | n/av |
| Hazardous waste | n/av | n/av | n/av |
| South America | 271.775 | 277.880 | 1.494.651 |
| Paper | 182.483 | 199.777 | 1.392.424 |
| Toner | 9.847 | 10.810 | 14.054 |
| Electrical and electronic appliances | 79.429 | 66.408 | 87.300 |
| Donated material | 16 | 885 | 873 |
| Hazardous waste | n/av | n/av | n/av |
| TOTAL | 4.284.391 | 4.457.209 | 6.577.886 |
| Paper | 3.933.167 | 4.027.147 | 6.338.861 |
| Toner | 143.343 | 142.586 | 26.177 |
| Electrical and electronic appliances | 185.337 | 264.116 | 203.000 |
| Donated material | 5.401 | 2.829 | 9.848 |
| Hazardous waste | 17.143 | 20.531 | n/av |

n/av = not available

Scope: BBVA Group (2012: Bank). United States data for 2014 under review.

Information criteria and standards



The information included in this Responsible Banking Report is for the BBVA Group and 2014, although it also contains comparative data for 2012 and 2013, with an indication of their scope. Where the historical data has been changed due to changes in the indicators, an explanation is given.

The main change in 2014 is the adaptation of the Report content to the G4 Sustainability Reporting Guidelines under the Global Reporting Initiative (GRI), with a comprehensive level and which includes information about basic, general and specific content, and the financial supplement.

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.

Our material aspects for 2014 were determined through an analysis of our stakeholders to identify where we should concentrate our efforts to deliver them value. We have therefore drawn on many of the tools for dialogue with our stakeholders and on the manual of the G4 Sustainability Reporting Guidelines under the Global Reporting Initiative (GRI), and standard AA1000 which includes the AA 1000APS AccountAbility Principles Standard (2008). The result of this research has been the basis on which the Responsible Business Plan was formulated in 2012, which was approved in 2013.

We then used it to determine the most relevant issues, based on their importance to our stakeholders and their impact on the management of BBVA as a financial institution. This allowed us to define the three strategic priorities, to which we allocate separate chapters in the Report, and comment on BBVA's work in relation to these topics throughout the Report.

We also continue to work toward achieving greater integration of financial and non-financial (also called ESG) information in the 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 2014", which makes use of the reporting trends promoted by the International Integrated Reporting Council (IIRC).

This Responsible Banking Report is completed with the BBVA Report for 2014 and the Annual Consolidated Financial Statements and Management Report for 2014, as well as other information that is available on BBVA's website for shareholders and investors.

Basic references and international standards.

This information was drafted in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines (GRI G4), with a comprehensive level and which includes information about basic, general and specific content, and the financial supplement for which information has been available for publication. It also follows the AA1000 APS AccountAbility Principles Standard.

In addition, the information reflects the Progress Report 2014 on the United Nations Global Compact and includes actions related to the United Nations Millennium Development Goals.

Principles to guarantee information quality.

The principles for preparing the 2014 Responsible Banking Report adhere to the GRI G4 guidelines, in terms of definition of content and information quality:

- **Stakeholder engagement:** BBVA specifies its stakeholders and explains how it has responded to their reasonable expectations and interests.
- **Sustainability Context:** The 2014 Responsible Banking Report presents the organization's performance in the widest context of sustainability, considering the information available.
- **Materiality:** The 2014 Responsible Banking Report covers aspects that show the organization's significant economic,

environmental and social impact, or that considerably influence the stakeholders' evaluations and decisions.

- **Exhaustiveness:** the 2014 Responsible Banking Report covers material aspects and their coverage that show their significant economic, environmental and social impacts. The stakeholders can also analyze the organization's performance during the analyzed period.
- **Equilibrium:** BBVA includes positive and negative aspects of its performance in its Responsible Banking Report to provide an informed evaluation of its overall performance.
- **Comparability:** BBVA presents the information consistently and presents the information so that stakeholders can analyze the evolution of BBVA's performance.
- **Accuracy:** the information is accurate and detailed enough for stakeholders to analyze the organization's performance.
- **Punctuality:** BBVA presents its reports in accordance with a regular calendar, so that stakeholders can access the information when required and can make informed decisions.
- **Clarity:** the information is presented in such a way that the stakeholders at which it is targeted can access it and easily understand it.
- **Reliability:** the information has been compiled, registered, analyzed and presented so that it can be evaluated by an external auditor. The scope and methodology of

the external review conducted can be viewed in the “Independent Assurance Report of the BBVA Group's 2014 Responsible Banking Report”. An action plan is then drawn up to ensure that the recommendations arising from assurance processes are implemented.

