

BBVA, working
towards a better
future for people



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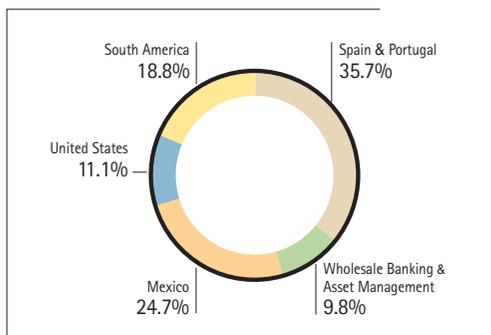
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The BBVA group is a global financial institution with a leading position in Spain and Latin America and a growing presence in the United States and Asia. The Group has 103,721 employees worldwide, 46.8 million customers and more than 884,000 shareholders.

→ Gross income by area in 2009



→ Ranking by business share in the main countries in 2009

	Customer lending	Deposits	Pensions
Spain	2nd	3rd	1st
Mexico	1st	1st	2nd
Argentina	3rd	2nd	-
Bolivia	-	-	1st
Chile	4th	4th	1st
Colombia	4th	4th	3rd
Ecuador	-	-	1st
Panama	3rd	4th	-
Paraguay	1st	2nd	-
Peru	2nd	2nd	3rd
Uruguay	4th	4th	-
Venezuela	3rd	4th	-

Scope: Spain and Latin America

This is the eighth corporate responsibility report of the BBVA Group. It contains information about the Group's performance in this area in 2009. It has received an A+ rating from GRI-G3, including the supplement of the financial sector, and has been verified by Deloitte.

In 2009 the strategic CRR plan was consolidated, enabling BBVA to organize its policy around four key points: financial literacy, financial inclusion, responsible banking and community involvement.

However, this Contents section includes the same content as the previous report, as well as others identified as relevant for our stakeholders.

We would like to bring this information closer to all the possible stakeholders. This is why we have launched the blog www.bbvabankingforall.com aimed at increasing transparency and maintaining a more fluid and direct dialog with each of our stakeholder groups (customers, employees, shareholders, suppliers and society in general).

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Pension Managers

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

Foundations

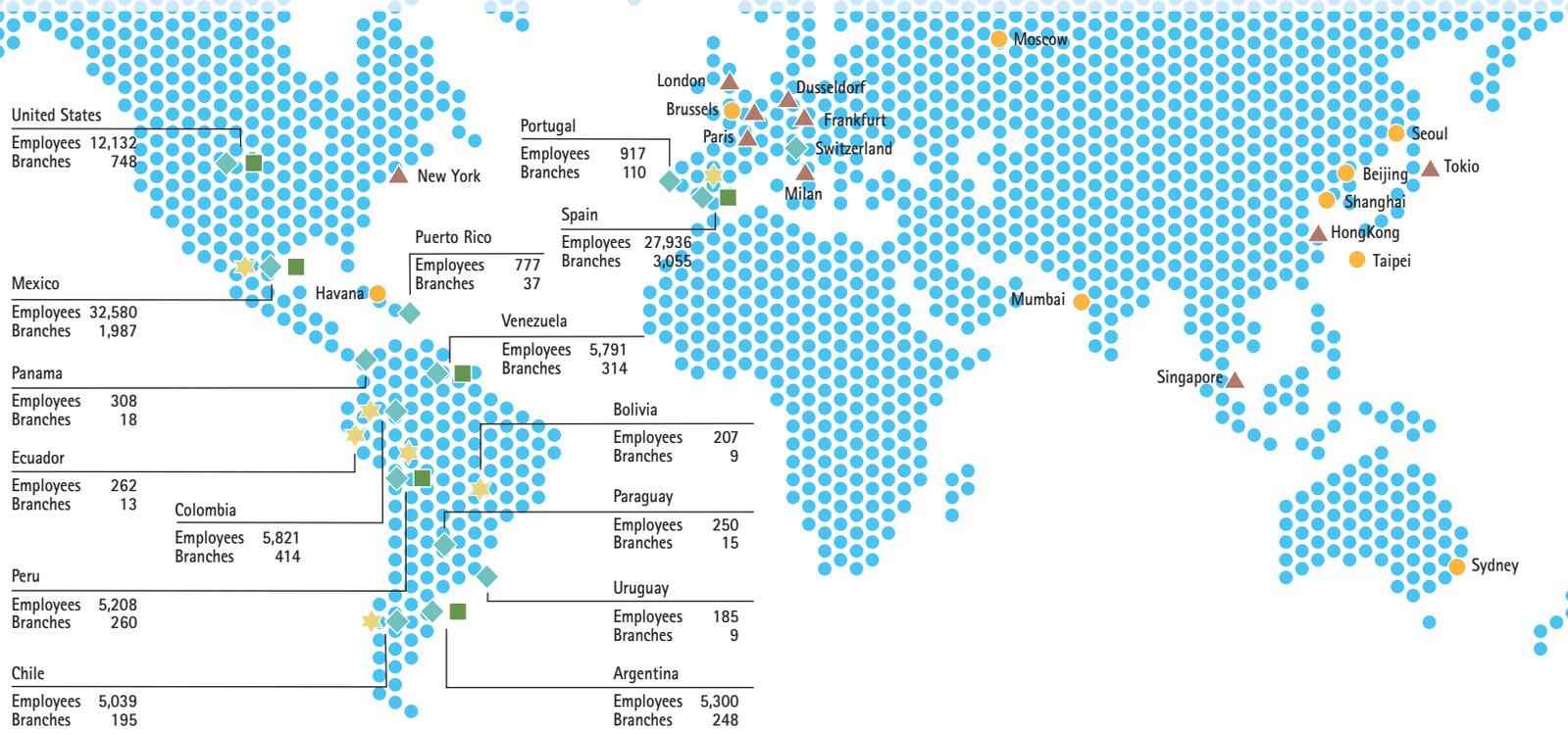
BBVA Foundation
BBVA Microfinance Foundation
BBVA Bancomer Foundation
Banco Continental Foundation
Banco Provincial Foundation
Banco Francés Foundation
BBVA Compass Foundation

Branches

Bruselas	Paris
Hong Kong	Singapore
London	Tokio
Milan	Frankfurt
New York	Dusseldorf

Representative offices

Havana	Seoul
Moscow	Shanghai
Mumbai	Sidney
Beijing	Taipei



→ Group Banking Companies

Spain

BBVA
Banco de Crédito Local
Finanzia
Uno-e

Latin América

BBVA Banco Continental (Peru)
BBVA Banco Francés (Argentina)
BBVA Banco Provincial (Venezuela)
BBVA Bancomer (Mexico)
BBVA Chile

BBVA Colombia
BBVA Panama
BBVA Paraguay
BBVA Puerto Rico
BBVA Uruguay

Rest of the Group

BBVA Compass Bank (United States)
BBVA Portugal
BBVA Switzerland

Legend

- ◆ Countries with BBVA Group banking operations
- ▲ Group branch offices
- Representative Offices
- Foundations
- ★ Pension managers

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Human resources <input type="checkbox"/>
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Environment <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Community involvement

Education <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Research <input type="checkbox"/> <input type="checkbox"/>

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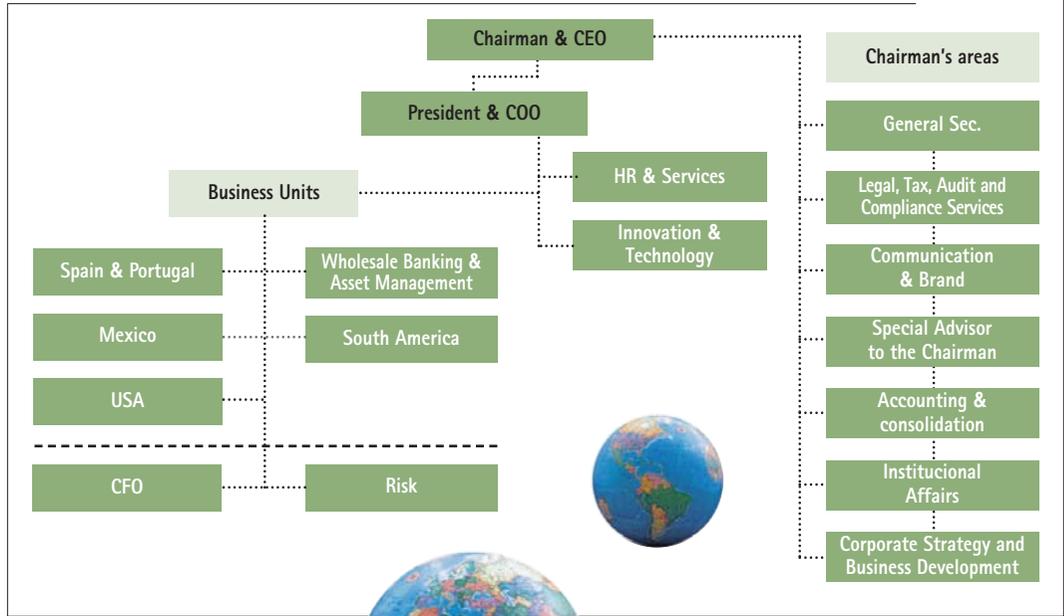
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→ Basic Group Data

	2009	2008	2007
Earnings (million euros)			
Gross income	20,666	18,978	17,271
Operating income	12,308	10,523	9,441
Pre-tax profit	5,736	6,926	8,495
Net attributable profit	4,210	5,020	6,126
Operations			
No. of operating countries	32	32	31
No. of shareholders	884,373	903,897	889,734
No. of customers (millions)	46.8	47.7	47.4
No. of employees	103,721	108,972	111,913
No. of cards (debit and credit) (millions)	45.27	44.06	41.10
No. of branches	7,466	7,787	8,028
No. of major suppliers	4,506	3,520	3,248
Other data			
Market capitalization (million euros)	47,712	32,457	62,816
Earnings per share (euros)	1.12	1.35	1.70
P/BV (price/book value) (times)	1.6	1.2	2.5
ROE (return on equity)	16.0	21.5	34.2
Cost-to-income ratio	40.4	44.6	45.3
NPA (%)	4.3	2.3	1.0
Business volume per employee (million euros)	8.1	7.7	7.2
Dividends (million euros)	1,574	1,878	2,717
Personnel costs (million euros)	4,651	4,716	4,335
Corporate income tax (million euros)	1,141	1,541	2,080
Scope: BBVA Group			

→ Governance and business structure



→ Annual corporate responsibility reports issued by other Group Banks

	Since
BBVA Bancomer	2007
BBVA Banco Continental	2005
BBVA Banco Francés	2007
BBVA Banco Provincial	2006
BBVA Colombia	2007
BBVA Chile	2007
BBVA Compass	2008

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→ The Group's major milestones in 2009

M1 — BBVA becomes the 15th biggest bank in the United States

M2 — Launch of the Global Financial Literacy Plan 2009-2011 as the second strategic focus for corporate responsibility

M3 — BBVA increases its share in China Citic Bank (CNCB) to 15%

→ Economic Value Added (EVA).⁽¹⁾ Breakdown by stakeholder group

(Million euros)

		2009	2008	2007
Shareholders	Dividends	1,574	1,878	2,717
Employees	Personnel costs	4,651	4,716	4,335
Customers	Interest and similar charges ⁽²⁾	9,893	18,718	16,548
Suppliers	Other general administrative expenses ⁽³⁾	2,976	2,999	2,883
Society	Corporate income tax	1,141	1,541	2,080
	Resources allocated by the BBVA Group	36	41	34
	Resources allocated by BBVA's foundations	44	44	35
	Economic Value Added (EVA)	20,315	29,937	28,632

(1) Calculated using the GRI SPI model.

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

(3) Approximation adjusted to payments made to third parties under the heading of purchases and services rendered.

Scope: BBVA Group and its Foundations.

→ Economic Value Generated, Distributed and Retained ⁽¹⁾

(Million euros)

	2009	2008	2007
Economic value generated (EVG)	21,545	19,798	18,475
Gross income	20,666	18,978	17,271
Gains (Losses) in written off assets not classified as non-current assets held for sale	20	72	13
Profit on non-current assets	859	748	1,191
Economic value distributed (EVD)	10,378	11,175	12,049
Employees: Personnel expenses	4,651	4,716	4,335
Suppliers: General and administrative expenses ⁽²⁾	2,710	2,704	2,626
Public Sector: Corporate tax and other taxes	1,407	1,836	2,337
Shareholders: Dividends	1,574	1,878	2,717
Community involvement (w/o foundations)	36	41	34
Total Economic Value Distributed	10,422	11,219	12,084
Community involvement (foundations)	44	44	35
Economic Value Retained	11,168	8,623	6,426

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

(2) Approximation adjusted to payments made to third parties under the heading of purchases and services rendered, once taxes have been deducted.

Scope: BBVA Group and its Foundations.

→ Prizes and Awards

	Entity
BBVA Bancomer: "Great Place to Work"	Great Place to Work Institute
BBVA Bancomer: Socially Responsible Company	Centro Mexicano para la Filantropía (Mexican Center for Philanthropy)
Cibermax Prize in the Corporate Volunteer category	CSR on the scene
BBVA Chile: National Energy Efficiency Award	Confederación de la Producción y del Comercio, Comisión Nacional de Energía (CNE)
Ranking BranZ Top 100 Most Valuable Brands	MillwardBrown Optimor
Ranking Safest Banks Awards Global Finance	Global Finance magazine
"Top Companies for Leaders" ranking	Fortune magazine

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→Key corporate responsibility indicators

	2009	2008	2007
Economic			
Earnings per share (euros)	1.12	1.35	1.70
BBVA market capitalization (million euros)	47,712	32,547	62,816
International private bank ranking by market capitalization	13th	7th	12th
Non-performing assets (%)	4.3	2.3	1.0
Independent directors (%)	76.9	78.6	73.3
Economic value added (EVA) (million euros) ⁽¹⁾	20,315	29,879	28,632
Socially responsible mutual funds over total mutual and pension funds managed (%)	2.92	2.70	1.38
Social			
Customer satisfaction index (%) ⁽²⁾	5.22	5.57	5.63
Employee satisfaction index (%) ⁽³⁾	-	87	-
Hours of training per employee	38	37	39
Women in senior management (Steering Committee and corporate managers/managers) (%)	9/18	10/18	9/17
Ratio of men to women (%)	48/52	49/51	51/49
Supplier satisfaction index (%) ^{(3) (7)}	85	82	-
Resources allocated to community involvement (million euros)	79.1	85.3	69
Resources allocated to community involvement over net attributable profit (%)	1.88	1.70	1.13
No. of beneficiaries of the Niños Adelante education project ⁽⁴⁾	56,178	47,104	17,920
No. of beneficiaries of the financial education program ⁽⁵⁾	445,695	7,000	-
No. of beneficiaries of the BBVA Microfinance Foundation (millions) ⁽⁶⁾	2.0	1.7	1.0
No. of customers of the BBVA Microfinance Foundation	499,961	346,758	-
Environmental			
CO ₂ emitted per employee (t)	6.51	3.87	3.50
Paper consumption per employee (t)	0.13	0.13	0.13
Water consumption per employee (m ³)	50.30	33.62	29.30
Electricity per employee (Mwh)	13.17	8.36	7.24
No. employees working in ISO 14001 certified buildings	10,455	9,105	4,405
Corporate responsibility management and governance			
No. of Group CRR committees	2	4	2
No. of CRR committees in Latin America	16	10	0
No. of CRR appearances before the Board of Directors	2	2	0

(1) Calculation based on GRI methodology.

(2) Data for Spain. Scale 1 to 7.

(3) Biennial survey.

(4) Program initiated in 2007.

(5) Program initiated in 2008, data for Spain and Mexico.

(6) Activity started in 2007

(7) In 2009, the data correspond to the weighted average of Group countries that carried out the survey that year.

(8) Satisfied or very satisfied employees.

Scope: BBVA Group

→Sustainability Ratings⁽¹⁾

Entity	Indexes	Continuity
SAM	DJSI World	The BBVA has been included in DJSI World since 2001 and in DJSI STOXX since 2005. See our latest notes on this.
	DJSI STOXX	
	DJSI EURO STOXX	
	FTSE KLD Global Sustainability Index	The BBVA Group has been included in the FTSE4Good index since 2005. It has also been part of the KLD Global Sustainability Indexes since their launch in October 2007. In May 2009, FTSE and KLD jointly rebranded their sustainability indexes.
	FTSE KLD Global Sustainability Index Ex-US	
	FTSE KLD Global Europe Sustainability Index	BBVA entered the FTSE4Good Ibox in 2008.
	FTSE KLD Europe Asia Pacific Sustainability Index	
	FTSE 4 Good IBOX	
	ASPI Eurozone Index	BBVA is included in the ASPI Eurozone and Ethibel Sustainability Indexes and entered the Ethibel Excellence Index for the first time in 2007.
	Ethibel Sustainability Index Excellence Europe	
	Ethibel Sustainability Index Excellence Global	
Other Rating Agencies		
	In 2009, BBVA has once again been considered PRIME in competition with the world's best banks or Best in Class.	
	Sustainalytics, previously called Analistas Internacionales en Sostenibilidad, has provided sustainability evaluation and rating services for BBVA since 2005.	
	In 2009, the Riskmetrics Group's ESG Analytics team awarded BBVA an "A" rating in the "Global Banks" sector. The Riskmetrics Group's ESG Analytics business was created in 2009 with the acquisition of Innovest Strategic Value Advisors and KLD Research and Analytics.	

(1) They measure corporate performance from an economic, social, ethical and environmental perspective. The score and even continuity in the sustainability indexes depend on proven and ongoing process in the field of sustainability.

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In an environment of financial and economic crisis, BBVA continues to strengthen its commitment to operating under the strictest principles of integrity, prudence and transparency.

2009 has been a year of consolidation for the Corporate Responsibility and Reputation Strategic Plan approved by the Board of Directors in May 2009. This plan has helped us to take a qualitative leap in defining the strategy and designing the appropriate structure.

The strategy is clear and simple in scope, with education and financial inclusion as core priorities. In this regard, of particular note is the significant progress made by the BBVA Microfinance Foundation, which at the end of 2009 was already operating in Colombia, Peru, Chile and Costa Rica, with average loans of \$900 to around 500,000 disadvantaged people.

Second, there was the launch of our new global financial literacy plan. This plan has a budget of €26m over the next three years to address education in the responsible use of money in two areas: the processes of banking penetration in Latin America and education in skills and values associated with the use of money among the very young. By taking informed decisions people enhance their personal financial situation, make it easier for financial institutions to manage risk management, encourage saving and strengthen the financial system overall. In short, financial literacy makes for dependable savers and more responsible debtors.

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→ "Corporate responsibility is not simply a matter of how we spend the money we earn but, above all, of how we earn it."

The Corporate Responsibility and Reputation Strategic Plan provides us with the best structure for adapting corporate programs to local realities and involving all the business areas. Local Corporate Responsibility and Reputation Committees have been created for this purpose, chaired by the country managers. In 2009 Paraguay, Uruguay and Spain & Portugal were added to those already in operation in Mexico, Argentina, Colombia, Chile, Peru and Venezuela.

In 2010 we are going keep on working to extend the scope of the key social programs, enhance the management of social and environmental risk and create Committees for the United States and Panama.

Beyond 2010, major companies are facing major challenges in the decade that is to come. The problems in our society require increasingly more direct involvement by companies. The Millennium Development Goals are no longer

targets only for governments. They must be part of each company's road map. At BBVA we are fully aware of this and are using all the resources at our disposal to ensure they are achieved. This commitment involves reinforcing our support for the United Nations Global Compact.

But it will also be a decade of great internal challenges for companies. Corporate responsibility is not simply a matter of how we spend the money we earn but, above all, of how we earn it. We must all question how we do what we do. Corporate responsibility should be present throughout the value chain, from the design of a product, its advertising and marketing, to the management of its risks.

This is an ambitious task that should be part of the daily agenda of each of those who work at BBVA.



March 1 2010
Francisco González Rodríguez

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CR Principles and Policy

Within today's environment the business model based on return adjusted to principles is more apposite than ever and is one of BBVA's clearly distinctive competencies for generating value in a balanced and sustained manner over time for all its stakeholders.

Vision and mission

BBVA is a global financial services group whose main commitment *is to provide the best solutions for its customers, profitable growth for its shareholders and progress for the societies in which it operates*. This is the mission that gets the organization going and justifies the business project represented by the company.

The BBVA Group also has a vision as a company, a goal that drives its ambitions as an organization and that is encapsulated in one idea: *Working towards a better future for people*.

BBVA sees its future as part of the future of everyone who is involved in its activity. It understands that the development of its business is linked to the prosperity of the people that live in the

societies and countries where the company operates. Because of this, its aim is that its work as a company should contribute to a better future for all of them.

Thus the Group is committed to the people involved in its activity, particularly its customers, who are considered as the core of its business. This commitment defines the identity and the positioning of the BBVA brand image and makes it a model for responsible business behavior.

The *adelante* banner, meaning "forward", embodies each and every one of these approaches symbolizes the spirit of uninterrupted progress that informs the company's everyday operations and defines its long-term horizon.

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Principles Adjusted Return

Working towards a better future for people is a commitment that the BBVA Group defines according to the most basic foundations of responsible business behavior: **principles**. The BBVA Group is an organization that constructs and is constructed on the basis of the principles of **integrity, prudence and transparency**.

Integrity, as a manifestation of the ethical behavior in the Group's activities and in all its

relations with stakeholders (customers, employees, shareholders, suppliers and society in general). Prudence, understood as the principle of precaution in assuming risk. Transparency, as a rule for all activity that offers clear and truthful access to information within the limits of the law.

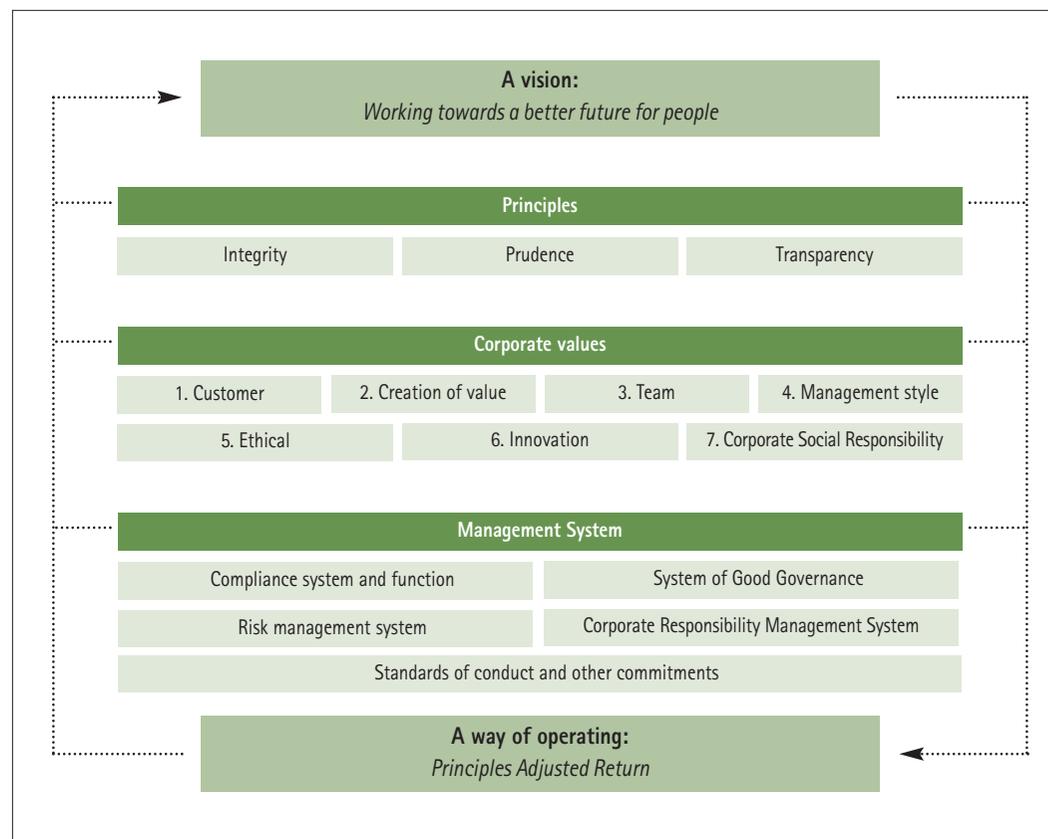
These principles put people at the center of the business and make BBVA a company that is guided not only by return, but also by convictions and the desire to foster a more sustainable development in

which economic profit is accompanied by social progress and environmental protection.

It is a way of working and doing business that can be summed up in a business model based not only on traditional Risk-Adjusted Return, but also **Principles Adjusted Return**.

As an initial expression of these principles, the BBVA Group applies **seven corporate values** that embody the application of the principles in the company's everyday operations, showing some of their more specific applications.

→ The BBVA Group's 7 corporate values



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Corporate responsibility at BBVA

Goals

Corporate responsibility (CR) at BBVA has been reinforced in the light of recent events. Within a crisis setting, corporate responsibility should be a differentiating factor. The aim of BBVA's policy, therefore, continues to be to define commitments and foster behavior that creates value for all its stakeholders (social value), as well as for BBVA itself (reputational value and direct economic value).

Accordingly, it is essential for such commitments and behavior to simultaneously express BBVA's vision and principles, which respond in the best possible way to stakeholder expectations and, at the same time, reinforce the company's business strategy.

The main commitments the Group seeks to fulfill through its corporate responsibility policy are as follows:

- Uphold excellence at all times in its core business operations
- Minimize the negative impacts caused by its business activity
- Foster initiatives to generate both social and economic value, particularly through financial inclusion.
- Invest in those societies in which it is present through support for social projects, fundamentally those involving education.

The strategic focus of corporate responsibility

At BBVA corporate responsibility is completely linked and aligned with the business. We are increasingly concerned not only about how we

spend the money we earn, but above all about how we earn it. Corporate responsibility should be present throughout the value chain, from the design of the product, its advertising and marketing, to the management of its risks. This is why BBVA, through our Corporate Responsibility and Reputation Committee, is committed to involving all the areas of the Group in determining our strategic focus. We have created an overarching strategic plan to which the main contributors were the areas themselves and in which more than 70 directors participated.

The plan was approved in May 2008 by the Board of Directors. Its mission consisted in defining how corporate responsibility is the lever for differentiating BBVA before all its stakeholders, thereby reinforcing the Group's reputation and positioning.

The plan lays down the lines of work in CR matters that the Group is developing. They are all arranged by the relevant topic of this report.

The plan has two main priority areas for action:

- **Financial inclusion**
For millions of people access to financial services is not easy. The segments of society with the lowest incomes are not usually able to provide the guarantees required by traditional banks for granting loans and other financial services. This makes them vulnerable to usury and places extraordinary limitations on their opportunities for engaging in business and on the availability of economic support for basic needs such as schooling, healthcare and improvements in the family home. Resolving the problem of financial exclusion is thus both a social priority and an economic opportunity.

BBVA considers that the fight against financial exclusion is an objective that is coherent with its business aims and its ethical and social commitment. The BBVA Group is strongly committed to innovation in this matter and to finding the means to facilitate comprehensive access to financial services. With this purpose, BBVA has a number of projects related to financial inclusion. Among the most important of them is the BBVA Microfinance Foundation.

- **Education and financial literacy**

BBVA values education as a fundamental pillar in any strategy aimed at constructing fairer and more equal societies, and believes that its spread guarantees progress and prosperity. This is why support for education is one of the most important areas of social intervention for BBVA.

Within education, financial literacy is an area in which BBVA is particularly involved due to its clear connection with the Group's activity, as it focuses on spreading understanding of the way the financial sector and its services operate.

The international economic crisis has made clear the need and the opportunity to strengthen people's financial culture as a way of renewing and improving their relationship with the sector and encouraging an informed use of its services.

