



Grupo Financiero BBVA Bancomer

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Group Profile

GFBB is a leading institution in the Mexican financial system

Grupo Financiero BBVA Bancomer (GFBB) is a subsidiary of Banco Bilbao Vizcaya, one of the leading financial groups in Europe.

GFBB is a private multi-purpose financial institution established under Mexican law. It provides a wide variety of banking products and services, stock exchange brokerage, insurance, mutual fund management and other financial services.

One of the main subsidiaries of GFBB is BBVA Bancomer, the leading bank in the Mexican financial sector in terms of assets, loan portfolio and deposits.

BBVA Bancomer operates throughout the Mexican Republic. It serves its customers through an extensive branch network and other distribution channels such as ATMs, banking correspondents, POS terminals, cell phones, etc. It also has specialist executives who offer outstanding personalized service to individual customers, businesses and government agencies.

Item	Amount (million pesos)
Total assets	1'371,883
Performing loan portfolio	698,900
Traditional deposits	712,586

Source: CNBV

BBVA Bancomer is based on four pillars:

1. **Leadership:** first place in the local market.
2. **Customers:** our business is customer-centric, with efficient and secure distribution channels using cutting-edge technology.
3. **Risk management:** characterized by prudence and anticipation.
4. **Corporate Governance:** inspired by integrity and transparency.

BBVA Bancomer works for a better future for people. It offers its customers a mutually beneficial relationship and integrated solutions.

Basic Data

- ⊗ **Employees:** 37,440
- ⊗ **Customers:** 19,029,000
- ⊗ **Branches:** 1,794
- ⊗ **ATMs:** 7,749
- ⊗ **Banking correspondents:** 24,013
- ⊗ **Point-of-sale terminals:** 100,161

Mission and Vision

Mission



- ② Generate trust by providing a more extensive and better service for our customers with transparency and integrity, and always offering the highest quality products and services.
- ② Provide our collaborators with the best conditions to develop fully.
- ② Be solvent and offer attractive returns to our shareholders.
- ② Support social welfare as an outcome of business activity.

Vision



We work for a better future for people

This vision will always be relevant. It is a constant guide in everything the bank does. That is why the bank's day-to-day activity is governed by the following corporate principles:

- ② The customer at the heart of the business.
- ② Teamwork as a key for generating value.
- ② A management style that generates enthusiasm.
- ② Ethical behavior and personal and professional integrity as a way of understanding and conducting business.
- ② Innovation as a driving force for progress.
- ② Corporate social responsibility as an intrinsic part of "development".

Business Model

BBVA Bancomer has consolidated its leading position locally to take advantage of the country's future growth.

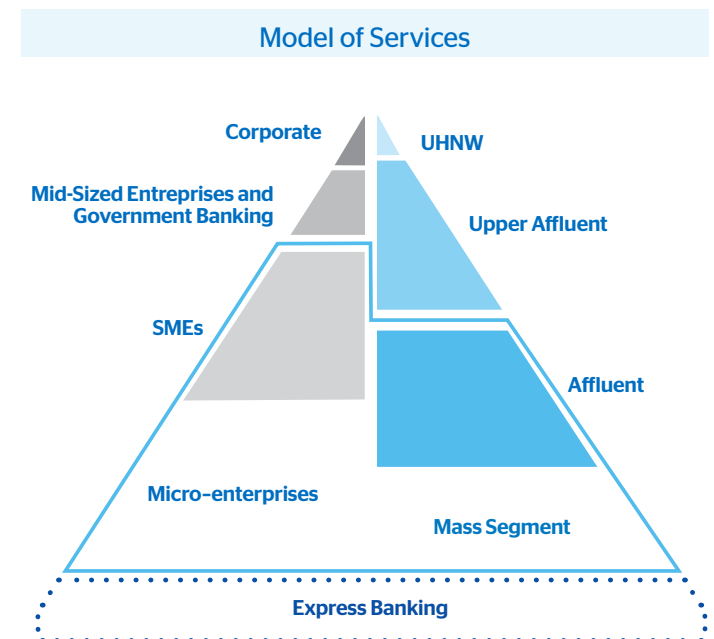
Its business model consists of a model of universal banking focused on customers, based on differentiation through specialized products and services.

BBVA Bancomer is aware that much of its success as a bank depends on customer satisfaction. That is why the bank is changing the way it offers its banking services in Mexico and is working to maintain a long-term relationship with its customers.

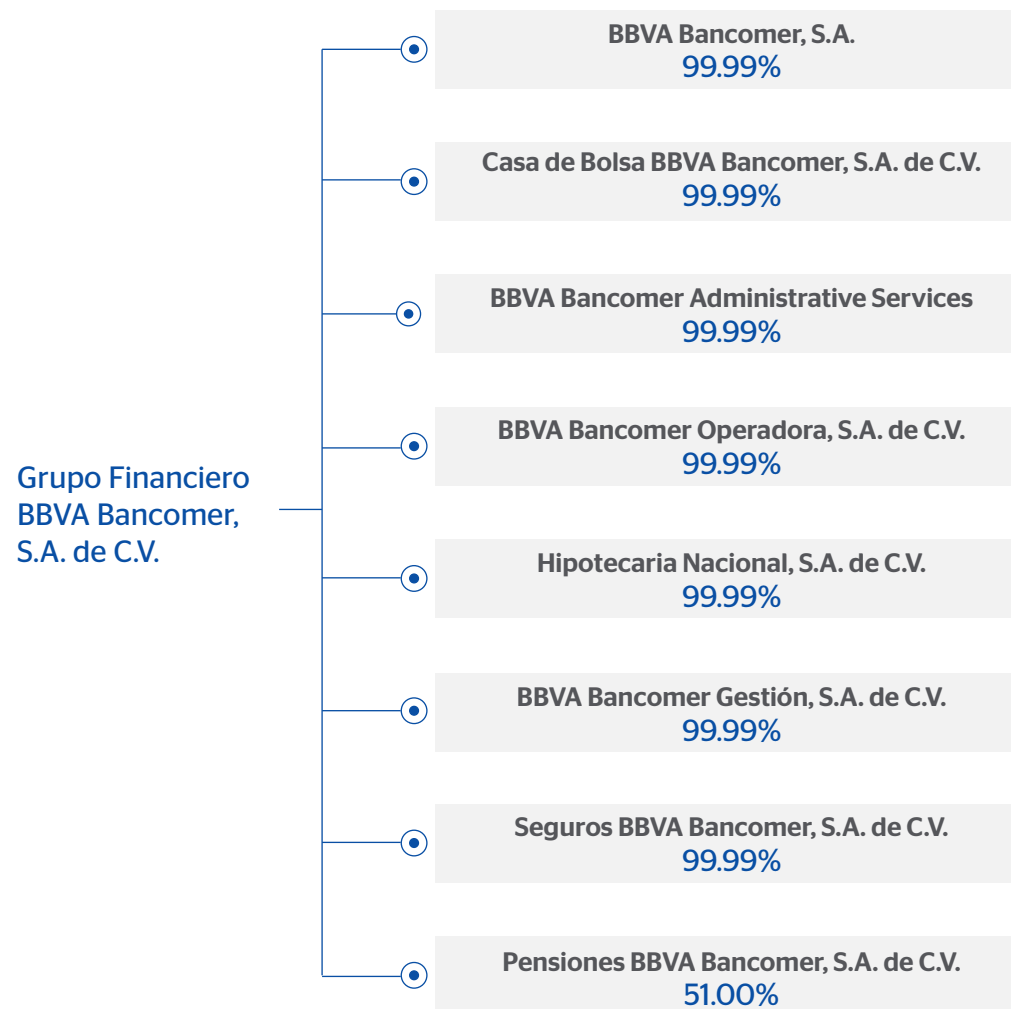
Through its business model, BBVA Bancomer offers personalized service to each of its segments, with networks of specialist executives offering a quality service. It is also based on an efficient distribution network of great coverage, which is key for providing easy and secure access to financial services. Finally, it is a business model that is firmly committed to technology and major investments in transformation and innovation projects.

This model has underpinned the recurrent nature of BBVA Bancomer's earnings and its strength through outstanding performance characterized by a clear philosophy of risk control with the aim of maintaining long-term profitability.

As a result, BBVA Bancomer has consolidated its leading position in Mexico and can take advantage of the country's future growth.



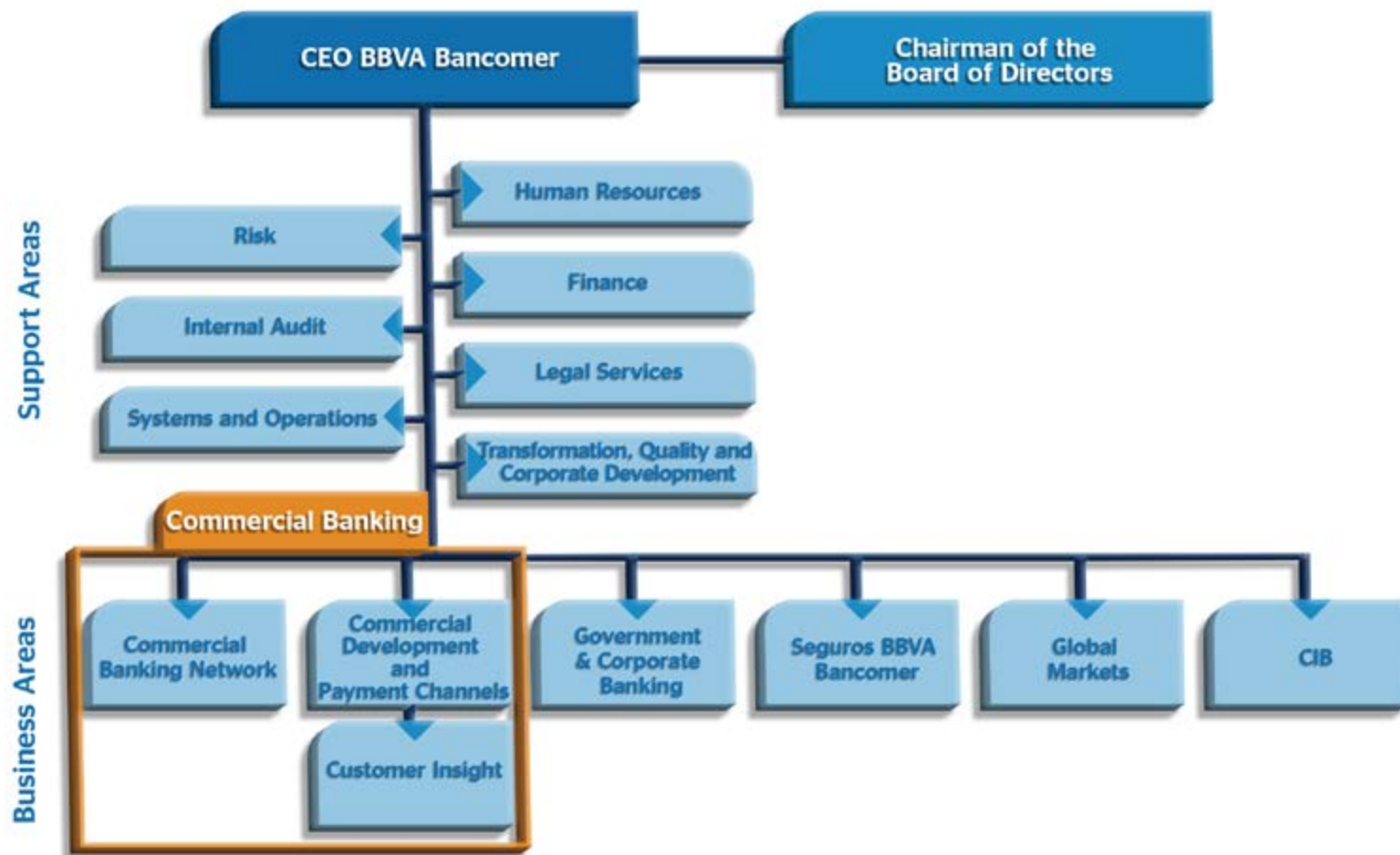
Corporate Structure





Management structure

For more details, click on one of the areas in the structure





Leadership

BBVA Bancomer
Million pesos
December 2013

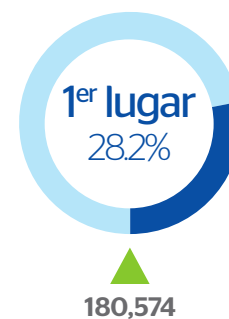
Total assets



Outstanding loans



Consumer finance



Auto loans



Mortgages



Traditional deposits



Demand deposits



Mutual funds



Sources: CNBV, AMIB, AHM and JATO.
Total lending: performing loan portfolio.
Consumer finance: includes consumer portfolio and credit cards.
Auto loans: number of new and semi-new loans. Compared with banking companies.