Information criteria and standards

GRI indicators

General standard disclosures GRI G4

| INDICATOR | | PAGE / OMISSION | REVIEW |
|------------------------|--|---|--------|
| Strategy and analysis | | | |
| G4-1 | Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability. | Letter from the Chairman | ✓ |
| G4-2 | Provide a description of the key impacts, risks, and opportunities | BBVA in 2014 Impact on society Social, environmental and reputational risks | ✓ |
| Organizational profile | | | |
| G4-3 | Report the name of the organization | BBVA profile | ✓ |

| | | | |
|-------------|---|--|---|
| G4-4 | Report the primary brands, products and services. | BBVA profile BBVA in 2014 | ✓ |
| G4-5 | Report the location of the organization's headquarters | BBVA profile | ✓ |
| G4-6 | Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report | BBVA profile | ✓ |
| G4-7 | Report the nature of ownership and legal form | BBVA profile CFS (15) ACGR (2-6) | ✓ |
| G4-8 | Report the markets served (including geographic breakdown, sectors involved and types of customers and beneficiaries) | BBVA profile | ✓ |
| G4-9 | "Report the scale of the organization, including: - total number of employees; - total number of operations; - net sales or net revenues; - total capitalization broken down in terms of debt and equity (for private sector organizations); and - quantity of products or services provided." | BBVA profile | ✓ |

| | | | |
|--|--|---|------------------|
| G4-10 | a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers. | The Team | ✓ |
| G4-11 | Report the percentage of total employees covered by collective bargaining agreements | Working conditions | ✓ ⁽¹⁾ |
| G4-12 | Describe the organization's supply chain | Suppliers | ✓ |
| G4-13 | Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain | Suppliers CFS (86-89, 206-220) | ✓ |
| Commitments to External Initiatives | | | |
| G4-14 | Report whether and how the precautionary approach or principle is addressed by the organization. | Vision, mission and policy Compliance system Internal control model and Standards of conduct | ✓ |
| G4-15 | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses | International commitments signed | ✓ |
| G4-16 | List memberships of associations and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> - holds a position on the governance body; - participates in projects or committees; - provides substantive funding beyond routine membership dues; - views membership as strategic. | International commitments and the Equator Principles | ✓ |

| Identified material aspects and boundaries | | | |
|--|---|---|---|
| G4-17 | a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. | BBVA profile CFS (207-215) | ✓ |
| G4-18 | a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content. | Dialogue with stakeholders and materiality analysis | ✓ |
| G4-19 | List all the material Aspects identified in the process for defining report content. | Significant issues | ✓ |
| G4-20 | For each material Aspect, report the Aspect Boundary within the organization. | Significant issues | ✓ |
| G4-21 | For each material Aspect, report the Aspect Boundary outside the organization. | Significant issues | ✓ |
| G4-22 | Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements. | Information criteria and standards | ✓ |
| G4-23 | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries | Information criteria and standards | ✓ |
| Stakeholder engagement | | | |
| G4-24 | Provide a list of stakeholder groups engaged by the organization | Dialogue tools | ✓ |
| G4-25 | Report the basis for identification and selection of stakeholders with whom to engage | Dialogue tools | ✓ |
| G4-26 | Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. | Dialogue tools | ✓ |

| | | | |
|--------------------------|--|------------------------------------|---|
| G4-27 | Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns. | Materiality analysis | ✓ |
| Report profile | | | |
| G4-28 | Reporting period (such as fiscal or calendar year) for the information provided. | Information criteria and standards | ✓ |
| G4-29 | Date of most recent previous report (if any). | Information criteria and standards | ✓ |
| G4-30 | Reporting cycle (such as annual, biennial, etc.). | Information criteria and standards | ✓ |
| G4-31 | Provide the context point for questions regarding the report or its contents. | Information criteria and standards | ✓ |
| Gri content index | | | |
| G4-32 | a. Report the "in accordance" option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. | Information criteria and standards | ✓ |
| Assurance | | | |
| G4-33 | a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report." | Information criteria and standards | ✓ |

| Governance | | | |
|--------------|--|-----------------------------------|---|
| G4-34 | Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts. | Governance systems ACGR (2-34) | ✓ |
| G4-35 | Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees. | Governance systems ACGR (2-34) | ✓ |
| G4-36 | Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body. | Governance systems ACGR (2-34) | ✓ |
| G4-37 | Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body. | Governance systems ACGR (2-34) | ✓ |
| G4-38 | Report the composition of the highest governance body and its committees | Governance systems ACGR (2-34) | ✓ |
| G4-39 | Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement). | IAGC (9-10) | ✓ |
| G4-40 | Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members | IAGC (18-21) | ✓ |
| G4-41 | Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders. | IAGC (21) | ✓ |