At the same time, education in this area forms part of the fight for financial inclusion, as knowing how the financial sector operates and what it has to offer helps customers use these services prudently, in line with their personal needs, and thus contributes positively to their welfare and economic prosperity.

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Not forgetting, of course, that if customers take informed decisions, this improves risk management for financial institutions, encourages saving and strengthens the overall financial system. An informed decision leads to more responsible borrowing and to more consistent saving.

From this perspective, BBVA has developed seven educational principles designed to define the form of any educational activity supported by the Group. 

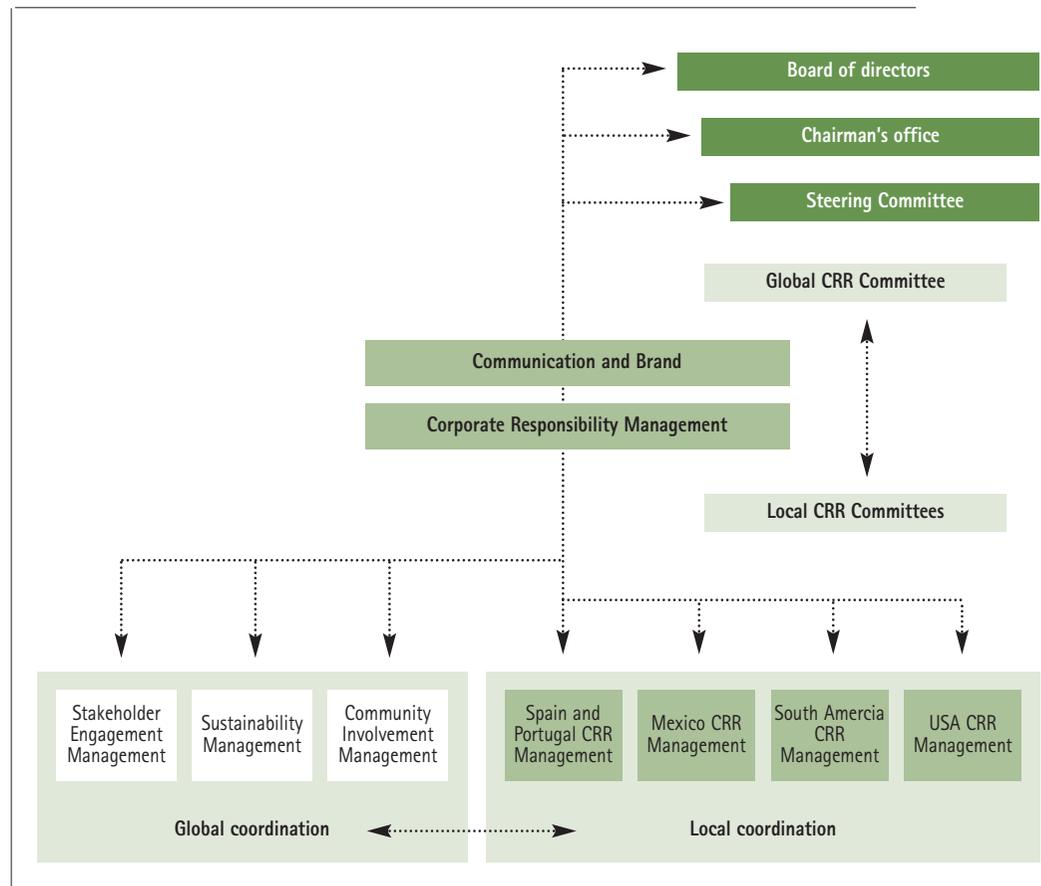
Corporate responsibility management system

The main body responsible for managing corporate responsibility is the CR department, which coordinates CR policy. Its task can be summed up in three lines of action:

- Monitoring and evaluation of the opinion of all the stakeholders involved in BBVA activity.
- Proposing criteria, policies and responsible conduct across the board in all business areas.
- Dissemination and discussion of the measures taken by the Group.

BBVA's CR policy has a "glocal" approach. It is based on a global focus that aims to improve coordination and provide greater synergies; then it is deployed and adapted to the specificities of each local socioeconomic reality. To this end, each of the countries where the Group has a significant presence has created a Corporate Responsibility and Reputation committee with representatives from each of the business areas, chaired by the bank's country manager. This committee meets every four months. It is the body that creates and monitors the corporate responsibility policies and programs.

→ Corporate Responsibility governance



New local CRR committees were created in Spain & Portugal, Paraguay and Uruguay in 2009. There has also been intense activity in those already in operation (Mexico, Argentina, Colombia, Chile, Peru and Venezuela).

Two other committees coordinate the corporate responsibility policy at a global level:

- The Global Corporate Responsibility and Reputation (CRR) Committee, which is chaired by the Communication & Brand director and has directors representing each of the Group's business units, as well as other representatives from the business units. This committee meets at least twice a year, with one of the meetings

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Global CRR Committee.

being chaired by the Chairman of the BBVA Group.

- **CR Steering Committee**, made up of directors responsible for the CR areas in the business units of South America, U.S., Mexico, Spain and Portugal, together with representatives from the Group. This committee was created at the end of 2009, and will meet once a month.

This structure allows to guarantee the continuity and dynamism of the CR policies, the integration of CR within all the business and geographic areas and the creation processes adapted to each circumstance, altogether mean a huge learning potential.

Compliance system and procedures

Together with the Corporate Governance System, the Group's Compliance System constitutes the

cornerstone upon which BBVA consolidates its institutional pledge to conduct all its operations and businesses in accordance with strict codes of ethical conduct.

In line with the principles set forth by the Bank for International Settlements (BIS) and the EU's Markets in Financial Instruments Directive (MiFID), Compliance continues to articulate its business around the promotion of policies and procedures, diffusion and training in matters of compliance and the identification, assessment and mitigation of potential **compliance risks**, being understood as those that affect the following issues:

- Conduct on the markets.
- Treatment of conflicts of interest.
- Prevention of money laundering and the financing of terrorist activities.
- Personal data protection.

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

Corporate governance system

The principles and elements comprising the BBVA's corporate governance system are set forth in its Board Regulations, which govern the internal procedures and the operation of the board and its committees and directors' rights and duties as described in their charter. The system is explained in full in BBVA's Financial Report 2009 (which contains a detailed chapter on this matter) [↗](#) and the Annual Corporate Governance Report, as per legal requirements. [↗](#)

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Risk management

The precautionary principle

Risk forms part of the banking business and is an inherent part of its operations. Its management is a daily challenge for companies in the sector. BBVA applies the precautionary principle in all its operations. This principle has thus become a general criterion that involves only assuming risks that are prudent, consistent and based on experience.

Financial activity is exposed to swift change, and thus to new risks that must be detected and properly valued. These risks are of a very different nature. They are not only linked to financial questions but also social, environmental and reputational aspects. As a response to this permanent transformation of the operational context and the plurality of possible risks, the BBVA Group maintains a number of complementary objectives.

First, to uphold the bank's solvency. To do so, BBVA ensures that its risk exposure remains within controlled limits, based on pre-established parameters and with a balanced profile. It also tackles risk management in such a way that the policies derived from it connect clearly with the Group's strategic goals. Finally, BBVA works with the concept of Risk-Adjusted Return, in other words, ensuring that all the decisions help create value by considering the risks.

In order to meet these objectives, the company has a set of basic principles for action. The first of these recognizes the independent and global nature of risk management within the Group. The second considers that risk should be managed throughout its whole lifecycle, from prior analysis, through approval and until the risk is discharged.

Risk management system

The risk management system is divided into two levels. The first level is when the board of directors, COO and Executive Committee approve, in very general terms, the risk management policy and the entire framework within which it is developed.

At the second level is the Central Risk Unit, which implements the risk policy and manages risk on a daily basis in direct coordination with the business units. This is an independent unit that has the capacity to act for the whole Group. It monitors the individual decisions taken by each business unit and informs about their consequences for the whole company, in terms of risk, as well as proposing policies for improvement that create a better balance between return and global risk.

The daily management is carried out at the business units, and their respective risk managers report to the Central Unit. This guarantees continuous risk management in all aspects of the business and enables swift and informed detection of and response to the possible threats from all the areas in the BBVA Group.

Public communication of the information on risk in the BBVA Group is the responsibility of the Risk Communication department, which also has a number of internal communication channels such as the Risk Portal, the *Pasión por el Riesgo* blog and the magazine *Visión@Riesgo*.

Standards of conduct and other commitments

Code of conduct

A key component of the Compliance system is the BBVA Group's Code of Conduct, which defines and

develops the fundamentals of ethical conduct and the necessary operating guidelines for preserving one of the main sources of value creation: corporate integrity.

The Code of Conduct is applicable to all Group entities and employees. It publicly reflects the sum of pledges BBVA has made to its direct stakeholders – shareholders, customers, employees and suppliers – and to the societies in which the company operates.

As a reflection of BBVA's commitment to continue to strengthen the principles of business ethics, in 2009 the criteria for sale of BBVA goods and equipment to its employees have been implemented throughout the Group. These criteria develop principles that are already contained in our Code of Conduct. They are aimed at guaranteeing that these processes are implemented through a transparent and unlimited offer for which objective criteria for adjudication are applied.

More information on the Code of Conduct: [↗](#)

Policy of conduct in the securities markets

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

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Specific policies or standards in functional areas

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

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

Business conduct

In 2009, the internal framework of guidelines for conduct in securities markets has been updated by a review of the various Codes of Conduct in securities markets in each of the jurisdictions where the Group operates in this field. Its title has been changed to **Internal Regulation of Market Conduct**. These new updates have been carried out to include the general principles and criteria for action contained in the

Policy of Conduct in the Securities Markets, approved in 2008, adjusting them to the specific legal requirements of each jurisdiction, if necessary.

Each of the regulations includes legal requirements that are applicable to each jurisdiction, as well as a set of internationally generally accepted principles and guidelines for action to be followed by employees whose functions are related to the securities markets with respect to the following matters:

- Handling of privileged information.
- Prevention of price manipulation.
- Management of potential conflicts of interest that may arise.
- Private trades by employees on the markets.

Finally, within the standards covering conduct in markets and in Spain, BBVA has strengthened its mechanisms to prevent and detect suspicious trading and the abuse of privileged information and/or manipulation of stock prices. This manifests BBVA's commitment to the law as it stands and the collective effort of all the institutions and actors on the market in favor of integrity and the correct operation of the financial markets. These efforts will in turn benefit all those operating in them.

Legal compliance

At 31 December 2009, the BBVA Group has not recorded any fines or penalties for breaches of legislation or regulations related to environmental

issues, its operations in society or the supply and use of products and services, which might be significant regarding its equity, financial situation and consolidated results. No litigation related to instances of discrimination has been brought against the Group in Spain by any employee, and no legal claims of any significance have been filed involving working conditions.

International agreements subscribed

BBVA continues to adhere to the following initiatives:

- United Nations Global Compact. [↗](#)
- United Nations Environmental Programme Finance Initiative (UNEP FI). [↗](#)
- Equator Principles. [↗](#)
- United Nations Principles for Responsible Investment. [↗](#)
- Carbon Disclosure Project (CDP). [↗](#)

Furthermore, BBVA publicly manifests its respect for the United Nations' Universal Declaration of Human Rights [↗](#), the basic employment legislation of the International Labor Organization [↗](#) and the OECD Guidelines for Multinational Enterprises [↗](#). The business of the financial sector is characterized by highly-skilled human capital, thereby making it unlikely that problems will arise regarding human rights, such as child or forced labor or major risks to the freedom of association.

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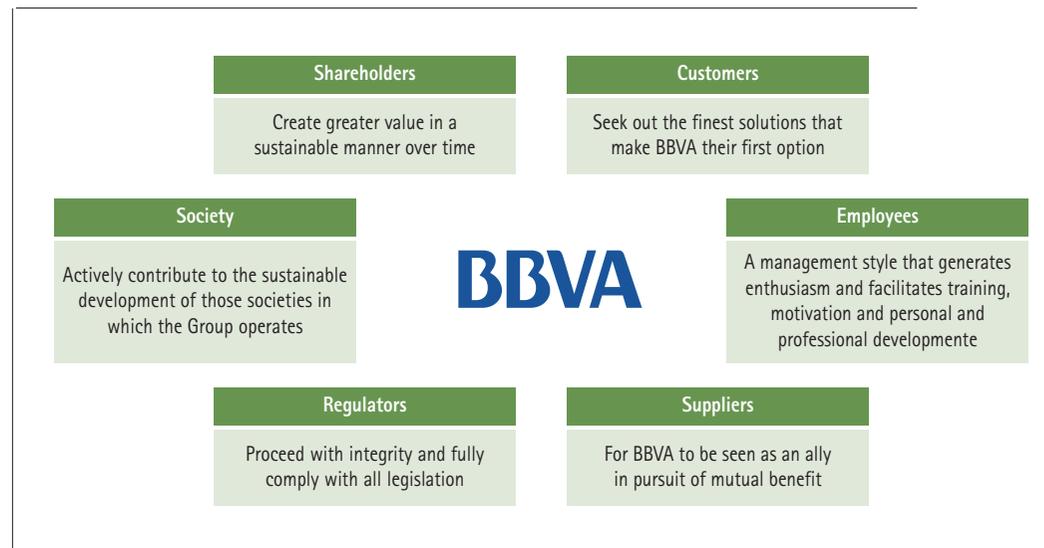
Stakeholder engagement

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

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

Finally, to understand and provide solutions to the challenges of corporate responsibility, BBVA has added another approach that allows the issues, institutions and people making up the

→ Main BBVA Stakeholders, and the Group's commitments to each



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sustainability agenda to be identified. This approach is called "People & Issues".

This way of looking at the relationship with stakeholders is based on determining what issues are and will be relevant in the medium term for a financial institution from the perspective of sustainability; what institutions are leaders in designing solutions; and who the ideal contacts can be for starting along this path.

What this approach brings is a list of priorities that are stable over time, new ways of aligning the business strategy and a clear determination to join in discussions with specific people and institutions that are considered to be key stakeholders.

In 2009 BBVA created a head of Stakeholder Engagement. This is a new position within the BBVA Group's corporate responsibility area, whose tasks include the coordination and organization of all the consultation processes that are developed in the Group.

Analysis

Tools

There are two ways in which BBVA analyzes and integrates stakeholder expectations. On the one hand, the regular dealings that business areas and business support areas have with each stakeholder group enable important issues to be identified and knowledge gained of their assessment of BBVA's activity and performance. This information helps in drawing up action and communication plans.

Meanwhile, and complementing other areas of the organization, one of the main functions of the Corporate Responsibility (CR) department is to act as a conduit between stakeholder

expectations and the performance of the organization.

Accordingly, it gathers the information garnered from other areas, complementing it with specific analysis in the area of sustainability, reputation and public opinion.

Two lines of work are undertaken to determine what issues are relevant for BBVA from the perspective of sustainability:

- First, coordination of the consultation processes in each country, and generation of procedures, manuals and shared learning tools which enhance the use of local knowledge. In 2009, the United States and Mexico boosted their direct consultation processes associated specifically to the identification of relevant issues.
- In addition, global diagnostics are drawn up by using a variety of tools for qualitative and quantitative analysis. There are assessments by the main sustainability analysts, reports and working documents from the Global Trends Unit that is part of the BBVA Research Department and Reprack, the corporate reputation monitoring system. In addition, a start has been made on extending the Consumer Insight surveys internationally, and a listening program has been started focused on the monitoring of global public opinion through regular surveys, the analysis of relevant secondary sources and the use of a specific tool for analyzing opinion on the Internet.

Both processes have been developed in parallel over the year. Finally, there is a workshop specifically designed to determine the importance of the issues and the changes that have

taken place, and to detect and agree the relevance of the new "emerging issues". Representatives from each of the regions where the BBVA Group has a significant presence take part in this workshop.

This collection of listening systems, research methods and channels provides an objective diagnosis and rigorous periodic follow-up of the expectations deemed to be of greatest significance to stakeholders. The integration of this data into metrics and scorecards allow the Group to set targets for improvement and indicators of progress. This makes it easier to integrate stakeholder expectations through the whole Group's CRR committees.

Relevant Issues

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

Using the tools mentioned in the section above, it repeated this exercise in 2009 and reconsidered the interpretation and relevance of these issues in a workshop with the Bank's regional representatives for corporate responsibility. The following are some of the main conclusions reached.

1. General context

Activity is recovering worldwide in 2009, but unevenly and with some uncertainty. Developed countries are facing significant challenges that will affect the speed of their exit from the crisis: the restructuring of the financial sector, the reduction of debt levels and the process of fiscal consolidation.

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Emerging economies appear to be in a position to grow more, boosted by the lack of major imbalances, lower levels of debt, a relatively healthy banking system and more room for maneuver in terms of economic policy.

Europe is lagging behind the United States in the pace of its emergence. The crisis has shown up the greater real and financial rigidities in the European economy.

In Latin America, the middle classes are expanding steadily, and wealth is growing more. This had already begun to happen in Chile and Mexico some time ago, and also in Colombia and Peru.

Following the crisis, the financial markets will be different from those of the last decade. The banking business of the future will depend on the model of bank restructuring that is undertaken. The banking system is facing a more demanding regulatory environment that could affect the profitability of the business.

2. Specific aspects

In 2009 the relevant issues that had constituted the basis for the Group's corporate responsibility reports were reaffirmed. The varying exit speeds from the crisis in different countries and regions have exacerbated local differences in the interpretation of some issues. For example, in Europe financial accessibility is interpreted more as access to credit for SMEs and families, while in Latin America the major issue is banking penetration by large segments of the population who have never had access to financial services.

In world public opinion, and in the opinion reflected in different analyses by regions and countries, the economic crisis and the closeness of its

effects on people's everyday lives continues to drive a trend that began in 2007 and that shows the increasing relevance of social sustainability aspects to the detriment of environmental aspects. However, out of the broad range of aspects making up the environmental dimension, climate change has retained its importance.

The health of the financial system in all its dimensions is one of the problems that in the current situation cause most concern for our stakeholders. Perhaps one of the most important aspects of this issue is the way in which people make use of financial services. Understanding and being able to make well-founded judgments on financial products and services is a crucial factor in the development of a more transparent and sounder system.

Thus the 2009 analysis reveals the emergence of a new issue, financial literacy, that was not one of the relevant issues highlighted in 2008. However, in the light of the financial crisis and its origins, and above all as a result of the wide-ranging processes of banking penetration that are being implemented in Latin America, it is going to take on an enormous relevance in the coming years.

Dialog and commitment

Governments and the financial crisis

Sustainable development is not the exclusive task of public authorities. Participation by companies is essential if it is to be achieved. Today companies are a key social reference. Customers demand better products and services, but they also demand ethics, respect for the environment and support for economic and social development. And among companies, banks play a leading role, because they are the great facilitators in the economy: they help

individuals and companies to materialize their decisions on consumption, saving and investment in the most efficient way. Thus they contribute in a very direct form to economic progress and general welfare.

There can be no sustainable development without economic development, and economic development is not possible without a sustainable financial system.

The crisis has had a devastating impact on the banking map and the markets. It has ended up by leading to the most serious global recession since the 1930s. This crisis is different from earlier ones in its harshness, its global nature and because its origin lies in the financial system. Thus the financial sector has a greater responsibility in resolving it. It is essential for the financial sector to recover if the economy as a whole is to do so.

BBVA believes that the three pillars for constructing a sustainable financial system are adequate regulation, effective supervision and financial institutions that base their business models on sound principles (transparency, prudence, integrity) and guide their activity towards the creation of long-term value for all their stakeholders.

In the current reform of the regulatory framework of the financial industry, BBVA is working through the European Affairs Coordination Unit in Brussels to extend its perimeter of relations with market stakeholders to 360°.

BBVA participates actively within the European Union and OECD in all the regulatory issues and consultations affecting the financial industry.

It is working closely with governments and regulatory bodies in the countries in which it operates to join forces in this important task.

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Spain

In 2009 BBVA carried out more than 33,500 operations using the various public SME financing lines Líneas ICO. It has a significant position in all of them and doubled its commitment from the 2008 figure to €2,224m. The Bank increased its market share in the distribution of the ICO lines to 12.8% at the end of the year.

Mexico

In Mexico, BBVA Bancomer has taken on board two of the priorities of the Mexican government on financial questions:

- In the banking penetration plan, it is contributing the Bank's experience through the model of "banking correspondents" to boost the use of electronic payment platforms and, at the same time, mitigate the various risks in the system. In 2010 Bancomer will increase its points of sale in retail establishments by more than 12,000, thus extending the accessibility of financial services to areas with smaller, lower-income populations that are more remote from urban centers.
- Financial literacy is an important pillar for users of the Mexican financial system to be able to take saving, investment and credit decisions in the most informed way. *Adelante con tu futuro* (Forward with your future) is the pioneering Bancomer initiative that aims to empower users by giving them the tools and skills they need to use financial services for their own benefit.

United States

Under the close supervision of the financial authorities, in August 2009 BBVA Compass

acquired the operations of Guaranty Bank, whose headquarters are in Austin (Texas), from the Federal Deposit Insurance Corporation (FDIC). The deal gave BBVA Compass a total of \$12 billion in assets and it assumed \$11.5 billion in deposits. Under the deal, BBVA subscribed a loss-sharing agreement with the FDIC covering all the loans acquired in the transaction. As a result, the FDIC will assume 80% of the first \$2.3 billion dollars of losses should they occur, and 95% of the remainder.

China

The BBVA office in Hong Kong has ongoing relations and business with China Citic Bank and Ka Wah Bank in the following areas:

- Treasury and Wholesale Banking & Asset Management, through the structuring of products for Citic customers in China and Hong Kong.
- Corporate Banking, Trade Finance and Cash Management, through financing the international expansion of Chinese companies that are customers of Citic, particularly in Latin America.
- Equally, BBVA advises Citic in areas such as the Risk, Pensions and the Research departments, as well as running a training plan in Spain for management staff at the Chinese bank.

Supranational Organizations and Multilateral Financial Institutions

United Nations Global Compact

The United Nations Global Compact is an international initiative designed to encourage institutions to adopt a voluntary commitment to corporate responsibility through ten principles

based on human, labor and environmental rights and the fight against corruption.

Since BBVA joined in 2002 it has carried on an open and productive dialog with the institution and gradually incorporated improvements in our efforts to achieve the 10 principles. Since 2005 it has participated actively through the BBVA Compliance area in the United Nations working group designed to improve the implementation of Principle 10 of the Global Compact. It also participates actively in the working group created to analyze the measures adopted by various multinationals to guarantee that the anti-corruption policies and practices are applied to their subsidiaries, suppliers and subcontractors.

In 2009 BBVA has participated actively in preparing the draft of the Global Compact Reporting Guidance for the 10th Principle Against Corruption, which was published in the same year.

Multilateral Development Banks (Multilateral Financial Institutions)

With the aim of boosting social and economic development in the regions in which BBVA is present, it maintains a close relationship with multilateral financial institutions of global and regional scope.

The BBVA Group works with practically all the multilateral development banks (MDBs), such as: The World Bank (IFC and MIGA), the Inter-American Development Bank (IADB), Corporación Andina de Fomento (CAF), the Central American Bank for Economic Integration (CABEI), the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank.

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Multilateral financial institutions play an anticyclical role in the current financial crisis, which is notable for the lack of liquidity in the markets. These institutions provide funds by leveraging themselves in the private sector, where the commercial banks operate. BBVA is playing a very important role in the financial crisis, given its sound balance sheet and business model. It has been one of the main commercial banks to have worked with multilateral development banks in emerging countries, providing liquidity and mitigating risks.

In Latin America, BBVA has worked with the MDBs the IADB, the World Bank (IFC) and CAF to develop local capital markets that have been very active during the crisis. It has also assisted local and regional development by increasing banking penetration and lending activity.

The BBVA Group is strategically developing its institutional and business relations with multilateral and bilateral development banks by integrating the complexity of this global relationship into all its business areas and making joint operations more efficient.

These are some of the milestones of work with MDBs in 2009:

1. The strategic agreement with the Inter-American Development Bank (IADB) signed on 9 October 2009 and covering the major relationship between the BBVA Group and the IADB. The main areas of collaboration are as follows:
 - Provision of financial and non-financial services to SMEs.
 - Trade finance.
 - Co-finance of infrastructure projects.
 - Development and promotion of microfinance activity.

- Innovation in financial products and services.
- Promotion and dissemination of best practices of corporate social responsibility.
- Collaboration with the IADB through BBVA Pensiones America to promote education in pension literacy and regulation of the pension systems in Latin America.
- Economic sectors of high social relevance such as sustainable tourism, the environment and climate change, renewable energies and financial literacy.

2. IADB and the World Bank (IFC). All the subsidiary banks of the BBVA Group in Latin America participate in IADB and IFC trade finance programs as confirming banks. In 2009, BBVA Paraguay and BBVA Uruguay became issuing bank members of the IFC and IADB (respectively) Trade Finance Program. Participation by the BBVA Group in these programs run by the MDBs, which provide the guarantees, promotes trade and development in the Latin American region.
3. BBVA Seguros y Pensiones America is working with IADB to boost research, studies, publications and participation in specialized forums that contribute to the development of local pension systems in Latin America.
4. Together with the European Investment Bank (EIB), the BBVA Group is promoting the development and finance of SMEs and local corporations in Spain through the EIB global loans. In addition, and in accordance with the EIB Lisbon agenda, BBVA is boosting one of the main programs that finance renewable energy

and energy efficiency projects via EIB risk sharing.

5. Channeling European Commission structural funds through the EU JESSICA initiative. The first operation with the government of Andalusia is now being studied.

Educational institutions and other social organizations

BBVA is developing long-term alliances with social entities with which it can work jointly to generate shared social value. Tackling the major social challenges represents a collective effort in which companies and social entities should share agendas and projects.

One of the focuses of our corporate responsibility policy is education and financial literacy. This is where the most important initiatives for dialog, commitment and shared work are applied.

The most important of these are the alliances with educational institutions in Latin America where the integration scholarship program *Niños Adelante* (Forward, children) was introduced. They range from model non-profit institutions such as Hogar de Cristo in Chile and Fe y Alegría to public institutions such as the Institute for Peruvian Studies (IEP). These are just a few examples of how BBVA believes we have to tackle the question of education.

Second, BBVA works in close collaboration with the Organization of Iberoamerican States for Education and Culture (OIS). One of the most significant projects is support to the research program aimed at improving educational quality in early childhood. This study will be completed in 2011 with a series of high-value recommendations for the education ministries in the region.

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In the field of financial literacy, of particular interest is the joint project developed in Mexico with the National Commission for the Protection of Users of Financial Services (CONDUSEF) for the launch of a new mortgage workshop as part of the nationwide financial literacy week.

In Spain, as part of *Valores de Futuro* (Future values), the financial literacy program for children aged 6 to 14, channels were started for dialog and collaboration with the Ministry of Education, most of the education departments of the autonomous regions and representatives bodies from various collectives in the educational community (parents' associations, confederations of educational institutions and trade unions).

Another cooperation initiative of particular importance is the Plan Integra. This plan covers Spain, where it aims to boost the social and employment integration of people with disabilities. In defining and developing the plan, BBVA works with the most representative institutions in the disabled world in Spain (Fundación ONCE, FEAPS, COCEMFE and FEACEM).

Finally, BBVA has kept channels for dialog and commitment open with various social and environmental development organizations, including Economistas sin Fronteras, Ecología y Desarrollo, the Corporate Social Responsibility Observatory, the Spanish Red Cross, Doctors without Borders, Justicia y Paz, Setem and Greenpeace.

Analysts and investors

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

Using the requests for information and results of the evaluations as a basis for this dialog, the work with these stakeholders allows BBVA to improve its transparency and performance every year. The main analysts BBVA works with are as follows:

- Carbon Disclosure Project
- EIRIS
- Oekom
- RiskMetrics
- Sustainable Investment Research International
- SAM
- Vigeo

Similarly, as a result of the steady integration of ESG criteria, some capital funds are beginning to request information on aspects they consider relevant for BBVA's sustainability. Since 2009 BBVA has responded to, and given extensive information on, questions linked to sustainability, to the following (among others): GS SUSTAIN, Hermes Equity Ownership, Soci t  Generale, F&C Investment.

