

5.2.3. TCR Communication

The **Transparent, Clear and Responsible (TCR) Communication** project was launched in 2014 to promote transparent, clear and responsible relations between BBVA and its customers.

- T is for transparency, providing customers with all relevant information at the right time, maintaining a balance between benefits and costs.
- C is for clarity, meaning easy to understand. It is achieved through language, structure and design.
- R is for responsibility, and means looking after the customers' interests in the short, medium and long term.

The **objective** is to help customers make informed decisions, improve customer relations with the Bank, look out for their interests and differentiate ourselves as the clearest and most transparent entity in all the markets where we operate. The aim is also to attract new customers and encourage existing customers to recommend us. Work is being done to this end at two levels:

- To implement TCR Communication and transform the traditional Bank, by extending and broadening the scope of the 2014 and 2015 initiatives.
- To consolidate TCR Communication in the new Bank, by extending the project to new solutions in digital environments, from mobile to online banking.

This is being achieved through a network of **TCR owners** located in the main countries where the Bank operates, together with a global coordination team, in addition to the direct involvement of many other areas and employees of the Entity.

The BBVA Group has various **initiatives** in place to make the TCR Communication project a reality. The most relevant are described below.

TCR Communication to transform the traditional Bank

TCR product leaflets

Short documents used by managers to describe a product to customers, detailing its benefits, advantages, cost and risks.

In **2016**, the use of product leaflets in concluding the contracts with private customers in Spain, Mexico, Argentina, Chile, Peru, Colombia and Venezuela has increased from 80% to 90%. In the United States, coverage is slightly lower. The project will be implemented in Turkey in 2017.

The use of these leaflets has been included in business protocols for managers. Managers have also received training on the importance and the way of using TCR product leaflets.

The initiative has been extended to the SME and retailers segment in Spain, Peru and Venezuela.

For **2017**, the objective is to extend the use of leaflets in this segment to all other countries.

TCR contracts

This initiative involves reworking current customer contracts and structuring them more intuitively with language that is easy to understand.

In **2016** new TCR contracts were introduced in Spain, Argentina, Colombia, Peru, Venezuela and Uruguay (total of 14 new TCR contracts in 2016).

For **2017** the aim is to provide all countries with 80% of products having their own TCR contract, in addition to extending the initiative to Turkey.

Telesales script

In **2016** the main telesales scripts were reviewed in Colombia, Peru, Argentina and Venezuela to ensure that the information provided during the calls complies with the TCR initiative. Workshops on using clear language were organized for the people involved in writing these scripts and call center managers.

There are currently 20 sales scripts already written, accounting for 80% of new contracts in these countries, which will be implemented in 2017.

In **2017**, the scripts may be further adapted in other geographical areas, and ad-hoc metrics will be included to ensure they are being used.

Complaints

A pilot project was carried out in Colombia in **2016** that involved the review and modification of the structure and wording of response letters to customer complaints, using plain language. The review resulted in changes of 67 letters, which are now adapted and implemented into the system. The project began with a training course for staff responsible for complaints.

The objective for **2017** is to continue implementing these letters in other countries (Venezuela, Peru and Chile).

TCR advertising

BBVA's TCR Advertising Code came into force on January 1, 2015. In **2016** advertising campaigns in the different countries were monitored to measure their compliance with the Code and, specifically, the extent to which the campaigns were perceived as transparent and clear by their target audience. The results of this study have enabled a process of continuous improvement to be established.

The target for **2017** is to carry out more of these studies and work to secure BBVA's position as leader in global clarity and transparency.

TCR Communication in the new Bank

TCR in new digital solutions

In **2016** TCR Communication principles have been applied in BBVA's key global digital projects such as One-Click contracts for specific products, the online registration of new customers, and BBVA Valora. Experts in TCR Communication have joined the global work teams for these initiatives. These experts have also supported the development of local projects, such as the mobile banking product catalog in Spain, in order to transfer their skills and experiences to other countries.

The plan for **2017** is to continue including TCR Communication principles in BBVA's main new global digital solutions through direct collaboration with these experts.

TCR in agile methodology

For several years, the Bank has been using agile methodologies to design digital solutions in all the countries where it operates. For these solutions to comply with TCR values from the very start, the principles of TCR Communication must be included in the routine work of the scrums (agile work groups).

In **2016**, we identified that the best way to integrate these principles in their routine work was through product owners

(or scrum leaders). This was done in Spain, Mexico, Chile, Colombia, Peru and Venezuela.