Highest governance body's role in setting purpose, values, and strategy

| | | | |
|--------------|--|----------------------------|---|
| G4-42 | Report the highest governance body's and senior executive's roles in the development, approval, and updating of the organization's purpose, values or mission statements, strategies, policies, and goals related to economic, environmental and social impacts. | Governance systems IAGC | ✓ |
|--------------|--|----------------------------|---|

Highest governance body's competencies and performance evaluation

| | | | |
|--------------|---|---|---|
| G4-43 | Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics | Responsible Banking model ESG policy | ✓ |
| G4-44 | a. Report the processes for evaluation of the highest governance body's performance with respect to the governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice. | IAGC (20-21) | ✓ |

Highest governance body's role in risk management

| | | | |
|--------------|---|--------------|---|
| G4-45 | a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities. | IAGC (37-42) | ✓ |
| G4-46 | Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics | IAGC (37-42) | ✓ |

| | | | |
|--|---|---|------------------|
| G4-47 | Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities. | IAGC (37-42) | ✓ |
| Highest governance body's role in sustainability reporting | | | |
| G4-48 | Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered. | The Secretary's letter | ✓ |
| Highest governance body's role in evaluating economic, environmental and social performance | | | |
| G4-49 | Report the process for communicating critical concerns to the highest governance body | Dialogue with stakeholders and materiality analysis | ✓ |
| G4-50 | Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them. | Dialogue with stakeholders and materiality analysis | ✓ |
| Remuneration and incentives | | | |
| G4-51 | a. Report the remuneration policies for the highest governance body and senior executives b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives. | The Team Remuneration Report | ✓ |
| G4-52 | Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization. | The Team | ✓ ⁽²⁾ |
| G4-53 | Report how stakeholder's views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable. | Dialogue with stakeholders and materiality analysis | ✓ |

| | | | |
|-----------------------------|---|---|---|
| G4-54 | Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. | Confidential information | × |
| G4-55 | Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country. | Confidential information | × |
| Ethics and integrity | | | |
| G4-56 | Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics | Vision, mission and policy Compliance system and Standards of conduct | ✓ |
| G4-57 | Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines. | Compliance system and Standards of conduct | ✓ |
| G4-58 | Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines. | Compliance system and Standards of conduct | ✓ |

Letter from the Chairman

BBVA profile

Vision, mission and policy

Governance systems

 Dialogue with stakeholders and
materiality analysis

Social impact

Priority 1: TCR Communication

Priority 2: Financial literacy

 Priority 3: High social impact
products

Responsible customer management

 Social, environmental and
reputational risk

The team

Suppliers

Society

Information criteria and standards

Independent assurance report

Specific standard GRI G4 disclosures

Economic category

| MATERIAL ASPECTS IDENTIFIED | COVERAGE OF THE MATERIAL ASPECT | INDICATOR | PAGE / OMISSION | SCOPE | REVIEW |
|-----------------------------|---------------------------------|---------------|--|--|--------------|
| Economic Performance | | | | | |
| 12 | Internal | G4-EC1 | Direct economic value generated and distributed | Economic value | Global ✓ |
| | | G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change | Equator Principles | Global ✓ (3) |
| | | G4-EC3 | Coverage of the organization's defined benefit plan obligations | Compensation and remuneration. CFS (158-165) | Global ✓ |
| | | G4-EC4 | Financial assistance received from government | Recruitment, training and development | Spain ✓ (4) |
| Market Presence | | | | | |
| 7 | Internal | G4-EC5 | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | Confidential information | × |
| | | G4-EC6 | Proportion of senior management hired from the local community at significant locations of operation | The Team | Global ✓ |

| Indirect Economic Impacts | | | | | | |
|---------------------------|----------|--------|---|--|--------|---|
| 8 | External | G4-EC7 | Development and impact of infrastructure investments and services supported | Impact on society | Global | ✓ |
| | | G4-EC8 | Significant indirect economic impacts, including the extent of impacts | Impact on society BBVA Microfinance Foundation Suppliers | Global | ✓ |
| Procurement Practices | | | | | | |
| 8 | External | G4-EC9 | Proportion of spending on local suppliers at significant locations of operation | BBVA aims to prioritize local suppliers in its purchasing strategy | Global | × |