Controversial issues

The defense sector

The report entitled "Worldwide Investments in Cluster Munitions; a Shared Responsibility" was published in October 2009 by IKV Pax Christi and Netwerk Vlaanderen. The report provided details of the investment positions of financial institutions in companies that produce cluster bombs.

It explained that BBVA had commercial relations with companies that were supposedly linked to the production of cluster bombs. As a result, the NGO Justicia y Paz asked BBVA for an explanation.

The authors of the report invited BBVA to extend its policy of responsibility and exclude loans granted for general corporate purposes. They proposed that BBVA should end its activities related with companies that produce cluster bombs, regardless of the purpose of the finance provided.

Since October 20, 2005, BBVA has followed a strict internal code concerning the "Principles, Criteria and Rules of Procedure for Defense Industry Lending", compliance with which is obligatory for all Group institutions, both in the financial area and other sectors where the Group operates. The rule was approved by at the highest management level in the risk area.

The Group's policy on financing applications from the defense industry is under constant review to ensure it meets the strictest criteria. The last review took place in October 2009. As a result, restrictions on operations related to cluster bombs and weapons of mass destruction were extended to the whole Group.

Consideration of the extent of the scope of this policy, beyond the financing of specific operations, was already part of the last review of our internal rules. In Title IV a set of additional factors were added that had to be assessed in the process of admitting financing requests by companies belonging to the defense sector for the purpose of meeting their general financing needs.

As BBVA informed the NGO Justicia y Paz, since February 2010 it no longer has any relations of any kind with the companies named in the report.

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HidroAysén

In May 2009, the Defense Department of Patagonia and the Spanish NGO Setem requested a meeting with a team from BBVA to explain details of an international campaign that aimed to stop the financing of the HidroAysén project, which was created in September 2006 in the extreme south of Chile with the purpose of constructing and operating five hydroelectric power stations.

In November 2009 those responsible for the campaign were told that no project would be financed if it did not comply scrupulously with the Equator Principles, and that to that date there had been no consideration of any possible participation in the project.

Remuneration

From the start of the crisis the economic climate has encouraged public attention to focus on the models of remuneration for senior company executives, particularly in the financial sector.

BBVA considers that a reward policy is a key element for value creation. For this reason, it has an advanced system of remuneration based on reciprocal

generation of value for employees and the Group, in line with shareholder interests.

This system includes the standards and principles of the best national and international generally accepted practices of good corporate governance, which have been effectively adapted to the Bank's nature, structure and development.

The BBVA's remuneration system takes the following principles into account:

- 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.
- Internal fairness and external competitiveness.
- Use of market benchmarks through analyses carried out by firms of recognized prestige that are leaders in the compensation consultancy sector.
- Transparency in the remuneration policy.
- The Group's remuneration policy is structured by taking into consideration the economic situation

and company earnings and includes the following elements:

- A fixed remuneration based on the level of responsibility, which forms a significant part of the total compensation.
- A variable annual remuneration linked to the achievement of previously established targets and prudent risk management.
- A variable multi-year remuneration that promotes the generation of medium and long-term value for the Group and is in line with shareholder interests.

The combination of these elements results in a balanced system of remuneration that is coherent with the Group's strategy and its values, as well as shareholder interests. In addition, in 2009 the following measures were introduced as a result of the Bank's austerity measures:

- Dismissal compensation was withdrawn for executive directors.
- Pension obligations were reduced considerably.
- The other salary components for executive directors were restricted.

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Financial literacy

GOALS 2009

- Boost to financial literacy programs.

% COMPLIANCE
verified by Deloitte

100 %

GOALS 2010

- Launch of Valores de futuro in Portugal, with 100,000 children taking part.
- Implementation of the Adelante con tu futuro (Forward with your future) program in countries in South America.

BBVA considers that financial literacy should be one of the priorities of the Group's corporate responsibility policy. Informed decisions enhance one's personal financial situation, improve risk management for financial institutions, encourage saving and strengthen the overall financial system. In short, financial literacy makes for dependable savers and more responsible debtors.

In September 2009 BBVA launched the 3-year Global Financial Literacy Plan (2009-2011) with the aim of supporting financial literacy and improving people's current and future financial situation.

The plan, which has a budget of €26m, will be developed in all the geographical areas where the Group operates, with specific programs in two priority fields. First, as an accompaniment to the banking

penetration process, particularly in Latin America. We cannot extend banking use without education, and to do so we have to join forces, because that is the only way we can consolidate financially sustainable development in these countries. Second, because we want to contribute in some way towards the education of the young in the skills and values associated with the use of money. This approach is clearly linked to our vision and corporate culture, as well as being recommended by international authorities.

By the close of 2009, the following experiences were already underway:

- In Mexico, *Adelante con tu futuro* (Forward with your future), aimed at people who already use banking services, or could easily be persuaded to do so.

26

million euros of investment 2009-2011 in the global financial literacy plan

111,362

beneficiaries of workshops on personal finance

334,333

students participated in the *Valores de futuro* (Future values) program in Spain

1,725

centers participated in the *Valores de futuro* program in Spain

- In the United States, the Money Smart program, which includes the Teach Children to Save scheme for children and young people, and Get Smart About Credit.
- In Spain, *Valores de futuro*, aimed at children in primary school and the early years of secondary school.
- In South America a project has been started to extend the *Adelante con tu futuro* program to the main countries in the region.

Adelante con tu futuro (Forward with your future)

The program was developed in 2008 by BBVA Bancomer, the Museo Interactivo de Economía

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(MIDE) and the Tecnológico de Monterrey university to offer users (bank customers or non-customers) interactive workshops on personal finance.

These workshops are based on six lines of action*:

1. Financial literacy classes in the branch network
2. Mobile financial literacy classes
3. Mobile financial literacy equipment
4. Virtual financial literacy classes
5. Financial literacy in agreements with educational institutions
6. Awareness-raising campaigns

For more information, see pages 26-28 of the Bancomer Corporate Responsibility Report 2009. [↗](#)

The program was greatly extended in 2009. At the end of 2009, the workshops had the use of the following infrastructure:

- 20 fixed classrooms within the branch network in the 14 main cities in the country.
- 9 mobile classrooms allowing the personal finance workshops to be held at organizations that do not have the physical or technological infrastructure required.
- 9 mobile systems that include the technology, educational resources and instructors needed to make use of the spaces available for giving personal finance workshops.

In 2009, a new workshop on mortgages was launched in partnership with MIDE and the National Commission for the Protection and Defense of the Users of Financial Services (CONDUSEF) as part of the nationwide financial literacy week. BBVA also participated with stands, talks and the delivery of 1,510 modules at universities.

A publicity campaign offering financial health advice through messages in advertising slots and newspapers has been launched as a way of increasing attendance at the workshops and continuing to generate awareness.

At the close of 2009 BBVA had given 56,229 personal finance workshops (509 on mortgages, 587 on SMEs and 55,133 on saving and credit).

→ Beneficiaries of workshops on personal finance

Year	2009	2008
Beneficiaries	111,362	7,000

Scope: BBVA Bancomer.

More information [↗](#)

Valores de futuro (Future values)

BBVA in Spain

Valores de Futuro is a program that aims to improve the education of children in the skills and values associated with money, such as responsibility, prudence, saving, effort and solidarity. It is one of the biggest private initiatives of its kind in the world.

The program is aimed at children aged between 6 and 14, and is given in Spanish schools during school hours. It consists of a program of classroom activities supervised by the teachers, who are given the materials and provided with support from a team of educational advisors. This is a program that focuses on people, their values and their skills. It has been developed using innovative educational techniques to encourage the participation of students and their teachers, leading to reflection and self-learning.

Valores de futuro has the backing of a scientific committee that reflects on and discusses the program and its continuous enrichment from

an expert, objective and multidisciplinary perspective.

Members of the scientific committee

- José Antonio Marina.
- Alejandro Tiana.
- Álex Rovira.

BBVA employees have a very important role in this program as volunteers who give the workshops in the participating schools. Their participation has been decisive in the success achieved in this initial phase of the campaign, in which 256 volunteers took part in 128 workshops.

The program has clearly exceeded the targets set at its launch. In the school year starting in 2009, 334,333 primary and secondary-school students have benefited (67% more than the target for 2009) at the 1,725 educational centers that participated.

More information [↗](#)

ABAEF and Money Smart

BBVA Compass has developed an educational program in partnership with the American Bankers' Association Educational Foundation (ABAEF) focusing on the education of children, in which volunteers play a very important role.

Under the program, BBVA Compass employees participate in two educational schemes in Dallas: Get Smart About Credit and Teach Children to Save. Both are ABAEF initiatives designed to educate future consumers in the proper use of credit and the importance of saving.

The Money Smart program was also started in 2009 as a platform for the financial literacy plan in BBVA Compass. Money Smart is a program that guides adults and adolescents in the proper use of financial products and services through 10 learning modules.

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499,961
customers of the BBVA
Microfinance Foundation

+44 %
increase in the number of BBVA
Microfinance Foundation
customers

1,000 \$
average microloan

12,000
new points of sale in Mexico
(non-banking correspondents)

GOALS 2009	% COMPLIANCE verified by Deloitte	GOALS 2010
<ul style="list-style-type: none"> • New alliances and operating presence in Chile and possibly in Argentina and Brazil. 	75 %	<ul style="list-style-type: none"> • Operating presence in Argentina, Mexico and Central America.
<ul style="list-style-type: none"> • Assist the financial inclusion of disadvantaged groups or groups with special needs, consolidate 2008 achievements. 	75 %	<ul style="list-style-type: none"> • Launch of new integrated commercial services for people and organizations in the disabled world in Spain.

Paving the way for new segments of the population to access financial services and products is one of the more genuine expressions of a financial institution's corporate responsibility.

Microfinance

BBVA Microfinance Foundation: working for the future

As part of its pledge to financial inclusion, in 2007 BBVA set up the BBVA Microfinance Foundation, a non-profit institution whose aim is to use microfinance to promote the self-sustainable economic and social development of those at greatest disadvantage. The Group invested €200m as founding capital.

The Foundation's main activity is to create and consolidate a microfinance network, initially in Latin America. The network already includes the microfinance institutions Caja Nuestra Gente in Peru, Banco de las Microfinanzas-Bancamía in Colombia and Corporación para las Microfinanzas in Puerto Rico (a recently created financial institution still in the development phase).

In 2009, the foundation extended its network with the creation of Servicios Microfinancieros S.A. in Chile, in partnership with the cooperative society Credicoop. The new entity has been created with a customer base of low-income entrepreneurs, and with the aim of becoming the biggest private

microfinance institution in the region, clearly focused on expansion in the community and rural context.

At the end of 2009 the BBVA Microfinance Foundation had 499,961 customers in Latin America through these institutions, with an accumulated social impact of close to 2 million people. The Foundation has 2,731 employees and a network of 229 branches that manage a total volume of microcredits worth over \$450m.

In 2009 the Foundation also reached an agreement with the Central American Bank for Economic Integration (CABEI) to develop microfinance activity in Central America and

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obtained a license to operate in Argentina. Both these operations will begin in 2010.

In 2009, as a result of a strategic agreement between the Foundation and the World Bank, the International Finance Corporation (IFC) made the first of its investments in the Foundation's microfinance institutions. Under this agreement, the IFC bought a 16.4% holding in Caja Nuestra Gente to boost its growth and extension in rural communities of Peru.

As a complement to its main activity, the Foundation also undertakes initiatives to develop the microfinance sector. An example of this is the agreement with the Inter-American Development Bank (IADB) to develop human capital and corporate governance in microfinance institutions.

One of the main actions in this field has been the implementation of a training program for specialist microfinance managers in partnership with Spain's Open University, UNED, and with local Latin American universities. This program was carried out in Colombia and Peru in partnership with the Javeriana University and Pacífico University, respectively. In all, training was given to 399 people, who obtained a double degree from the UNED and the local university.

The Foundation also organized courses teaching skills to low-income entrepreneurs in partnership with the Organization of Iberoamerican States for Education, Science and Culture. The courses were given in Colombia and Chile. In all, 775 people learned to design business plans to be able to develop and start up their productive activities.

The BBVA Microfinance Foundation was created as a response to the BBVA Group's

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

More information 

BBVA Codespa Microfinanzas hedge fund

The BBVA Codespa Microfinanzas hedge fund's main aim is to develop the microfinance industry in Latin America. It closed 2009 with a volume of €27.73m, with the number of participants increasing to 34.

Over 2009 the fund has been refocused, as after the exit of Paraguay and the reduction of its presence in Nicaragua and Ecuador, it was decided to focus efforts on Mexico and Peru.

→ BBVA Microfinance Foundation

	Customers	Employees	Branches
Bancamía (Colombia)	286,168	1,501	103
Caja Nuestra Gente (Peru)	198,607	1,183	102
Servicios Microfinancieros (Chile)	15,186	104	24
Corporación para las Microfinanzas ⁽¹⁾ (Puerto Rico)	-	3	-
TOTAL	499,961	2,791	229

(1) Completely new institution created and currently being developed.

Scope: BBVA Group

→ Loan Portfolio ⁽¹⁾

	Average amount of loan (in USD)	Default rate (%)	Default rate in benchmark institutions ⁽²⁾	Average interest rate (%)	Interest rate of benchmark institutions ⁽²⁾	Maximum interest rate established for microfinance institutions
Bancamía (Colombia)	900	3.5	6.2	27.55	24.28	33.93 AER ⁽³⁾
Caja Nuestra Gente (Peru)	1,748	3.4	4.77	23.50	28.50	No control on interest rates

(1) No data are provided for Servicios Microfinancieros (Chile), as the institution was set up at the end of December 2009 and is still developing its business plan.

(2) Sectorial rate.

(3) Resolution 0428 of March 30, 2007 of the Financial Superintendency of Colombia sets the microcredit rate that forms the basis for establishing the maximum limit for this type of loan at 33.93% annual equivalent rate.

Scope: BBVA Group

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Banking Penetration Plan

Within BBVA's policy on financial inclusion, another of the major actions it pursues is the Banking Penetration Plan in Latin America, which was launched in 2007 in Mexico and South America. In 2009, BBVA has continued to pursue this plan in its commitment to the spreading of banking products and services amongst those people in Latin America with no prior experience in arranging loans, paying special attention to the financial literacy of this group.

Banking Penetration Plan: South America

Although lending in the region has inevitably been affected by the economic context, in 2009 BBVA increased the number of customers receiving credit facilities, as well as credit card use.

In line with its commitment to increase financial inclusion, BBVA South America worked throughout the year in consultation with Visa to develop a methodology of risk management for people not in the banking system. A pilot scheme in Peru is being assessed with a view to extending it to other countries.

In addition, the Group is adapting to local regulations in Argentina and Colombia and introducing people with low incomes who receive financial assistance from the government to banking services by opening accounts for them to receive the funds and giving them an associated debit card.

The Blue Kids account has been created in Colombia by linking bank penetration plans with educational projects. This is a savings product for children of up to 13 years of age that includes prize draws of university savings plans. In Argentina,

BBVA Banco Francés continues to work on increasing bank use by families of the children who have benefited from the Niños adelante (Forward, children) program, for whom it has opened accounts and given debit cards for the purchase of school materials.

BBVA is firmly committed to promoting the development of the economies in which it operates. One of the best ways of doing so is to support companies that are a major source of employment and generate resources in society.

For this reason, in 2009 it signed a collaboration and technical assistance agreement to support the development of SMEs in the region with the Inter-American Investment Corporation (IIC), the only multilateral financial institution with a mandate to support and finance SMEs in Latin America and the Caribbean.

This strategic alliance will enable the IIC both to channel funds for enterprises in the region and to provide added-value non-financial services through the various BBVA banks in South America. These services include business diagnostics under the FINPYME program (FINPYME), the promotion

of energy efficiency in SMEs under the GREENPYME program and encouragement of good governance practices for family enterprises. The knowledge and tools provided will promote the comprehensive development of SMEs and enable them to be more competitive.

The agreement also allows the IIC to offer a variety of financial products in the medium and long term to institutions in the BBVA Group in South America, such as direct loans in dollars or the local currency, credit, guarantees, and pari passu agency credit lines, designed to finance enterprises in the region, above all SMEs.

The GREENPYME program started in Colombia. It offers SMEs in the country the training and instruments needed to save energy. BBVA has joined this initiative by providing subsidies to the projects presented by Colombian SMEs designed to lower energy costs, increase productivity and contribute to environmental conservation.

In addition, outside the scope of these agreements, BBVA gave a number of training sessions on foreign trade in 2009 to businesspeople in Argentina, Colombia and Venezuela.

→ Banking penetration plan: South America

	2009	2008	2007	Target 2010
No. active customers ⁽¹⁾ (millions)	7.7	7.6	7.3	9.0
No. customers financed (millions)	2.6	2.5	2.0	4.0
Card finance (million euros)	1,350	1,174	857	2,000
Consumer finance (million euros)	4,053	4,439	3,307	5,500

(1) An active customer is one with a balance of more than 0, holder of personal or business accounts.

Scope: South America

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In its aim to bring basic financial services to places where the branch network does not reach, and to segments of the population who do not use banking services, the BBVA has for a number of years been developing the Non-Banking Correspondent program. In 2009, the number of service points other than branches increased from 4,837 in 2008 to 4,888 in 2009.

→ Service points other than branches in South America

	2009	2008	Difference
ATMs and self-service machines	4,444	4,341	346
ARGENTINA	1,339	1,331	21
CHILE	523	481	34
COLOMBIA	784	755	47
PERU	639	707	162
VENEZUELA	1,060	1,000	56
PANAMA	33	26	10
PARAGUAY	41	30	14
URUGUAY	25	11	2
Other face-to-face networks ⁽¹⁾	444	496	123
COLOMBIA	107	28	0
PERU	337	468	123
TOTAL	4,888	4,837	469

(1) Non-banking correspondents in Colombia and Express and Express Plus agents in Peru.

Scope: South America

Banking Penetration Plan: Mexico

In 2009 BBVA achieved a growth in payroll accounts of 10.24%. In contrast, Créditoón accounts fell by 9.8%. Responding to the challenge represented by continuing to offer useful and new financial products, BBVA continued to promote the remittance card, which allows families who live in Mexico to receive remittances in their accounts directly, as well as the Tarjeta 40 card, created specially for young people.

Non-banking correspondents

The Non-Banking Correspondents program was launched in 2009 as part of the process of banking penetration and responsible financial inclusion promoted by BBVA Bancomer. This has brought Mexicans closer to banking services through an alliance with major retailers such as Oxxo and Walmart.

The alliance enables BBVA Bancomer customers to operate not only in its 1,800 branches, but also through over 12,000 points of sale at the retail outlets that have signed the agreement. Customers will also have the advantage of receiving service at weekends with an extended opening times and the convenience of being able to make their financial transactions in the same places that they make their everyday purchases.

The banking transactions that can be made in this way are: cash payments for third-party services; cash deposits into Bancomer accounts and for prepaid payment cards; and cash repayments of Bancomer loans.

BBVA Bancomer's commitment to financial accessibility is clearly reflected in its network of 1,779 branches, 6,237 ATMs and more than 163,000 point-of-sale terminals at affiliate retailers. In addition, there is significant growth in Internet transactions, which are used by 1.3 million.

→ Banking penetration plan: Mexico

	2009	2008	2007	Target 2010
No. active customers (millions)	15.3	15.1	14.6	18.0
No. of branches	1,779	1,843	1,765	2,010
No. of ATMs	6,237	5,772	4,876	7,500

Scope: Mexico

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Initiatives in the U.S.

In line with the Group's commitment to bring financial products and services closer to the most disadvantaged communities, in 2009 BBVA Compass launched the Bank On initiative, based on the creation of low-cost products.

Bank On represents a collaborative effort for the financial integration of the segment of the population that does not use banking services. By giving access to basic and low-cost banking products and services, this program improves the health and sustainability of the most vulnerable sectors in the community.

The objectives of this program include:

- Increase the range of products offered to low-income social segments that do not use banking services.
- Make customers who do not use banking services aware of the benefits of having bank accounts and thus boost new accounts.

- Give the low-income population access to financial literacy.
- Make people aware of the disadvantages low banking penetration, as well as possible solutions to it.

In 2009, BBVA Compass has collaborated actively with the Bank of California and the Bank of Houston. A total of 2,233 current accounts were opened thanks to this initiative, and 60 employees were given training. In 2010, the bank expects to be working with four more cities in the United States and thus increase the number of cities participating in the program to 17.

BTS and banking for migrants

BTS, BBVA's electronic transfer service, continued to grow in 2009. The number of transactions last year was 16,020,284, at a value of over €4,595m, with an increase in the market share of electronic transfers paid in Mexico from 38.3% in 2008 to 40.4% in 2009.

BBVA has also been providing a service to migrants from the start of the phenomenon of immigration to Spain. This group now represents 11% of the total Spanish population, and 700,000 of them are BBVA customers. Since 2005 BBVA has been adapting to their basic needs. As well as its range of general products, it offers financial products specially designed for immigrants. With a market share of close to 17%, immigrants have 30% of their incomes paid by direct deposit, and 38% of their bills and 37% of their cards paid by direct debit. More than 70% of the remittances made by BBVA customers are via ATM, online or by phone. BBVA has extended its network of destination countries. As well as countries in Latin America, Morocco and Romania, it now also sends money to Brazil, China and Russia. Apart from this, the BBVA network provides immigrants with a full range of services adapted to their everyday needs.

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GOALS 2009	% COMPLIANCE verified by Deloitte	GOALS 2010
<ul style="list-style-type: none"> Approval and implementation throughout the Group of the new manual for social and environmental risk management in the lending business 	50 %	<ul style="list-style-type: none"> Internal audit for procedures under the Equator Principles and for the policy on the Defense sector
<ul style="list-style-type: none"> First sustainability rating of the BBVA Employment Plan in Spain Participation in forums promoting SRI in Spain 	100 %	<ul style="list-style-type: none"> Progress in the engagement process and the exercise of voting rights
<ul style="list-style-type: none"> Foster the use of non-presential channels Extend AA accessibility to other Group websites (Spain) 	50 %	<ul style="list-style-type: none"> Foster the use of non-presential channels. Extend AA accessibility to other Group websites (Spain)
<ul style="list-style-type: none"> Develop the CR training plan in the Group 	100 %	<ul style="list-style-type: none"> Launch the online CR training course for 2,000 directors
<ul style="list-style-type: none"> Sustainable procurement policy 	25 %	<ul style="list-style-type: none"> Approval and implementation of the sustainable procurement policy
<ul style="list-style-type: none"> Progress in the specific objectives of the Global Eco-Efficiency Plan 	50 %	<ul style="list-style-type: none"> Reduction in consumption: -3.78% in CO₂ emissions, -1.41% in paper, -3.03% in water, 0.92% in power (electricity)

35 %
increase in operations analyzed according to the Equator Principles

2.92 %
SRI funds out of all managed funds

75 %
loan requests granted (Spain)

714,398
Customers part of *Paga bien, paga menos* (Mexico)

48/52 %
men/women percentage

3,000
employees trained in Human Rights issues

5,193
volunteers in the Group +44% on 2008

38 %
of suppliers who have failed the approval process (Spain)

-3.22 %
reduction in CO₂ emissions per employee

Responsible finance

Responsible risk management at BBVA

BBVA made some significant progress in environmental and social risks throughout 2009:

- Creation of a coordinating unit for environmental and social risks within the risk area.
- Appointment of people responsible for environmental and social risks in each of the Group's banks/countries, within the local business area. Local representatives have been named in BBVA Colombia, BBVA Banco Provincial in Venezuela, BBVA Banco

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Continental in Peru, BBVA Banco Francés in Argentina, BBVA Chile and BBVA Bancomer in Mexico.

- Approval in February 2009 of the “Handbook on social and environmental risk management in financing and bank guarantees”. The aim of this manual is to integrate the environmental tools and procedures in the BBVA Group within the Credit Risk structure and decision-making process. This manual was approved by the Technical Operations Committee and issued to the banks in the Group for local adaptation. The manual has already been adapted in BBVA Banco Continental and is in an advanced process of adaptation in BBVA Bancomer, BBVA Banco Francés, BBVA Colombia and BBVA Banco Provincial.
- The following are worth highlighting in terms of training management staff to evaluate and manage environmental risk:
 - The four-day environmental evaluation and management course run by BBVA and Ecomanagement to train management staff and company experts in the new regulatory framework being created by the system of environmental responsibility.
 - The executive breakfast coordinated by BBVA Banco Continental (Peru) and the Peruvian Banking Association ASBANC and UNEP FI on environmental risk analysis in BBVA Banco Continental. More than 40 risk managers from all the banks in Peru took part.

At the start of 2009 the Bank's Internal Audit area reviewed the Structured Finance Risk Model with reference to all the Group's Project Finance

operations. Other questions were checked at the same time, such as the inclusion of the Equator Principles classification in the evaluation of those projects that are financed by the Group. For next year, the Internal Audit plans to verify the application of the Group's policy on financing the defense sector within the work program planned for Asia.

Development finance

In terms of financing and consultation, BBVA is among the leaders in the world rankings of investment banking products, structured finance and trade finance, and has received numerous awards for the operations it has taken part in. This activity has enabled it to channel substantial financial resources to companies and allowed them to finance their investments.

Another line of activity worth highlighting in 2009 was the financial support to companies that had to refinance their debt and restructure their balance sheets in a difficult market situation. Because BBVA is aware of its customers' needs and the difficult economic conditions, it has created specific departments to support the viability of companies and thus help them to continue their activity and development plans. Among other important finance, BBVA has participated in the operation that has received the Best Restructuring Transaction of 2009 award from Latin Finance Awards.

One of BBVA's strategic priorities, guided both by its mission and geographical situation, is to finance economic activity in developing countries. BBVA's mission “working towards a better future for people”, and our conviction that a better society helps companies develop, has positioned us

as one of the most active banks in financing projects and international trade. BBVA's leading position in Latin America and our presence in Asia have allowed us to head up the financing of investment and trade flows in both continents. This has been recognized by the three most important publications in the industry, which have granted BBVA an award as the Best Trade Finance Bank in Latin America.

Infrastructures and energy are essential to boost the economy. They act as a lever for the integrated and balanced development of societies, and give people access to basic services such as health, justice, education, transport, electricity and water. In 2009 BBVA led the financing of infrastructure and energy projects, and among other recognition was Bank of the Year in Project Finance in the Europe region in the PFI Awards (Thomson Reuters).

In the energy sector, BBVA is the leading commercial bank in financing renewable energy projects, according to the Bloomberg New Energy Finance ranking. It is in first place by the number of operations in which it has acted as Mandated Lead Arranger.

Project finance: the Equator Principles

Since 2004, the BBVA Group has adhered to the Equator Principles, undertaking to assess and manage the social and environmental impacts of the projects it finances in each country. Since then, the integration of this global standard in project finance management has led to significant improvements in the management of these variables, which initially were considered as non-financial but are now growing in importance worldwide.