Mortgages: number of new mortgages.
Traditional deposits: includes demand deposits, time deposits and promissory notes issued.
Mutual funds: assets under management in investment companies without duplication.



Presence



Mexican Republic

Branches: 1,793

ATMs: 7,749

Employees: 29,115

Advertising Campaigns





Relevant Information

General Indicators of multiple banking in Mexico			
	2011	2012	2013
Total multiple banking institutions	42	43	46
Branches	11,785	12,407	12,581
Employees	152,526	186,967	220,076
Total banking assets (million pesos)	5'824,690	6'021,408	6'429,821
Constant GDP (million pesos)	12'764,449	13'263,600	13'255,453
Assets as % of GDP	45.6%	45.4%	48.5%
Aggregate gross banking portfolio (million pesos)	2'471,938	2'750,856	2'991,971
Portfolio as % of GDP	19.4%	20.7%	22.6%
Total deposits (million pesos)	2'759,971	2'984,044	3'138,877

Source: CNBV, INEGI

Importance of BBVA Bancomer in the Mexican economy			
	2011	2012	2013
Total assets (million pesos)	1'222,914	1'263,545	1'371,883
Share of total assets	21.0%	21.0%	21.3%
Traditional deposits (million pesos)	645,436	672,270	712,586
Traditional deposits / Total assets	52.8%	53.2%	51.9%

Traditional deposits: demand and time deposits and promissory notes issued
Source: CNBV

Breakdown of Economic Value Added (EVA)

Million pesos	2011	2012	2013
Personnel costs	14,765	16,019	17,178
Interest expenses	30,933	32,893	29,389
Administration and operating expenses	12,527	13,360	14,338
Taxes	8,558	8,994	9,265
Contribution to the community: funds allocated	66,783	71,266	70,170
Economic value generated and distributed			
Economic value generated	95,218	101,892	108,194
Net interest income	70,266	77,333	83,236
Net fees and commissions	17,435	18,218	20,175
Other ordinary revenue	7,517	6,341	4,783
Economic value distributed	62,560	65,047	71,033
Dividends	18,633	19,399	20,568
General administrative expenses	20,604	20,635	24,022
Taxes	8,558	8,994	9,265
Personnel costs	14,765	16,019	17,178
Economic value retained	32,658	36,845	37,161
Preventive estimates for credit risk	20,011	22,260	23,699
Reserves	12,647	14,585	13,462

* Figures for Grupo Financiero BBVA Bancomer



Report of the Chairman of the Board of Directors



To our shareholders:

2013 was a year of great achievements for BBVA Bancomer. I would like to congratulate warmly our Deputy Chairman and CEO Vicente Rodero, all his management team and all our collaborators in the bank for the major effort they have made and the great talent they have shown in helping us achieve excellent results and meet all the targets we have set.

BBVA Bancomer is the clear leader in Mexican banking. It is the bank with the most extensive infrastructure, the largest number of customers and the one that lends most to families, companies and the public sector. In 2013, BBVA Bancomer consolidated its position as the main lender in the country, being responsible for 1 out of every 4 pesos of finance.

We had a leading position in all the markets. In home loans, for example, one out of three mortgages was granted by Bancomer, which consolidated us as the bank that provides most support to Mexican families to create wealth. In consumer finance, we provide 4 out of every 10 pesos in auto loans and registered 31% of credit card contracts in the country. In 2013 we also financed 1 in 5 pesos of loans to the public sector and increased credit to companies by 15%, the biggest increase in the last 5 years.

BBVA Bancomer was also the best partner for companies in doing business. In 2013 we supported our corporate customers to obtain finance for more than 380 billion pesos through debt instruments, syndicated loans, capital markets, etc. Among other recognition, it won us an award from *Latin Finance* as best investment bank in Mexico. Our SME customers once more received the best range of products and services on the market, which also led us to win the *SME Award* from the Secretariat of Economy for the fourth year in a row.

BBVA Bancomer has strengthened its position as a solid and solvent institution that fully meets its lending, deposit and trading activities.

As well as a very responsible expansion of credit which makes us the financial institution with the lowest NPA ratio in the country, traditional deposits and mutual funds have also recorded a good performance, gathering on average 1 in 5 pesos in the country.

Our achievements in banking activity were also accompanied by actions that highlighted our commitment to Mexican society.

The BBVA Bancomer Foundation consolidated its support to culture and education in the country after 11 years of participation in the "*Olimpiada del Conocimiento Infantil*" (*Children's Knowledge Olympics*) and 6 years of granting scholarships under the "*Por los que se quedan*" (*For those left behind*) program to young people in migrant families.

These efforts have been extended with the "*Adelante con tu futuro*" (*Forward with your future*) scholarships and the "*Programa de mejora integral de secundarias*" (*comprehensive high-school improvement program*), in which 2,000 students take part from 12 schools in Michoacán.

We have launched our strategic corporate responsibility plan for 2013-2015, called "*Responsible Business*", which involves a balanced relationship with our customers, a commitment to our impact and long-term development and orientation. We have also launched our new Global Eco-efficiency plan, which establishes a target of reducing CO₂ by 6% over the next three years.

As part of the "*Momentum Project*", the BBVA Group's global initiative to support social entrepreneurship, this year we held the first "*Social Investment Day*" in Mexico, when the winning entrepreneurs presented their business plans.

In addition, our "*Adelante con tu futuro*" initiative for empowering the population in the knowledge and use of financial products completed its first five years in 2013. The figure of more than 2.4 million free workshops given puts us as the banking institution with the broadest and best positioned financial literacy program in Mexico.

At the same time, the commitment to our Bancomer staff led us to found the *BBVA Bancomer University* at the end of the year. It will provide all employees the possibility of concluding their high-school, graduate and even postgraduate studies. Our support to Mexican society is broad and always there when we are needed most. This

was the case with hurricanes “Ingrid” and “Manuel”, for which we coordinated with the Red Cross and provided support for the families affected.

These actions back our commitment to the United Nations Global Compact, which BBVA Bancomer joined in 2003 and whose principles have been incorporated into this Report as part of Communication on Progress for this period.

BBVA Bancomer is an institution that has always aimed to be a key player in Mexico’s development.

We have boosted competition in the banking industry, innovating in financial products and introducing cutting-edge technologies in a variety of services.

We want to continue to contribute welfare to the country and to our customers. That is why in 2013 we invested the first US\$726 million out of a total US\$3,500 million for the 2013–2016 period. This investment will allow us to introduce a new more approachable model of customer service, and also modernize all our operations by remodeling branches, introducing new technology constructing new corporate headquarters.

Our investment reflects a positive vision of the future of Mexico for which we want to be prepared.

Legislative changes were introduced in 2013 of the kind that had not been seen in the country for more than two decades. Their extensive scope, depth and the

consensus they generated mean the 2013 structural reforms will create incentives for greater productivity in the Mexican economy over the coming years. This will lead to sustained higher growth and gains in social welfare. There is no doubt the challenge will lie in taking the best advantage of the opportunities provided by the economic transformation that will open up the country. However, I am confident that as a nation we will be successful because we have already managed to consolidate major “assets” such as macroeconomic and financial stability. Progress will be steady, step by step, but we must all contribute from day one.

Over the next 10 years, Mexico could consolidate its economy as one of the most important in the world.

Rather than talking about a “Mexico’s moment” in the coming years we can all talk and work toward starting what could be “Mexico’s decade”.

Luis Robles Miaja
Chairman of the Board of Directors



Report from the Chief Executive Officer



The business in 2013

2013 was a difficult year for Mexico and the banking sector. Economic growth was limited to an annual 1.1%, which generated lower growth in commercial activity in the financial system and, in contrast, an increase in the overdue loan portfolio. In this environment of low economic growth, the Bank of Mexico cut the benchmark interest rate to 3.5%, an all-time low, which is also in itself a challenge for the banking system.

The year 2013 was also marked by the approval of various structural reforms that lay the foundations for greater economic potential in the future. Approval of the reforms has generated a positive feeling to Mexico and triggered an upgrade in the country's ratings from the main security rating agencies.

In 2013 BBVA Bancomer decided to launch a Transformation Plan that will be in place for the next few years, with the aim of becoming a better bank for its customers, a better bank for society and a better bank for its collaborators, in its different ways of working. It will try to create a simpler organization that is closer to the commercial networks, and with more responsive decision-making. All this will be reflected in our continued position as leader, as the most profitable and most efficient bank in the Mexican banking system.

BBVA's Transformation Plan began with the change in the central organization, creating two new areas: Commercial Development and Payment Channels; and the area of Transformation, Quality and Corporate Development. The decision was also taken to combine the structure of the distribution networks of commercial banking, HNWI banking and private banking and government and corporate banking, with the main aim of achieving greater coordination between the teams and boosting sales productivity.

The plan includes the launch of two important projects in 2013: "Experiencia Única" (Unique Experience) and "Plan de Procesos" (Process Plan). "Experiencia Única" aims to modify the management model in the branches of all the distribution networks by standardizing the internal management and customer service protocols.

It also aims to boost the use of digital channels that are alternatives to the branch window in order to increase branch productivity and profitability.

A Process Department has also been created, which toward the end of 2013 launched the Process Plan. This plan aims to cut bureaucracy, simplify procedures and achieve a simpler and more responsible organization. As a priority, the Process Plan will aim to simplify the most critical processes for customers.

This BBVA Bancomer Transformation Plan is leveraged on a major investment of US\$3,500 million over the next four years. The investment is mainly allocated to improving BBVA Bancomer's relation with its customers; physically remodeling branches by incorporating a better

segmentation of service quality, providing customers with tailored innovative and specialized products.

Investment in technology is designed to improve and create a more powerful and modern multi-channel distribution, while incorporating improvements in commercial and risk platforms. The investment will also be used to complete the construction of the corporate headquarters, two towers located in Mexico City, and a Data Processing Center in the State of Mexico.

This year, despite the difficult macroeconomic environment mentioned, and the changes in which the bank was involved, BBVA Bancomer posted very good financial results.

The credit portfolio closed the year at 697,749 million pesos, amounting to an annual increase of 9%, four times higher than GDP growth.