Environmental category

| MATERIAL ASPECTS IDENTIFIED | COVERAGE OF THE MATERIAL ASPECT | INDICATOR | | PAGE / OMISSION | SCOPE | REVIEW |
|-----------------------------|---------------------------------|-----------|--|-----------------|--------|------------------|
| Materials | | | | | | |
| 14 | External | G4-EN1 | Materials used by weight or volume (paper) | The environment | Global | ✓ |
| | | G4-EN2 | Percentage of materials used that are recycled input materials (paper) | The environment | Global | ✓ |
| Energy | | | | | | |
| 14 | External | G4-EN3 | Energy consumption within the organization | The environment | Global | ✓ ⁽⁵⁾ |

| | | | | | | |
|---------------------|----------|----------------|---|--|--------|------------------|
| | | G4-EN4 | Energy consumption outside of the organization | Given the activities of BBVA Group, this indicator is not considered material | | × |
| | | G4-EN5 | Energy intensity (per employee) | The environment | Global | ✓ |
| | | G4-EN6 | Reduction of energy consumption | The environment | Global | ✓ ⁽⁶⁾ |
| | | G4-EN7 | Reductions in energy requirements of products and services | Given the activities of BBVA Group, this indicator is not considered material | | × |
| Water | | | | | | |
| 14 | External | G4-EN8 | Total water withdrawal by source | The environment | Global | ✓ ⁽⁵⁾ |
| | | G4-EN9 | Water sources significantly affected by withdrawal of water | Given the activities of BBVA Group, this indicator is not considered material | | × |
| | | G4-EN10 | Percentage and total volume of water recycled and reused | Given the activities of BBVA Group, this indicator is not considered material | | × |
| Biodiversity | | | | | | |
| 14 | External | G4-EN11 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | The BBVA offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity. | | × |

| | | | | | | |
|------------------|----------|----------------|--|---|--------|------------------|
| | | G4-EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas | | | × |
| | | G4-EN13 | Habitats protected or restored | | | × |
| | | G4-EN14 | Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk | | | × |
| Emissions | | | | | | |
| 14 | External | G4-EN15 | Direct greenhouse gas emissions (scope 1) | The environment | Global | ✓ ⁽⁵⁾ |
| | | G4-EN16 | Energy indirect greenhouse gas emissions (scope 2) | The environment | Global | ✓ ⁽⁵⁾ |
| | | G4-EN17 | Other indirect greenhouse gas emissions (scope 3) | The environment | Global | ✓ ⁽⁷⁾ |
| | | G4-EN18 | Greenhouse gas emissions intensity | The environment | Global | ✓ |
| | | G4-EN19 | Reduction of greenhouse gas emissions | The environment | Global | ✓ |
| | | G4-EN20 | Emissions of ozone-depleting substances | Given the activities of BBVA Group, this indicator is not considered material | | × |
| | | G4-EN21 | Nox, sox and other significant air emissions | Given the activities of BBVA Group, this indicator is not considered material | | × |

| Effluents and Waste | | | | | | |
|-----------------------|----------|---------|--|---|--------|------------------|
| 14 | External | G4-EN22 | Total water discharge by quality and destination | Given the activities of BBVA Group, this indicator is not considered material | | × |
| | | G4-EN23 | Total weight of water by type and disposal method | The environment | Global | ✓ ⁽⁵⁾ |
| | | G4-EN24 | Total number and volume of significant spills | Given the activities of BBVA Group, this indicator is not considered material | | × |
| | | G4-EN25 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention annex i, ii, iii, and viii, and percentage of transported waste shipped internationally | Given the activities of BBVA Group, this indicator is not considered material | | × |
| | | G4-EN26 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff | Given the activities of BBVA Group, this indicator is not considered material | | × |
| Products and Services | | | | | | |
| 14 | External | G4-EN27 | Extent of impact mitigation of environmental impacts of products and services | Equator Principles | Global | ✓ ⁽⁶⁾ |