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Standards of conduct and other commitments	<input type="checkbox"/> <input type="checkbox"/>

Stakeholder engagement

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Controversial issues	<input type="checkbox"/> <input type="checkbox"/>

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Microfinance	<input type="checkbox"/> <input type="checkbox"/>
Banking Penetration Plan	<input type="checkbox"/> <input type="checkbox"/>
Other initiatives	

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Responsible finance	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Responsible investment	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Customer focus	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Human resources	<input type="checkbox"/>
Responsible procurement	<input type="checkbox"/> <input type="checkbox"/>
Environment	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Community involvement

Education	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Research	<input type="checkbox"/> <input type="checkbox"/>

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

(million euros)

	Category	2009			2008			2007		
		No. of operations	Total amount	Amount financed by BBVA	No. of operations	Total amount	Amount financed by BBVA	No. of operations	Total amount	Amount financed by BBVA
Europe and North America	A	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	B	32	15,303.7	1,484.7	11	5,277.5	499.8	1	133.7	9.6
	C	29	4,773.9	986.8	32	6,343.6	1,345.0	11	1,544.3	321.7
TOTAL Europe		61	20,077.5	2,471.5	43	11,571.1	1,844.8	12	1,678.0	331.3
Latin America	A	2	664.9	159.6	1	639.2	118.3	0	0.0	0.0
	B	6	88.5	34.8	6	1,054.1	76.5	1	437.4	72.9
	C	4	80.3	30.2	2	346.8	148.7	0	0.0	0.0
TOTAL Latin America		12	833.8	224.5	9	2,040.1	343.5	1	437.4	72.9
Asia	A	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	B	0	0.0	0.0	1	34.0	18.2	0	0.0	0.0
	C	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
TOTAL Asia		0	0.0	0.0	1	34.0	18.2	0	0.0	0.0
Rest of Group	A	0	0.0	0.0	0	0.0	0.0	1	1,568.0	42.8
	B	3	2,222.6	152.3	4	2,753.1	234.7	0	0.0	0.0
	C	2	387.0	64.9	1	187.1	39.6	0	0.0	0.0
Total Rest of Group		5	2,609.6	217.2	5	2,940.2	274.3			
TOTAL GROUP		78	23,520.9	2,913.2	58	16,585.5	2,480.9	13	3,683.5	447.1

Notes:

- 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

Highlights:

- Start of the sustainability rating process for customers in four areas: the environment, society, corporate governance and international conventions
- Assistance from risk professionals, C&IB, insurance, Corporate Responsibility and audit

for the Specialization Program in Environmental Risk Assessment and Management

- List of preferred independent advisors
- Supervision of the audit and internal control departments

- Watch List of projects that require more in-depth monitoring
- Creation in 2010 of an Equator Principles committee in the WB&AM area to propose policies and supervise compliance

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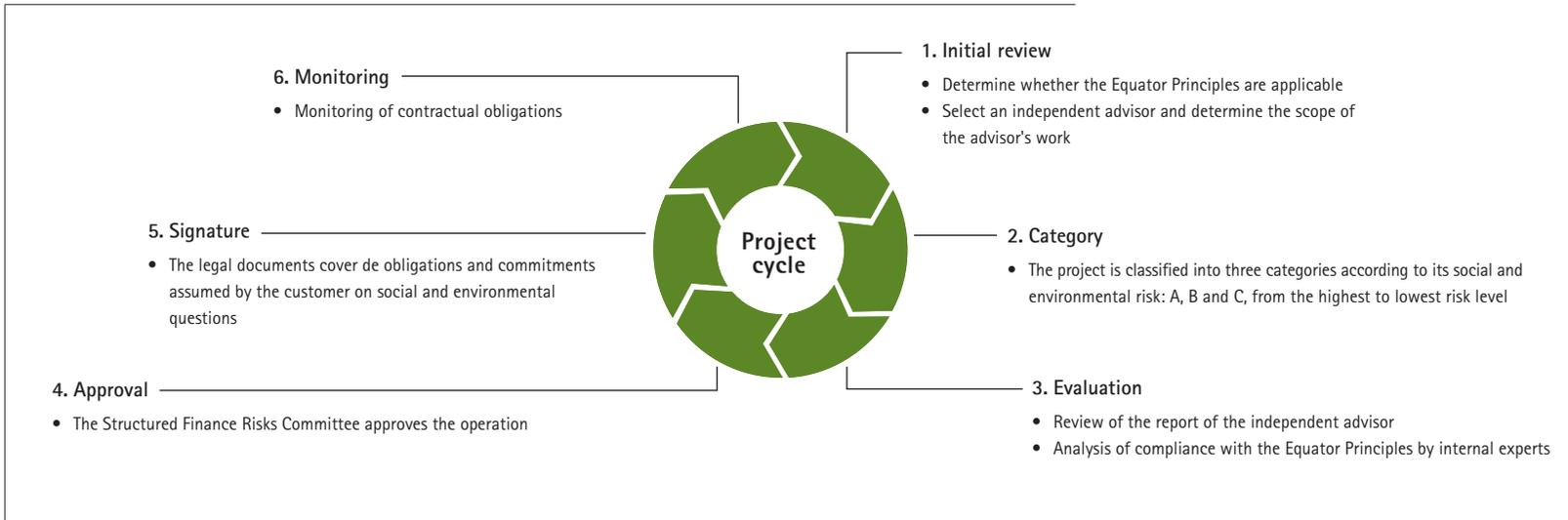
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→Project cycle/Equator principles



Ecorating

BBVA, aware of the importance of the proper measurement, assessment and management of environmental risk in a company's credit quality, continues to foster the use of tools that constantly record its customers' environmental risk scores.

Accordingly, 2009 has seen an environmental risk analysis made of 240,777 customers in Spain, through the combination of three groups of variables:

- Pollutant emissions and the demand for resources.
- Aspects within the company's environment that may be directly or indirectly affected by its operations.
- Legislative pressure and auditing of certain components in the environment.

Significant progress has also been made in Mexico, where the project is in the implementation phase; and in Peru, where an agreement has been reached with the IADB.

Policy on financing the defense sector

BBVA is one of the few international financial institutions with a policy on financing the defense sector. Since 2005, the BBVA Group has had a specific rule on the financing of this sector. As a general policy, it will not be involved in financing those operations related to the arms trade, in pursuance to the minimum requirements of the rule.

BBVA Group is firmly committed to regular reviews and updates of this internal rule with a view to adapting it at all times to the criteria that inform

→Environmental risk scale

	2009			
	Exposure		Customers	
	Million euros	%	Number	%
Low ⁽¹⁾	112,886	81.78	192,410	79.91
Medium ⁽²⁾	23,483	17.01	47,440	19.70
High ⁽³⁾	1,665	1.21	927	0.39
Totals	138,034		240,777	

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

Scope: Spain

the policy declared by local authorities and international organizations. All this is undertaken in keeping with the EU Code of Conduct.

The latest review is dated October 2009. It once more updated the assessment factors for the countries receiving goods, and increased them to ten. It also updated the list of countries eligible for operations.

At the same time a system of centralized control began to be applied for these kinds of operations in order to increase transparency and objectivity in decision-making. The process of adapting it to local regulations in all the BBVA Group banks was also begun.

[More information](#)

BBVA Group presence in offshore financial centers

In 2004, the BBVA Group stated its policy on activities with establishments permanently registered in Offshore Financial Centers. At the same time, it issued a plan for reducing the number of offshore financial centers to three (see Annual Corporate Responsibility Report 2004).

Further progress has been made in 2009 in reducing the number of offshore financial centers, with 37 permanent establishments closed down from the launch of the plan to 31 December 2009. For more information on offshore centers, see the Group's Annual Report 2009, pages 232-235. [↗](#)

Preventing money laundering and the financing of terrorist activities

The Prevention of Money Laundering and the Financing of Terrorist Activities (henceforth referred to jointly as the Prevention of Money

Laundering) constitutes, above all, a priority objective that the BBVA Group associates with its pledge to promote and uphold the well-being of the different communities in which it operates.

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

Work continued in 2009 to strengthen the system of Prevention of Money Laundering by:

- The adjustment of policies and procedures to the regulatory changes made in the Group's

operating countries and the adoption of best international practices in these matters, highlighting the measures adopted in internal legislation in Mexico and Spain.

- 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.
- At the same time, we have continued our collaboration with international organizations, government bodies and other institutions in the fight against organized crime, terrorism and other forms of crime and corruption. An example is participation in a United Nations working group on Principle 10 of the Global Compact. [↗](#)

→ Internal auditing activities

	2009				2008			
	Spain & Portugal	Mexico	USA	South America	Spain & Portugal	Mexico	USA	South America
On-site branch audits	208	251	14	369	311	374	114	255
Other branch activities (anti-fraud, mainstream, etc.)	210	62	59	289	262	54	37	327
Remote audits: red flags for the prevention of fraud and internal control	5,245	7,228	0	12,775	4,718	14,765	0	15,685
Audits of financial information and global businesses ⁽¹⁾	1,643	237	3,905	3,433	1,758	407	843	3,877
Systems audits ⁽²⁾	27	13	30	59	43	27	47	137

(1) In 2009 more attention has been paid to credit risk analysis; the number of regulatory actions caused by changes in legislation in different countries has increased and a number of global actions have been carried out involving a high level of consumption of resources.

(2) In Systems Auditing the number of activities in Logical Security has fallen as a result of the launch of the Corporate Security Master Plan. They were replaced by analysis of processes and applications related to the Business, actions which require a greater number of resources.

Scope: BBVA Group.

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Prevention of fraud

Fraud is a broad phenomenon that occurs in all societies and cultures, and is particularly relevant in the banking business. It is present on a daily basis, in many different aspects, and takes place in many different forms. BBVA has established a zero-tolerance principle against fraud in any of its forms as a basis for its activity.

The swift appearance of new forms of fraud and the use of new technologies in committing it means that planning, prevention and control are key tasks in dealing with it properly.

The BBVA Group has defined and implemented a model of integrated fraud risk management, which establishes and coordinates policies within the Group at a global level. This means defining strategies, boosting global, regional and local initiatives and developing actions within the framework of corporate principles based on a model of global management with decentralized implementation. The integration and participation of all the areas and units in the Group is key to achieving these objectives.

→ Prevention of money laundering and terrorist activities

	2009	2008	2007
Participants in training schemes on the prevention of money laundering	48,372	49,939	45,905

Scope: BBVA Group

Through its Global Anti-Fraud Program, the BBVA is also developing the corporate policies and principles that define its management, establish the corporate methodologies required and adapt the appropriate processes to the dimensions required for the management of this risk. The intensive and globally shared use of technology under this program by all the companies in the Group has become one of the pillars for managing the risk of fraud in BBVA.

Responsible investment

Socially Responsible Investment (SRI)

BBVA is committed to socially responsible investment (SRI) as a natural outcome of its corporate responsibility policy. As well as traditional economic criteria of analysis and decision-making in investment, SRI involves the impact of ethical and environmental, social and governance (ESG) factors, with the aim of obtaining greater returns from a proactive management of extra-financial aspects of the investment portfolio in the medium and long term.

The following are some of the achievements of 2009:

- Launch by BBVA Bancomer of the first investment fund committed to education, B+EDUCA, to support the Por los que se quedan (For those left behind) scholarship project. This fund gives customers a twin benefit: attractive returns and a significant contribution to the development of young people in Mexico.
 - Customers can invest from 30,000 Mexican pesos in a short-term fund with

→ Socially Responsible Investment (SRI) (Percentage)

	2009	2008 ⁽¹⁾	2007
Out of all managed funds	2.92	2.70	1.38

(1) The percentage for 2008 has been recalculated, with the total managed funds considered as final for this year, including the BBVA staff retirement plan.

Scope: BBVA Group

the highest credit rating and lowest risk on the market.

- It contributes 25% of the net accrued monthly interest as a donation.
- Donations can be made tax-deductible.
- Presentation of the Principles for Responsible Investment (PRI) initiative at our corporate headquarters. [↗](#)
- Sponsorship for the second year in a row of the study of the SRI Observatory 2009 by ESADE. The complete study is available on: [↗](#)
- BBVA chairs the recently created SpainSIF, a forum to promote SRI made up of 32 entities including asset managers, asset owners, syndicates, business schools and saving and investments service providers.

As well as the SRI funds, BBVA carries out analysis of sustainability focused above all on equity assets, using the classification system and reports prepared by RiskMetrics (following its acquisition of Innovest).

As stated in earlier reports, the companies with the lowest sustainability ratings are analyzed in detail. If their environmental, social and governance risk level is very high, they are

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→ Funds with CR Criteria

(Million euros)

	2009		2008		2007	
	Volume	Members	Volume	Members	Volume	Members
SRI						
BBVA Extra 5 II Garantizado	607.79	24,006	628.72	24,545	688.07	26,323
BBVA Desarrollo Sostenible	13.81	4,813	12.54	5,409	29.89	7,165
BBVA Codespa Microfinanzas	27.73	34	27.36	22	23.67	29
BBVA FTSE4Good IbeX	1.13	82	1.16	77	/	/
BBVA Plan de empleo (Staff Retirement Plan)	2,622	42,726	1,900	41,100	/	/
Solidarity funds						
BBVA Bolsa Biofarma	14.51	3,226	14.91	3,670	24.86	4,720
BBVA Solidaridad	17.15	504	15.49	508	33.3	1,008

Scope: BBVA Group

excluded from our portfolios. The profiles of the companies comprising the BBVA funds are generally well above the average for their respective sectors, especially those in European portfolios.

BBVA uses SRI criteria for equity investments in 22% of the 329 mutual and pension funds managed as of December 31, 2009. In terms of managed assets, these criteria apply to 24.1% of the total investment in equity assets.

In the specific case of the BBVA *Desarrollo Sostenible* (BBVA Sustainable Development Stock Market) fund, sustainability ratings were used in overweighting the different companies. The Bank also used as a benchmark an index that includes only those companies showing the highest performance in these areas (FTSE 4Good Global 100). Meanwhile, the basket of securities

that were to comprise the BBVA *Extra 5 II Garantizado* guaranteed equity fund was selected using SRI criteria to define its profitability, one of them being their inclusion in the FTSE 4Good global indexes at the time the fund was launched.

→ Equity investments under SRI management

	Mutual equity funds	Guaranteed funds	Employment/Individual	Total equity
Assets in equity under SRI criteria (million euros)	13.9	607.8	2,076	2,698
Total assets in equity (million euros)	2,243	5,400	3,560	11,204
Percentage	0.6	11.3	58.3	24.1

Scope: BBVA Group

The BBVA Codespa Microfinanzas fund, managed using SRI criteria, contributes to the development of the microfinance industry. In 2009 BBVA engaged in an ongoing dialog on questions of sustainability with the 19 enterprises making up this fund.

Finally, at the present time BBVA has no formal policies of intent regarding social or environmental issues, beyond those of upholding the corporate principles and pledges it has assumed for its operations in this matter. However, in 2010 it plans to progress in its engagement and in the exercise of its voting rights.

The BBVA employment fund

In 2008, BBVA's pension plan for employees in Spain became the first pension plan to manage all its assets according to Socially Responsible Investment (SRI) criteria while adhering to the UN's Principles for Responsible Investment (PRI). This initiative, which has a great social impact, was agreed by the fund's Control Committee, of which the BBVA forms part, the trade unions CC. OO., UGT, Confederación de Cuadros and CGT, and representatives of the beneficiaries.

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In 2009 the Control Committee decided to take a further step in this area and draw up the first sustainability rating for the plan taking into account all its investments. The aim was twofold: to guarantee that the investments were managed using SRI criteria, and to make the plan transparent as possible. From among the three highly regarded specialized companies that were invited to bid for the work, the BBVA's Pension Plan Control Committee chose Analistas Internacionales en Sostenibilidad (AIS) (now called Sustanalytics), one of the most prestigious sustainability agencies in the world.

For more details of the AIS rating see: [↗](#)

Integration of the principles of socially responsible investment (SRI)

Before signing up to the PRI, BBVA's use of SRI was through specific products.

Adherence to the PRI principles has led to a continuous learning process and a step forward in implementation of SRI criteria.

In 2008, the pension fund manager EGPF (GPP) and BBVA Fondo de Empleo subscribed the PRI, which had been formulated by the United Nations in 2006. At the same time, the GPP governing body approved a "policy of strategic investment" that expressly incorporated these principles into fund management.

BBVA is committed to the strategy of integrating environmental, social and governance criteria (ESG) to the traditional investment process as an additional source of important knowledge to be used when assessing investment alternatives for a better return on investment.

Finally, in 2009 BBVA worked on establishing a policy on voting rights (ownership policy) that is fully aligned with the PRI.

The following presentation gives more details of this strategy. [↗](#)

Pension funds

BBVA is a leader in the management of pension funds in Latin America, with a share of 22.8 % of all managed assets. This position has made the bank a key player in the development and consolidation of private social provision schemes in the region, as well as a point of reference for countries in other geographical areas.

In 2009 more work was done on the strategy to generate relevant ideas in the pension industry, for which BBVA presented the book Evaluating the Financial Performance of Pension Funds jointly with the OECD and the World Bank. With the results of the evaluation of the financial performance of pension funds around the world a new methodological proposal was presented to measure the return on investment in these funds.

In addition, the Pensions and Insurance Unit in the Americas has carried out pension research on

two key areas through a team of pension economists in the Research Department. The first area of study has been the successful experience of pension reforms in Chile and their focus on the solidarity pillar. The aim is to extract relevant lessons that can be learnt and exported to other countries. This subject was presented in the annual Bank of Italy Forum in Perugia.

The second area has been of greater scope and has meant the exploration of investments in alternative assets related to the development of infrastructure projects as a way of finding better schemes for operating portfolio management in the countries involved; and, at the same time, boosting their economic growth and social development by financing vital projects that provide economic and social sustainability.

As a sign of its commitment to the development of pension systems, in 2009 BBVA signed a collaboration agreement with the Inter-American Development Bank (IADB) to support research on the various pension systems in the region. A predictive pension analysis methodology will be used for this research, as developed by the BBVA Group's Pension and Insurance Unit of the Americas.

→ Customers' pension plans

(Million euros and million members)

	2009		2008		2007	
	Volume	Members	Volume	Members	Volume	Members
Spain	17,175	1.9	16,060	1.9	17,068	1.9
Latin America	45,554	12.7	31,727	12.7	43,474	13.6

Scope: BBVA Group

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Customer focus

Quality, satisfaction and customer service

In 2009 BBVA continued to work on its commitment to offer a quality service to customers.

Construction of satisfactory relations requires tackling the design and execution of dissatisfaction management in a planned way, whether this dissatisfaction is communicated (claims and complaints) or not.

For the second successive year, the Corporate Complaints Management Report was presented as a way of improving customer relations. Among the milestones in this edition are:

- Consolidation of the Complaints Management Reference Model for the Group, which provides a structured guide for identifying possible improvements in the short, medium and long term in the management of lack of quality.
- Analysis of complaints management based on associated quality costs and the proposal of a variety of possible management procedures based on the conclusions reached.

The preparation of this report means a significant advance in corporate and local reporting and a differential asset in the management of corporate reputation.

In addition, work has continued with the methodological review of the internal customer voice, and its perimeter has been extended to Spain and Portugal, as well as to the Corporate Headquarters, where it has been carried out.

The internal customer voice is an internal assessment of perceived quality by departments that receive services from other supplier departments. Suppliers and internal customers represent nearly all the departments in the Group.

In this way, it is easier to identify the areas for improvement and establish action plans that enable a better internal and external service to be provided.

→ Individual customer satisfaction levels⁽¹⁾ (on a scale of 1-7)

	2009	2008	2007
Argentina	5.47	5.55	5.64
Chile	n.a.	5.80	n.a.
Colombia	n.a.	6.01	n.a.
Spain	5.22	5.57	5.63
Mexico	n.a.	6.01	n.a.
Peru	5.75	5.74	5.56
Venezuela	n.a.	5.41	n.a.

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

Note: n.a. = the study was not used this year

Scope: BBVA Group

→ Average number of days in settling a complaint at the Bank

	2009	2008	2007
Spain	14	11	11
Mexico	3	9	8
Argentina	11	13	20
Chile	8	8	33
Colombia	13	n.a.	n.a.
Peru	9	11	11
Portugal	7	9	12
Venezuela	12	7	10

Note: n.a. = data not available

Scope: BBVA Group

→ Complaint activity before the banking authorities per €1,000m of activity⁽¹⁾⁽²⁾⁽³⁾

	2009	2008
Spain ⁽⁴⁾	1	1
Mexico	339	294
Argentina	119	15
Colombia ⁽⁴⁾	368	275
Chile	29	34
Peru	36	29
Portugal	7	8
Venezuela	113	153

(1) Each country regulates the criteria for admitting complaints in a different manner.

(2) For each €1,000m of activity (loan book + customer funds)

(3) Source internal, except for the number of complaints in BBVA Spain and BBVA Colombia.

(4) Criteria for obtaining the figures for the number of complaints at the banking authorities for BBVA Spain (only cases resolved) and BBVA Colombia have been annualized. Data published by the corresponding banking authorities.

Scope: BBVA Group

In 2009 BBVA Chile received the National Quality Prize, a prestigious award granted by ChileCalidad to the Bank for its outstanding performance in areas such as leadership, strategic planning systems and process management.

Thanks to this award, BBVA Chile received the Iberoamerican Quality Prize 2009. This international award granted by FUNDIBEQ recognizes the constant search for excellence and a modern, effective and customer-focused management.

Access to credit

The international crisis was financial in origin but has had a clear impact on the real economy as a

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result of the effects of international trade and globalization. As a result, it has negatively affected banking activity and business, specifically the demand for credit. In this difficult environment, BBVA is aware of its role as the biggest banking franchise in the country. It thus has a special responsibility to its customers and is making a big effort to provide credit to everyone who reasonably requests it and can make the repayments.

In 2009, BBVA continued supporting its customers in Spain by backing finance for private individuals and companies. The results are as follows:

- More than 74,000 mortgage loans, of which over 50,000 were for home purchase.
- More than 135,000 consumer loans that effectively met our customers' needs.
- More than 240,000 loans to SMEs and the self-employed as a response to our commitment to the productive fabric of our economy.

In addition, BBVA has worked actively with ICO credit lines and doubled the funds distributed through our bank (from €1,020m in 2008 to €2,225m in 2009), with a major increase in contracted transactions (up 76%).

In the Mexican financial market BBVA Bancomer has 26.2% of the total loans and 25.5% of the total deposits in the Mexican banking system.

BBVA implements a cautious risk policy that does not compromise its own solvency or the future and/or assets of shareholders, employees or customers. Despite the difficult environment, which has obviously had a negative impact on the levels of finance granted, BBVA has confidence in

the soundness of the institution and in the effectiveness of its striking campaigns to continue to lend by adapting to customer requirements as it has always done.

Security, customer protection and business continuity

Apart from the measures which the Group has adopted in order to meet legal requirements deriving from the Organic Law on Personal Data Protection (LOPD) and its implementation, the BBVA Group's Code of Conduct, applicable to all its companies and employees, explicitly states the Group's commitment to the confidentiality of the private information which it holds on customers and their transactions. The Spanish Data Protection Agency concluded nine disciplinary cases in 2009, three of which are under appeal. The financial penalties imposed were not significant in any of them.

In 2009 the BBVA Group strengthened its fraud prevention model by creating the Global Fraud Risk Unit, which establishes and coordinates policies of global scope within the Group. To prevent and mitigate fraud in all the businesses and geographical areas of the Group, the Unit defines strategies, undertakes initiatives and develops actions within the framework of the Bank's corporate principles, based on a global management model.

Proper fraud management helps reinforce customers' trust in the products and services offered by the BBVA Group and is part of the zero tolerance of fraud that defines all its activities.

Due to the high level of technological fraud in the financial sector, BBVA launched a five-year Information Security Master Plan in 2009 for the

whole Group. The aim of the project is to design the strategy for information security that brings BBVA's organizational and technological plan into line with its business activity and organizational culture.

One of the core elements of the plan is customer protection. The Bank's aim is to reach levels of excellence and thus keep the risk to its customers from technological fraud to a minimum. In 2009 major investments were made in the most advanced credit card and Internet fraud detection systems.

Finally, in 2009 a total of 125 business continuity plans were initiated in 23 countries in which the Group operates. Tests were run on each of these plans that enable them to be updated and to inform the Corporate Continuity Committee of their situation.

Some of the plans, as well as the corresponding crisis committees, have had to be activated as a result of events of a catastrophic nature that have altered the day-to-day activity of BBVA in some locations. Among these are the following:

- The impact of the threat of a pandemic from the new type-A AH1NI flu. This not only required action to be taken in the field of hygiene and health, but also the implementation of business continuity measures consisting of the adaptation of all the continuity plans to a scenario of partial unavailability of people and suppliers. Mexico, the United States, Argentina and, to a lesser extent, Spain, were the focus of these measures.
- Social conflicts in some countries led to blockades or difficulties in accessing

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workplaces (Chile and Mexico). In others (Venezuela) there was seismic activity, luckily at a low level, and meteorological emergencies. In all these cases, the activation of business continuity measures has allowed critical services to be provided for customers, and the Bank was able to fulfill its obligations to society and the public authorities.

Finally, BBVA continues to actively promote and work on the creation of collaborative areas for exchanging good practices with other financial institutions and regulatory and supervisory authorities through the consolidation of the Spanish Business Continuity Consortium (CECON).

Responsible advertising

Transparency and the use of clear language has gained importance in the current financial context. It is essential to recover and strengthen customer trust.

BBVA is working on two aspects of this. One is financial literacy, so that customers can make their financial decisions based on knowledge and clarity.

In this aspect it is worth highlighting the progress made in 2009 in BBVA Seguros, which takes into account social aspects, such as responsible marketing and clarity in its insurance policies. As shown by this firm commitment, BBVA Seguros is voluntarily bound by the guidelines for good practices approved by the main insurance companies. This sectoral self-regulation includes the following:

- The Guide to Good Advertising Practices in insurance, to guarantee the product bought matches the product offered, and that consumers have access to the basic information needed.

- A Guide to Good Transparency Practices in insurance, to increase the level of clarity, comprehensibility, and understanding for customers of contractual documents.
- A Guide to Good Governance of Insurance Institutions, which aims to increase the information, transparency and participation by all the stakeholders in the institution's bodies and decisions.

BBVA also continues to work actively to ensure responsible commercial and advertising communication: in Spain, through the Spanish Advertiser Association (AEA); in Mexico, through the Association of Mexican Banks (ABM) and the National Advertising Council. BBVA Compass forms part of two organizations that supervise the banks to ensure they conform to ethical practices: the Federal Deposit Insurance Corporation (FDIC) and the Federal Trade Commission (FTC). In addition, BBVA rigorously complies with all regulations concerning product information and labeling in the countries where it operates.

In the 2008 report the objective set for 2009 was to define and implement a new procedure to increase the transparency and clarity of the Group's advertising campaigns. It was decided to postpone this objective until 2010, in order to integrate it within the framework of the new Group Strategic Plan.

Responsible product and services design

BBVA wants to steadily increase the integration of criteria of maximum responsibility beyond advertising to take in the whole process of developing products and services.

The commitment is to carry out this integration process not only on those products

that respond to specific social needs for a selective group of customers, but on increasingly more mass-market products and services.

Three initiatives developed in 2009 in Mexico and Spain are very relevant in this respect.

BBVA Bancomer has launched a new credit card product: Paga Bien, Paga Menos (Pay well, pay less), which promotes financial literacy and thus the credit health of its customers. This scheme offers price reductions to those customers who pay their credit card installments on time. Customers who over the last year have paid at least twice the minimum repayment amount automatically receive a discount in the interest rate applied. From then on, if the customers continue to pay the installments on time, they receive an additional reduction of a percentage point. Bancomer is firm in its commitment to supporting financial literacy, and also offers an additional percentage point reduction to those customers who take a four-hour online course on credit health. Following the launch of the program in February 2009, a total of 714,398 customers joined the initiative during the year, and 10% of the accounts benefited from a reduction in interest rates.