Finance to households, which includes consumer loans, credit cards and mortgages, increased annually by 6% to 334,620 million pesos as of 31-Dec-2013. The consumer and credit card portfolio grew by 9% on the previous year, reflecting a high level of commercial activity. Housing finance closed the year with a balance of 154,046 million pesos, equivalent to annual growth of 2%. More than 25,000 new mortgages were granted, maintaining the bank's leading position in the segment.

The balance of commercial loans, which includes corporates, medium-sized companies, SMEs, financial institutions and the government, was 363,129 million pesos.

Finance for SMEs performed outstandingly, with an annual increase of 22% and more than 46,000 new loans granted. This buoyant activity led to BBVA Bancomer being recognized by Secretariat of Economy with the "SME 2013" award as the banking institution that granted the biggest number of loans in this segment.

Finance to medium-sized companies grew by double-digit figures over the last 3 years. Within this business unit "*Consumer Finance*" was launched as a new project in the automobile sector. It is a comprehensive range of products and services that covers both the needs of vehicle dealers and purchasers. The model aims to generate competitive advantage in the market.

We continue to support our corporate customers by obtaining finance of more than 380,000 million pesos. This high rate of activity in the debt and capital markets has led to the bank being recognized as "Best Investment Bank in Mexico" by the magazine *Latin Finance*.

In the second half of the year, loans to the government resumed their activity, closing with a balance of 89,545 million pesos, an annual increase of 3%.

The above figures mean the composition of the loan portfolio was adequately diversified, without significant changes on 2012. Commercial loans accounted for 52%, followed by consumer finance and credit cards, with 26%, and mortgage loans at 22%.

The increase in lending was accompanied by stable asset quality indicators. This vindicates our strategy of granting prudent loans with quality control.

Deposits, which include demand deposits, promissory notes and investment companies, stood at 1,015,061 million pesos, an increase of 5%. Demand deposits remain strong, with a balance of 525,117 million pesos, an annual increase of 11%. This positive performance means the mix of funds gathered remains good; there is a greater relative weight of demand deposits, maintaining the leading position in deposits with a market share of 26.5% according to the National Banking and Securities Commission (CNBV).

BBVA Bancomer has carried out strategies for greater diversification of investment products for its customers. This explains the changes in time deposits, which closed the year at 127,342 million pesos, with an annual fall of 11%. Assets under management in mutual funds amounted to 305,358 million pesos, as one of the biggest mutual fund managers on the market, with a market share of 20.1%, according to information from the Mexican Securities Industry Association (AMIB) at the close of 2013.

Non-banking businesses continued to perform positively. The commercial activity of Seguros Bancomer was buoyant, recording a net profit of 4,496 million pesos, 21% up on the figure for the previous year, remaining one of the leading banks in the bancassurance segment.

The start of 2013 saw the sale of the subsidiary Afore BBVA Bancomer to Afore XXI Banorte for US\$ 1,734 million, including the transfer of the administration and control of the company at the same date.

At the same time, BBVA Bancomer has continued to manage actively the liquidity levels that support the growth demanded by our customers.

Commercial activity, appropriate cost control and good risk management have allowed Grupo Financiero BBVA Bancomer to post positive earnings figures at the close of the year.

Net interest income was 83,236 million pesos, 7.6% above the figure for 2012, despite the low interest rates in the market. This increase has been boosted by greater volumes of lending and deposits, with good price management, combined with the positive performance of the company Seguros BBVA Bancomer.

Income from fees and commissions closed the year with an upturn of 10.7%, due to increased transactions by customers with credit and debit cards, as well as higher income from investment banking fees, with major issues on the debt and capital markets by our corporate customers.

Administration and promotion costs closed the year at 45,444 million pesos, equivalent to an annual increase of 6.0%. Despite this, good management of expenses meant that the efficiency ratio stood at 42.1% at the close of 2013 and the bank remains one of the most efficient in the system.

Grupo Financiero BBVA Bancomer's net profit was 37,781 million pesos, 34.3% up on the previous year. Excluding the capital gains from the sale of Afore Bancomer, and in comparable terms, there was annual growth of 10.7%, the highest in the last four years.

The year 2014 will again be one of major transformation, of changing the way we do things, of searching for simplicity in processes, of teamwork and maintaining the commitment to offer a better quality service for our customers. Without doubt, it will be a year of many changes for BBVA Bancomer and also for the country, once the scope of the structural reforms approved is more clearly defined; and it will be a year when the country should grow at a faster pace that fosters more vigorous banking activity.

I would like to thank each and every one of the collaborators of Grupo Financiero BBVA Bancomer for their continued and loyal dedication; our customers for their decision to choose us; and the members of our Board of Directors for their dedicated activity to continue to strengthen our bank so that we can become "The Best Bank in Mexico."

Adelante,

Vicente Rodero Rodero
CEO

Management Committee

Name	Position
1. Vicente Rodero Rodero	Deputy Chairman and CEO
2. Luis Robles Miaja	Chairman of the Board of Directors
3. Ramón Arroyo Ramos	Director, Human Resources
4. Javier Malagon Navas	Director, Finance and Auditing
5. Pablo Pastor Muñoz	Director, Credit Risks and Recovery
6. José Fernando Pío Díaz Castañares	Director, Legal Services
7. Gerardo Flores Hinojosa	Director, Commercial Development and Payment Channels
8. Agustín Eugenio Mendoza López	Commercial and Customer Insight Director
9. Eduardo Osuna Osuna	Director, Government & Corporate Banking
10. Héctor Paniagua Patiño	Director, Transformation, Quality and Corporate Development
11. Francisco Leyva Rubio	Director, Systems and Operations
12. Fernando del Carre González	Director, Audit
13. Juan Pablo Ávila Palafox	CEO, Seguros BBVA Bancomer
14. Oscar Coppel Tirado	Director of Commercial Banking
15. Adrián Otero Rosiles	Director, Corporate & Investment Banking
16. Álvaro Vaqueiro Ussel	Director, Global Markets



Board of Directors

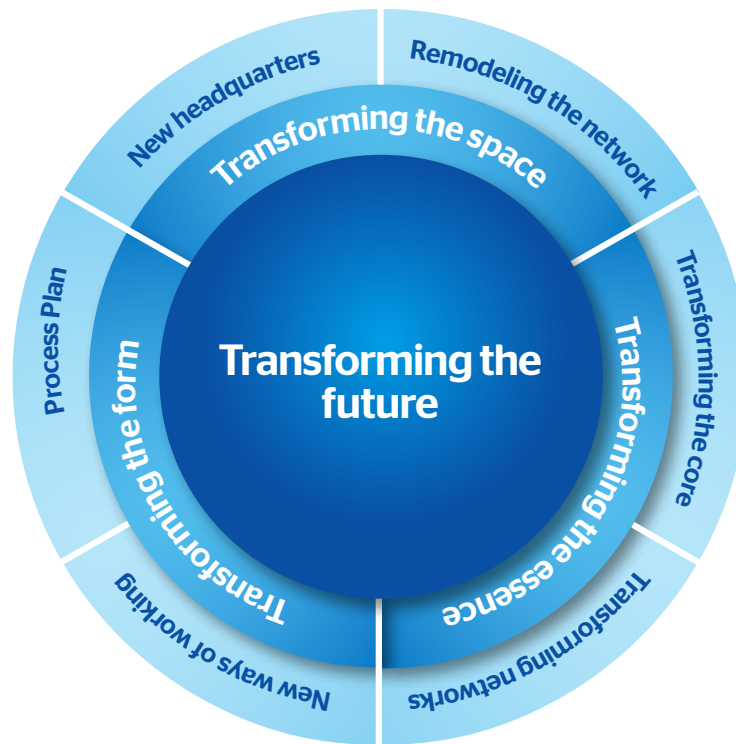
Full members	Alternate members
1. Fernando Gerardo Chico Pardo*	1. Bárbara Garza Lagüera Gonda*
2. José Francisco Gil Díaz	2. Ignacio Deschamps González
3. Alberto Bailleres González	3. Arturo Manuel Fernández Pérez
4. Alejandro Burillo Azcárraga*	4. José Fernando de Almansa y Moreno-Barreda *
5. Luis Robles Miaja (CHAIRMAN)	5. Vicente María Rodero Rodero (DEPUTY CHAIRMAN and CEO)
6. Pablo Escandón Cusi*	6. Andrés Alejandro Aymes Blanchet*
7. José Antonio Fernández Carbajal	7. Carlos Salazar Lomelín
8. Ángel Cano Fernández	8. Manuel Castro Aladro
9. Francisco González Rodríguez	9. Fernando Gutiérrez Junquera
10. Ricardo Guajardo Touché*	10. Jaime Serra Puche*

Secretary	Alternate secretary
José Fernando Pío Díaz Castañares	Alfredo Aguirre Cárdenas

Statutory auditor	Alternate statutory auditor
José Manuel Canal Hernando	Ernesto González Dávila

* Independent directors

BBVA Bancomer is transforming itself



BBVA Bancomer Investment

BBVA Bancomer has begun a major Transformation Plan with the main aim of creating a simpler and more efficient organization that is geared toward generating better results and solutions and providing a better quality service to customers, thus maintaining its position as market leader.

To accompany this transformation, in March 2013 an ambitious Investment Plan was announced for US\$3,500 million between 2013-2016. The plan is not only the biggest investment by a financial institution in Latin America but also reflects BBVA Bancomer's firm commitment to Mexico in the search for sustained growth.

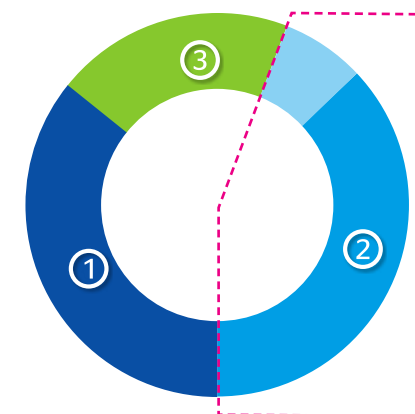
Most of the investment will be allocated for the benefit of customers and distributed as follows:

- US\$1,280 million for remodeling branches.
- US\$1,520 million for technology, made up of US\$1,270 million for risk, digital and IT platforms and improving multi-channel distribution; and US\$250 million for infrastructure.
- US\$700 million for concluding the construction of the new headquarters.

Total investment

US\$3,500 million
2013 - 2016

Click on any segment of the chart for more information



- ① **Branches**
- ② **Technology**
- ③ **New headquarters**



Financial Information



Analysis and Discussion of Results

Grupo Financiero BBVA Bancomer,
key balances in millions of pesos

Business performance

At the close of the year, the performing loan portfolio was 697,749 million pesos, 55,578 million pesos or 8.7% more than in 2012 (**Chart 1**). This growth was mainly boosted by the commercial portfolio and household lending (consumer finance, credit cards and mortgages).

By items, the commercial portfolio, which includes loans to companies, financial institutions and government, had a balance of 363,129 million pesos, 11.7% up on the figure for 2012 (**Chart 2**). This rise is a result of the positive performance of lending to corporates, medium-sized companies and SMEs, which at the close of the year was growing in double-digit figures.

Consumer finance and credit cards amounted to 180,574 million pesos, equivalent to an annual increase of 8.7% (**Chart 3**). It is worth noting that during the year around a million consumer loans were granted, including payroll, auto and personal loans, with a year-on-year increase in revenue of 11.6%. Revenue from credit cards continues to be positive, with an increase of 6.1% on the figure at the close of 2012.