| | | | | | | |
|---|----------|----------------|---|---|--------|---|
| | | G4-EN28 | Percentage of products sold and their packaging materials that are reclaimed by category | Given the activities of BBVA Group, this indicator is not considered material | | × |
| Compliance | | | | | | |
| 14 | External | G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | Standards of conduct | Global | ✓ |
| Transport | | | | | | |
| 14 | External | G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce | Given the activities of BBVA Group, this indicator is not considered material | | × |
| Environmental investments and expenditures | | | | | | |
| 14 | External | G4-EN31 | Total environmental protection expenditures and investments by type | The GEP includes a series of investments needed to achieve the targets set. They are not significant in economic terms with respect to BBVA Group's equity and earnings | | ✓ |
| Supplier Environmental Assessment | | | | | | |
| 14 | External | G4-EN32 | Percentage of new suppliers that were screened using environmental criteria | BBVA has not screened suppliers using environmental criteria given that the perceived impact on the Group is not significant | Global | ✓ |

| | | | | | | |
|--|--|----------------|---|--|--------|---|
| | | G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken | BBVA has not analyzed the impacts in this aspect because the level of risks for the Group is not significant given the nature of its suppliers | Global | ✓ |
|--|--|----------------|---|--|--------|---|

Environment Grievance Mechanisms

| | | | | | | |
|-----------|----------|----------------|---|--|--------|---|
| 14 | External | G4-EN34 | Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | BBVA has not been subject to any significant sanctions or grievances for breach of environmental regulations | Global | ✓ |
|-----------|----------|----------------|---|--|--------|---|

Social category

| MATERIAL ASPECTS IDENTIFIED | COVERAGE OF THE MATERIAL ASPECT | INDICATOR | | PAGE / OMISSION | SCOPE | REVIEW |
|---------------------------------|---------------------------------|-----------|---|--|--------|------------------|
| LABOR PRACTICES AND DECENT WORK | | | | | | |
| Employment | | | | | | |
| 7, 14 | Internal | G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region | Selection, training and development, and diversity and the work/life balance | Global | ✓ ⁽⁸⁾ |
| | | G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | This indicator is not material, as the proportion of temporary employees in BBVA is not significant (6%) | | x |

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| | | | | | | |
|---------------------------------------|-------|---------------|--|--|-------|------------------|
| | | G4-LA3 | Return to work and retention rates after parental leave, by gender | There are no management systems available to obtain the data | | × |
| Labor/Management Relations | | | | | | |
| 1 | Mixed | G4-LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements | There is no established minimum notice period. In any event, the organizational changes in BBVA Group are analyzed on a case-by-case basis, so the negative impact on employees can be avoided or mitigated, and always within the legal provisions of each country. | | × |
| Occupational Health and Safety | | | | | | |
| 1 | Mixed | G4-LA5 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | There are no management systems available to obtain the data | | × |
| | | G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | Working conditions | Spain | ✓ ⁽⁹⁾ |

| | | | | | | |
|--|----------|----------------|--|--|--------|-------------------|
| | | G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation | Given the nature of BBVA's activity, no high risk of serious diseases related to the workers' occupation has been identified | | × |
| | | G4-LA8 | Health and safety topics covered in formal agreements with trade unions | Not reported (the reason for the omission must be included) | | × |
| Training and Education | | | | | | |
| 7 | Internal | G4-LA9 | Average hours of training per year per employee by gender, and by employee category | Recruitment, training and development | Global | ✓ ⁽¹⁰⁾ |
| | | G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | There are no management systems available to obtain the data | | × |
| | | G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | Recruitment, training and development | Global | ✓ ⁽⁶⁾ |
| Diversity and Equal Opportunity | | | | | | |
| 1 , 7 , 9 | Mixed | G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | "The Team ACGR (2-3)" | Global | ✓ ⁽¹¹⁾ |

Equal Remuneration for Women and Men

| | | | | | | |
|---|-------|---------|--|-------------------------------|--------|------------------|
| 1 | Mixed | G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | Compensation and remuneration | Global | ✓ ⁽⁶⁾ |
|---|-------|---------|--|-------------------------------|--------|------------------|

Supplier Assessment for Labor Practices

| | | | | | | |
|------|--|---------|---|--|--------|---|
| n.m. | | G4-LA14 | Percentage of new suppliers that were screened using labor practices criteria | BBVA has not screened suppliers using labor practices criteria, given that the perceived impact on the Group is not significant | Global | ✓ |
| | | G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken | BBVA has not analyzed the impacts in this aspect because the level of risks for the Group is not significant given the nature of its suppliers | Global | ✓ |

Labor Practices Grievance Mechanisms

| | | | | | | |
|---|-------|---------|---|---|--------|---|
| 1 | Mixed | G4-LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | BBVA has not been subject to significant sanctions due to breaches related to labor practices | Global | ✓ |
|---|-------|---------|---|---|--------|---|