From its beginnings in Spain in 2003, the Plan Familias (Families Plan) has aimed to help families cover their basic needs, with particular attention being paid to the neediest and vulnerable groups. The protected mortgage BlueBBVA was launched in 2009 in line with this idea. The new mortgage includes free insurance that protects young people in the first two years of the mortgage in case of unemployment for any reason. It has similar features to the normal BlueBBVA mortgage, which offers a discount amounting to 1% of the capital,

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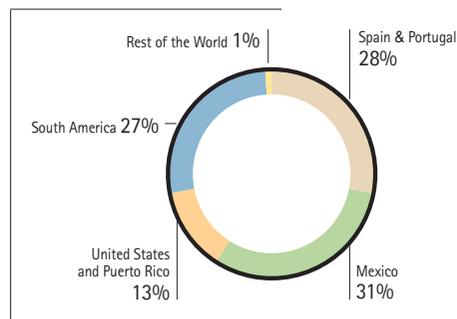
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Diversity

Profile of our employees

The BBVA Group pays particular attention to the management of diversity in human resources through the variety of professional profiles, the range of nationalities (103,731 employees in 32 countries) and gender equality. The corporate strategy aims to promote respect for and inclusion of the different personal characteristics of its professionals as a way of ensuring their skills are used to the full. The processes involved in human resources (recruitment, assessment, development and compensation) take these factors into account at all times to guarantee equal opportunities.

→ Distribution of employees



→ Average length of service of workforce (Years)

	2009	2008	2007
Spain and Portugal	17.6	17.5	17.6
Mexico	8.5	8.4	7.1
United States	5.6	5.1	5.9
South America	9.6	9.9	9.8
Rest of the World	4.7	4.6	5.7
Group average	11.0	10.9	11.1

Scope: BBVA Group

→ Workforce: Breakdown by average age (in years) and gender (Percentage)

	2009					2008					2007				
	Average age		<25	25-45	>45	Average age		<25	25-45	>45	Average age		<25	25-45	>45
	Men	Women				Men	Women				Men	Women			
Spain and Portugal	44.4	38.9	0.77	56.25	42.98	43.9	38.3	1.2	56.0	42.7	43.9	38.2	2.0	53.4	44.6
Mexico	35.3	32.3	17.75	69.68	12.56	35.0	32.0	18.7	67.8	13.5	36.0	32.0	17.9	69.0	13.1
United States	38.4	39.1	11.15	55.96	32.89	38.8	38.4	14.6	54.1	31.3	45.4	41.5	2.9	60.6	36.5
South America	38.5	35.8	8.66	69.90	0.21	38.3	35.6	10.3	68.6	21.1	38.2	36.2	8.8	69.6	21.6
Rest of the World	38.7	37.4	2.48	74.50	23.02	38.7	37.3	2.3	76.9	20.8	38.7	37.9	2.3	74.9	22.7
Group average	39.4	36.0	9.59	64.22	26.18	39.1	35.6	10.9	63.1	26.0	39.6	35.2	9.7	64.1	26.3

Scope: BBVA Group

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→ Employees by professional category
(percentage)

	2009	2008	2007
Spain & Portugal			
Steering Committee and Corporate Managers	0.68	0.68	0.64
Senior Management	3.15	2.96	2.97
Middle Management	4.36	3.87	3.36
Specialists	28.35	27.07	33.99
Sales force	37.87	39.09	33.11
Rank & file	25.59	26.34	25.94
Mexico			
Steering Committee and Corporate Managers	0.18	0.17	0.17
Senior Management	0.91	0.88	0.88
Middle Management	8.72	8.15	7.61
Specialists	16.49	15.56	14.94
Sales force	35.17	38.52	39.94
Rank & file	38.53	36.72	36.46
United States			
Steering Committee and Corporate Managers	0.10	0.06	0.24
Senior Management	1.07	0.71	1.01
Middle Management	23.08	21.03	9.31
Specialists	13.97	12.71	6.05
Sales force	18.82	18.50	8.56
Rank & file	42.96	46.98	74.82
South America			
Steering Committee and Corporate Managers	0.15	0.14	0.16
Senior Management	0.94	0.95	0.98
Middle Management	12.63	11.20	11.15
Specialists	15.33	18.51	20.25
Sales force	30.63	29.65	27.20
Rank & file	40.32	39.55	40.26
Rest of the world			
Steering Committee and Corporate Managers	0.89	1.25	0.75
Senior Management	6.45	7.03	4.98
Middle Management	18.85	15.03	6.29
Specialists	40.77	41.14	28.92
Sales force	2.78	2.99	3.29
Rank & file	30.26	32.56	55.77

Scope: BBVA Group.

Non-discrimination and equal opportunity
BBVA favors the effective application of the principle of equality of opportunities and non-discrimination between men and women to promote diversity and manage it as a competitive advantage. In this respect, the concept of equal opportunities and non-discrimination for reasons of gender is reflected in all Human Resources policies, particularly in terms of the professional career path, in line with the ethical principles of integrity, transparency, non-discrimination, professionalism and recognition of merit that form part of the Group's Corporate Culture.

In 2009, BBVA joined the European Diversity Charter, a measure forming part of the anti-discrimination Directives of the European Union. Its aim is the promotion of management practices and inclusion of diversity in corporates and institutions. The Group has also become a member of the international network of Catalyst, which specializes in gender questions.

The following are some local initiatives:

- Participation in the drafting of the Declaration of Intent for the creation of the Spanish Charter. 
- MEGA 2009 certification in Argentina as a gender equality company.

This subject is dealt with in detail in each of the local Corporate Responsibility reports posted on the corporate website.

In the case of the Group in Spain, in 2009 continued to monitor compliance with and develop the measures envisaged in the collective labor agreement signed with trade union representatives in 2005 in the joint committee on

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equality and work/life reconciliation, as well to study in detail the changing gender balance of the workforce.

In addition, pursuant to Organic Law 3/2007 on Real Equality between Men and Women, BBVA prepared a diagnostic of the situation that was presented in February 2009 to the trade union representatives. This served as the basis to start negotiations under the Equality Plan and present the company's proposal as a revised version of the 2005 Agreement.

Throughout the year, BBVA Spain also continued to participate in the Concilia network run by the Madrid City Council, whose main objective is to motivate and encourage other companies to introduce equality and reconciliation policies in their organizations.

Recruitment and remuneration

BBVA as a generator of employment at a global level, as can be seen in the more than 235,000 CVs received in 2009 through the Group's various online employment pages,  which covers all the Group's companies and complements the information available on the Bank's own employment page and in the different social networks.

These kinds of initiatives are studied at the main business schools around the world. In fact, 6 new case studies were prepared by various high-level schools, ranging from management experience in team leadership in the Bank to its way of understanding innovation as a lever for generating value that aims to make people's lives easier.

Throughout the year the use of job-posting tools in the Group was also extended. The concept

→ Distribution of functions by gender and professional category (percentage)

	2009		2008		2007	
	Men	Women	Men	Women	Men	Women
Spain & Portugal	57.07	42.93	57.40	42.60	58.57	41.43
Steering Committee and Corporate Managers	88.83	11.17	88.18	11.82	88.73	11.27
Senior Management	83.04	16.96	83.11	16.89	84.23	15.77
Middle Management	71.33	28.67	71.90	28.10	73.88	0.26
Specialists	57.93	42.07	58.54	41.46	58.35	41.65
Sales force	52.67	47.33	53.65	46.35	56.20	43.79
Rank & file	56.16	43.84	55.97	44.03	56.21	43.79
Mexico	48.04	51.96	48.61	51.39	49.39	50.61
Steering Committee and Corporate Managers	98.33	1.67	98.33	1.67	96.72	3.28
Senior Management	87.50	12.50	88.16	11.84	87.46	12.54
Middle Management	69.75	30.25	70.16	29.84	71.80	28.20
Specialists	54.04	45.96	53.59	46.41	53.96	46.04
Sales force	49.94	50.06	50.08	49.92	51.16	48.84
Rank & file	37.64	62.36	38.99	61.01	39.76	60.24
United States	31.07	68.93	29.95	70.05	33.94	66.06
Steering Committee and Corporate Managers	90.91	9.09	87.50	12.50	100.00	0.00
Senior Management	74.79	25.21	73.68	26.32	64.00	36.00
Middle Management	39.34	60.66	38.68	61.32	47.93	52.07
Specialists	37.59	62.41	38.30	61.70	46.31	53.69
Sales force	43.48	56.52	42.59	57.41	33.41	66.59
Rank & file	17.84	82.16	18.06	81.94	30.64	69.36
South America	46.50	53.50	47.33	52.67	48.08	51.92
Steering Committee and Corporate Managers	90.70	9.30	87.18	12.82	93.48	6.52
Senior Management	75.56	24.44	76.03	23.97	75.18	24.82
Middle Management	61.71	38.29	61.83	38.17	60.96	39.04
Specialists	51.60	48.40	54.50	45.50	53.11	46.89
Sales force	37.26	62.74	36.87	63.13	38.08	61.92
Rank & file	45.97	54.03	46.87	53.13	47.90	52.10
Rest of the world	58.83	41.17	59.15	40.85	57.09	42.91
Steering Committee and Corporate Managers	88.89	11.11	84.62	15.38	87.50	12.50
Senior Management	80.00	20.00	82.19	17.81	83.02	16.98
Middle Management	75.26	24.74	74.36	25.64	76.12	23.88
Specialists	59.61	40.39	62.53	37.47	65.58	34.42
Sales force	35.71	64.29	45.16	54.84	40.00	60.00
Rank & file	44.26	55.74	43.20	56.80	48.82	51.18
Group average	48.41	51.59	49.36	50.64	51.26	48.74
Steering Committee and Corporate Managers	90.94	9.06	89.78	10.22	91.24	8.76
Senior Management	81.92	18.08	82.30	17.70	82.67	17.33
Middle Management	59.79	40.21	59.30	40.70	66.09	33.91
Specialists	53.93	46.07	55.12	44.88	55.93	44.07
Sales force	47.10	52.90	49.08	50.92	49.51	50.49
Rank & file	41.46	58.54	42.14	57.86	45.22	54.78

Scope: BBVA Group.

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→ Contracts by gender

(percentage)

	2009			2008			2007		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain & Portugal									
Permanent or regular full-time	57.41	42.59	98.50	57.72	42.28	98.58	59.80	40.20	94.84
Permanent or regular part-time	16.67	83.33	0.08	14.29	85.71	0.05	30.66	69.34	0.91
Temporary	35.78	64.21	1.41	35.19	64.81	1.37	38.93	61.07	4.25
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mexico									
Permanent or regular full-time	49.11	50.89	88.34	49.73	50.27	86.92	50.30	49.70	85.93
Permanent or regular part-time	35.84	64.16	6.05	38.51	61.49	9.07	37.19	62.81	4.25
Temporary	44.29	55.71	5.61	45.49	54.51	4.01	43.95	56.05	9.82
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United States									
Permanent or regular full-time	31.81	68.19	91.45	30.97	69.03	90.96	45.56	54.44	89.70
Permanent or regular part-time	17.60	82.40	8.45	20.33	79.67	8.70	46.35	53.65	9.76
Temporary	30.77	69.23	0.10	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	93.33	6.67	0.34	22.37	77.63	0.54
South America									
Permanent or regular full-time	48.22	51.78	90.32	48.16	51.84	88.93	47.80	52.20	89.92
Permanent or regular part-time	32.09	67.91	0.70	28.78	71.22	1.42	30.63	69.37	0.93
Temporary	44.97	55.03	8.75	44.69	55.31	9.02	46.37	53.63	7.91
Others	27.87	72.13	0.23	40.33	59.67	0.64	92.82	7.18	1.24
Rest of the world									
Permanent or regular full-time	59.03	40.97	98.31	59.41	40.59	97.30	57.47	42.53	66.52
Permanent or regular part-time	0.00	0.00	0.00	0.00	0.00	0.00	53.08	46.92	31.84
Temporary	47.06	52.94	1.69	50.00	50.00	2.70	50.00	50.00	1.65
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Group average									
Permanent or regular full-time	49.32	50.68	92.22	49.52	50.48	91.31	52.02	47.98	90.09
Permanent or regular part-time	29.40	70.60	3.21	33.13	66.87	4.39	41.51	58.49	3.53
Temporary	43.85	56.15	4.51	44.08	55.92	4.09	42.26	57.74	5.98
Others	27.87	72.13	0.06	50.88	49.12	0.21	80.59	19.41	0.39

Scope: BBVA Group.

→ Women in managerial positions with children in their care (percentage)

	2009	2008	2007
Spain and Portugal			
Steering Committee and Corporate Managers	90.91	92.00	95.65
Senior Management	60.39	68.00	55.70
Mexico			
Steering Committee and Corporate Managers	100.00	100.00	100.00
Senior Management	64.86	56.76	56.76
South America			
Steering Committee and Corporate Managers	100.00	80.00	66.67
Senior Management	64.62	64.52	68.57
Rest of the world			
Steering Committee and Corporate Managers	100.00	100.00	100.00
Senior Management	15.38	16.67	14.29
Group average			
Steering Committee and Corporate Managers	89.66	87.88	93.10
Senior Management	56.52	62.24	58.25

Scope: BBVA Group (except United States)

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underlying job posting is very simple: when a selection process begins, whenever possible the search starts among the company's own employees. This was the reason for the launch of the Apúntate (Sign up) tool in Spain, Argentina, Mexico and Colombia to reinforce transparency in the internal recruitment process. This kind of initiative aims to encourage equal internal opportunities among all the Group's employees as much as possible, while allowing them to refocus their career according to their own professional interests.

It is worth pointing out that most of the Group's employees are hired directly in their countries of origin. At the close of 2009, 90% of management staff had been recruited locally.

The reward policy at BBVA is based on the level of responsibility of the position and on the professional development of each individual, avoiding any discrimination for reasons of sex, race or any other kind.

→ Recruitment of employees

	2009	2008	2007
Spain and Portugal	1,709	2,459	3,943
Mexico	4,520	16,853	12,372
United States	1,844	3,368	966
South America	3,286	4,959	4,995
Rest of the World	132	212	362

Of which new recruits:

	2009	2008	2007
Spain and Portugal	261	983	1,922
Mexico	3,707	4,482	3,098
United States	1,708	3,334	857
South America	2,477	3,246	3,709
Rest of the World	110	209	218

Scope: BBVA Group

→ Discharges of employees

	2009	2008	2007
Spain and Portugal			
Retirement and early retirement	911	2,053	606
Incentivated discharges	222	131	46
Voluntary discharges (resignations)	102	349	589
Others	1,630	1,896	2,071
Mexico			
Retirement and early retirement	119	197	130
Incentivated discharges	18	781	1,712
Voluntary discharges (resignations)	3,760	3,190	3,762
Others	2,578	13,363	4,415
United States			
Retirement and early retirement	0	99	0
Incentivated discharges	247	244	8
Voluntary discharges (resignations)	1,606	2,245	83
Others	2,119	1,036	63
South America			
Retirement and early retirement	6	50	23
Incentivated discharges	550	914	1,243
Voluntary discharges (resignations)	1,618	2,454	2,415
Others	2,601	2,017	1,168
Rest of the World			
Retirement and early retirement	5	2	64
Incentivated discharges	59	116	24
Voluntary discharges (resignations)	76	127	131
Others	19	61	73

Scope: BBVA Group

→ Voluntary resignations of the workforce (turnover) and breakdown by gender ⁽¹⁾

(percentage)

	2009			2008			2007		
	Total turnover	Men	Women	Total turnover	Men	Women	Total turnover	Men	Women
Spain and Portugal	0.34	54.90	45.10	1.16	52.16	47.84	2.02	55.50	44.50
Mexico	10.89	46.09	53.91	9.06	45.14	54.86	11.45	48.22	51.78
United States	11.38	25.43	74.57	16.73	28.24	71.76	7.97	27.71	72.29
South America	5.80	43.77	56.23	7.81	46.11	53.89	8.63	45.65	54.35
Rest of the world	7.32	61.84	38.16	9.84	51.89	48.11	5.59	52.94	47.06
Group average	6.59	41.45	58.55	7.44	40.97	59.03	7.40	47.82	52.18

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

Scope: BBVA Group

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As for the variable remuneration, as already mentioned it is related to the degree of attainment of objectives, both those set for each employee and those set for his or her unit, which are established at the beginning of each year. Customer satisfaction and commitment to corporate responsibility indicators are also important for establishing the variable remuneration. Where the function and responsibility of the position, professional development and fulfillment of objectives are similar, the relation between men and women's salaries is likewise similar.

Development

In 2009 all the units in the Group carried out the biennial Competencies Assessment Process (skills and knowledge) to identify the areas in which each person can improve and compare their development with previous years. It also helps define a Individual Development Plan (IDP) for the staff with input from their superiors as a way of working actively on the knowledge and skills needed to be able to carry out their work as well as possible. The plan aims to gradually give employees the skills needed to rise to positions of greater responsibility. So far, more than 92,700 employees have taken part in this process. The result has been the preparation of around 83,000 IDPs and more than 360,000 development actions such as courses, practical cases, reading of books and articles and watching films.

The professional development policies and practices of BBVA have also been recognized by the magazine Fortune in its Top Companies for Leaders, which for the second year in a row has ranked the

Group as the best Spanish company in the development of leadership skills among its teams.

Training

BBVA is notable as one of the leading companies in terms of the number of hours of training per employee, with an average of 38 per year. In 2009 nearly 3.9 million hours of training were given in the Group, an increase of 10% compared with 2008.

A large part of this training (40%) is through the e-campus. This online learning platform has become an excellent tool for addressing the training needs of both areas and employees. More than 75% of the Group's employees took this kind of training in 2009. Currently, the e-campus has a training catalog with more than 600 courses, including new training techniques such as virtual communities and forums, videos, surveys and a digital library. In addition, the e-campus has a variety of training paths, with certificates and recognition provided by international institutions and universities, expert tutors and a user service center.

With regard to specific training related to corporate responsibility, in 2009 there was work on developing a Global Training Plan in CR to be launched in 2010, initially for management staff and new recruits. This year, 3,000 Group employees have been trained in issues related to Human Rights.

Working conditions

Work/life balance

The subject of reconciling work and family life is dealt with in detail in the local Corporate Responsibility reports, taking into account local peculiarities. In the case of BBVA Spain, at the end of 2009 it signed a collective labor agreement with the trade union representatives to allow Saturdays off and thus give greater flexibility to the organization of work in the branch network. The agreement allows all the Saturdays in the year to be taken off and this working time to be redistributed in such a way that it adjusts both to the personal situation of each employee and the requirements of the organization.

→ Training

	2009	2008	2007
Total investment in training (thousand euros)	31,929	40,806	43,882
Investment in training per employee (euros)	307	374	428
Hours of training per employee	38	39	39
Satisfaction rating of training (out of 10)	8.3	8.2	8.8
Employees who have received training during the year (%)	75	75	75
Volume of subsidies received for training from FORCEM (million euros)	2.9	3.37	3.32

Scope: BBVA Group

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Flexibility has also been shown in the implementation of a series of voluntary measures taken by mutual agreement which combine an improvement in efficiency with the flexibility required to balance work and personal life. These measures include the possibility to take a period of 3 to 5 years off for personal or professional reasons, leave for postgraduate studies or reductions in the working day. BBVA also renewed its Family-Responsible Company Certificate (EFR) in 2009.

Freedom of association: trade union representation and settling of conflicts

In the sphere of industrial relations, the greater part of the most important rights and conditions for the entire Group are addressed through the different agreements and arrangements subscribed by each company with the corresponding trade union representatives in the country in question, whose laws lay down the different procedures and measures with respect to this matter. BBVA has the greatest respect for the law and collective bargaining and considers that dialog with trade union representatives and consensus are the best form of conflict resolution.

As laid down by Spanish law, the collective labor agreement for the banking sector is applied to the entire workforce; the trade unions sitting on the workers' committees represent all employees and are elected every four years by direct, secret and personal suffrage. The trade union representatives on the workers' committees in the company are informed of any relevant changes to the organization of labor that may take place in the Company, in accordance with the provisions of the law.

This country-level information is set out in various local reports of the main banks in the Group. [↗](#)

Health at work

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

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

In this respect, there are specific positions and bodies to perform prevention functions in each country. In Spain, these are the safety and health committees and the state committee for safety and health. In Spain, the Group has representative channels in place as established by law. Among them are the trade unions, who represent 100% of the workforce.

In 2009, the prevention service assessed a total of 831 workplaces, of which 20 were in isolated buildings.

Another important aspect to mention for 2009 is maternity protection. A new reminder was issued to all those female workers who were pregnant to apply for an assessment of their position. In this way the technical area, together with the prevention service, were able to establish the preventive and protection means required to adapt the woman's job situation to her pregnancy as well as possible. A total of 249 jobs of pregnant employees were assessed in this way.

The cases of technical and preventive assistance registered in 2009 numbered 116. They included investigation of incidents, proposing of corrective measures, and information and advice given on collaboration with the areas involved.

A total of 348 training actions were carried out within the training plan for occupational risk prevention and 307 preventive actions were coordinated.

The following are worth highlighting in the field of preventive activity:

- A total of 21,709 notifications were issued to workers for medical checkups, designed to prevent risks that workers could be subject to in their jobs, with particular attention being given to workers who are sensitive to specific risks.
- 607 technical and preventive procedures were carried out to adapt the ergonomic requirements of jobs and to process the assessment of workers' jobs in general, and pregnant women in particular. The latter cases numbered 321, 11% more than in 2008.

Finally, it is important to report on the information and dissemination campaign carried

→ Absenteeism rate

(percentage)

	2009	2008	2007
Spain and Portugal	2.88	3.03 ⁽¹⁾	2.77
Mexico	0.47	0.47	1.42
South America	1.63	1.43	/
Group average	1.38	1.66	/

(1) Portugal is not included.

Scope: BBVA Group (except United States)

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out on type-A flu (H1N1). This was in two stages: the first was at the start of the pandemic in countries such as Mexico and the U.S. where specific health recommendations were issued, and workers who had traveled to these areas were monitored; the second stage was in September, when a protocol was implemented and extensive information was made available to all the employees on type-A flu and how to prevent it through the Health at Work portal. At the same time, as a preventive measure, hand disinfectants and masks were sent to all the workplaces, together with indications of when and how they should be used correctly.

Passion for people

In 2009, the corporate Passion for People program was a fundamental element in strengthening BBVA's commitment to the people who are part of it. It is based on the action decided on following the employee satisfaction survey of 2008.

More than 120 action plans were implemented in 2009, covering five lines of action: Training, Quality of Life (within the Passion for People program), Corporate Benefits, Development Policy and Style Program.

Nexo was introduced in June 2009. This is a tool that allows information on the plans to be assessed and shared. It has the active participation of more than 40 users in 9 countries: Spain, Mexico, Argentina, Colombia, Venezuela, Chile, Peru, Panama and Paraguay. Its use has enabled the tool to be validated as a human resources knowledge management project.

In the field of culture, BBVA is engaged in major training and dissemination work. For the last nine years, it has maintained close collaboration with the Reina Sofia Higher Music School. The concerts it offers its employees are part of this collaboration. In addition, employees can enjoy the exhibitions organized by the Group, with exclusive guided visits, and painting workshops for their children.

Sport is a perfect reflection of BBVA's distinctive values: teamwork, overcoming problems, competition and fair play. The III BBVA Solidarity Run was organized in 2009 with the aim of collecting funds for the most underprivileged members of society. This time, more than 33,800 runners took part, including employees, customers and their families, across all the countries in which the Group operates.

Personal Benefits

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

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

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

Corporate volunteer work

The Group gives employees who show an interest in participating in social projects the chance to join in initiatives where their technical knowledge and personal skills can be particularly valuable. It has a Global Corporate Volunteer Plan, which includes projects at Group level, as well as other local plans where all BBVA employees can find projects to motivate them. They may even propose activities themselves.

In 2009, 5,195 of the Group's employees did volunteer work (44% more than in 2008) amounting to 83,642 hours in all in Spain and the

→ Main activities with a financial contribution from employees at the Group level

Area of action	Project	Number of volunteers	Area of action	Beneficiaries	Financial contribution
Spain	Euro Solidario – Cofinancing	4,500	Education	5,818	107,718
United States	Compass Charity	14,265	Various	-	1,580,159.5
	Euro Solidario – Cofinancing	Employees in Chile and Colombia			
TOTAL		18,765		5,818	2,002,877.5

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United States. Employees show most interest in supporting educational projects, and more than 50% of volunteers have participated in educational support programs.

In addition, 18,765 of the Group's employees have collaborated in social projects through financial donations amounting to €2,002,877,5.

Spain

45% of our employee volunteers participate in educational projects for children, young people and immigrants. Some help by contributing their professional skills in person or online, while others contribute financially.

BBVA employees want to contribute to the integration of the most underprivileged groups through

volunteer work. Since it was launched, there have been 325,440 visits to the BBVA Volunteers portal. They have shown an interest for 2,322 opportunities for collaboration and 1,918 receive regular information on social activities. Since it was created three years ago, the staff at the BBVA Volunteer Office, who are former employees, have made sure that the employees' social interest has been satisfied.

These are the main volunteer projects run in 2009:

We have worked with the Junior Achievement Foundation, the Fundación Chandra, Asociación Entreculturas, Fundación Tomillo, Asociación Achalay, Asociación NAIF, Asociación Cuatro Ocas, Centro de Acogida San Rafael, Infancia Solidaria, FUNDAR, the state prison service, FESBAL, SEO, ADENA and Foresta y Natura.

Latin America and Mexico

In Latin America and Mexico, 80% of BBVA volunteers are active in the Niños Adelante educational program. As a key volunteer activity, the employees in Mexico tutor students who have received scholarships from the Bank. In all, 689 employees from 166 branches have offered fostering for the 15,000 children with scholarships whose family members have emigrated and who are studying at secondary school with excellent qualifications. The program has benefited 143 municipalities in 20 states.

The data on participation and the impact of volunteers in Latin America and Mexico are as follows:

→ Main projects in partnership with the BBVA employees in Spain in 2009

Area of action	Project	Number of volunteers	Hours	Beneficiaries	Others
Education	Future values	256	512	334,333	1,725 schools, 128 sessions
Education	Competition for BBVA Volunteers projects	150		1,300	92,250 euros
Education and immigration	Digital Literacy tutorials	52	1,554	97	35 bank facilities, 3 provinces and 6 sessions
Education	Junior Achievement programs	70	1,050	775	15 courses, 5 provinces
Education	ENGAGE Project	7	56	-	
Various	BBVA Volunteers portal	180	-	-	
Social welfare care	Camino de Libertad (Freedom trail)	14	-	25	
Social welfare care	Solidarity campaigns	-	-	-	3,600 toys, 7,000 books, 210 tons of food
Environment	Reforestation activity	441			12 days
TOTAL		1,170	3,172	336,530	

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→ Main projects in partnership with the BBVA employees in Latin America and Mexico in 2009

	No. of volunteers	No. of beneficiaries
Niños Adelante	2,091	56,178
Other educational projects	440	4,133
Social and Economic Development projects	-	-
Health projects	-	-
Social welfare projects	260	-
Humanitarian aid programs	146	-
CR promotion projects	-	-
Environmental programs	154	-
Art, culture and sports programs	-	-
Total	3,091	60,311

United States

Throughout 2009, BBVA Compass employees involved with the TeamCompass association carried out 16,307 volunteer activities in towns and cities where the bank is located. In all, 934 employees have given 80,470 hours of their time. Some 10% of the time employees dedicate to volunteer work is for educational projects.

Among the most important is the alliance with the American Bankers' Association Educational Foundation (ABAEEF), which promotes the education of children with the support of volunteer activities. BBVA employees have participated through this project on two educational programs in Dallas: Get Smart About Credit and Teach Children to Save, designed to educate children in the proper use of credit and the importance of saving.

The distribution of the hours dedicated to social projects broken down by the subject of interest is as follows:

→ Main projects in partnership with the BBVA employees in the U.S. in 2009

Project	Volunteer hours
Educational projects	7,919
Social and Economic Development projects	27,222
Health projects	8,531
Social welfare programs	14,733
Humanitarian aid projects	806
CR promotion programs	-
Environmental projects	952
Art, culture and sports projects	16,552
Others	3,755
Total	80,470

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Procurement policy

The Procurement, Premises and Services Department continued to work on the implementation of a new corporate model for the Group in 2009 with the aim of standardizing processes and internal control at a global level. The model is therefore committed to relations with suppliers based on two essential aspects: the application of criteria of objectiveness, transparency, professionalism and equal opportunity in the selection of suppliers and in relations with them; and more emphasis on the principles of corporate responsibility.

