



BBVA Creating Opportunities

2016 EXECUTIVE REPORT

Responsible banking policy

2016 Executive Report

BBVA's Purpose is "to bring the age of opportunity to everyone." Aligned with our vision of the future, our Purpose is our key driver and guides our strategy and decision-making. We want to help our customers achieve their goals in life. We want to go beyond being a bank and become a vehicle of opportunities with a positive impact on the lives of people and companies.

The Bank's Corporate Social Responsibility policy, also known as Responsible Banking policy, is approved by the Board of Directors. The Policy's mission is to manage the responsibility for the Bank's impact on people and society, which is key to the delivery of BBVA's Purpose.

This policy supports a differential banking model we call Responsible Banking. It is based on the search for a return adjusted to principles, strict legal compliance, best practices and the creation of long-term value for all stakeholders.

All the business units and support areas integrate this policy into their operating models. The Responsible Business unit coordinates the implementation and basically operates as a second line to challenge as well as offer its support.

In 2016 the governance of the responsible banking model has been strengthened. It is supervised by the Board of Directors and its different committees, as well as by the Bank's Global Leadership, chaired by the CEO.

Commitments and responsible practices



Our customers

Commitments

Main practices and initiatives

Position our customers at the center of our activity

- ▮ Customer-centric strategy (1st priority)
- ▮ People-focused framework to define and provide our customers with what they demand
- ▮ Human centered design and big data as basic capacities
- ▮ Data-driven marketing

Promote transparency, clarity and financial skills to help customers make better decisions

- ▮ TCR (transparency, clarity and responsibility) initiative to transform the traditional bank and create a new bank: standards, training and integration in agile methodology
- ▮ Financial skills in customer solutions (new action plan for 2017)
- ▮ TCR principles in brand positioning

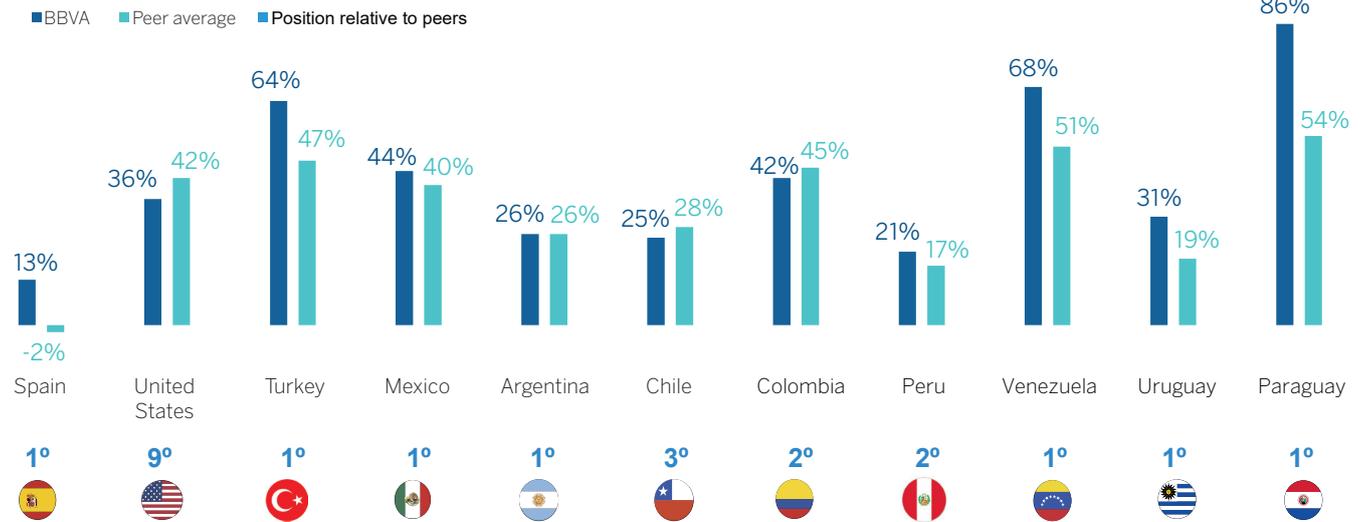
Develop products and services with a high social impact

- ▮ Local retail banking initiatives (CRA, social housing, etc.)
- ▮ Sustainable finance in wholesale banking
- ▮ Socially responsible investment (SRI) in asset management
- ▮ New social and environmental framework in 2017