HUMAN RIGHTS
Investment

| | | | | | | |
|-------|-------|---------------|---|----------------------|--------|--------|
| 1 , 9 | Mixed | G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Equator Principles | Global | ✓ (12) |
| | | G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | Standards of conduct | Global | ✓ (13) |

Non-discrimination

| | | | | | | |
|-------|-------|---------------|--|----------------------|--------|--------|
| 1 , 9 | Mixed | G4-HR3 | Total number of incidents of discrimination and corrective actions taken | Standards of conduct | Global | ✓ (14) |
|-------|-------|---------------|--|----------------------|--------|--------|

Freedom of Association and Collective Bargaining

| | | | | | | |
|---|-------|---------------|--|---|--------|-------|
| 9 | Mixed | G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | Standards of conduct and working conditions | Global | ✓ (6) |
|---|-------|---------------|--|---|--------|-------|

| Child Labor | | | | | | |
|----------------------------|-------|--------|--|--|--------|---|
| 9 | Mixed | G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | BBVA has not identified any operations or suppliers as having significant risk for incidents of child labor | Global | ✓ |
| Forced or Compulsory Labor | | | | | | |
| 9 | Mixed | G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | BBVA has not identified any operations or suppliers as having significant risk for incidents of forced or compulsory labor | Global | ✓ |
| Security Practices | | | | | | |
| 9 | Mixed | G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations | There are no management systems available to obtain the data | | ✓ |
| Indigenous Rights | | | | | | |
| n.m. | | G4-HR8 | Total number of incidents of violations involving rights of indigenous peoples and actions taken | BBVA has not identified any significant incidents with relation to this aspect | Global | ✓ |
| Assessment | | | | | | |
| 9 | Mixed | G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments | BBVA has not identified any significant impacts with respect to human rights in its workplaces | Global | ✓ |

Supplier Human Rights Assessment

| | | | | | | |
|---|-------|---------|--|--|--------|---|
| 9 | Mixed | G4-HR10 | Percentage of new suppliers that were screened using human rights criteria | BBVA has not screened suppliers using human rights criteria given that the perceived impact on the Group is not significant | Global | ✓ |
| | | G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken | BBVA has not analyzed the impacts in this aspect because the level of risks for the Group is not significant given the nature of its suppliers | Global | ✓ |

Human Rights Grievance Mechanisms

| | | | | | | |
|---|-------|---------|--|---|--------|---|
| 9 | Mixed | G4-HR12 | Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms | BBVA has not been subject to any significant sanctions for breaches related to human rights | Global | ✓ |
|---|-------|---------|--|---|--------|---|

SOCIETY
Local Communities

| | | | | | | |
|-------|----------|--------|--|--|--------------------------|---|
| 8, 10 | External | G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs | Microfinance Foundation Education for Society | América del Sur y México | ✓ |
| | | G4-SO2 | Operations with significant actual and potential negative impacts on local communities | BBVA has not identified any significant negative impact on local communities caused by the operation of its workplaces | Global | ✓ |

| | | | | | | |
|----------------------------------|----------|--------|---|--|--------|-------------------|
| 5, 8, 11 | External | FS13 | Access points in low-populated or economically disadvantaged areas by type. | Financial inclusion Microfinance Foundation | Global | ✓ |
| | | FS14 | Initiatives to improve access to financial services for disadvantaged people. | Financial inclusion Microfinance Foundation | Global | ✓ |
| Anti-corruption | | | | | | |
| 1 | Mixed | G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | Internal control model | Global | ✓ |
| | | G4-SO4 | Communication and training on anti-corruption policies and procedures | Compliance system | Global | ✓ |
| | | G4-SO5 | Confirmed incidents of corruption and actions taken | Sensitive information | | × |
| Public Policy | | | | | | |
| 1 | Mixed | G4-SO6 | Total value of political contributions by country and recipient/beneficiary | BBVA's policy in countries does not allow contributions of this type | Global | ✓ ⁽¹⁵⁾ |
| Anti-competitive Behavior | | | | | | |
| 1 | Mixed | G4-SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes | There is no relevant legal action with a final ruling against BBVA related to these matters. | Global | ✓ |
| Compliance | | | | | | |
| 1 | Mixed | G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | Standards of conduct CFS (158)" | Global | ✓ |