The principles underlying the Group's relationship with its suppliers are determined by the code of conduct, which stipulates the following: "BBVA puts particular value on those suppliers that share the principles underpinning this code and who have adopted the commitments of the United Nations Global

Compact in their activities." In addition, the Group has a document called Principles Applicable to those Taking Part in the Procurement Process, which develops the points of the Code of Conduct that are particularly applicable to all the functions involved in this process.

→ Supplier satisfaction index by country (2009)

	2009	2008 ⁽²⁾
Spain	(1)	82
Argentina	89	
Colombia	83	
Chile	85	
Mexico	86	
Peru	83	
Venezuela	84	

(1) Biennial survey

(2) In the other countries the first survey was carried out in 2009

Scope: BBVA Group

The Procurement, Premises and Services unit carries out a supplier satisfaction survey every two years. In 2009 it has done so on suppliers in Mexico, Colombia, Argentina, Chile, Peru and Venezuela. In 2010, in addition to a new survey in Spain, it will be carried out the survey for the first time in the U.S.

In order to ensure that local companies and large corporations are given equal opportunity, the BBVA Group makes its purchases through local suppliers. In 2009 around 56% of the Group's purchases were made from local suppliers. In terms of payment periods, in 2009 all the contracts drawn up were paid under the agreed terms.

One important move in 2009 is the introduction of a sustainable procurement policy in the BBVA Group to complement the various commitments regarding the procurement of goods and services in the BBVA Group through its CR.

→ Main suppliers by country or region ⁽¹⁾

	€100,000-300,000			€300,000-1,000,000			Over €1,000,000			Total suppliers		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Spain	1,535	905	819	415	432	419	273	292	298	2,223	1,629	1,536
Mexico	319	328	315	187	179	175	171	168	168	677	675	658
Rest of the Americas	880	666	590	436	333	284	228	156	122	1,544	1,155	996
Rest of the Group	33	38	32	24	19	22	5	4	4	62	61	58
Total	2,767	1,937	1,756	1,062	963	900	677	620	592	4,506	3,520	3,248

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

Scope: BBVA Group

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Approval system

One of the processes developed as part of the Global Procurement System (GPS) project is the approval of suppliers. Basically, the objective is to validate whether suppliers have the productive, technical, financial, legal and commercial capacity required by the BBVA Group in order to ensure compliance with their commitments in terms of quality, levels of service and costs established by contract, as well as their degree of involvement in the BBVA Group values of Corporate Responsibility.

There are two stages to the supplier approval process:

- **Pre-approval**
 - The supplier is asked for certain general information about the company.

- The supplier fills in a questionnaire that gives more specific information about the families of products and services supplied.
- Request for any other specific information that may be required.

- **Approval**
 - Analysis and technical evaluation of the supplier.
 - Visit, if required, to the supplier's facilities.
 - Proposal for approval and authorization.

In 2010, our target has been to start the global implementation of the first part of the process, i.e. the pre-assessment.

Management tools

In 2009 we continued to progress in the planning determined by the Global Procurement System (GPS) project, whose main aim is to implement a homogeneous global process model for the entire Group and throughout all the countries, as well as a common technological platform to provide it with common support.

The following are some of the most important tasks carried out in 2009 in this respect. First, there was the conclusion of the definition phase of all the processes involved in the GPS; then the start-up of the finance platform for Mexico supported by the creation and implementation of an invoice recording center. The objective of the center is to improve the process of reception, approval and payment of invoices (whether costs or investment) to our suppliers in Mexico, to save time and simplify the payment processes.

In Spain, in 2009 the Group continued with its policy of hiring from special employment agencies (CEEs), whose staff comprises 70% disabled people; the purchasing volume of this type of service amounted to 274,662 euros in 2009. The aim is to increase this figure by 100% in 2010.

→ Supplier approval

	2009	2008	2007
Number of suppliers who have passed the approval process	562	535	528
% of purchases from suppliers who have taken part in the approval process ⁽¹⁾	76	85	84
Number of suppliers who have failed the approval process	38	48	33

(1) The percentage of purchases is estimated on the volume of invoicing of the previous year.
Scope: Spain

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Environment

BBVA has an environmental policy  that covers the whole group. It expresses the Group's commitment to sustainable environmental management and its contribution to the fight against climate change. This policy also includes the commitments subscribed by the Group with some of the main international environmental initiatives, such as the United Nations Environment Programme Finance Initiative (UNEP FI), the Equator Principles, the Principles for Responsible Investment and the Carbon Disclosure Project.

In 2009 the Corporate CRR Committee reviewed the Group's environmental policy for the second time.

The main results of this review are:

- Greater clarity in the document.
- The inclusion of the Carbon Disclosure Project as one of the main international environmental commitments assumed by the Group.
- The assumption by the CRR Committee of coordination of the Group's environmental policy, as well as ensuring compliance through a system of environmental management.

Global Eco-Efficiency Plan

In 2008 BBVA became the first Spanish financial institution, and one of the few in the world, to present a Global Eco-Efficiency Plan (GEP), containing ambitious, concrete and measurable targets that will help optimize the use of natural resources and

thus reduce the Bank's direct impact on the environment.

The Plan is managed using a scorecard that maps changes in six environmental

indicators every four months, with targets set for 2012. In 2009 progress was made towards each of these targets, thanks to the implementation of the following measures:

→ Leading initiatives, targets and progress of the GEP

Indicator	Target 2010	Leading initiatives	Progress 2009
CO ₂ emissions	-3.78 %	Implementation of the telepresence systems in Spain and Mexico	-3.22 %
		Participation in the Earth Hour campaign: 49 buildings and headquarters turned off in 11 countries	
		Employees offered hybrid cars and high-efficiency electrical appliances in Spain	
		Introduction of bicycle parks in Spain	
		Renewal of the low-emission vehicle fleet in Spain	
Paper consumption	-1.41 %	Reforestation campaigns in Spain and Mexico	-3.39 %
		Launch of the pilot Virtual Correspondence project for employees in Spain	
		Change to efficient photocopiers and printers in Chile and Peru	
		Implementation of e-mail statements for customers in Colombia	
		Replacement of faxes, printers, scanners and photocopiers with multifunction equipment	
Water consumption	-3.03 %	Implementation of ecological washing of vehicles in individual buildings in Spain	-0.37 %
		Reduction of flow in buildings and the network throughout Spain	
		Faucet timers in Peru	
Energy consumption (electricity)	-0.92 %	Implementation of telemanagement in buildings in Spain, Mexico, Peru, Argentina and Chile	-0.29 %
		Project to introduce LED lighting in the network of offices in Spain	
		Introduction of low-consumption lights in Chile	
		Efficient adaptation of timetables in Peru	
		Change to efficient computers and monitors in Chile	
Employees in ISO 14001 buildings	+20.65 %	Acquisition of more efficient information technology in Mexico	+13.79 %
		ISO 14001 certificate for 13 buildings in Spain and 2 in Mexico	
LEED certification for headquarters	LEED Paraguay		

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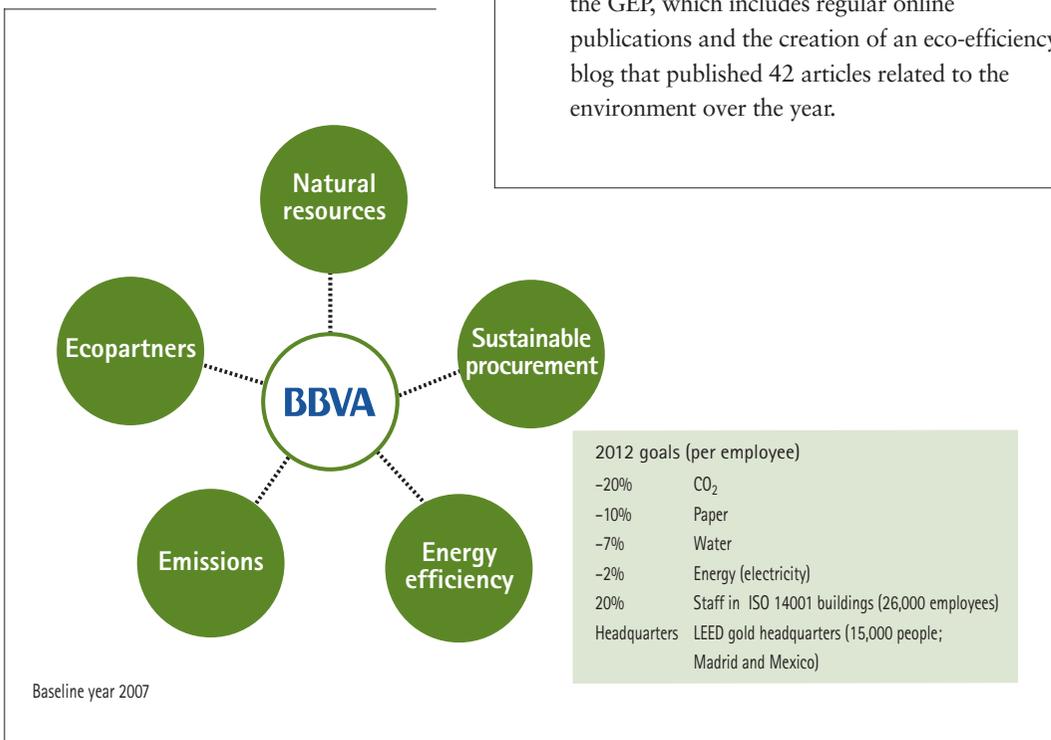
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→ Global Eco-Efficiency Plan 2008-2012



As well as the measures listed above, in 2009 BBVA implemented a communication plan for the GEP, which includes regular online publications and the creation of an eco-efficiency blog that published 42 articles related to the environment over the year.

The environmental footprint

In 2009 improvements were made in the process of monitoring the Group's environmental footprint through the GEP's scorecard. In addition, there was an improvement in defining the scope of the data. This has led to an adjustment of the consumption recorded in previous years. These adjustments have also been the result of adopting a new criterion for the indicators per employee: in 2009 the Group's average workforce has been used instead of the number of employees at 31 December, as this is a more appropriate indicator. At the same time, 2009 data for the United States on paper use (total consumption, environmentally-friendly paper and recycled paper) have been reviewed at source. It is important to indicate here that the scope of the data reported below covers the BBVA Bank, which represents the 84% of the Group's staff. These total figures do not therefore coincide with those used for calculating progress on the GEP, whose scope does not include the United States and Puerto Rico.

→ CO₂ emissions

	Spain and Portugal			Mexico			South America			United States and Puerto Rico			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Total (t)	90,718	99,890	106,701	109,579	115,675	118,000	52,763	52,614	60,038	318,747	84,647	12,194	571,807	352,826	296,933
Total per employee (t/employee)	3.32	3.49	3.59	4.11	4.23	4.44	2.43	2.43	2.91	26.34	6.22	1.54	6.51	3.87	3.50
Other fossil fuels (t)	1,500	1,892	2,065	1,343	1,272	1,250	1,261	894	894	153	230	134	4,257	4,289	4,343
Electricity (t)	75,034	80,205	85,056	101,426	104,339	105,204	46,914	45,583	52,453	312,927	77,730	7,601	536,301	307,858	250,313
Electricity/employee (t)	2.75	2.80	2.86	3.80	3.81	3.96	2.16	2.11	2.55	25.86	5.71	0.96	6.10	3.37	2.95
Trips	14,184	17,792	19,581	6,810	10,063	11,546	4,588	6,136	6,691	5,667	6,687	4,459	31,249	40,679	42,277

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

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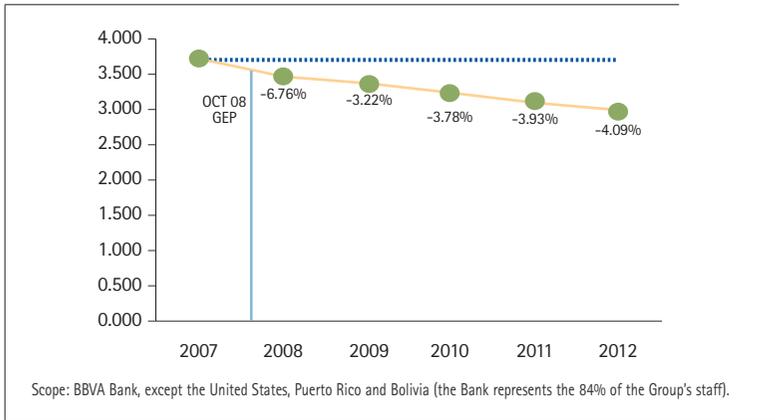
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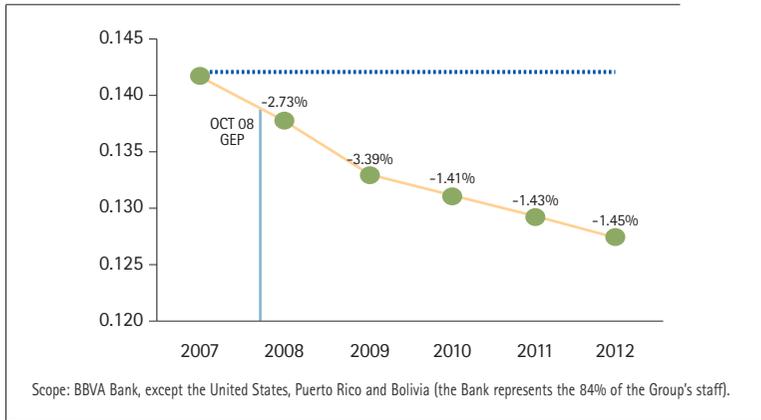
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→ CO₂ emissions (Tn/e)



→ Paper consumption (Tn/e)



→ Paper consumption

	Spain and Portugal			Mexico			South America			United States and Puerto Rico			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Total (t)	5,887	6,376	7,702	1,814	1,959	1,817	2,370	2,356	1,363	1,118	753	457	11,189	11,444	11,339
Paper per employee (t/employee)	0.22	0.22	0.26	0.07	0.07	0.07	0.11	0.11	0.07	0.09	0.06	0.06	0.13	0.13	0.13
% environmentally-friendly paper	62	83	35	100	36	n.a.	43	22	18	10	69	35	60	54	29

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

→ Water consumption

	Spain and Portugal			Mexico			South America			United States and Puerto Rico			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Total (m ³)	532,648	673,829	765,124	885,881	928,188	926,543	1,044,017	933,084	752,693	1,954,161	532,610	40,076	4,416,707	3,067,711	2,484,436
Total per employee (m ³ /employee)	19.49	23.54	25.75	33.21	33.91	34.87	48.12	43.11	36.53	161.46	39.14	5.05	50.30	33.62	29.30

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

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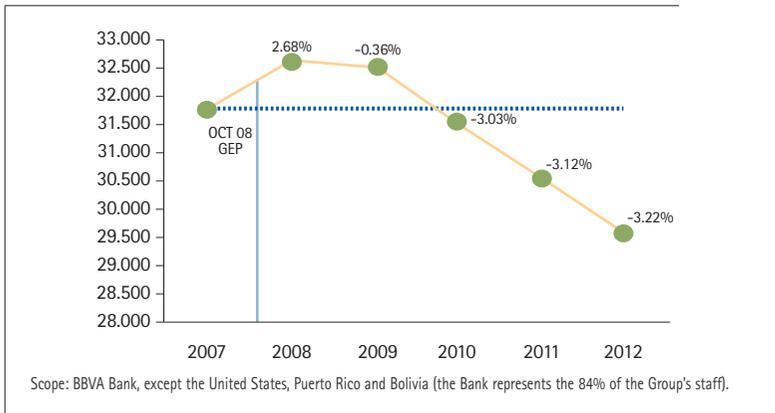
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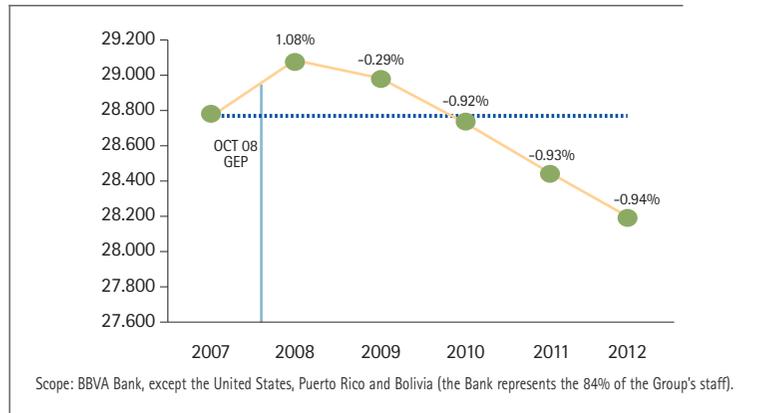
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→ Water consumption (m³/e)



→ Electricity consumption (Gj/e)



→ Energy consumption

	Spain and Portugal			Mexico			South America			United States and Puerto Rico			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Total (Mwh)	239,612	237,523	227,718	201,876	207,177	206,217	184,976	198,988	197,605	546,683	136,530	13,517	1,173,147	780,219	631,540
Total per employee (MWh/employee)	8.77	8.30	7.67	7.57	7.57	7.76	8.53	9.19	9.59	45.17	10.03	1.70	13.36	8.55	7.45
Electricity (MWh)	232,910	229,598	219,024	196,944	202,416	201,540	179,973	195,287	193,821	546,120	135,669	13,016	1,155,946	762,970	614,384
Electricity per employee (MWh)	8.52	8.02	7.37	7.38	7.40	7.59	8.29	9.02	9.41	45.12	9.97	1.64	13.17	8.36	7.24
Other fossil fuels (MWh)	6,702	7,925	8,694	4,932	4,761	4,678	5,003	3,702	3,784	563	861	501	17,200	17,249	17,156

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

→ Audiovisuals

	Spain and Portugal			Mexico			South America			United States and Puerto Rico			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Videoconferences	7,360	5,539	4,366	1,541	1,502	1,283	2,065	1,234	1,196	4,142	14,802	6,663	15,108	23,077	13,508
Audioconferences	11,249	n.a.	n.a.	13,700	n.a.	n.a.	183	n.a.	n.a.	n.a.	n.a.	n.a.	25,132	n.a.	n.a.
Telepresences	298	n.a.	n.a.	226	142	n.a.	365	n.a.	n.a.	49	n.a.	n.a.	938	142	n.a.

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

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→Waste managed

	Spain and Portugal			Mexico			South America			United States and Puerto Rico			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Paper (kg)	1,108,387	2,150,827	943,479	308,276	324,720	72,670	424,539	230,746	229,199	1,337,894	1,699,144	1,246,085	3,179,096	4,405,437	2,491,433
Toner (kg)	15,353	32,905	60,500	n.a.	n.a.	n.a.	9,407	13,585	10,131	866	367	266	25,626	46,857	70,897
Electrical and electronic appliances (kg)	83,999	158,631	289,351	43,295	20,650	22,279	17,943	27,530	24,068	68,337	14,617	618,998	213,574	221,428	954,696
Computer material donated (kg)	8,770	25,755	2,767	n.a.	n.a.	n.a.	985	2,093	102	n.a.	n.a.	n.a.	9,755	27,848	2,869

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

→ISO 14001

	Spain and Portugal			Mexico			South America			Total		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Buildings	13	10	7	2	2	n.a.	1	n.a.	n.a.	16	12	7
People in certified buildings	9,305	8,205	4,405	900	900	n.a.	250	n.a.	n.a.	10,455	9,105	4,405

Scope: BBVA Bank (the Bank represents the 84% of the Group's staff).

Climate change

BBVA sees climate change as a challenge that presents both risks and opportunities. From the environmental management perspective, significant progress was made in 2009, which is detailed in the chapter on Responsible Finance.

In addition, in 2009 BBVA consolidated its leadership in the financing of renewable energy projects at an international level, with second place in Europe and EMEA in the prestigious ranking prepared by Dealogic, both by the number of operations and the volume of investment. It also strengthened its position in the U.S. market, committing

around \$700m dollars to financing clean energy projects with the main companies in the sector.

Companies have a key role in the fight against climate change. This is why BBVA has assumed its responsibility and continues to support numerous initiatives that contribute to the protection of the climate:

- BBVA participates in the BOREAS project, the first project finance transaction for offshore wind farms in the United Kingdom. The Bank's finance of €13.4m for this project has earned it one of the Deals of the Year 2009 awards.

- Finance for 64 photovoltaic facilities for Spanish companies, at €24m.
- An agreement between BBVA Banco Continental in Peru and Philips, thanks to which small and medium-sized enterprises (SMEs) will be able to reduce their energy costs by up to 50% through the introduction of a system of eco-efficient lighting.
- Trading of 1.23 million tons of CO₂ as part of the carbon trading mechanisms established under the Kyoto protocol.
- Participation and sponsorship of the Carbon Disclosure Project, an international initiative that values the

transparency of the main Spanish companies with regard to climate change.

- The signing of the Copenhagen Communiqué by the Chairman of BBVA at COP15. This is a document aimed at world leaders to show the willingness of large corporations to tackle the challenge of climate change and work to find solutions within the current binding legal framework of the United Nations.



- Organization of the poster exhibition Clarity-Climate Change at BBVA Bancomer, designed to explain the causes and risks of this phenomenon. It was complemented by awareness-raising workshops and talks.
- Compensation of the emissions associated with the issue of the Financial Report 2009 through the *Generación de energía eólica en India* (Generation of wind energy in India) project included in the CeroCO₂ initiative. The project consists of a farm of wind turbines owned by different small

developers that allows small facilities to benefit from the support provided by carbon bonds.

Training and raising awareness

Throughout last year BBVA strengthened its commitment to the environment by supporting numerous training and awareness-raising initiatives. Among them are the following:

- In 2009 440 employees of the Group were trained in environmental and social risks. This is a significant increase on the figure for 2008.
- Specialization course in the evaluation and management of environmental risks for management staff and technical experts. This is the result of a collaboration agreement with the Ecomanagement consultancy.
- Launch of the GREENPYME program by BBVA Colombia and the Inter-American Investment Corporation (IIC). The aim is to raise awareness among small and medium-sized enterprises (SMEs) of the importance of energy efficiency and optimization in the use of energy resources as a way of improving competitiveness and promoting respect for the environment. The program includes informative and skills-building workshops for businesspeople.
- Creation of the Ecoblog in the BBVA blogosphere and regular publications on the Intranet that aim to help spread environmental information among employees and thus contribute towards the

achievement of the Global Eco-Efficiency Plan goals.

- Participation in the conference “The Risks and Opportunities Associated with Climate Change in Ibex-35 Companies”, which highlighted the important work of companies in the fight against climate change.
- Presentation of the talk the “Ecological Footprint” by BBVA Bancomer as part of the World Environment Day. Following the talk, attendees could take part in workshops to calculate their ecological footprint.
- Launch of the energy-efficiency and renewable energies program in collaboration with the Inter-American Development Bank in South America. The aim was to promote care for the environment, the use of renewable energies and the efficient handling of energy resources by SMEs through technical assistance and training.
- Organization of the seminar Corporate Environmental Obligations and Responsibilities in BBVA Uruguay.
- Promotion of the values of protecting nature through a corporate volunteer program in BBVA Panama, which includes the initiative *Adopta un árbol hoy y mañana tendrás un bosque* (Adopt a tree today and tomorrow you'll have a forest).
- Four reforestation symposia organized by the Volunteer Office in Spain and a reforestation symposium with Pronatura in Mexico.

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Community involvement

79.1
million euros

1.88 %
of net attributable profit

39 %
of all resources for education

56,178
children recipients of scholarships *Niños adelante* (Forward, children) program in Latin America

GOALS 2009	% COMPLIANCE verified by Deloitte	GOALS 2010
• Consolidate 1% in Mexico and South America	100 %	
• Increase the no. of beneficiaries of the scholarship program	100 %	• Consolidate the Niños adelante program and the number of children with scholarships 60.000
• Evaluation of the social impact generated by the program	100 %	

Education

The BBVA vision states that "We are working towards a better future for people." The aim is to materialize this vision not only in its daily financial activity, but also through commitment to the development of the societies in which it operates. This commitment is focused on support for education, financial literacy and research.

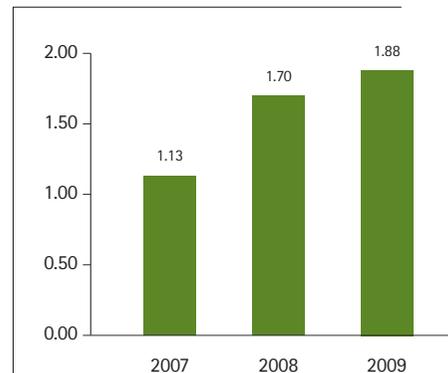
In 2009 BBVA invested €79.1m on community involvement. In times of crisis not only has the contribution not been reduced, but it has actually

been increased from 1.7% of the Group's net attributable profit in 2008 to 1.88% in 2009.

In 2009 BBVA strengthened its commitment to education with the launch of the Global Financial Literacy Plan, with a budget of €26m. Given the importance of this plan, and as it is one of the core points of corporate responsibility policy, the scope, objectives and progress made in 2009 have been explained in some detail in a specific chapter (see the chapter on Financial Literacy).

39% of the resources have been invested in educational projects, mainly in Latin America (69%).

→ Resources allocated to community involvement over net attributable profit (%)⁽¹⁾



(1) From 2007 to 2009 it includes both the contributions from each of the countries in Latin America and those made directly from Spain to these countries.

Scope: BBVA Group

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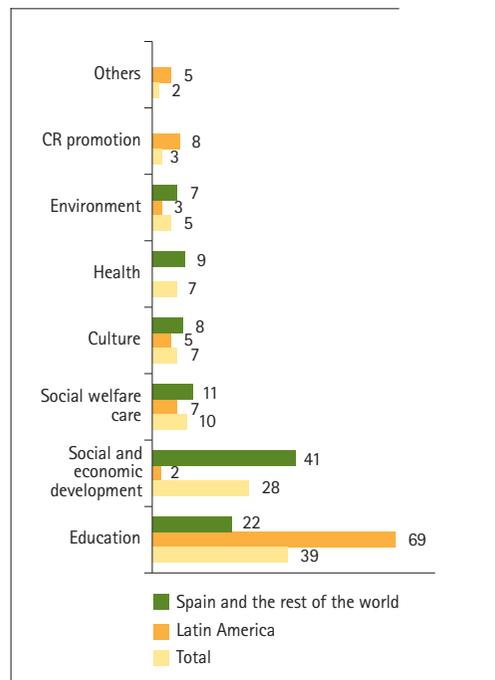
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BBVA supports projects that contribute to socioeconomic development, social welfare, culture, health and the environment.

BBVA channels its community involvement through the different areas of the business and six Group foundations. It contributes to the integration of disadvantaged people by financing social and economic development projects, offering products and services under special conditions, encouraging the participation of employees in volunteer projects, promoting employment for people with disabilities and immigrants, and encouraging CR among suppliers, customers and other stakeholders.