Residential mortgage lending increased by 2.1% to 154,046 million pesos. Over 25,000 new mortgages

Chart 1: Performing loan portfolio
(million pesos and annual % change)

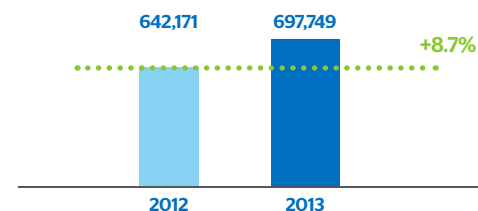


Chart 2: Commercial portfolio
(million pesos and annual % change)

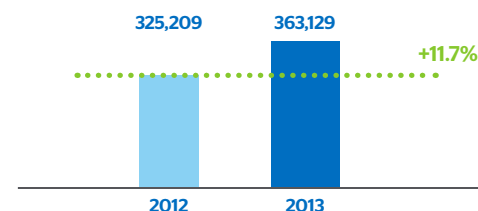
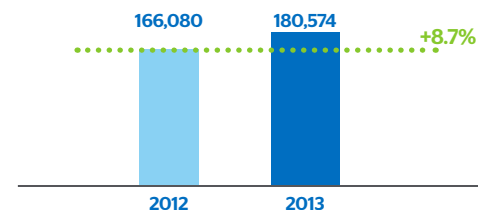


Chart 3: Consumer finance and credit card portfolio
(million pesos and annual % change)



Source: GFBB Consolidated Financial Statements

were granted in 2013, maintaining the bank's leading position in the private sector.

The balance of customer funds, including demand and time deposits, promissory notes and mutual funds, was 1,015,061 million pesos at the close of the year, 4.5% up on 2012. This is due to an annual increase of 11.3% in demand deposits to 525,117 million pesos, thanks to the good performance of commercial banking customers, as well as businesses **(Chart 4)**. Time deposits fell by 10.7%, as the strategy of offering higher value products to our customers has been maintained.

Assets under management in mutual funds amounted to 305,358 million pesos. The bank is one of the biggest mutual fund managers on the market, with a market share of 20.1%, according to AMIB data at the close of 2013.

Net Interest Income

Net interest income was 83,236 million pesos, equivalent to annual growth of 7.6%, boosted by greater volume of lending and deposits, as well as positive activity in insurance. Net interest income adjusted for credit risks was 59,537 million pesos, 8.1% on the figure for 2011 **(Chart 5)**.

Chart 4: Demand deposits

(million pesos and annual % change)

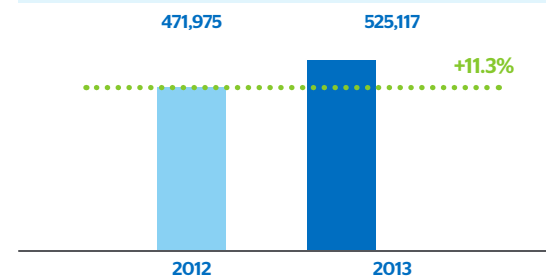
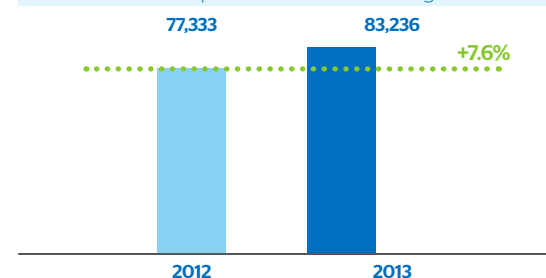


Chart 5: Net interest income

(million pesos and annual % change)



Source: GFBB Consolidated Financial Statements

Preventive estimate for credit risks

Our good risk management has maintained the quality of our loan portfolio over the year, as reflected in the stability of the preventive estimate for credit risks, which was 23,699 million pesos at the close of 2013.

Fees and Commissions

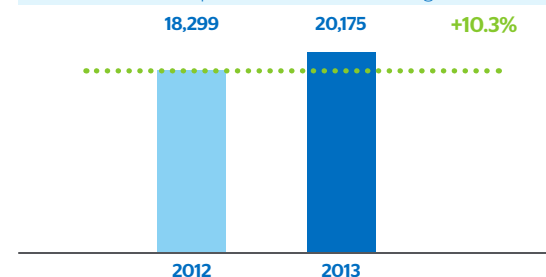
Net income from fees and commissions at the close of the year was 20,175 million pesos, an increase of 10.3% on 2012, boosted by a higher level of transactions with debit and credit cards, as well as higher income from Investment Banking fees, with major placements on the debt and capital markets for corporate customers (**Chart 6**).

Net trading income

Net trading income recorded a fall of 27.5% to 3,961 million pesos in 2013, affected by volatility on national and international markets.

Chart 6: Net fees and commissions

(million pesos and annual % change)



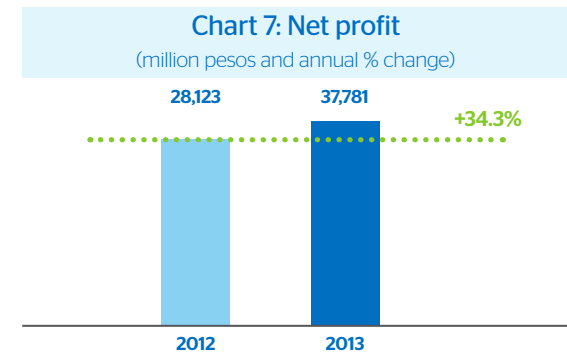
Source: GFBB Consolidated Financial Statements

Administration and Promotion costs

Administration and promotion costs were 45,444 million pesos, an increase of 6.0% with respect to the same period last year. The increase is the result of ongoing investment in infrastructure, as reflected in the improved distribution and sales force network. As of December 2013, the number of ATMs was 7,749 units, while POS terminals numbered around 101,000.

Net profit

Net profit was 37,781 million pesos, up 34.3% year-on-year. Excluding the capital gains from the sale of Afore Bancomer, there was annual growth of 10.7%, the highest in the last four years (**Chart 7**).





Audited Financial Statements



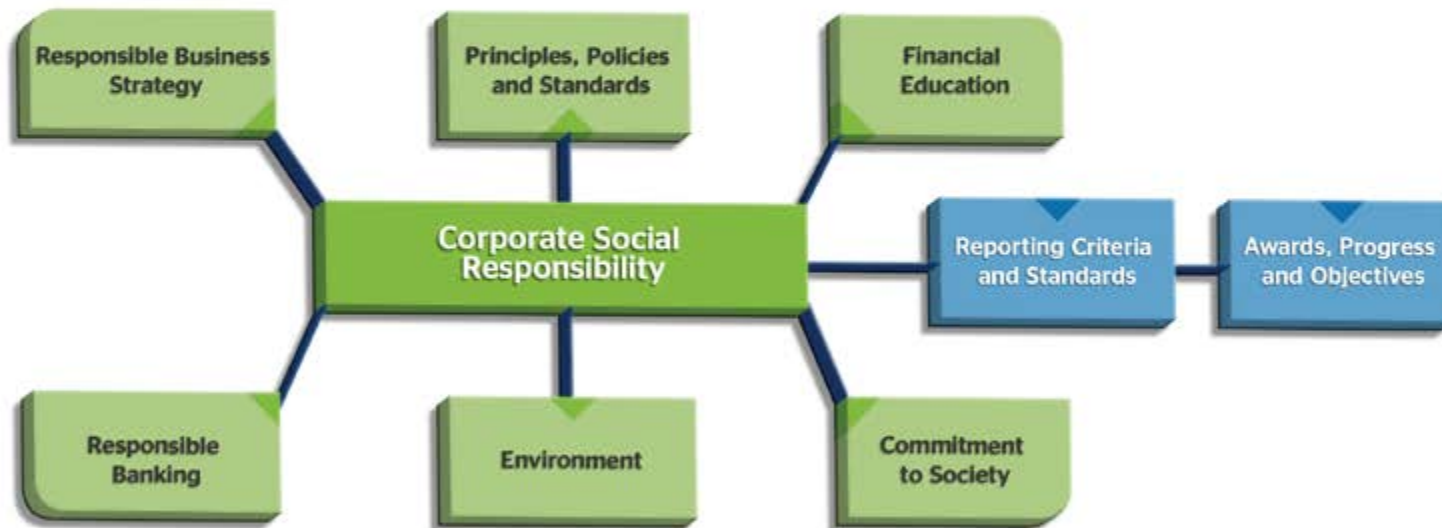
click here to see the Audited Financial Statements



Corporate Responsibility Information

Organizational Structure

For more details, click on one of the areas in the structure





Responsible Business Strategy

According to the transformation of the BBVA Bancomer Group, in the area of corporate social responsibility we are also evolving the way we do business responsibly.

Therefore, after we completed the previous two-year cycle of our 2010-2012 Corporate Responsibility and Reputation (CRR) strategy, during which we promoted 16 initiatives, this year we designed our new 2013-2015 CRR Plan called "Responsible Business".

For BBVA Bancomer being a responsible business means:

- 1. Long-Term Orientation:** setting stable and lasting relationships putting aside short-term opportunism.
- 2. Balanced Relationship with our Customers:** based on honesty, fair treatment and clear language, to build balanced relationships without asymmetries, together with a responsible product design and best selling practices.
- 3. Commitment to Impact and Development:** to support initiatives that impact the lives of people, businesses, local communities and national development.

In May 2013 the Responsible Business Workshop was held in order to determine the new CRR strategy for the next two years. With the participation of fifty employees from different business areas, new initiatives were generated for the new strategic plan.

2013-2015 Responsible Business Plan

2013-2015 Responsible Business Plan	
Strategic Lines	Initiatives
TCR (transparent, clear and responsible) communication	TCR Project
High impact solutions	Low-cost Channels Green Credits
Education	Financial Education Support for Entrepreneurs <i>Momentum Project</i> BBVA Bancomer Foundation
Others	Unique Experience Simplification HR Initiatives (diversity, equity and volunteering) Responsible Purchasing Global Eco-efficiency Plan

Due to its commitment with its stakeholders, BBVA has consolidated dialogue conduits aiming to learn the relationship between them and the Company.

In addition, the following two initiatives that were developed in the previous strategic plan shall remain valid for the current plan:

1. Mutual Improvement: This project began nearly two years ago in order to assist in the financial, social and physical rescue of 30 private housing areas with signs of abandonment at Fraccionamiento El Laurel (development), in Tijuana. To date, the inhabitants of El Laurel have organized 27 neighborhood committees, with their respective administrations and registered with the Municipality of Tijuana, allowing them to obtain benefits and manage improvements before the authorities. Regarding the physical rescue, 44 ecological containers were placed, 20 private housing areas with 860 homes were lit, 17 walls were built, 6 doors were installed, the facades of 5 private housing areas were painted, 103 homes were walled up to minimize encroachment and the public park El Laurel was restored. In all 1,242 houses have been benefited. By working together, BBVA Bancomer, the authorities of the Municipality of Tijuana, Infonavit, CESPT, Kommúnitas, Universidad Tecnológica de Tijuana and the inhabitants of El Laurel, through the restructuring of 252 credits and the consequent reduction of the non-performing loans, have recovered one million pesos owed in respect of property taxes and water.

2. Inclusion of People with Disabilities: After last year's experience of integrating 11 people with intellectual disabilities and 8 people with motor and hearing disabilities, this year we decided to develop the inclusion strategy with a new vision and institutionalization of processes that respond to the challenges that have been found on the road.