Foster financial inclusion

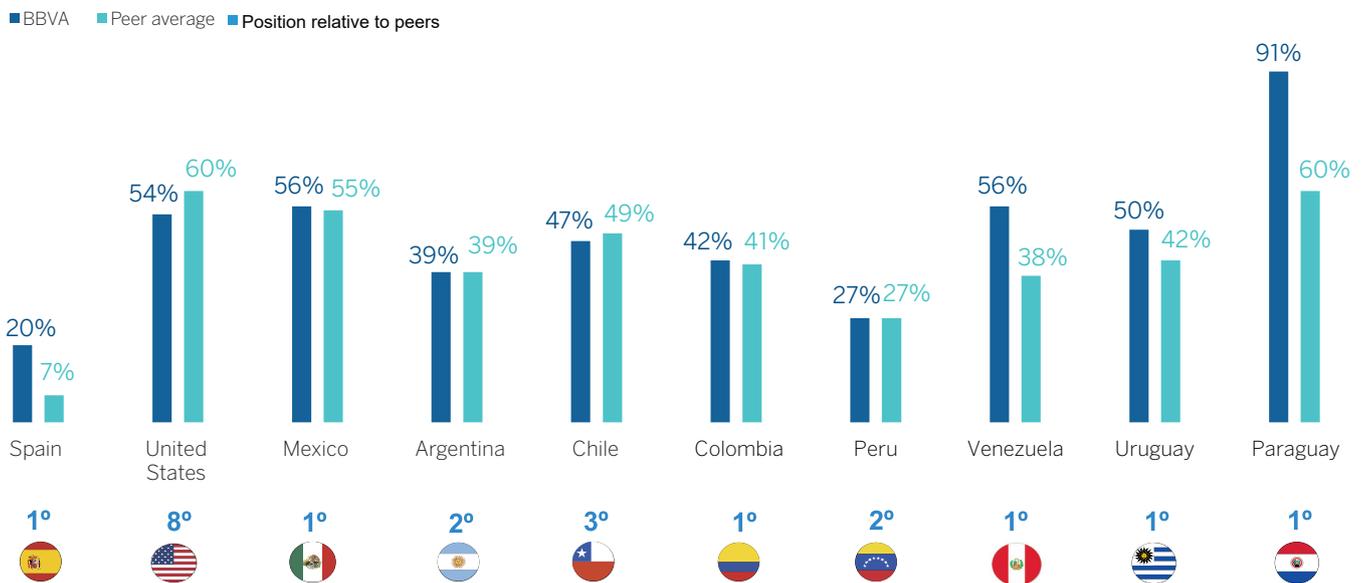
- ▮ Customer-friendly solutions and low-cost digital channels
- ▮ Banking correspondents
- ▮ Big data, capacity to boost financial inclusion
- ▮ BBVA Microfinance Foundation to assist the development of vulnerable micro-entrepreneurs

NET PROMOTER SCORE BY GEOGRAPHIC AREA



Peer Group: Spain: BBVA, Bankia, Caixabank, Popular, Sabadell and Santander / United States: BBVA Compass, Bank of America, Bank of the West, Comerica, Frost, Chase, Regions, Suntrust, US Bank, Wells Fargo, PNC and BB&T / Turkey: BBVA Garanti, Ak, İç, YKB, Deniz, Finans / Mexico: BBVA Bancomer, Banamex, Banorte, HSBC and Santander / Argentina: BBVA Francés, Galicia, HSBC and Santander Río / Chile: BBVA, BCI, Banco de Chile and Santander / Colombia: BBVA, Bancolombia, Banco Bogotá and Davivienda / Peru: BBVA Continental, BCP, Interbank and Scotiabank / Venezuela: BBVA, Banesco, Mercantil and Venezuela / Uruguay: BBVA, ITAU, Santander and Scotiabank / Paraguay: BBVA, Continental, ITAU and Regional

NET TCR SCORE



NTCRS: An indicator calculated according to the scores (from 0 to 10) awarded by each entity's customers (on the open market) in response to the question: "Is the information you receive clear and complete?" Peer Group: Spain: BBVA, Bankia, Caixabank, Popular, Sabadell and Santander / United States: BBVA Compass, Bank of America, Bank of the West, Comerica, Frost, Chase, Regions, Suntrust, US Bank, Wells Fargo, PNC and BB&T / Turkey: BBVA Garanti, Ak, İç, YKB, Deniz, Finans / Mexico: BBVA Bancomer, Banamex, Banorte, HSBC and Santander / Argentina: BBVA Francés, Galicia, HSBC and Santander Río / Chile: BBVA, BCI, Banco de Chile and Santander / Colombia: BBVA, Bancolombia, Banco Bogotá and Davivienda / Peru: BBVA Continental, BCP, Interbank and Scotiabank / Venezuela: BBVA, Banesco, Mercantil and Venezuela / Uruguay: BBVA, ITAU, Santander and Scotiabank / Paraguay: BBVA, Continental, ITAU and Regional