→ Community involvement: Distribution of resources by activity and geographical region (%)



→ Resources allocated by the BBVA Group and its foundations ⁽¹⁾

(Thousand euros)

	2009	2008 ⁽²⁾	2007
By entity			
BBVA Group in Spain and the rest of the world ⁽³⁾	26,154.8	30,732.6	29,083.7
BBVA Group in Latin America ^{(3) (4)}	9,358.8	9,939.6	5,305.2
BBVA Foundation (Spain)	22,808.0	28,250.0	24,712.0
BBVA Microfinance Foundation (Spain)	3,366.0	1,807.8	914.0
BBVA Bancomer Foundation (Mexico)	12,130.2	9,483.8	7,951.1
BBVA Banco Provincial Foundation (Venezuela)	3,583.8	3,225.7	228.6
BBVA Banco Francés Foundation (Argentina)	221.2	223.1	191.6
BBVA Banco Continental Foundation (Peru)	1,440.3	1,604.5	614.0
TOTAL	79,063	85,267.1	69,000.2
By type of investment			
Monetary	66,946.4	80,465.5	66,670.3
Time	11,204.0	2,744.8	
In kind	912.6	2,056.7	336.5
TOTAL	79,063	85,267.0	69,000.2
By theme area			
Education	30,616.8	28,605.7	16,787.7
Social and economic development	21,778.9	23,398.8	17,892.3
Social welfare care	7,917.0	9,826.0	10,523.3
Culture	5,783.4	8,042.4	8,754.1
Environment	3,776.4	7,640.3	3,576.9
Health	5,456.2	6,114.8	8,926.5
Promotion of corporate responsibility	2,196.0	1,353.7	2,183.9
Other fields ⁽⁵⁾	1,538.4	285.5	355.6
TOTAL	79,063	85,267.2	69,000.2

- (1) Resources allocated by the BBVA Group and its foundations between 2006 and 2009 include:
 In foundations, where the figures include expenses devoted by each entity to its purposes and each foundation's administrative and structural cost.
 Regarding the BBVA Group, this includes the financial contributions made, plus management costs, contributions in kind and space provided.
 Assessment of Préstamos Familiares (Family loans), which includes direct costs (operating expenses, financing costs and dissemination expenses).
 In no case do the figures include any social benefits stipulated by collective agreements intended for company employees or their families, or grants and work placement within the Group.
 In Venezuela, they include the financing of educational and cultural programs which compute in the LOCTI (Constitutional law on Technological Science & Innovation) and LOCTISEP (Law on Consumption of Narcotic and Psychotropic Substances), which the LBG model does not consider Community Investment, but rather compliance with what is laid down by law.
 Finally, the average euro exchange rate for the corresponding years has been used in converting local-currency contributions outside the euro zone.
- (2) Accrual criteria have been used since 2008. In 2006 and 2007 it was cash-based. This change has had no significant impact on the consolidation of the figure corresponding to resources allocated to society.
- (3) The foundations are not included.
- (4) Latin America includes the countries of South America, Mexico and Puerto Rico.
- (5) The foundations' business overheads were distributed among, and included in, its different fields of action.

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Activity in South America and Mexico

In 2009 the policy defined in the Community Investment Plan for Latin America was maintained, with the allocation of a minimum budget of 1% of the profit for 2008 in each country in the region in which BBVA operates.

"Niños adelante"

The star project of this plan is the *Niños Adelante* (Forward, children) program of scholarships for integration, to which BBVA allocated €12.5m in 2009. These scholarships have contributed to the social integration of 56,178 children from underprivileged families, supporting primary and secondary education. More than 270,000 people have benefited indirectly through this aid. BBVA works via a network with public and private organizations, with more than 45 local alliances. Of particular importance is the 4-year (2008-2011) alliance with the Organization of Iberoamerican States (OIS) to promote early childhood education in the region. Employees are also contributing their skills to ensure the program has the biggest possible social impact .

"Adelante con tu futuro"

Adelante con tu Futuro (Forward with your future) is a key program within the framework of the Global Financial Literacy Plan. In Mexico, BBVA has been a pioneer with its financial literacy program that was developed jointly with MIDE, the Interactive Museum of Economics, and Tecnológico de Monterrey in 2008. In order to ensure people are responsible when they are given a loan without previous experience of debt, the loan has to be accompanied by a financial literacy program that enables them to make correct decisions. Interactive

→ Main indicators of the Niños Adelante program (2009 figures)

	Investment 2009 (euros)	No. of scholarship recipients	Indirect beneficiaries	No. of volunteers	No. partners
Argentina	495,046	898	4,360	130	13
Chile	713,228	4,750	23,750	402	1
Colombia	936,915	8,212	39,163	531	10
Panama	10,670	144	720	22	1
Paraguay	190,447	4,710	23,550	75	1
Peru	472,896	17,824	89,120	84	6
Uruguay	101,343	100	500	25	1
Venezuela	2,030,904	4,500	22,500	130	2
Mexico	7,441,864	15,000	75,000	689	10
Puerto Rico	140,000	40	285	3	1
Total	12,533,313	56,178	278,948	2,091	45

workshops are run for customers and non-customers focused on four issues: saving, saving for retirement, credit cards and credit health. In 2009 the program was extended in Mexico and began to be implemented in South America (for more information see the chapter on Financial Literacy).

BBVA Ruta Quetzal

Since 1993 BBVA has been organizing and sponsoring Ruta Quetzal, a training program declared of cultural interest by UNESCO. Through it, 8,000 young people of 16 and 17 years of age have extended their knowledge and developed a spirit of international cooperation. The project is built on a values education that encourages effort and mutual respect, promotes equal opportunity and helps overcome inequality.

The 24th expedition in 2009 traveled to Chile for the first time. It engaged in numerous activities,

including a commemoration of the adventure of the Scottish sailor Alexander Selkirk, the castaway who inspired Daniel Defoe's character Robinson Crusoe .

Work in Spain

Valores de futuro

In 2009 BBVA launched the local program *Valores de Futuro* (Future values) as part of the Global Financial Literacy Plan 2009-2011. This was the first private plan of national scope designed to improve the education of children in the skills and values associated with the use of money. It promotes reflection about concepts such as prudence, responsibility, saving, effort and solidarity through class workshops for children aged 6 to 14. (For more information see the chapter on Financial Literacy).

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Controversial issues	<input type="checkbox"/> <input type="checkbox"/>

Financial literacy

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Financial inclusion

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Banking Penetration Plan	<input type="checkbox"/> <input type="checkbox"/>
Other initiatives	

Responsible banking

Responsible finance	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Responsible investment	<input type="checkbox"/> <input type="checkbox"/>
Customer focus	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Human resources	<input type="checkbox"/>
Responsible procurement	<input type="checkbox"/> <input type="checkbox"/>
Environment	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Community involvement

Education	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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Teacher Action Prize

Since 2005 BBVA has sponsored the *Premio a la Acción Magistral* (Teacher Action Prize) with €100,000, together with the *Fundación de Ayuda contra la Drogadicción* (Foundation of Aid against Drug Addiction or FAD) and UNESCO. The essential aim of the prize is to publicize educational projects that transmit values such as tolerance, solidarity, respect, justice and equality, or prevent behavior involving social risk.

A total of 251 educational projects were presented from teachers and schools throughout Spain, at infant, primary and special education level, resulting from projects or educational experiences developed in the 2008/09 academic year. The winner was *Aprender a ser personas* (Learn to be people), an educational project that develops emotional intelligence, submitted by the primary school CEIP Ramiro Solans in Zaragoza. Particular attention has been paid to those initiatives fostering interaction between schools and families.

Program of cultural activities

For over 30 years, BBVA has run an ambitious cultural program, making it a reference point for art patronage in Spain. It also offers major backing for educational and dissemination work. In 2009 we allocated €3.6m to this end.

The cultural program is based on three lines of action: organization of a broad program of exhibitions intended to offer the Spanish public a closer view of important national and international art collections; support for the conservation of the

Spanish historical and artistic heritage; and encouragement of musical culture and creation. We work with leading institutions such as the Prado Museum, the Joan Miró Foundation, the Albéniz Foundation, PhotoEspaña, the Guggenheim Museum, the Fine Arts Museum of Bilbao and the Asociación Bilbaína de Amigos de la Opera (ABAO). [↗](#)

Integra Award

In 2009 BBVA created the Integra Award to promote the social and employment integration of people with disabilities. The initiative has been developed in partnership with FEACEM, Fundación ONCE, FEAPS and COCEMFE. The award pays particular attention to the generation of quality employment based on innovation and sustainability by special employment centers (CEEs). As well as integrating people with serious disabilities it has developed working strategies that can be used by other CEEs in their search for excellence. It is worth €200,000 and in its first year went to the manual textile workshop Teixidors, a crafts cooperative in Catalonia in which 26 of its 38 disabled workers are partners. It produces a high-end product line of exquisite quality, and helps people with disabilities to become qualified craftspeople. A further 6 projects were awarded a total of €300,000: AFENMVA (Asociación de Familiares y Enfermos Neuromusculares de Valencia), FAECROMEN (Fundación para la Ayuda de Enfermos Mentales Crónicos), GUSTAURIA, Fundación ANADE's Asociación APTITUD, Fundación PRODIS and FEAPS Castile-Leon. [↗](#)

Work in the United States

In 2009 BBVA launched the local Teach Children to Save program, which consists of sessions for high-school students in Dallas on the use of banks, how to count money, savings and deposits. It has been made possible through the alliance with the American Bankers' Association Education Foundation (ABAEF). Also with the ABAEF, BBVA has participated in a national initiative to educate consumers about the proper use of credit called Get Smart About Credit Day. A total of 39 employees participated as tutors in 17 classes on economics for 386 young people from schools in Dallas. For more information, see the chapter on Financial literacy.

We have allocated more than €3.3m to social projects in the United States. The resources were distributed as follows:

→ Distribution of resources in the United States

Area of action	Amounts
Education	670,684
Socioeconomic development	778,187
Environment	18,219
Art and culture	540,892
Health and welfare	1,269,648
Humanitarian aid	17,089
Others	59,438
Total	3,354,156

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Research

BBVA is strongly committed to the promotion of knowledge as a way of developing the societies in which it operates. The main efforts in this direction are channeled through the BBVA Foundation  and the Research Department. 

The BBVA Foundation supports scientific research of excellence and the most innovative national and international artistic creation, as well as cutting-edge knowledge in the areas of biomedicine and health, the environment, economy and society, basic sciences and technology and culture. It is committed to innovation and the primacy of ethical principles and criteria. These two elements crystallize two of its essential features:

- Its mission: its commitment to society, with the creation and dissemination of knowledge and culture, through applications that not only resolve problems in modern society, but satisfy its interests and aspirations.
- Its model of activity: the application of criteria of scientific objectivity, transparency and merit in detecting the strategic areas of innovation and knowledge and adapting to emerging models. In 2009, the BBVA Foundation continued to develop its activities in five main strategic areas:
- **Biomedicine and health:** From basic research to translational, it puts most of its efforts into health improvements. It covers biomedical exploitation generated by the revolution in molecular and genetic biology, as well as advances in engineering and in methods applied to health. It promotes multi-year programs of research, advanced training and dissemination in oncology and cardiology, working with research centers of excellence, such as the National

Center for Cancer Research, the Institute for Biomedical Research in Barcelona, the Foundation Research Institute of Vall d'Hebrón Hospital, the Hospital Clínic in Barcelona and the Hospital Clínico San Carlos in Madrid. It develops groups of excellence by incorporating leading international researchers to Spanish centers through the biomedicine professorship programs of the BBVA Foundation. It provides advanced training for young Latin American doctors through different scholarship programs. And it develops preventive and educational health activities, aimed at chronic patients and society in general, as well as projects designed to improve the health system.

- **The environment:** Its main focus is on research in ecology and conservation biology, with the aim of protecting the wealth of the biodiversity heritage (species, habitats and ecosystems) in Spain and Latin America. It also deals with climate and global climate change as an item of increasing interest, particularly through the Coastal Research Station at Cap Salines (Majorca), whose aim is to boost the knowledge of the global impact on coastal ecosystems. It recognizes outstanding actions related to environmental protection and awareness through the BBVA Foundation Awards for the Conservation of Biodiversity. And it fosters training in activities related to sustainable development and the regulation and management of natural protected areas.
- **Economy and health:** It fosters research in economics, demographics and social affairs, in subjects such as capitalization and growth, finances and business management, regional economy, IT and productivity, demographic

change and migratory processes and transversal statistics. Among the activities through which it carries this out is the BBVA Foundation-Instituto Valenciano de Investigaciones Económicas (IVIE) Economic Research Program, which generates an output that goes beyond the academic (databases, publications, seminars and workshops) through communication to society of the most relevant results of the studies. It also develops a program of analysis of social phenomena, related to the values and behavior of Spanish public opinion from a shared perspective.

- **Basic sciences and technology:** Within the scope of physics, chemistry and mathematics, it provides spaces where researchers and post-doctoral students from around the world can meet and exchange knowledge by supporting scientific forums of excellence such as the Fundación Centro de Ciencias de Benasque Pedro Pascual or the International Summer School of the Instituto de Ciencia de Materiales Nicolás Cabrera (the Autonomía University of Madrid). It fosters the generation of cutting-edge scientific and technical knowledge through the BBVA Foundation-Politécnica University of Madrid professorship program in scientific and technological research. It rewards talent in the scientific community with the Spanish Royal Society of Physics-BBVA Foundation Awards. And it disseminates the knowledge of science in all the educational levels through the CSIC en la Escuela (CSIC at School) program.
- **Culture:** The core of its activity in this area is the promotion of the creation, interpretation and dissemination of classical and contemporary music, both in Spain and Latin America, through the design of its own activities or

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co-design with strategic partners such as the National Institute for Scenic and Musical Arts (INAEM), the Spanish Youth Orchestra, the Spanish Association of Symphony Orchestras (AEOS) and the record labels NEOS Music GmbH and Verso. It assists in the edition and recording of CDs and DVDs, organizes concert cycles, promotes the advanced training of young

musicians through scholarships, and rewards the talent of composers through the International Auditorio Nacional de Música Composition Competition and the AEOS-BBVA Foundation Composition Prize. It also promotes publishing and literary creation by co-publishing with other publishers and institutions, and promotes improvement in advanced training and quality

of the educational system with the Francisco Giner de los Ríos awards for Better Educational Quality. In the field of Art, the BBVA Foundation is redefining a program, as this area has been transferred from BBVA recently, through an agreement of the Board of Trustees on 22 December 2009.

Cutting across these five main strategic areas of activity is its core project: the BBVA Foundation *Fronteras del Conocimiento* (Frontiers of Knowledge) Awards.

These awards recognize scientific and artistic contributions that have made it possible to move forward the frontiers of knowledge and extend the possibility of a better future for society. They are worth €400,000 in each of the eight categories: basic sciences (physics, chemistry, mathematics); biomedicine; ecology and conservation biology; information and communication technologies; economics, finance and business management; contemporary music; climate change; and development cooperation.

In only two years (2008 and 2009) they have become points of reference and among the awards of greatest importance and impact at an international level, symbolizing globally the two core attributes of the BBVA Foundation: excellence and rigor.

In addition, BBVA has a Research Department in nine countries that generates economic analyses adapted to the needs of an international group and evaluates global economic development. Their reports are a valuable contribution to society. Their economic analyses, capacity for global overview and evaluation of different economies make them trail-blazers and benchmarks.

→ BBVA Foundation Fronteras del Conocimiento (Frontiers of Knowledge Awards) 2009

BBVA Foundation Fronteras del Conocimiento 2009 award for Basic Sciences (Physics, Chemistry and Mathematics)	Richard N. Zare and Michael E. Fisher share the award for their fundamental contributions to describing the world at the molecular scale. Their work has rendered molecules visible and allowed us to analyze their collective behavior.
BBVA Foundation Fronteras del Conocimiento 2009 award for Biomedicine	Robert J. Lefkowitz for identifying the receptors targeted by around half of today's prescription drugs. His research has enabled the development of new treatments for neurological and cardiovascular diseases and diabetes.
BBVA Fronteras del Conocimiento 2009 award for Ecology and Conservation Biology	Ecologist Peter B. Reich receives the award for work that radically improves our understanding of and ability to predict the response of terrestrial ecosystems to global environmental changes, including climate change and biodiversity loss.
BBVA Fronteras del Conocimiento 2009 award for Information and Communication Technology	Thomas Kailath for developing knowledge with a transformative impact on the information and communication technologies. These developments have served to break through the barrier of chip miniaturization.
BBVA Fronteras del Conocimiento 2009 award for Economy, Finance and Business Management	Andreu Mas-Colell and Hugo Sonnenschein share the award for extending the reach of general equilibrium analysis and for establishing the modern theory of aggregate demand. Their work has had a major impact on the empirical measurement of consumer behavior.
BBVA Foundation Fronteras del Conocimiento 2008 award for the Arts (Music, Painting, Sculpture, Architecture)	Cristóbal Halffter wins the award for a body of work that has contributed to the idea of a European contemporary music. Halffter has also played an instrumental role in reintroducing Spanish music into the mainstream of contemporary music.
BBVA Foundation Fronteras del Conocimiento 2009 award for Climate Change	German physicist and mathematician Klaus Hasselmann for developing methods which established that recent global warming trends are primarily attributable to human activities.)
BBVA Foundation Fronteras del Conocimiento 2009 award for Cooperation in Development	The Development Research Institute at New York University for its contribution to the analysis of foreign aid efficiency, and its challenge to the conventional wisdom in development assistance.

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GOALS 2009	% COMPLIANCE ¹	PROGRESS 2009	GOALS 2010
<ul style="list-style-type: none"> Report regularly to the plenary Board of Directors and to its Risks Committee. 	100 %	<ul style="list-style-type: none"> Two appearances before the Board of Directors and one before the Permanent Standing Committee. 	<ul style="list-style-type: none"> Make two appearances before the Board of Directors.
<ul style="list-style-type: none"> Promote and participate in initiatives to boost CRR with other companies and institutions. 	100 %	<ul style="list-style-type: none"> BBVA hosts the official presentation of the PRI in Spain with the Global Compact. BBVA the company selected to form part of the Global Compact Lead. 	<ul style="list-style-type: none"> Promote and participate in initiatives to boost CRR with other companies and institutions.
<ul style="list-style-type: none"> Create the CRR Committee in Spain, the United States, Panama, Paraguay, Puerto Rico and Uruguay. Hold a total of 25 sessions of local CRR committees. 	75 %	<ul style="list-style-type: none"> New local CRR committees created in Spain & Portugal, Paraguay and Uruguay. 16 local CRR committees committees held. 	<ul style="list-style-type: none"> Hold a total of 20 sessions of local CRR committees. Create the CRR committee in the U.S. and Panama. Development of the internal CRR learning community using Wiki technology.
<ul style="list-style-type: none"> Join of and participate in key international commitments. 	100 %	<ul style="list-style-type: none"> Signing on to the Copenhagen Communiqué and participation in working groups in the Global Compact, PRI, UNEP-FI and ESG workshops in the European Commission. 	<ul style="list-style-type: none"> Join and participate in relevant international commitments.
<ul style="list-style-type: none"> Progress in spreading the MDGs and develop BBVA initiatives that contribute to its achievement. 	100 %	<ul style="list-style-type: none"> Niños Adelante program and development of the BBVA Microfinance Foundation network. 	<ul style="list-style-type: none"> Progress in spreading the MDGs and develop BBVA initiatives that contribute to its achievement.
<ul style="list-style-type: none"> Legal compliance, continue with progress. 	100 %	<ul style="list-style-type: none"> Implementation of the divestment criteria for BBVA goods or services in favor of Group employees. Updating of the internal framework of guidelines for conduct in the securities markets. 	<ul style="list-style-type: none"> Constant reinforcement of the elements of the Business Integrity risk management model .
<ul style="list-style-type: none"> Verification of CR reports in Argentina, Colombia, Chile, Mexico, Peru and Venezuela. Prepare the CR report in the United States. 	100 %	<ul style="list-style-type: none"> Verification of CR 08 reports in Argentina, Mexico, Colombia, Chile, Peru and Venezuela CR Report in U.S. prepared. Development of an overview of the year 2008 in digital magazine format. 	<ul style="list-style-type: none"> Verification by Deloitte of the CR Report 2010 in the U.S..
<ul style="list-style-type: none"> Extend communication actions to shareholders and investors in the international sphere, with particular attention in Mexico. Distribute the information on Annual CR Report when published through mailings to investors and shareholders . 	100 %	<ul style="list-style-type: none"> Inclusion in the quarterly earnings brochure of information dealing with BBVA's presence and weighting in sustainability indexes. 118 roadshows in Mexico (5,600 attendees) and 4 in the United States (1,000 attendees). 	<ul style="list-style-type: none"> Roadshow by CR with sustainability analysts. Extend communication actions to shareholders and investors in the international sphere.
<ul style="list-style-type: none"> Employees: Assess and establish action plans to improve the indicators of perception. 	100 %	<ul style="list-style-type: none"> Development of more than 120 action plans. 	
<ul style="list-style-type: none"> Customers and public opinion: extend the perimeter of analysis to Venezuela and the United States. 	100 %	<ul style="list-style-type: none"> Implement the Reprtrak model in Venezuela and the U.S. 	<ul style="list-style-type: none"> Incorporate new tools for gathering and analyzing global public opinion. Extend the perimeter of Consumer Insight to Chile, Argentina, Colombia, Peru and Venezuela.
<ul style="list-style-type: none"> Establish regular reporting to the Steering Committee to integrate information collected from stakeholders. 	100 %	<ul style="list-style-type: none"> Reporting through the Communication and Image director, the HR director and Business Unit directors. 	
<ul style="list-style-type: none"> Increase by 25% the number of videos produced and published on the CR web. 	100 %	<ul style="list-style-type: none"> Increase the number of videos produced and published on the CR web by 76%. 	<ul style="list-style-type: none"> Expand the volume, accessibility and interactivity of multimedia CR information.
<ul style="list-style-type: none"> Improve the stakeholder consultation process focused on CR Report and management. Carry on with progress made so far. 	100 %	<ul style="list-style-type: none"> Prepare the Corporate Guide for stakeholder consultation. 	
<ul style="list-style-type: none"> Marketing of the Tarjeta Ábaco card for shareholders. Creation of a specific website for the Club Ábaco, with a more extensive range of value-added products for shareholders. 	100 %	<ul style="list-style-type: none"> Launch the Tarjeta Ábaco card and the shareholder website. 	
<ul style="list-style-type: none"> Creation of a new weekly digital magazine and electronic news library with significant news from the Group. 	100 %	<ul style="list-style-type: none"> Creation of a the weekly digital magazine <i>Al Día</i> and electronic news library with news items of relevance to the Group. Creation of the Stakeholder Engagement department. 	<ul style="list-style-type: none"> Development and launch of new channels for stakeholder dialog and relations.
<ul style="list-style-type: none"> Extend the "Community Involvement" section in the quarterly employee magazine to "Corporate Responsibility and Reputation". Implementation of the employee care service (SAE) in Colombia and Venezuela. 	50 %	<ul style="list-style-type: none"> Employee Care Service (SAE): Implementation in Venezuela, Colombia and Argentina. 	<ul style="list-style-type: none"> Extension of the Employee Care Service (SAE) to Chile.
<ul style="list-style-type: none"> Promote social projects with involvement by shareholders and/or customers. 	100 %	<ul style="list-style-type: none"> Beduca Fund + in Mexico, Unicef card in Colombia and Argentina for Niños adelante. 	<ul style="list-style-type: none"> Promote social projects with involvement of shareholders and/or customers.

¹ Compliance verified by Deloitte.

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	GOALS 2009	% COMPLIANCE ¹	PROGRESS 2009	GOALS 2010
FINANCIAL LITERACY	<ul style="list-style-type: none"> Launch of Social Action Plan in Spain with a focus on Financial Literacy. Boost to financial literacy programs. 	100 %	<ul style="list-style-type: none"> Launch of the Global Financial Literacy Plan 2009-2011, with a budget of €26m. Launch of Valores de Futuro in Spain, with 334,333 students and 1,725 centers. Boost to the Adelante con tu futuro program in Mexico (from 7,000 to 111,362 beneficiaries). 	<ul style="list-style-type: none"> Valores de futuro in Spain: reach 550,000 children and 2,800 participating centers. Launch of Valores de futuro in Portugal, with 100,000 children taking part. Implementation of the Adelante con tu futuro (Forward with your future) program in countries in South America. Adelante con tu futuro in Mexico: extend to 240,000 beneficiaries.
	<ul style="list-style-type: none"> Launch of the technological platform for the network of microfinance entities. New alliances and operational presence in Chile and possibly in Argentina and Brazil. First co-investments with multilateral agencies. Development of microfinance training programs. 	75 %	<ul style="list-style-type: none"> Presence in Chile. Creation of "Servicios Microfinancieros S.A." 44 % increase in the number of customers to 499,941. Development of various training programs (1,674 people). Investment of \$ 7.4 million by IFC in Caja Nuestra Gente (Peru). 	<ul style="list-style-type: none"> Acquisition of the microfinance entity Confianza in Peru. Operational presence in Argentina, Mexico and Central America. Increase in training of specialists . Dissemination of the Foundation's Code of Good Conduct and Governance.
FINANCIAL INCLUSION	<ul style="list-style-type: none"> Banking penetration plan for Latin America 2009-2010 Double the loan portfolio, 4 million new customers in Mexico and 3 million in South America. Extension of alternative distribution channels. Make responsible use of credit cards available for lower-income segments through the Tarjeta Prepagada (prepaid card)". 	100 %	<ul style="list-style-type: none"> 0.1 million new customers in South America and 0.2 million in Mexico. Increase in alternative service points: 12,000 (Mexico) and 4,888 (South America). Agreement with the Inter-American Investment Corporation (IIC) to support and finance SMEs in Latin America. Launch of prepaid card in Mexico. 	<ul style="list-style-type: none"> Banking penetration Plan for Latin America 2009-2010 Double the loan portfolio, 4 million new customers in Mexico and 3 million in South America. Consolidation of alternative distribution channels.
	<ul style="list-style-type: none"> Assist the financial inclusion of disadvantaged groups or groups with special needs, consolidate 2008 achievements. 	75 %	<ul style="list-style-type: none"> Maintain the market share in the immigrant segment in Spain (17%). Development of the ENLACES platform with associations of female entrepreneurs. 	<ul style="list-style-type: none"> Launch of a complete commercial service for people and organizations in the disabled world in Spain.
CUSTOMER FOCUS	<ul style="list-style-type: none"> Foster the use of non-presential channels. Extend Spain's AA rated website accessibility to other Group websites.. Define and implement a new procedure to increase the transparency and clarity of the Group's advertising campaigns . 	50 %	<ul style="list-style-type: none"> Extension of AA criteria for internally developed websites. Launch of the Paga bien, paga menos (Pay well, pay less) card in Mexico with 714,398 customers subscribed. 	<ul style="list-style-type: none"> Foster the use of non-presential channels. Extend Spain's AA rated website accessibility to other Group websites (Spain). Define and implement a new procedure to increase the transparency and clear language used in the Group's advertising campaigns . Develop experiences of responsible product and service design.
	<ul style="list-style-type: none"> Approval and implementation throughout the Group of the new handbook for social and environmental risk management in the lending business. Initiate the extension of the Internal Audit in verifying the application of the environmental and social risk management handbook as regards finances and guarantees (February 2009). Improve the model for preventing money laundering and the financing of terrorist activities. 	50 %	<ul style="list-style-type: none"> Approval of the Manual and appointment of a coordinator at Group and local level. Progress in adapting and implementing Ecorating in Mexico and Peru. Training in environmental and social risk management for analysts in Spain and Peru. Model of Fraud Risk Management: from a local management model to a Global model. 	<ul style="list-style-type: none"> Implementation of Ecorating tool in CBB Spain, Mexico and Peru. Internal audit for procedures under the Equator Principles and for the policy on the defense sector. Improve the Equator Principles procedure with the creation of an EP Committee in the WB&AM area. Double the number of risk analysts trained in social and environmental risks. Definition and implementation of the Global Antifraud Program

¹ Compliance verified by Deloitte.