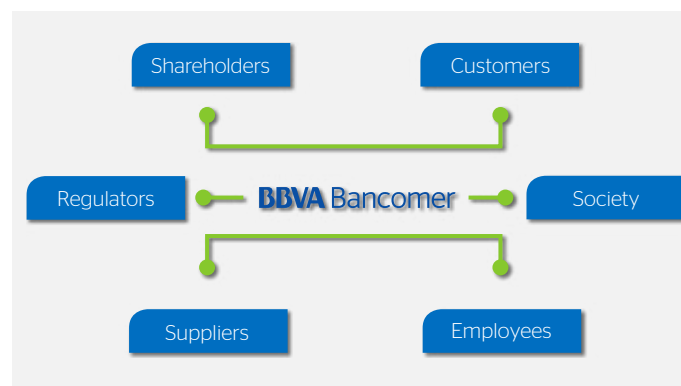
For more information, please refer to the Non-Discrimination and Equal Opportunities section in the Human Resources chapter.

 [click here to consult the 2013 developments.](#)

Stakeholders

The BBVA Bancomer's commitment to its stakeholders—shareholders, customers, employees, suppliers, regulatory entities and society—has led it to consolidate dialogue channels, allowing it to constantly and reliably know priorities and expectations of these groups in their relationship with the company.

BBVA Bancomer Stakeholders and Commitments Maintained with Each



The three main ways to understand and analyze the expectations of stakeholders are:

1. The everyday relations between business and support areas and each of the stakeholders, including periodic assessment of our performance. This group includes tools such as the employee satisfaction survey and the customer and supplier satisfaction survey. Also, these activities involve the participation of different company areas in industry forums and associations and with regulatory entities.
2. The Corporate Responsibility and Reputation Area, which drafts periodic reports based on analysis of public opinion and trends on sustainability obtained from varying sources such as Reptrack and GlobeScan, as well as other specialized analysis performed by BBVA Research.
3. The qualitative information we obtain through direct dialogue sessions organized by the CRR Area together with area experts, which is used exclusively to understand the perception that key interest groups have of the social responsibility performance of BBVA Bancomer. To this end we use tools such as focus groups, roundtables, and panel discussions.

Our main internal communication channels are: branch offices, Línea Bancomer (customer service phone number), the internet portal, and various media outlets (newspapers, magazines, inserts, direct mailings, television, and radio, among others). Regarding internal communication, we have the

Para ti de RR HH (For you from HR) portal, the BBVA Bancomer and Seguros Bancomer internal electronic magazine, and the *Conecta-T* internal communication magazine.

Relevant Issues

In an exercise conducted annually by the CRR Committee, the results of the different tools of dialogue with stakeholders are analyzed and prioritized according to their importance for the business. The result of this exercise is a listing of relevant topics, based on which CRR programs and projects are established.

 [click here to consult the 2013 developments.](#)

Impact of BBVA Bancomer on Society

Derived from traditional financial activity, BBVA Bancomer has a positive effect on society. *Social impact* is the project we created to measure this effect with simple and understandable indicators.

 [click here to consult the 2013 developments.](#)



Principles, Policies and Standards

Our Principle-Adjusted Return strategy is based on placing in the first place of our management the principles of integrity, prudence and transparency, and thus be a reliable bank for our customers, employees, suppliers and the general public.

Corporate Responsibility Principles, Policies, and Governance

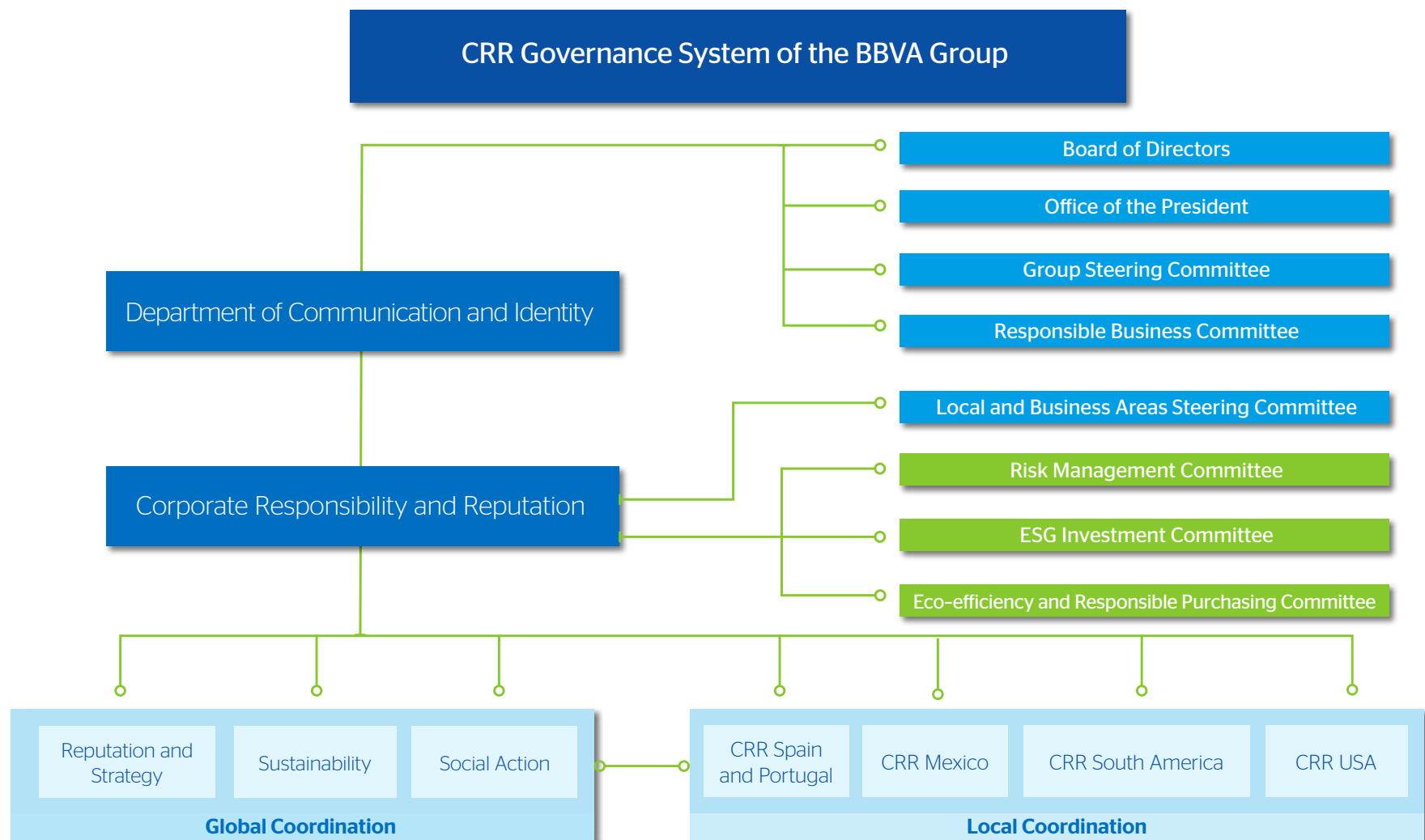
The Corporate Responsibility (CR) –which mission is to define and encourage behaviors that allow the company to generate value for all its stakeholders– expresses BBVA Bancomer’s commitments on corporate social responsibility, pursuant to its principles and values, in order to achieve our vision: “working towards a better future for people.”

Corporate responsibility is organized by a governance system under the leadership of the Board of Directors of BBVA Group. Locally, the highest governing body is the Corporate Responsibility and Reputation Committee (abbreviated to RRC in Spanish), chaired by the CEO of BBVA Bancomer and made up of nine Deputy Directors, eight Area Directors (with the CRR Director serving as coordinator), and three CRR Directors from the BBVA Group.

RRC Management of BBVA Bancomer is responsible for executing the strategic plan, through coordination of the business areas involved.

In 2013 four committee sessions were held, during which the progress of ten programs and the new RRC strategic plan (“Responsible Business”) were revised.





The compliance system of the Group is one of the foundations on which BBVA Bancomer strengthens the institutional commitment to conduct all its activities and businesses in accordance with strict codes of ethical behavior.

BBVA Bancomer assumes the importance that implies –for large institutions– having a governance system that guides the structure and operation of its governing bodies aimed at the company and its shareholders.

Compliance System

The compliance function, in line with the principles established by the Bank for International Settlements (BIS) and with the European standard Markets in Financial Instruments Directive (MiFID), continues to articulate its activity around the promotion of policies and procedures, dissemination and training on compliance, and the identification, assessment and mitigation of potential compliance risk, such as those affecting the following issues:

- Market behavior
- Handling of conflicts of interest
- Prevention of money laundering and terrorist financing
- Personal data protection

The basic pillars that make up this model are:

- An appropriate organizational structure with a clear allocation of roles and responsibilities throughout the organization.
- Policies and procedures that clearly mark the positions and requirements to be applied.
- Mitigation processes and controls to ensure compliance with these policies and procedures.
- A technological infrastructure focused on monitoring and addressed to ensure the above purpose.
- Communication and training mechanisms and policies aimed at sensitizing the people in the company on the applicable requirements.
- Monitoring metrics and indicators that allow supervising the implementation of the model globally.
- Independent regular review of the effective implementation of the model.

System of Corporate Governance

The policies and principles that make up the Corporate Governance System for the BBVA Group are established in the **Board Regulations**, which govern the internal structure and operation of the Board and its Commissions, as well as the rights and obligations of the Board Members.

More details about the structure and function of this model can be found in the 2013 **Corporate Governance Annual Report**.

The BBVA Bancomer Board of Directors is of plural representation; 40% are Independent Board Members. Such Board constitutes the natural representation, administration, management, and surveillance organ of the Company and, according to its own regulations; it is responsible of the most important decisions affecting the Company. It is made up by five specific commissions: An Executive Committee, an Audit and Compliance Committee, an Appointments Committee, a Remuneration Committee and a Risk Committee.

One of the main sources of added value at BBVA Bancomer is its corporate integrity.

Code of Conduct and Other Commitments

Code of Conduct

The **Code of Conduct**, which compliance is mandatory for all entities and employees of the Group, publicly reflects the set of commitments that the BBVA Bancomer Financial Group has with its direct stakeholders: shareholders, customers, employees, and vendors, and with the societies in which the Group operates. This Code is in accordance with the Universal Declaration of Human Rights, the Global Compact of the United Nations, and other treaties involving international organizations, such as the International Labour Organization (ILO).

On human rights the BBVA Bancomer Financial Group promotes respect for the dignity of people and for the rights to which it is entitled in all its relations. This commitment is enshrined in the document **Compromiso de BBVA en Materia de Derechos Humanos** (BBVA Commitment to Human Rights), which details the scope and mechanisms through which human rights are upheld and the adoption of measures necessary to resolve any potential transgression.

The institutional channels to file a complaint for breaching the Code of Conduct, known internally as *Actitud Responsable* (Responsible Attitude) and that help to preserve the corporate integrity of BBVA Bancomer are:

Internal Mail: Actitud Responsable (Responsible Attitude)

External Mail: actitud.responsable@bbva.bancomer.com

Voicemail: (55) 56214188 or 01800-001-0011

HPD (corporate Intranet): *No lo vamos a tolerar* (We won't put it up with)

Director of Discipline, Legal or Human Resources Directors:

Corporate Compliance Management of BBVA:

actitud.responsable@bbva.com

In accordance with Principle 10 of the Anti-Corruption Global Compact, and in adherence to pertinent legislation on the matter, at BBVA Bancomer we work to combat corruption in all its forms, including extortion and bribery.