Supplier Assessment for Impacts on Society

| | | | | | | |
|---|-------|---------|--|--|--------|---|
| 1 | Mixed | G4-SO9 | Percentage of new suppliers that were screened using criteria for impacts on society | BBVA has not screened suppliers in this aspect, given that the perceived impact on the Group is not significant | Global | ✓ |
| | | G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | BBVA has not analyzed the impacts in this aspect because the level of risks for the Group is not significant given the nature of its suppliers | Global | ✓ |

Grievance Mechanisms for Impacts on Society

| | | | | | | |
|---|-------|---------|--|---|--|---|
| 1 | Mixed | G4-SO11 | Number of grievances impacts on society filed, addressed, and resolved through formal grievance mechanisms | The current claims system cannot identify these types of grievances | | × |
|---|-------|---------|--|---|--|---|

PRODUCT RESPONSIBILITY
Customer Health and Safety

| | | | | | | |
|-------|-------|--------|---|---|--------|------------------|
| 1 , 6 | Mixed | G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement | Customer protection | Global | ✓ ⁽⁶⁾ |
| | | G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | Not reported (the reason for the omission must be included) | | × |

| Product and Service Labeling | | | | | | |
|------------------------------|-------|--------|---|---|--------|--------|
| 2 | Mixed | G4-PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | Transparent, clear and responsible communication Dialogue with stakeholders and materiality analysis | Global | ✓ |
| | | G4-PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | There are no management systems available to obtain the data | | × |
| | | G4-PR5 | Results of surveys measuring customer satisfaction | Responsible customer management - Customer insight | Global | ✓ |
| | | FS15 | Policies for the fair design and sale of financial products and services. | Responsible Business Plan | Global | ✓ |
| | | FS16 | Initiatives to enhance financial literacy by type of beneficiary. | Financial literacy | Global | ✓ |
| Marketing Communications | | | | | | |
| 1 , 2 | Mixed | G4-PR6 | Sale of banned or disputed products | Transparent, clear, responsible communication | Global | ✓ (16) |
| | | G4-PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes | There are no management systems available to obtain the data | | × |

| Customer Privacy | | | | | | |
|-------------------|-------|--------|---|------------------------------|--------|--------|
| 6 | Mixed | G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | Customer protection | Global | ✓ (17) |
| Compliance | | | | | | |
| 1 | Mixed | G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | Standards of Conduct | Global | ✓ |
| Product Portfolio | | | | | | |
| 2, 3, 4, 14 | Mixed | FS1 | Policies with specific environmental and social components applied to business lines. | Riesgos SAR y medio ambiente | Global | ✓ |
| | | FS2 | Procedures for assessing and screening environmental and social risks in business lines. | Riesgos SAR | Global | ✓ |
| | | FS3 | Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions. | Riesgos SAR | Global | ✓ |
| | | FS4 | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines. | Riesgos SAR | Global | ✓ |

| | | | | | | |
|-------------------------|----------|-------------|--|---|--------|------------------|
| | | FS5 | Interactions with clients/investors/ business partners regarding environmental and social risks and opportunities | Materialidad y diálogo con los grupos de interés | Global | ✓ |
| | | FS6 | Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/large) and by sector. | Apoyo a Pymes | Global | ✓ |
| | | FS7 | Monetary value of products and service designed to deliver a specific social benefit for each business line broken down by purpose. | Inversión responsable | Global | ✓ |
| | | FS8 | Monetary value of products and service designed to deliver a specific environmental benefit for each business line broken down by purpose. | Riesgos SAR | Global | ✓ |
| Audit | | | | | | |
| 12 | Internal | FS9 | Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures. | SER risks and internal control model | Global | ✓ ⁽⁶⁾ |
| Active Ownership | | | | | | |
| 3 , 4 | External | 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 | Global | ✓ ⁽⁶⁾ |
| | | FS11 | Percentage of assets subject to positive and negative environmental or social screening. | Responsible investment and SER risks | Global | ✓ ⁽⁶⁾ |

| | | | | | | |
|--|--|-------------|---|------------------------|--------|---|
| | | FS12 | Voting polic(ies) 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 | Global | ✓ |
|--|--|-------------|---|------------------------|--------|---|

✓ Content revised according to the scope described and through the procedures indicated in the Responsible Banking Information Independent Review Report.

✗ Content not reviewed

ACGR Annual Corporate Governance Report 2014

BBVA in 2014

CFS Consolidated Financial Statements 2014

Memorandum item: the material aspects identified correspond to the significant issues included in the materiality analysis

(1) Percentage not reported.