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	GOALS 2009	% COMPLIANCE ¹	PROGRESS 2009	GOALS 2010
RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES	<ul style="list-style-type: none"> Develop new initiatives in the Quality of Life Plan. Obtain a Family-Responsible Company certification (EFR) in Mexico and Chile. Develop other initiatives for professional and personal improvement of employees. Develop the CR training plan in the Group. 	100 %	<ul style="list-style-type: none"> Quality of Life: launch of various initiatives to integrate the results of the work climate surveys throughout the Group. Gender Diversity: join the Catalyst network, sign the Charter for Diversity in Spain and obtaining the certificate for MEGA gender equality companies in Argentina. Launch of the Apúntate (Sign up) tool in Spain, Argentina, Mexico and Colombia to reinforce transparency in the recruitment process. Design of the online CR training course for 2,000 management staff. 	<ul style="list-style-type: none"> Quality of Life: pilot telework projects in BBVA Launch of the "Diversity and Equality" course on the E-Campus platform (Spain) Extension of the Apúntate tool to the rest of the Group Launch of a corporate coaching and mentoring policy Launch of the online CR training course for 2,000 management staff Incorporation of CR knowledge into the "Functional Profiles" of the areas (IDP) .
	<ul style="list-style-type: none"> Increase the number of volunteers by 33%. 	100 %	<ul style="list-style-type: none"> Increase of 44% in the number of volunteers at Group level (from 3,617 to 5,195) and increase of 18% in the number of volunteers in Spain, Latin America and Mexico (from 3,617 to 4,261). 	<ul style="list-style-type: none"> Increase the number of volunteers by 20%.
RESPONSIBLE INVESTMENT	<ul style="list-style-type: none"> First sustainability rating of the BBVA Employment Plan in Spain. Participation in forums promoting SRI in Spain. 	100 %	<ul style="list-style-type: none"> First sustainability rating of the BBVA employment plan in Spain by the Sustainalytics agency. Founding partners of the SpainSIF forum. 	<ul style="list-style-type: none"> Second sustainability rating of the BBVA Employment Plan Progress in the engagement process and the exercise of voting rights.
RESPONSIBLE PROCUREMENT	<ul style="list-style-type: none"> Satisfaction survey carried out for suppliers in Mexico, Argentina, Chile, Colombia, Peru and Venezuela. Sustainable procurement policy Boost in recruitment from special employment centers (CEE) in Spain. 	100 %	<ul style="list-style-type: none"> Approval of the GPS project . Realización de la encuesta de satisfacción de proveedores en México, Argentina, Chile, Colombia, Perú y Venezuela. 	<ul style="list-style-type: none"> Extension of the supplier satisfaction survey to the U.S. Approval and implementation of the sustainable procurement policy
	<ul style="list-style-type: none"> Boost in recruitment from special employment centers (CEE) in Spain. 	25 %	<ul style="list-style-type: none"> Realización del borrador de Política de Compras sostenibles. Recruitment worth 274,663 euros in Spain through the special employment centers (CEE). 	<ul style="list-style-type: none"> Increase of 100% in recruitment from special employment centers (CEE) in Spain.
ENVIRONMENT	<ul style="list-style-type: none"> Increase the number of employees working in ISO 14001 buildings. 	100 %	<ul style="list-style-type: none"> 13.79% employees working in ISO 14001 certified buildings. 	<ul style="list-style-type: none"> Increased the number of employees working in ISO 14001 buildings by 15,635.
	<ul style="list-style-type: none"> Progress in the specific objectives established in the GEP. 	50 %	<ul style="list-style-type: none"> 3.39% reduction in paper consumption and -0.37% in water consumption (per employee). Annual saving in supply costs of more than €1.5m. LEED certification obtained for the corporate headquarters in Paraguay. 	<ul style="list-style-type: none"> Reduction in consumption: -3.78% in CO2 emissions, -1.41% in paper, -3.03% in water, 0.92% in energy (electricity) .
	<ul style="list-style-type: none"> Development of products and services according to environmental criteria. 	25 %	<ul style="list-style-type: none"> Maintenance of existing products. 1.23 million tons of CO₂ traded. 	<ul style="list-style-type: none"> Join the CDP Water Disclosure Project.
COMMUNITY INVOLVEMENT	<ul style="list-style-type: none"> Boost work strands to raise awareness and promote the job integration of disabled people in Spain. 	100 %	<ul style="list-style-type: none"> First edition of the Integra Prize. 	<ul style="list-style-type: none"> Boost work strands to raise awareness and promote the job integration of disabled people in Spain.
	<ul style="list-style-type: none"> Consolidate 1% in Mexico and South America. Increase the no. of beneficiaries of the scholarship program. Assess the social impact generated by the program. 	100%	<ul style="list-style-type: none"> Consolidation of the minimum of 1% of the local net profit in Mexico and South America (from €29.6m to €32.7m). Increase in the number of scholarship recipients from 47,000 to 56,178. Qualitative evaluations of the program in Argentina, Uruguay, Chile, Colombia and Mexico . Increase in the number of BBVA volunteers in Niños adelante (from 1,368 to 2,091). 	<ul style="list-style-type: none"> Consolidate the Niños adelante program and the number of children with scholarships to 60,000.

¹ Compliance verified by Deloitte.

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Global Compact

In 2002 the BBVA Group subscribed to the United Nations Global Compact, an international initiative designed to encourage institutions to adopt a voluntary commitment in corporate responsibility through ten principles based on human, labor and environmental rights and the fight against corruption. The organizations that have joined this initiative undertake to incorporate these principles into their business strategy.

In 2004 four of the Group's banks joined the Compact: BBVA Banco Francés, BBVA Bancomer, BBVA Colombia and BBVA Banco Continental. In addition, BBVA has sat on the Executive Committee of the Spanish Global Compact Association (ASEPAM) since it was founded in 2004.

Since 2005, it is the only financial institution that has participated actively through the Compliance area in the United Nations working group designed to improve the implementation of Principle 10 of the Global Compact. According to this principle, "Businesses should work against corruption in all its forms, including extortion and bribery." This sub-group analyzes the measures adopted by various multinationals to guarantee that the anti-corruption policies and practices are applied to their subsidiaries, suppliers and subcontractors. In 2009, the Group has participated actively in preparing the United Nations Global Compact Reporting Guidance for the 10th principle against corruption.

The Millennium Development Goals

In 2009 BBVA has continued to work towards the achievement of the eight Millennium Development Goals (MDGs). This initiative is included in the UN Millennium Declaration and establishes 2015 as the target date for achieving the eradication of poverty, universal primary education and environmental sustainability, among other goals. BBVA is fully committed to this challenge through its business activities and campaigns to spread knowledge, raise awareness and promote these goals. It is a founder member of the Corporate Reputation Forum. Through its campaign 2015: *Un mundo mejor para Joana* (2015: a better world for Joana), the forum spreads knowledge of the actions undertaken so far to tackle this major challenge. [➔](#)

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→ BBVA and the United Nations Global Compact

Categories	Principles	GRI Indicators
Human rights	Principle 1- Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.	LA4, LA 7-8, LA13-14, HR 1-2,HR 4-7, S05, PR1
	Principle 2- Businesses should make sure they are not complicit in human rights abuses.	HR 1-2, HR 4-7, S05
Labor	Principle 3- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA 4-5, HR 1-2, HR5, S05
	Principle 4- Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR 1-2, HR7, S05
	Principle 5- Businesses should uphold the effective abolition of child labor.	HR 1-2, HR6, S05
	Principle 6- Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA 13-14, HR 1-2, HR4 , S05
Environment	Principle 7- Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, EN30, S05
	Principle 8- Businesses should undertake initiatives to promote greater environmental responsibility.	EN 1-4, EN8, EN 11-12, EN 16-17,EN21, EN26, EN28, S05, PR3
	Principle 9- Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN26, S05
Anti-corruption	Principle 10- Businesses should work against corruption in all its forms, including extortion and bribery.	SO 2-5

Source of the correspondences between Global Compact and GRI indicators: draft of the report "Making the Connections by GRI and Global Compact" (www.globalreporting.com).

→ The Millennium Development Goals in BBVA

Millennium Development Goals	Main BBVA initiative ⁽¹⁾
1. Eradicate extreme hunger and poverty	BBVA Microfinance Foundation BBVA Codespa Microfinanzas (microfinance hedge fund for Latin America) BBVA Foundation Frontiers of Knowledge awards for cooperation in development
2. Universal primary education	BBVA Community Investment Plan for Latin America CRR Strategic Plan
3. Gender equality	Agreement on equal opportunities and the reconciliation of work and family life BBVA Microfinance Foundation Subscription to the "European Diversity Charter"
4. Reduce child mortality	No specific initiatives
5. Improve maternal health	No specific initiatives
6. Combat HIV/AIDS	Research project for controlling malaria monitored by the World Health Organization (WHO)
7. Environmental sustainability	Management of indirect environmental impact through the Equator Principles Design of products and services according to environmental criteria Global Eco-efficiency Plan BBVA Foundation Frontiers of Knowledge awards in climate change, ecology and the biology of conservation
8. Develop a global partnership	fRC campaign for disseminating the Millennium Goals 

(1) The foremost initiative is highlighted for each goal.

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

Independent Assurance Report on the 2009 Annual Corporate Responsibility Report of the BBVA Group

Scope of the engagement

We have reviewed the 2009 Annual Corporate Responsibility Report (CRR) of the BBVA Group, the scope of which is defined in the "Report Criteria" section. Our work consisted of a review of:

- The adherence of the content of the CRR to the GRI Sustainability Reporting Guidelines version 3.0 (G3) and the core performance indicators and the financial services sector supplement proposed in the aforementioned guidelines.
- The information included in BBVA's 2009 CRR relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard (2008) (AA1000APS).
- The information furnished about the progress in the Corporate Responsibility lines of work for 2009.

Review standards and procedures

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

Our work consisted of making inquiries to management and to the various units of the BBVA Group that participated in the preparation of the CRR and of carrying out the following analytical procedures and sample-based review tests:

- Meetings with BBVA Group personnel to ascertain the principles, systems and management approaches applied.
- Analysis of the processes used to gather and validate the data presented in the 2009 CRR.
- Review of the minutes of the Corporate Responsibility and Reputation Committee meetings in 2009.
- 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 available internal information and third-party reports.
- Analysis of the coverage, materiality and completeness of the information included in the CRR based on BBVA's understanding of its stakeholder groups' requirements in relation to the material issues identified by the Group and described in the "Report Criteria and GRI Indicators" and "Stakeholder engagements" sections of the CRR.
- Review of the information relating to the management approaches applied and verification of the existence and scope of the Corporate Responsibility policies, systems and procedures.
- Checking that the content of the CRR does not contradict any significant information furnished by the BBVA Group in its Annual Report.
- Analysis of the adherence of the content of the CRR to those recommended in the GRI G3 Guidelines and verification that the core indicators and the sector indicators included in the CRR agree with those recommended by these aforementioned Guidelines and that any inapplicable or unavailable indicators are identified.
- Review on a sample basis, of quantitative and qualitative information relating to the GRI performance indicators included in the 2009 CRR and the adequate compilation thereof based on the data furnished by the BBVA Group's information sources. These tests were performed in Spain and in the following countries in which the Group is present: Argentina, Chile, Colombia, Mexico, Peru and Venezuela.

Responsibilities of BBVA management and of Deloitte

- The preparation and content of the 2009 CRR is the responsibility of the Corporate Responsibility Department of BBVA Group, which is also responsible for defining, adopting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the CRR.
- This report has been prepared solely in the interests of BBVA management in accordance with the terms and conditions of our engagement letter. We do not accept any liability to any third party other than BBVA management.
- We conducted our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- Our team consisted of a combination of professionals with assurance qualifications and professional experience with social, environmental and stakeholder engagement experience and sustainability report assurance experience.

Conclusions

The "Report Criteria and GRI Indicators" section in the 2009 CRR provides details of the indicators reviewed and the scope limitations of the review, and identifies any indicators that do not cover all the areas recommended by the GRI. As a result of our review, no other matters were disclosed that would lead us to believe that the CRR contained material errors or that it was not prepared in accordance with the guidelines of the Global Reporting Initiative Sustainability Reporting Guidelines version 3.0 (G3).

Also, the review procedures performed did not disclose any matter that would lead us to believe that BBVA did not apply the principles of inclusivity, materiality and responsiveness as described in the "Stakeholder engagements" and "Report Criteria and GRI Indicators" sections in accordance with standard AA1000APS:

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

Also, the review procedures performed did not disclose any matter that would lead us to believe that the information furnished on the degree of progress in the Corporate Responsibility lines of work for 2009 included in the "Progress 2009 and goals 2010" section contained material errors.

Observations and recommendations

In addition, we presented to the Corporate Responsibility Department of the BBVA Group our recommendations relating to the areas for improvement in Corporate Responsibility management and in the application of the principles of inclusivity, materiality and responsiveness. The most significant recommendations, which do not modify the conclusions expressed in this report, are summarised as follows:

Inclusivity and materiality

In 2009 BBVA created the Stakeholder Engagement Division to support a systematic approach to and management of material issues within the Group. The Stakeholder Engagement Division will consolidate the stakeholder group's communication and participation process and will set in motion new tools geared towards intensifying relations with stakeholder groups, gaining a deeper insight into the material issues and, therefore, improving responsiveness thereto. In this regard, we consider that the Group must continue its efforts to identify the material issues and to include the stakeholder groups at local level, particularly in the case of those countries which, like the US, have recently joined the Group's Corporate Responsibility management system.

Responsiveness

Building upon the steps to coordinate and strengthen the Corporate Responsibility management structure across the Group, in 2009 Local CRR Committees were created for Spain and Portugal, Paraguay and Uruguay, as well as a CR Management Committee. Also, 2009 saw the launch of a Global Financial Education Plan, which is one of the main lines of work of the Strategic Corporate Responsibility Plan.

The BBVA Group's commitment to the environment is spelled out in its Global Ecoefficiency Plan 2008-2012, in which the Group defines its ambitious objectives to minimise the impact on the environment. The achievement of these objectives requires coordinated planning and implementation of the planned initiatives and a global monitoring indicator reporting system. In this regard, it would be advisable to allocate greater resources to the plan so as to ensure that it is monitored from time to time and to strengthen and standardise the reporting system's internal controls.

As regards management of social and environmental risks, the Group has continued to work on the implementation of policies and rules approved in 2008 and in previous years. In the specific case of the environmental risk analysis and assessment model for the lending portfolio (Ecorating), no significant progress was made and, accordingly, it would be advisable to reassess the steps planned to develop this model.

Finally, in the area of procurement management, progress was made in the development of the Group's Global Procurement Model. However, for the Group to meet its objectives, it would be necessary to make progress on the definition of responsible purchasing policies and the establishment of sustainable criteria in the supplier approval, hiring and assessment process.

DELOITTE, S.L.

Helena Huidondo
Madrid, May 7, 2010



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Report criteria

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

BBVA has been drawing up annual corporate responsibility (CR) reports every year since 2002. The present report includes information for the BBVA Group in 2009, although it also includes comparative data for 2007 and 2008, with an indication of their scope. If these data have been changed in any way, this is expressly indicated to make comparison easier. These changes are sometimes due to improvements in the methods for quantifying and measuring the variables, or new entries or removals of companies included within the scope of the data. Whenever possible, a recalculation is carried out of the historical series for three years so as not to affect comparability.

The salient points in this year's report are the following:

- The contents have been reviewed with the aim of making the BBVA Group's CR strategy more transparent.
- The definition of the scope of the data on the environment per employee has been improved. This has led to an adjustment of the consumption recorded in previous years. These

readjustments have been due to the adoption of a new criterion in the Group's Global Eco-Efficiency Plan.

- A more direct channel of communication with stakeholders has been launched: our blog www.bbvabankingforall.com 
- The quality of information has been continuously improved, with the local reports of the BBVA Group (Argentina, Colombia, Chile, Mexico, Peru and Venezuela) verified in each of these countries by an independent auditor.

When deciding upon the relevance and materiality of the content to be included, special attention has been paid to the opinions of leading stakeholders, extending the engagement process in line with the recommendations of the *Sustainability Reporting Guidelines (version 3, 2006) of the Global Reporting Initiative (GRI) and the new AA 1000 APS (2008) AccountAbility Principles Standard and the AA 1000 AS (2008) Assurance Standard*. Along these lines, a specific analysis has been drawn up to assess the validity and relevance of the matters in the context of the present crisis, as described in the chapter "Stakeholder Engagement".

This report is supplemented by the *Financial Report 2009*, and other information. 

Basic references and international standards

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

Also reported are BBVA's actions in regard to the United Nations Millennium Development Goals and its response to the Progress Report 2009 as regards compliance with the principles of the UN Global Compact, following the guidelines of the GRI and the Global Compact in "*Making the connections.*"

Rigor and verification

Thanks to its areas for systematizing and managing information, BBVA can provide a sound source of content. The information is reviewed and verified by Deloitte, according to the scope of the Independent Review Report to this Annual Corporate Responsibility Report. A plan of action is then drawn up to ensure that the recommendations arising from review processes are implemented.

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



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PROFILE		
1. Strategy and Analysis	Pages	
1.1 Statement from the CEO and chairperson on the importance of sustainability for the organization and its strategy.	7-8	
1.2 Description of key impacts, risks and opportunities.	14, 18-19, 21-22	
2. Organizational profile	Pages	
2.1 Name of the organization	2	
2.2 Primary brands, products and/or services.	2-4	
2.3 Operational structure of the organization.	3-4	
2.4 Location of organization's headquarters.	2	
2.5 Number of countries where the organization operates.	2-3	
2.6 Nature of ownership and legal form.	2	
2.7 Markets served.	2-4	
2.8 Scale of the reporting organization.	2-3, 6, CFS	
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	2, 72, CFS	
2.10 Awards received in the reporting period.	5, 31, 38, 47	
3. Report parameters	Pages	
REPORT PROFILE		
3.1 Reporting period for information provided.	2, 72	
3.2 Date of most recent previous report (if any).	2, 72	
3.3 Reporting cycle (annual, biennial, etc.).	2, 72	
3.4 Contact point for questions regarding the report or its contents.	76	
REPORT SCOPE AND BOUNDARY		
3.5 Process for defining report content.	16-18	
3.6 Boundary of the report.	2, 72	
3.7 State any specific limitations on the scope or boundary of the report.	2, 72	
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2, 72	
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	4, 35, 46, 53, 60-61, 72	
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	38, 55, 61	
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	72	
GRI CONTENT INDEX		
3.12 Table identifying the location of the Standard Disclosures in the report.	73-75	
ASSURANCE		
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	71	
4. Governance, Commitments and Stakeholder Engagement	Pages	
GOVERNANCE		
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	12-13, CGR	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	CGR	
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body who are independent and/or non-executive members.	CGR	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	16-18, 48, CGR	
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangement), and the organization's performance including social and environmental performance).	22, 44-47, CGR, RBDPR	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	CGR	
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	CGR	
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	9-15	
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	10-15, CGR	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	CGR	
COMMITMENTS TO EXTERNAL INITIATIVES		
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	14, 58-59	
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	15, 19-20, 58-59, 62-65, 70	
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	15, 19-20, 58-59	
STAKEHOLDER ENGAGEMENT		
4.14 List of stakeholder groups engaged by the organization.	16	
4.15 Basis for identification and selection of stakeholders with whom to engage.	16-17	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	16-17	
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	17-18, 21-22	
DISCLOSURE ON MANAGEMENT APPROACH / CORE INDICATORS		
Economic Performance Indicators	Pages	Assurance Scope
DISCLOSURE ON MANAGEMENT APPROACH		
Economic Performance		
EC1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	5, 23-24, 40-41, 46-47, 49-51, 52-53, 58-59, 60-65	(1)
EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change.	58-59	✓
EC3. Coverage of the organization's defined benefit plan obligations.	47-49	✓
EC4. Significant financial assistance received from government.	47	(2)
Market Presence		
EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	52-53	✓
EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	46	✓
Indirect Economic Impacts		
EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	23-24, 40-41, 49-51, 60-65	✓
Environmental Performance Indicators (a)	Pages	Assurance Scope
DISCLOSURE ON MANAGEMENT APPROACH		
Materials		
EN1. Materials used by weight or volume.	56	✓
EN2. Percentage of materials used that are recycled input materials.	56	✓
Energy		
EN3. Direct energy consumption by primary source.	57	(14)
EN4. Indirect energy consumption by primary source.	57	(14) (16)
Water		
EN8. Total water withdrawal by source	56	(14)
Biodiversity		
EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	No material *	

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DISCLOSURE ON MANAGEMENT APPROACH / CORE INDICATORS			
EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	No material *		
Emissions, effluents and waste			
EN16. Total direct and indirect greenhouse gas emissions by weight.	55	(14)	
EN17. Other relevant indirect greenhouse gas emissions by weight.	55	(14)	
EN19. Emissions of ozone-depleting substances by weight.	No material *		
EN 20. NO, SO, and other significant air emissions by type and weight.	No material *		
EN 21. Total water discharge by quality and destination.	No material *		
EN22. Total weight of waste by type and disposal method.	58		✓
EN23. Total number and volume of significant spills.	No material *		
Products and Services			
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	54, 58-59		✓
EN27. Percentage of products sold and their packaging materials that are reclaimed by category.	No material *		
Compliance			
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	15	(4)	
Social Performance Indicators: Labor Practices and Decent Work (b)			
	Pages	Assurance Scope	
DISCLOSURE ON MANAGEMENT APPROACH			
	12-15, 42-49		
Employment			
LA1. Total workforce by employment type, employment contract, and region.	42-45		✓
LA2. Total number and rate of employee turnover by age group, gender, and region.	42, 46		✓
Labor/Management Relations			
LA4. Percentage of employees covered by collective bargaining agreements.	48	(13)	
LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	48	(8)	
Occupational Health & Safety			
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	48	(5)	
LAB. Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	48-49		✓
Training and Education			
LA10. Average hours of training per year per employee by employee category.	47	(6)	
Diversity and Equal Opportunity			
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	42-44, CGR	(7)	
LA14. Ratio of basic salary of men to women by employee category.	47		✓
Human Rights Performance Indicators (c)			
	Pages	Assurance Scope	
DISCLOSURE ON MANAGEMENT APPROACH			
	12-15, 31-33, 52-53, 48, 69-70		
Investment and Procurement Practices			
HR1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	15, 31-33	(10)	
HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	53	(8)	
Non-discrimination			
HR4. Total number of incidents of discrimination and actions taken.	15	(13)	
Freedom of Association and Collective Bargaining			
HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	15, 48		✓
Child Labor			
HR6. Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	15, 69-70		✓
Forced and Compulsory Labor			
HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	15, 69-70		✓
Society Performance Indicators (d)			
	Pages	Assurance Scope	
DISCLOSURE ON MANAGEMENT APPROACH			
	10-15, 34-35, 60-62		
Community			
SO1. Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	10-13, 23-24, 60-61		✓
Corruption			
SO2. Percentage and total number of business units analyzed for risks related to corruption.	34	(9)	
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	35		✓
SO4. Actions taken in response to incidents of corruption.	34-35		✓
Public Policy			
SO5. Public policy positions and participation in public policy development and lobbying.	15, 64-65	(3)	
Compliance			
SO8. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	15	(13)	
Public Responsibility Performance Indicators (e)			
	Pages	Assurance Scope	
DISCLOSURE ON MANAGEMENT APPROACH			
	10-15, 39-40, 60-61		
Customer Health & Safety			
PR1. Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	39-40	(8)	
Product and Service Labeling			
PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	39-40		✓
Marketing Communications			
PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	40		✓
Compliance			
PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	15	(4)	
FINANCIAL SERVICE SECTOR SUPPLEMENT			
Impact of products and services			
	Pages	Assurance Scope	
DISCLOSURE ON MANAGEMENT APPROACH			
	18-20, 30-31, 35-36		
FS1. Policies with specific environmental and social components applied to business lines.	31-34, 54-55		✓
FS2. Procedures for assessing and screening environmental and social risks in business lines.	31-34		✓
FS3. Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	31-35		✓

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FINANCIAL SERVICE SECTOR SUPPLEMENT		
FS4: Process(es) for improving staff competency to implement the environmental and social policies as applied to business lines.	31-32, 47, 59	✓
FS5: Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	18-22	✓
Product Portfolio		
FS6: Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	AR, CFS	✓
FS7: Monetary value of products and service designed to deliver a specific social benefit for each business line broken down by purpose.	35-37	✓
FS8: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	58-59	✓
Audit		
FS9: Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures.	31, 34	✓
Active Ownership		
FS10: Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	35-36	✓

FS11: Percentage of assets subject to positive and negative environmental or social screening.	31-33, 35-36	(11)
FS12: Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	36	(15)
Society Performance Indicators		
DISCLOSURE ON MANAGEMENT APPROACH		
	Pages	Assurance Scope
Community		
FS13: Access points in low-populated or economically disadvantaged areas by type.	2-3, 25-29	(12)
FS14: Initiatives to improve access to financial services for disadvantaged people.	25-29	✓
Product Responsibility Performance Indicators		
DISCLOSURE ON MANAGEMENT APPROACH		
	Pages	Assurance Scope
Customer Health & Safety		
FS15: Policies for the fair design and sale of financial products and services.	14-15, 39-41	✓
Marketing Communication		
FS16: Initiatives to enhance financial literacy by type of beneficiary.	23-24, 26, 60-61	✓

LEGEND	
CGR	Corporate Governance Report 2009
AR	Annual Report 2009
CFS	Consolidated Financial Statements 2009
RBD RP	Report on the Board of Directors' Remuneration Policy 2009
Notes on scope and assurance	
✓	Group
(1)	Indicator calculated according to the GRI model.
(2)	Only training subsidies in Spain are included.
(3)	Only international agreements relating to sustainability and Research Department are reported.
(4)	The information has been reviewed for BBVA Spain, BBVA Bancomer, BBVA Banco Continental, BBVA Colombia and BBVA Banco Provincial.
(5)	Only the absenteeism rate is reported.
(6)	Not broken down by category.
(7)	Only broken down by age and sex.
(8)	Only qualitative information is included.
(9)	The number of audits by business area classified by the BBVA Group's typology are reported.
(10)	Only the financing of large projects are reported.
(11)	The percentage over the total assets under management is not reported.
(12)	The number of branch offices in low population density or underprivileged areas are not reported.
(13)	Only reported for BBVA Spain.
(14)	The scope of the assurance does not include data for the United States.
(15)	BBVA does not currently have a voting policy applied to social or environmental issues.
(16)	Not broken down by primary sources.
Reason for the omission of the following main GRI indicators from the CR Report 2009	
EN11:	Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.
EN12:	Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.
EN19:	Immaterial indicator. Regarding the use of substances that are harmful to the ozone layer, there are no installations containing significant amounts of CFCs in BBVA Group buildings.
EN20:	Immaterial indicator. Given that the Group belongs to the service sector, SO and NO emissions are insignificant as they are produced solely by staff travel.
EN21:	Immaterial indicator. BBVA Group offices are in urban settings, so waste is discharged through the sewers.
EN23:	Immaterial indicator. BBVA Group offices are in urban settings, so water is supplied is supplied through the urban

network and discharged through the sewers.
 EN27: Immaterial indicator. The BBVA Group simply markets these products, with no direct responsibility for the management of their packaging.

Annual Report 2009
 Corporate Responsibility

BBVA Group Profile

Letter from the Chairman & CEO

CR Principles and Policy

- Vision and mission
- Principles Adjusted Return
- Corporate responsibility at BBVA
- Compliance system and procedures
- Corporate governance system
- Risk management
- Standards of conduct and other commitments

Stakeholder engagement

- Analysis
- Dialog and commitment
- Controversial issues

Financial literacy

- Adelante con tu futuro (Forward with your future)
- Valores de futuro (Future values)
- ABAEF and Money Smart

Financial inclusion

- Microfinance
- Banking Penetration Plan
- Other initiatives

Responsible banking

- Responsible finance
- Responsible investment
- Customer focus
- Human resources
- Responsible procurement
- Environment

Community involvement

- Education
- Research

Progress 2009 and Goals 2010

Supplementary information

- Global compact and MDG
- Assurance Report
- Report criteria and GRI indicators



If you would like to submit an opinion, enquiry or suggestion regarding the information contained in this report, you are kindly requested to contact:

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