REPUTATION AMONG CUSTOMERS BY COUNTRY

Country	Position relative to peer group
Spain	1st
United States	2nd
Turkey	1st
Mexico	3rd
Argentina	2nd
Chile	3rd
Colombia	3rd
Peru	1st
Venezuela	2nd
Paraguay	1st
Uruguay	n/a

VOLUME OF GREEN AND SOCIAL BONDS PLACED

5,350
MILLION EUROS

VOLUME OF RENEWABLE ENERGY PROJECT FINANCE

4,444
MILLION EUROS

AGGREGATE LOANS GRANTED BY THE BBVA MICROFINANCE FOUNDATION

7,823
MILLION EUROS

NUMBER OF BBVA MICROFINANCE FOUNDATION CUSTOMERS

1.8
MILLION

NUMBER OF SOCIAL RENTAL HOMES IN SPAIN

4,047
HOMES

NUMBER OF CUSTOMERS IN THE FINANCIAL INCLUSION SEGMENT

9.8
MILLION CUSTOMERS



Our employees

Commitments

Main practices and initiatives

Promote the work/life balance

- Specific local initiatives adapted to each country (gap analysis and new action plan for 2017)

Guarantee employee health and safety

- Specific local initiatives adapted to each country

Respect diversity and guarantee equal opportunity

- Public commitments related to gender diversity: EU Diversity Charter, UN Women's Empowerment Principles
- Specific local initiatives on disability
- Gap analysis and new action plan for 2017

Promote a culture of social engagement

- Global policy and specific local initiatives adapted to each country (review of the volunteering policy for 2017)

% OF WOMEN IN THE MANAGEMENT TEAM

20.8

NUMBER OF VOLUNTEERS

OVER 8,000

% OF SATISFIED OR VERY SATISFIED EMPLOYEES

83

HOURS OF TRAINING PER EMPLOYEE

39



Society

Commitments

Main practices and initiatives

Promote the development of communities through social programs

- | Community investment plan, with financial education and entrepreneurship as strategic areas (new global programs in 2017)
- | BBVA Microfinance Foundation
- | BBVA Foundation to expand the frontiers of knowledge

Implement an environmental policy

- | Environmental policy and rules covering specific issues (new social and environmental framework for 2017)
- | Eco-efficiency plans since 2008 (new 2020 Plan)

Participate in initiatives to promote responsible practices

- | UN Global Compact, UNEP FI, CSR Europe, Responsible Investment Principles, Equator Principles, Thun Group, Banks & Civil Society, Green Bonds, Integrated Reporting





Other stakeholders and issues of interest

Commitments

Main practices and initiatives

Investors and shareholders

- ▮ Investor and shareholder communication policy
- ▮ Engagement in responsible banking. Specific equity story
- ▮ Involvement of specialized analysts
- ▮ BBVA integrated annual report in 2015

Suppliers

- ▮ Responsible Procurement Policy (integration of reputational scoring in the approval processes in 2017)

Tax responsibility

- ▮ Tax strategy

Human Rights

- ▮ Commitment to human rights (to be renewed in 2017)
- ▮ Due diligence on human rights (gap analysis and action plan for 2017)

In 2016 a new strategic plan has been approved for BBVA. It integrates the strategic initiatives linked to the responsible banking model and their respective action plans. The main strategic responsible business initiatives for 2016-2018 are:

- ▮ Creation of lasting and more balanced relationships with our customers through transparent, clear and responsible communication and financial education in the solutions that we offer.
- ▮ Full integration of how we do business through responsible business policies, a reputational risk model, and a people-centric culture throughout the whole Organization.
- ▮ Promotion of responsible and sustainable growth through financial inclusion, sustainable finance, support for SMEs and responsible and high-impact investment.
- ▮ Investment in the community, with priority for financial literacy initiatives for society, entrepreneurship, knowledge and other social causes that are relevant from a local point of view.