In **2017**, the objective is to expand this initiative to other countries and monitor the projects managed using agile methodology, through beta testing, customer feedback and web analytics to undertake a process of continuous improvement.

TCR training

To ensure the Bank adopts TCR values in all its activities, and specifically, in all new initiatives in the digital transformation process, requires employees to be aware of the principles of TCR Communication.

In **2016**, in addition to the workshops mentioned above, which focused on specific lines of work, online training content was also developed (watch & learn videos), directed mainly at agile teams, and the first global online course in plain language was launched, aiming to be extended on a mass scale in 2017.

Additionally, the TCR community for BBVA employees was launched with the dual purpose of offering training and promoting engagement among the staff involved in the TCR Communication project. In **2017**, the aim is to maintain this community and strengthen the initiatives started in 2016, incorporating TCR Communication principles in Group training plans.

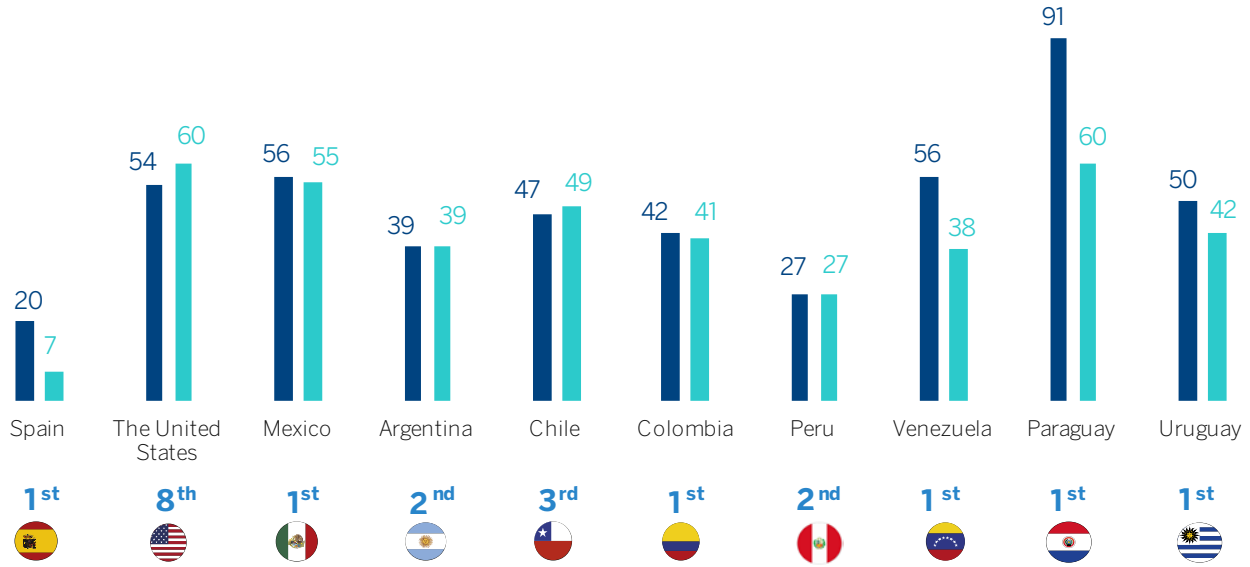
TCR Indicators

The **Net TCR Score** (NTCRS) indicator measures the degree to which customers perceive BBVA as a transparent and clear bank in comparison with its peers in the main geographic areas where the Group operates.

In **2016** we were ranked first in 6 of the 10 countries where this indicator applies.

Net TCR Score (NTCRS)⁽¹⁾ (By geography. Percentage)

■ BBVA ■ Average peer group



Peer Group: Spain: Santander, CaixaBank, Bankia, Sabadell, Popular / The United States: Bank of America, Bank of the West, Comerica, Frost, Chase, Regions, US Bank, Wells Fargo / Mexico: Banamex, Santander, Banorte, HSBC / Peru: BCP, Interbank, Scotiabank / Argentina: Banco Galicia, HSBC, Santander Rio / Colombia: Bancolombia, Davivienda, Banco de Bogotá / Chile: BCI, Banco de Chile, Santander / Venezuela: Banesco, Mercantil, Banco de Venezuela / Paraguay: Continental, ITAU, Regional / Uruguay: ITAU, Santander, Scotiabank .

⁽¹⁾The NTCRS is an indicator, which is calculated based on the valuation (between 0 to 10) given by the customers for each of the entities and that directly answers the following question: Is the information you receive considered to be clear and complete?