(2) The processes are only reported to determine the remuneration.

(3) Only the projects financed under the Equator Principles are reported.

(4) Only the financial assistance received for the FORCEM training in Spain is reported.

(5) The limits on the indicator, scope and the criteria applied to the estimates are shown in the table of reference.

(6) The reporting is qualitative.

(7) With respect to business trips, only the emissions derived from trips by the Group's employees by plane are reported.

(8) Not reported by age group.

(9) Only the absenteeism rate of own employees in Spain is reported.

(10) Not broken down by gender or employment category.

(11) Minorities or other indicators of diversity are not reported.

(12) Only the operations analyzed with respect to compliance with the Equator Principles are reported.

(13) The number of employees in the Group that have undertaken to comply with BBVA's Code of Conduct is reported.

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(14) Only reported for companies in the BBVA Group in Spain.

(15) BBVA's corporate policy is reported.

(16) BBVA's product communication policy is reported.

(17) The audits of security measures for the processing of personal data implemented in BBVA Group companies are reported.

Independent assurance report



Deloitte

Deloitte Advisory S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España
Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

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

Independent Assurance Report on the 2014 Responsible Banking Report of the BBVA Group

Scope of the engagement

We have performed a review of the 2014 Responsible Banking Report (RBR) of the BBVA Group, the scope of which is defined in the "Information criteria and standards" section. Our work consisted of a review of:

- The adherence of the content of the 2014 RBR to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 4 (hereinafter referred to as G4 Guidelines) and the general and specific contents, including the financial services sector supplement indicators proposed in the aforementioned guidelines.
- The 2014 RBR 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 RBR 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.
- Review of the minutes of the meetings of the local Corporate Responsibility and Reputation Committees and the Responsible Business Committee in 2014.
- 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 RBR 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 "Information criteria and standards" and "Dialogue with stakeholders and materiality analysis" sections of the RBR.
- Review of the information relating to the management approaches applied to each contents group.
- Checking that the content of the RBR does not contradict any significant information furnished in "BBVA in 2014".
- Analysis of the adherence of the content of the RBR to that recommended in the GRI G4 Guidelines and verification that the contents included in the RBR agree with those recommended by these aforementioned Guidelines.
- Verification, by means of review tests on selected samples, the information relating to the GRI specific contents included in the 2014 RBR 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 2014 RBR 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 RBR.
- 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 contents reviewed and the scope limitations of the review, and identifies any contents that do not cover all the areas recommended by the GRI G4 Guidelines. As a result of our review, no other matters were disclosed that would lead us to believe that the 2014 RBR contained material errors or that it was not prepared in accordance with the G4 guidelines.

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: participation process for stakeholders that facilitates their involvement in the development of a responsible approach.
- Materiality: the process of determining materiality requires an understanding of the important or relevant issues for BBVA and its stakeholders.
- Responsiveness: specific actions and commitments related to the material issues identified previously.

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

The 2014 RBR is the first to be issued by the BBVA Group in accordance with the GRI G4 Guidelines. This new version of the GRI standard places special emphasis on the concept of materiality, so that the sustainability reports reflect not only the material economic, environmental and social aspects of the organisation, but also the impacts which are relevant to its value chain, understood to include other organisations, or joint-ventures in which it invests, or with which it interacts, and its stakeholder groups. In this regard, we recommend that BBVA, in addition to considering in its materiality analysis the businesses in which it has direct control, takes into account the non-banking business activities and the associates in which its influence or ownership interest is significant.

Responsiveness

In 2014 BBVA updated and formalised its Corporate Responsibility Policy, which was approved by the Board of Directors, and continued its work to develop the main strategic areas of the 2013-2015 Responsible Business Plan: transparent, clear and responsible communication (CRC), high social impact products and education.

As regards the financial literacy and social integration programmes, the higher number of initiatives launched in 2014 and of beneficiaries is worth emphasising. Considering that it is one of the strategic priorities of the Group's Responsible Business Plan, it would be advisable to establish an integrated management and information system which helps monitor all initiatives and enables greater standardisation of the information.

Also, with regard to the degree of adaptation to the new GRI G4 Guidelines, BBVA should continue to improve the reporting process in order to obtain timely access to the information relating to the specific significant disclosure requirements which were not met in 2014.

DELOITTE ADVISORY, S.L.



Helena Redondo
Madrid, March 10th, 2015



AA1000
Licensed Assurance Provider
000-14

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