[click here to consult the 2013 developments.](#)

Policies and Standards of Functional Areas

In addition to the Code of Conduct for employees, the BBVA Bancomer Financial Group has other specific instruments to manage the basic commitments of each functional area. The most important among them include:

- Internal Regulations for Conduct in the Securities Market
- Bylaws of the Compliance Function
- Bylaws of the Board of Directors
- Code of Ethics for Personnel Hiring
- Principles Applicable to Persons Participating in the BBVA Procurement Process

- Basic Principles of Risk Management and Manual of Risk Management Policies
- Standards for Relations with Persons and Entities of Public Concern on Matters of Financing and Guarantees
- Principles Applicable to Divestiture Processes for Property and Equipment Belonging to the BBVA Group through Offer to Group Employees

Legal Compliance

As of December 31, 2013, BBVA Bancomer had no fines or sanctions on record for failure to comply with laws and regulations on environmental matters, performance within society, or the provision and use of products and services that may be of any significance with regard to the

company's net worth, financial standing, or consolidated results. Likewise, there were no legal suits detected relating to acts of discrimination or violation of human rights, or significant legal complaints with regard to working conditions.

International Commitments and Agreements

At BBVA Bancomer we continue to support the following initiatives:

- The United Nations Global Compact
- The Financial Initiative of the United Nations Environment Programme
- The Equator Principles
- The United Nations Principles for Responsible Investment



Financial Education

The goal of the BBVA Bancomer's financial education strategy is that people may gain a better understanding of financial products and concepts and may develop the skills needed to make informed decisions to improve their quality of life.

Adelante con tu futuro (Get Ahead on Your Future)

After five years after its creation, our financial education program (*Adelante con tu futuro*) has been positioned as a social initiative that has an increasingly greater impact on various sectors of Mexican society.

Currently, through *Adelante con tu futuro* we offer eight free workshops on personal finance and two modules for SMEs, which can be taken either in the 20 fixed classrooms located in 14 of the major cities, in 15 mobile classrooms and 15 mobile teams that are used to bring the workshops to the facilities of companies or online at our [website](#). Also, through our *Didáctica Tradicional* (Traditional Teaching) method, the "Savings and Credit" and "Mortgages" workshops are taught to people without the skills and knowledge to manage electronic technology, a very dynamic method that can be performed at any space.

Similarly, through social service we train students that replicate the workshops with those university communities with whom we have signed agreements. The workshops are developed by BBVA Bancomer in collaboration with the Interactive Economics Museum (MIDE, in Spanish) and Monterrey TEC.

Valores de futuro (Future Values)

This program started with the purpose of developing, among primary and secondary school children, the values associated with money management, using predesigned workshops that teach lessons through different classes from the basic curriculum in Mexico.



[click here to consult the 2013 developments.](#)



Responsible Banking

In BBVA Bancomer we call “responsible banking” to the way in which we integrate environmental, social, ethical and corporate governance variables (ESG) in our daily business: in our financing activities and asset management, in the relationship with our employees and our suppliers, and through our commitment to the environment.

Customer Assistance

Quality, Satisfaction, and Service

We strive for knowing and understanding our customers better in order to continue placing them in the center of the business, so as to enhance their experience in each of their interactions with the bank.

To achieve this, we work in the following lines:

- Customer analysis and information: this allows us to understand and classify customers in order to segment, understand and predict their needs and to offer them differentiated products and services.
- Simplicity in processes: We seek to privilege simplicity and operational excellence, and to promote the simplification of processes to facilitate the commercial management of the sales force and the performance of the core areas.
- Efficient Customer Service System: The complaints that one of our customers or users might have on the use of BBVA Bancomer products and services, are resolved by the relevant channels, such as branch offices, *Línea Bancomer*, *Bancomer.com*, etc.

When these claims and complaints are not resolved by these channels, our customer can go to the Bancomer UNE (Specialized Unit) as a second option. The UNE Bancomer is an independent system and capable of self resolution to act on behalf of customers. Also, this area works together with Condusef. It is responsible for receiving, understanding, analyzing, comparing and resolving these complaints and claims.



[click here to consult the 2013 developments.](#)

Transparent, Clear and Responsible Communication

The financial sector is perceived as complex. The client believes that we use a highly technical language that helps us to understand among people in the same sector, but it is difficult for them.

TCR (Transparent, Clear and Responsible) Communication consists in defining the basic performance criteria and the necessary guidelines to implement greatest possible simplicity to the entire communication of our products and services and at all points of contact with customers and with our stakeholders.

TCR Communication

Transparency

It must be honest, stick to the facts and always based on truth, avoiding any information that may be misleading and resulting in unwanted decision making.

Clarity

Direct: The characteristics of the product or service are set forth in a fast and precise way.

Complete: Suitable and sufficient for a correct and responsible decision-making, indicating both the risks and benefits of the product or service.

Responsibility

Honest: Always oriented to the client's interests.

Committed: Led by the removal of any exclusion, promoting financial education and development of the communities where it operates.

Responsible Advertising

We make sure that our communication complies with the regulations and standards set by the various bodies responsible for regulating the information and labeling of financial institutions in Mexico, such as the Law for

Transparency and Order of Financial Services and the National Commission for the Protection and Defense of Users of Financial Services (Condusef).



[click here to consult the 2013 developments.](#)

In Mexico small businesses are the major generators of employment, however, access to credit is limited. Therefore, BBVA Bancomer has especially prompted the SME sector.

Access to Credit

Our three main areas of work are:

1. Entrepreneurs Support Program: We participate actively in the entrepreneurs support program organized by the Ministry of Economy with funds and the creation of a specialized commercial offering through a membership with special conditions.
2. New markets and tools for entrepreneurs: We serve the new market through a psychometric model called EFL, which analyzes entrepreneurial skills to determine the ability and willingness to pay. We continue strengthening our blog www.yosoypyme.net, sharing specialized content throughout the life cycle of a business. Furthermore, we integrate real entrepreneurs, supported by our initiatives, as frequent collaborators.
3. We support major initiatives of entrepreneurship in Mexico.



[click here to consult the 2013 developments.](#)

Social Entrepreneurship

Many people have found on entrepreneurship a way to counteract the effects of the current economic situation, in such a manner that they have been self-employed and achieved economic stability.

In accordance with the creation during this year of the National Institute of Entrepreneurship (Inadem), BBVA Bancomer bets on new entrepreneurs as drivers of change through various support programs.



Momentum Project

Last year, the Momentum Project, a global BBVA Group initiative, was launched in Mexico to support social entrepreneurship. In partnership with New Ventures Mexico, and the EGADE Business School of the Tecnológico de Monterrey, and a special collaboration of Pricewaterhouse Coopers, we supported companies that have the mission of generating social or environmental change in the country.

In the first call in 2012, 112 projects were received, which were analyzed through four filters that resulted in ten selected companies, which acquired the right to participate in this program that consists of:

- An intensive 40-hour educational process at the EGADE Business School, as well as strategic advisory from BBVA Bancomer directors and retirees and from the network of mentors at New Ventures Mexico.
- Receiving funds from BBVA Bancomer to grow their businesses and motivate more companies.
- Follow-up from participating experts for subsequent review and evaluation of their endeavors.

Momentum Project has a *YouTube* channel where one can learn about the initiatives supported.



[click to go to the *YouTube* channel](#)



[click here to consult the 2013 developments.](#)

Security, Customer Protection and Business Continuity

Crime and lack of security have become very important issues for Mexicans. For BBVA Bancomer these issues are a priority, thus the Department of Institutional Security are working on several fronts to protect the safety of customers and others who receive our services, as well as that of our employees and business.

We have implemented a Business Continuity Plan, which allows us to take the necessary measures to ensure that our activities are not affected in emergency situations, such as natural catastrophes, pandemics, and social conflicts.



[click here to consult the 2013 developments.](#)

Responsible Design of Products and Services

B+Educa Fund

Our philanthropic investment fund, the B+EDUCA Fund, is the first of its kind in Mexico. It allows investors to earn high returns while also having the opportunity to contribute to education in Mexico.

Through the B+EDUCA Fund, investors donate 25% of their monthly returns to provide scholarships for young people with high levels of academic achievement through the *Por los que se quedan* (For those left behind) Scholarship Program, an initiative of the Bancomer Foundation.



[click here to consult the 2013 developments.](#)

BBVA Bancomer *Afinidad UNAM* (UNAM Affinity) Credit Card

This year we launched a credit card in support of education in Mexico through the National Autonomous University of Mexico (UNAM). This card is aimed at students, teachers, researchers, administrative staff and any interested person or linked to the most recognized university in Mexico.

One of the benefits conferred by this card to the UNAM is the contribution of 1.5% of all billing that in turn will be provided as scholarships and support for students of the last semesters could graduate. The recent launching of this product has already contributed to the UNAM Alumni Foundation over 500 thousand pesos for this purpose.

Additionally, this product has an insurance that supports the children's continuity of education in the amount of \$750 USD for up to 5 months paid to the children of the card holder, if the holder had a permanent disability or died.

Responsible Finances

Inclusion of ESG Variables in Risk Management

In our risk management system we include the “ESG” variables along with the other aspects traditionally managed.

ESG stands for environmental, social and corporate governance, and aims to manage non-financial risks that could affect the creditworthiness of borrowers or financed projects, and that could jeopardize debt repayment.

This integration is specified in the following lines of action:

Social, Environmental and Reputational Risk Management Committee

In 2011 we created the Committee of Social, Environmental, and Reputational Risk Management Committee (abbreviated to SAR in Spanish), which main functions include promoting and monitoring the management of key reputational risks and the actions aimed at integrating social and environmental risks in the activities of the Group.

The SAR Committee is chaired by the Group's Director of Risks and made up by the Directors of the Departments of Legal Services, Audit and Compliance, Communication and Brand, Technical Secretariat of Risk, Corporate Risk Management, Operational Risk and Internal Control, Risk Portfolio Management, Corporate & Investment Banking

(CIB), Regulatory Compliance, CIB Strategy and Coordination, Global Retail & Business Banking, Strategy & Coordination and Corporate Responsibility & Reputation.

The Equator Principles

Since 2004, the BBVA Group has adhered to the Equator Principles (EPs), a set of standards promoted by the World Bank, through its affiliate the International Financial Corporation (IFC), in order to determine, evaluate, and manage social and environmental risks in project financing.

Based on the IFC's Policy and Performance Standards on Social and Environmental Sustainability, and on the World Bank's General Environmental, Health, and Safety Guidelines, The EPs are applied to financing of new projects that total 10 million dollars or more, to the expansion of projects that generate significant impacts, and to advisory services for project financing. At BBVA Bancomer, we do not apply this minimum limit, instead choosing to apply the EPs to transactions of any amount, regardless of the ultimate allocation of funds, including not only new projects or significant expansions, but also project construction, acquisition, refinancing, etc.

EP analysis is included in our internal project structuring and approval processes. This process includes social and environmental due diligence, which begins with assignment to one of three categories (A, B, or C), which, based on the IFC categorization criteria, reflect the level of environmental and social risk of the project. To approve any project

For the BBVA Group to prevent products and services are used for illegal purposes is an essential requirement for maintaining confidence.

financing, in addition to preliminary categorization, the file must include an EP compliance report, reviewed by the unit responsible for approval.

Ecorating

We have designed a tool called *Ecorating*, which will allow us to assess companies' risk portfolio from an environmental perspective. Each client is assigned an environmental risk level based on a combination of several factors: location, polluting emissions, resource consumption, company environment susceptible to direct or indirect impact by the company, legislative pressure, and supervision of environmental considerations, to mention just some of the more significant factors.

Its objectives are:

1. Identifying the level of environmental and social risk of a customer or prospect individually.
2. Establishing controls that minimize the potential environmental impacts of the client on the environment.

The *Ecorating* consists of a questionnaire that includes six questions on the following topics:

- Permits for drinking water service
- Permits or records of land use
- Permits for electricity supply
- Special permits (licenses) issued by the state or municipality

- Administrative penalties relating to environmental issues
- Environmental Management System (ISO 14001 certification)



[click here to consult the 2013 developments.](#)

Preventing Money Laundering and Terrorism Financing

The prevention of money laundering and the financing of terrorist activities is, primarily, a priority OBJECTIVE that the BBVA Group associates with its commitment to favor and uphold the wellbeing of the different social environments in which it pursues its operations.

To achieve this objective, the BBVA Group, as a global financial group with branches and subsidiaries operating in many countries, has a model of risk management to prevent money laundering and financing of terrorist activities including the following elements:

- An organizational structure that has the necessary resources to manage this function and a clear allocation of responsibilities for each entity.
- A regulatory body that determines the obligations and cautions in this field; of particular importance are those relating to know your customer (KYC) measures.
- The implementation of customer monitoring measures, designed to identify potential suspicious activities and ensure their reporting to the competent authorities.
- The implementation of employees' communication and training plans. These plans are designed according to

the level of exposure of each group to the risk of money laundering and its purpose is to maintain an appropriate level of awareness and to provide the necessary capabilities to comply with applicable regulations.

- The ongoing communication between the head office and all branches and subsidiaries of the BBVA Group, so that continuous monitoring and supervision in this area may be ensure.
- Finally, the need for an independent review, in order to independently verify and confirm the implementation and effectiveness of other elements of the model.



[click here to consult the 2013 developments.](#)

Human Resources

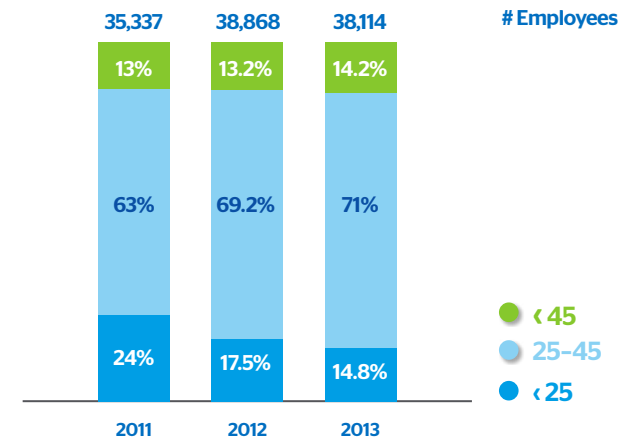
Diversity

We have an inclusive diversity strategy that not only allows us to guarantee the respect for differences but to strengthen the attributes of all our employees.

Profile of Our Employees

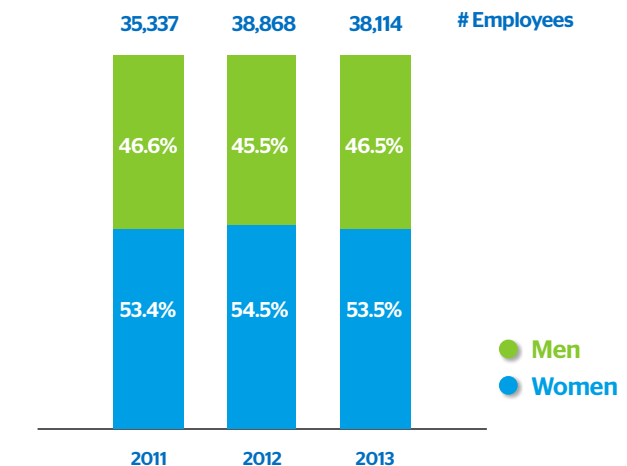
In BBVA Bancomer we have 38,114 employees throughout the 31 states of the Mexican Republic, from which 53.5% are women and 71.2% are between 25 and 45 years of age.

Staff by Age



Source: BBVA Bancomer Group

Staff by Gender



Source: BBVA Bancomer Group

Staff by Contract and Work Schedule		
2013		
Contract	34,115 with permanent contract	3,999 with temporary contract
Work Schedule	37,217 full-time employees	897 part-time employees

Source: BBVA Bancomer Group

Non-Discrimination and Equal Opportunities

In order to promote and ensure equal opportunities, we have implemented several initiatives through our Gender Diversity Plan, which are classified into three lines of action:

1. Maternity: Prevent maternity leave from being an impediment to the development of women at the company.
2. Promotion and Development: Encourage the promotion of talented women.
3. Awareness: Raise awareness about the need for the best people occupying the best positions, regardless of their gender.

Likewise, BBVA Bancomer has implemented the Inclusion of People with Disabilities program. We are currently structuring the inclusion strategy with a new vision and institutionalization of processes that respond to the challenges that have been found on the road, such as:

- Creating a culture of inclusion, looking for the senior and mid-level management impulse.
- Adapting facilities and allocation of a budget.
- Establishing recruitment sources and processes.
- Developing a special job offer for people with disabilities.
- Strengthening relationships with specialized associations.



[click here to consult the 2013 developments.](#)

Hiring, Compensation, and Development

In a context where unemployment is one of the main challenges, BBVA Bancomer employed 38,114 people this year.

Our hiring tools, such as the *Apúntate* (Sign up) job board and the *Job-posting* system, guarantee talent development, transparency in hiring processes, and equal opportunities. With regard to the management team, 95% are of Mexican origin.

The base salary for each professional category is the same regardless of gender. The level of compensation at BBVA Bancomer is determined based on the level of responsibility the position requires and the professional experience of each person, while fully respecting the individuality of each employee and avoiding discrimination of any kind. Our minimum wage in the company is 50% higher than the minimum wage within the country.

We continue to implement value programs that seek to enable the development of our human capital so that we keep being one of the best companies to work for.

Our talent management system includes an annual skill assessment process, which allows us to identify the areas of improvement and progress of each individual, so they can define an individual development plan together with their immediate superior.



[click here to consult the 2013 developments.](#)

Training

The major initiative on this year is the creation of the *Universidad BBVA* (BBVA University), which will provide an opportunity for our employees to study high school, undergraduate education and postgraduate education in partnership with prestigious institutions such as the *Universidad Tecmilenio*, part of the system of the Institute of *Instituto Tecnológico y de Estudios Superiores de Monterrey* (ITESM in Spanish) (Monterrey Institute of Technology and Higher Education) and the *Colegio Nacional de Matemáticas* (National College of Mathematics). At this early stage we attain to enroll 822 employees: 290 to conclude high school; 286 undergraduate education; and 246 postgraduate education.

To support continuous improvement in quality, we implemented the *Experiencia Única* (Unique Experience) model of care and service with a classroom program for staff of the branch network with 10,000 participants and a total of 400,000 hours of training. We supported 560 employees to complete their studies and continuing training courses.

In mitigation of operational risk 474,000 hours of training were conducted, from which 310,000 were devoted to the prevention of money laundering, 156,000 to the *Asociación Mexicana de Intermediarios Bursátiles* (Mexican Association of Securities Intermediaries), 6,500 to risk and 1,400 in

the *Ley de Protección de Datos Personales* (Personal Information Protection Law), impacting 54,000 employees.

We strengthened the theme of financial education with the teaching of the fourth edition of this course, where 23,296 employees were registered totaling 91,572 hours of training. In leadership topics 108,550 hours were devoted on 3,367 leaders working for a better working environment.



[click here to consult the 2013 developments.](#)

Occupational Conditions

Freedom of Association

At BBVA Bancomer, we believe that dialogue and collective bargaining are the best ways to resolve conflicts and reach consensus, pursuant to regulations in effect in Mexico.

BBVA Bancomer has the most comprehensive collective labor agreement in the financial sector, which defines labor relations with 28% of employees. Banking institutions in general have been characterized by offering compensation and benefits well above those established by Law. Not only is BBVA Bancomer no exception to this characterization, but also it offers more advantageous conditions than many other companies from the industry in some areas.

Every two years the Collective Labor Agreement is thoroughly reviewed together with the BBVA Bancomer National Union of Banking and Credit Services and Related Financial Activity Employees (SNAEBB, in Spanish), in order to reformulate administrative clauses.



[click here to consult the 2013 developments.](#)

Occupational Health and Safety

We have an Occupational Health Policy, which ensures that our employees perform under the best health, hygiene and safety conditions.

The Collective Labor Agreement of *BBVA Bancomer Operadora* entered into with its union states the obligation that the company shall provide medical care to its workers and their legal beneficiaries. As of December 31, 2013 the beneficiaries' basis amounted to 9,999.

 [click here to consult the 2013 developments.](#)

Job Satisfaction Survey

Listening to our employees allows us to know our strengths and identify areas of opportunity. Therefore, we have several tools to express their views objectively and confidentially, such as the Employee Satisfaction Survey, the *Great Place to Work (GPTW)* diagnosis and the *Reprack internal reputation index*.

 [click here to consult the 2013 developments.](#)

Pasión por las personas (Passion for People)

The personal benefits we offer to BBVA Bancomer employees are divided into three areas:

- Personal loans for clothing and footwear, consumption, automobiles, mortgages, personal items and business loans.
- Agreements with companies and memberships in discount and hotel programs, vacation incentives, and seniority recognition.

Through our "*Pasión por las personas*" ("Passion for People") corporate program we offer our employees initiatives that promote both their personal development and pride of belonging to BBVA Bancomer.

- Athletic, social and cultural activities to promote integration and family wellbeing.

 [click here to consult the 2013 developments.](#)

Corporate Volunteering

Given the increasing importance of volunteering in Mexico, this year we took on the task of reviewing our initiatives in order to institutionalize them, which resulted in the creation of the Corporate Volunteer Program. This model is intended to bind the corporate social responsibility programs of the bank to the genuine interest of our employees who want to volunteer for their community.

 [click here to consult the 2013 developments.](#)

Responsible Purchasing

Principles Governing the Purchasing Process

The relationships that BBVA Bancomer maintains with its suppliers are governed by the Code of Conduct and are based on compliance with the law and a commitment to integrity, competition, objectiveness, transparency, the creation of value, and confidentiality.

We are also governed by some principles applied to those who participate in the procurement process who develop this Code in purchasing matters. At BBVA Bancomer, we require that our suppliers meet, at minimum, our own social and environmental standards, and that they uphold all current legislation as well as the principles outlined in the United Nations Global Compact.

The relationships that BBVA Bancomer maintains with its suppliers are governed by the Code of Conduct and are based on compliance with the law and a commitment to integrity, competition, objectiveness, transparency, the creation of value, and confidentiality.

BBVA Bancomer works so that people in the most needed segments of population have access to financial services responsibly designed and tailored to their needs to improve their lives and those of their families.

Supplier Certification Process

We continue to make progress in the certification of our suppliers, which consists of verifying financial, operational, and regulatory factors, including elements related to Social Security and the Federal Law on the Protection of Information. This allows us to have a better understanding of the financial and operational quality of our suppliers, so as to determine whether business relationships with them will continue.

There is a certifying entity responsible for conducting annual audits of suppliers to verify that they meet the certification criteria.

Management and Procurement Tools

This year, 71.23% of BBVA Bancomer orders from suppliers were made through our electronic business platform, *Adquira*. Quote requests, automatic purchase orders, and other operations are made through this system, using an efficient and transparent framework that optimizes the negotiation process and improves the services offered to the internal client, while also encouraging transparency, as the system is fully auditable.

Responsible Purchasing Policy

Last year the **Responsible Purchasing Policy** of the BBVA Group was approved, developed to integrate social and

environmental issues throughout the whole procurement process, based on which we will work on local initiatives.

 [click here to consult the 2013 developments.](#)

Financial Inclusion

BBVA Bancomer works to help people in the neediest segments of the population may have access to financial services designed responsibly and tailored to their needs to improve their lives and those of their families.

Banking Access

In Mexico, a large part of the population has no access to basic financial services. Most of this population is located in rural and semi-urban municipalities with fewer than 50,000 inhabitants, characterized by an uncertain economic and demographic outlook.

The banking strategy of BBVA Bancomer is to develop a range of products and financial services in agreement with the identified needs, based on three characteristics: low cost, channels other than bank counters and innovation in technology platforms.

 [click here to consult the 2013 developments.](#)

Environment

As a financial institution, BBVA Bancomer has the great task of being an agent of change promotion for the environmental conservation, both inside and outside the company.

Our commitment to the environment is reflected in the **Environmental Policy**, which monitoring is in charge of the Eco-efficiency and Responsible Purchasing Committee, as well as in the various initiatives to which we have adhered to: the Financial Initiative of the United Nations Environment Programme (UNED-FI), the Equator Principles, the Principles for Responsible Investment (PRI), the United National Global Compact and the Carbon Disclosure Project.

Global Eco-efficiency Plan

In order to further reduce our environmental footprint, this year we launched our new 2013-2015 Global Eco-efficiency Plan, which sets targets for reducing concrete and measurable consumption:

- 3% reduction in water consumption (objective per employee)
- 3% reduction in electricity consumption (objective per employee)
- 3% reduction in paper consumption (objective per employee)
- 6% decrease in CO₂ emissions (objective per employee)
- 33% of employees working at environmental certification buildings

This new plan will complement the initiatives already included in the 2008-2012 plan, through the implementation of innovative projects operated by the Properties and General Services Department, among others. Within these projects are:

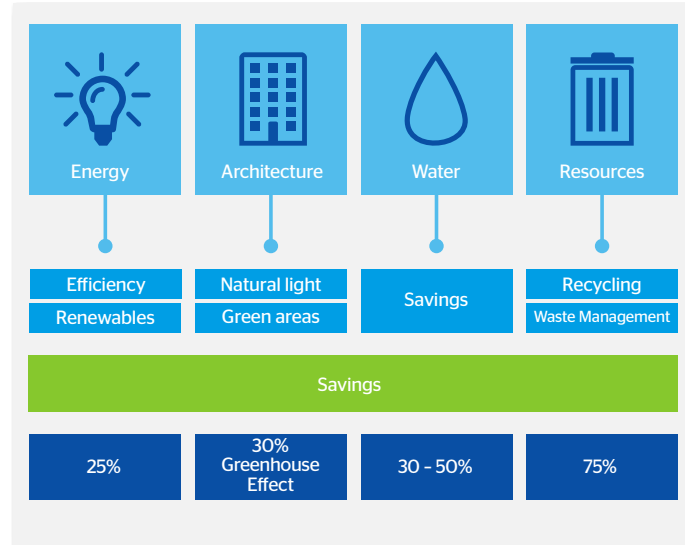
- Hiring of wind energy.
- Confidential document and general paper destruction program.
- Construction of the new LEED certified corporate headquarters.
- Staff transport with inter-building ecological vehicles program in new locations and collective routes.
- Replacement of ecological gas-based air conditioning in offices.

 [click here to consult the 2013 developments.](#)

LEED Corporate Headquarters

In 2010 we began construction for our new corporate headquarters, which will be completed in the mid 2015. The BBVA Bancomer Tower will have a capacity of 4,500 people, while the BBVA Bancomer Operational Center will house another 4,200. Both headquarters will have LEED (Leadership in Energy and Environmental Design) certification, which implies considerable savings in energy, water, recycling, and resource management, while also ensuring that our employees are working in a healthy environment.

LEED Certification Commitments:



ISO: Building 14001

	2011	2012	2013
Buildings certified pursuant to environmental standard ISO: 14001	10	11	-
Number of employees at certified buildings	3,290	3,290	-

- (1) Certified buildings in 2011 and 2012 were: Montes Urales 424 and Montes Urales 620 in Mexico City; Terranova and Chapultepec in Jalisco; Plaza Financiera in Tijuana; 5 de Mayo in Puebla; Centro Financiero León in Guanajuato; Sede Culiacán in Sinaloa; Edificio Colón in Yucatán; and Edificio Valle Sena in Nuevo León.
- (2) In 2014, the recertification of certified buildings in 2012 will be made.
Source: Central buildings and bank offices

Waste Generated



- (1) This equipment was sent to the distributor.
(2) (kg)=kilogram
Source: Central buildings and bank offices

- In addition to electrical appliances that were sent to the distributor, 10,808 kg of equipment were reused and 2,016 kg were donated.

Audiovisuals



- (1) Accumulated figures.
Source: Central buildings and bank offices

Creating a culture of environmental stewardship among our employees and other stakeholders is a constant task we perform through courses, workshops and communication campaigns.

Climate Change

Today we are facing the enormous threat of climate change, and Mexico is no exception. Just this year we suffered one of the worst natural disasters caused by storms Ingrid and Manuel. While it is difficult to determine how much this phenomenon was caused by human activities, we consider that acting in this regard is an essential task.

Risks and Opportunities

This year the Government published the National Climate Change Strategy, which estimates that the economic damage related to these events in the period from 2000 to 2012 were 21,950 billion annually. According to its diagnosis, in the coming decades there will be climate events that will represent a disaster risk to 1,385 municipalities and 27 million people throughout the country. This not only will affect human health and the primary activities of agriculture but also the social and economic strategic infrastructure such as:

- Houses: 7,873 million (28% from the national total)
- Medical units: 3,568 (16% from the national total)
- Educational facilities: 25,718 (20% from the national total)
- Highways: 29,672 km (11% from the national total)

This scenario threatens not only the economic activities of our company but the social welfare of our stakeholders.

Consistent with our commitment to the fight against climate change, BBVA Group has joined major international initiatives on this subject, based on the Carbon Disclosure Project (CDP): Investor CDP, CDP Water Disclosure and CDP Carbon Action.

All actions conducted by our Global Eco-efficiency Plan are designed to reduce our environmental footprint. Our goal for the 2013-2015 period is to reduce our CO₂ emissions by 6%.

We strategically stand for the financing and advisory of transactions for renewable energy. To date we have funded six parks in Oaxaca, among which is the largest wind farm in Latin America, with an installed capacity of 306 MW. This project is considered as Clean Development Mechanism under the Kyoto Protocol.

Environmental Training and Awareness

Within the company we use our intranet communication *Canal Verde* (Green Channel), where we post information regarding BBVA Bancomer initiatives on the environment, respond to concerns and provide advice upon request.

We channel awareness activities toward other stakeholders through the *Bancomer en la educación* (Bancomer in Education) area, which works in collaboration with organizations that specialize on this issue. For more information, refer to the section on *Bancomer en la educación* (Bancomer in Education), in the *Compromiso con la comunidad* (Commitment to the Community) chapter.



[click here to consult the 2013 developments.](#)



Commitment to Society

A key part of the corporate responsibility of BBVA Bancomer is committed to the development of the communities in which it operates.

Our commitment to society is channeled through the BBVA Bancomer Foundation, a non-profit organization created in 2000.

Investment in Social Programs

We have maintained our commitment to allocating 1% of our profits to social programs, especially to education, our priority sector.

**Allocation of the 1% of 2013
Total Profits per Strategic Issues**



- **Education** 59%
- **Culture** 4%
- **Social Aid and Others** 7%
- **Financial Education** 30%

BBVA Bancomer Foundation

The **BBVA Bancomer Foundation** is made up of four strategic areas: Bancomer Educational and Production Centers, Cultural Promotion, Bancomer in Education and Social Development Projects.

In 2013 we allocated \$284'231,939 to social projects –15% more than the previous– year, benefiting, directly and indirectly, through the programs of these areas, more than 700,000 people, with the help of both internal and external volunteers.

2013 BBVA Bancomer Foundation Executed Spending

Strategic Area	Total Contribution (in pesos)
Bancomer in Education	23'315,523
Bancomer Educational and Production Centers	10'324,765
Cultural Promotion	15'987,818
Social Development Programs	192'000,950
Other (natural disasters, administration and publicity, etc.)	42'602,883
Total	284'231,939



Educational and Productive Centers

In partnership with various institutions, educational and productive centers promote the creation and strengthening of microenterprises, offer educational programs and provide community spaces to develop projects with social impact on the population close to the centers.

 [click here to consult the 2013 developments.](#)

Cultural Promotion

A commitment to promote innovative artistic and cultural projects with the firm objective to enrich the cultural heritage

of Mexico. It is characterized by planning and promoting training programs that directly affect the professionalization of artists, scholars and cultural managers.

 [click here to consult the 2013 developments.](#)



Bancomer in Education

We support formal instruction through academic excellence, develop initiative and creativity, and promote awareness of and respect for nature, while contributing to the building of values for the strength and personal growth of Mexican children and young adults with limited resources who work hard to get ahead.

 [click here to consult the 2013 developments.](#)

Social Development Projects



“Por los que se quedan” Scholarships

The objective of this program, the largest one of the Foundation, is that well-performing secondary students from migrants' communities are able to complete secondary studies. To achieve this goal the BBVA Bancomer Foundation supports them with an economic scholarship and mentoring by our branch agents, managers and directors who voluntarily become godmothers and godfathers (sponsors).

 [click here to consult the 2013 developments.](#)

“Por los que se quedan” (For Those Who Are Left Behind) Adelante Scholarships

The *Adelante* Scholarships provides continuity to the best scholarship recipients of the Becas de Integración *“Por los que se quedan”* (“For Those Who Are Left Behind”) program where well-performing students have been supported with a grant support during their three years of secondary.

As of the 2013–2014 school year, the BBVA Bancomer Foundation decided to continue the support during their high school studies, since this is the school stage that has the highest rates of school dropouts in Mexico.

 [click here to consult the 2013 developments.](#)

PROMIS (Programa de mejoramiento integral de secundarias) (Secondary Comprehensive Improvement Program)



The program consists of a proposal to improve the education system of secondary education in Mexico through a study-intervention in 12 schools within the state of Michoacán: 4 general secondary schools, 4 technical secondary schools and 4 *telesecundarias* (secondary school learning with television support). Through collaborative processes, where all bodies involved in school development (authorities, school staff, parents and students) take part, PROMIS seeks to improve the most alarming indicators in secondary education: absorption, graduation efficiency, dropouts, failure; and qualitative—management, learning and participation.

 [click here to consult the 2013 developments.](#)



Appendixes



click to visit **Reporting Criteria and Standards**



click to visit **Awards, Progress and Objectives**

Contact Information

BBVA Bancomer

Análisis y Comunicación Financiera:
relainv@bbva.bancomer.com

Responsabilidad y Reputación
Corporativas:
respsocial@bbva.bancomer.com

Av. Universidad 1200
Col. Xoco, C.P. 03339,
Benito Juárez, México, D.F.
Tel. 5621-3434

For further information, please visit our websites:
www.bancomer.com
www.fundacionbbvabancomer.org/