

Creating opportunities

Annual Report

20
16

Index

About this Report

Group Profile	Group Profile	05
	Corporate Philosophy	05
	Mission and Vision	05
	Corporate Governance	06
	Corporate Governance System	06
	Corporate Structure	07
	Management Committee	07
	Board of Directors	08
	Code of Conduct	09
	Business Model	11
	Materiality and Dialog with Stakeholders	11
	Tools for Consultations and Discussions with Stakeholders	12
	Materiality Analysis	13
	Materiality matrix and material issues 2016	14
	Responsible business model	15
	Social, environmental and reputational risks	17
	Ecorating	17
	Equator Principles	18
	Anti-money Laundering and Preventing	
	Funding of Terrorist Activity	19
	Transformational	20
	Presence	21
	Importance of BBVA Bancomer in the Mexican economy	22
Reports	Chairman of the Board of Directors	23
	Deputy Chairman of the Board of Directors and CEO	25
Business Units	Sales Network	29
	Business Development	30
	Wholesale Banking	30
	Global Markets	30
	Support Units	31
	Internal Auditing	31
	Legal Services	31
	Finance	31
	Risks	31
	Engineering	31
	Talent and Culture	31
	CRR advertising campaigns and communication	32
Economic Impact	Economic Impact	33
	Analysis and Discussion of Business Development	33
	Commercial activity	33
Social and Environmental Impact	Social and Environmental Impact	37
	Local	37
	Single	42
	"Internal"	50
	Development	57
	Environment	59
Awards	Prizes and Awards	65
Appendices	Global Reporting Initiative (GRI) Table of Contents	68
	Independent Review Report	73
	Global Compact and Sustainable Development Goals	76
	Achievements in 2016 and Goals for 2017	77
	Glossary	91

About this Report

102-1, 102-5, 102-10, 102-45, 102-50, 102-51, 102-52, 102-54

About this Report

The 2016 BBVA Bancomer Annual Report shows the results of the activities carried out by Grupo Financiero BBVA Bancomer S.A. de C.V. in the economic, social, and environmental fields from January 1 to December 31, 2016.

Coverage

The Report covers the following companies that make up the BBVA Financial Group

Contents

For information gathering and quantification, BBVA Bancomer uses internal BBVA software, which allows local and global data to be matched.

This year the Global Ecoefficiency Plan has begun a new measurement period, so 2016 is taken as the base year for future measurements.

The Investor Relations Department and the Corporate Responsibility and Reputation Department are responsible for preparing the Annual Report.

Standards

The most recognized international standards have been followed in preparing this Report: the Global Reporting Initiative (GRI), AA1000 and Global Compact.

The 2016 Annual Report has been drawn up in accordance with GRI Standards comprehensive option, including the supplement indicators for the financial sector.

We fulfill the 10 GRI Principles for drawing up of reports:

BBVA Bancomer, S.A.
Casa de Bolsa BBVA Bancomer, S.A.de C.V.
BBVA Bancomer Servicios Administrativos, S.A.de C.V.
BBVA Bancomer Operadora, S.A.de C.V.
Hipotecaria Nacional, S.A.de C.V.
BBVA Bancomer Gestión, S.A.de C.V.
Seguros BBVA Bancomer, S.A.de C.V.
BBVA Bancomer Seguros Salud, S.A. de C.V.
Pensiones BBVA Bancomer, S.A.de C.V.

Principios de contenido	Quality principles
Participation of Stakeholders	Accuracy
Sustainability Context	Balance
Materiality	Clarity
Thoroughness	Comparability
	Reliability
	Punctuality

We use the set of AA1000 standards which helps us ensure that the report upholds the principles of inclusiveness, materiality and responsiveness, so as to ensure greater accountability with our stakeholders.

Lastly, we work with the Global Compact of the United Nations to present this report as an advanced Communication on Progress. We are also aligned with the Sustainable Development Goals (SDG), reporting our contribution to them.

Independent Review

The BBVA Bancomer 2016 Annual Report has been assured by a third-party, in this case by Deloitte (for further details of the scope of the review read the Independent Review Report). It has used the GRI Content Index which is designed to ensure that the GRI Table of Contents is in line with the GRI Standards.

Group Profile



Creation of Long-term Value

Corporate Philosophy

[Our new Resolution](#) -To bring the age of opportunity to everyone, we need to use all the technology and data tools available to make people's and businesses' lives easier. This is a way of showing the profound changes that BBVA Bancomer is applying in its way of doing things.

Our Mission

- 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.
- Provide our employees with the best conditions to fully fulfil their potential.
- Be solvent and offer attractive returns to our shareholders.
- Support social welfare as an outcome of business activity.

Our Vision

We work for a better future for people.

This vision will always be key; it is a permanent reference point for everything the bank does. Thus, the bank's day-to-day activity is governed by the following corporate principles:

- The customer at the heart of the business.
- Teamwork as a creator of value.
- Management style as the driver of enthusiasm.
- Ethical behavior and personal and professional integrity as a way of understanding and performing our activities.
- Innovation as a driver of progress.
- Corporate social responsibility and commitment to development.

Corporate Governance

Corporate Governance System

The corporate governance system is the linchpin of corporate integrity and one of the keys to understanding BBVA Bancomer's ethical and efficient operation.

The Board of Directors is made up of 9 proprietary Directors and 8 replacement Directors, 6 of whom are independent Directors. They are appointed by shareholders in the special Annual General Meeting held for that purpose.

Article 49 of the Bylaws of BBVA Bancomer sets out in detail the different situations in which conflicts of interest could arise between Directors, their relatives and the entities with which they are related, as well as the financial entities which make up the Group. It describes the procedures to be followed in such cases to prevent any form of conduct arising which would not be in the institution's best interests.

The duties of the Board of Directors include charting the Group's strategic course and informing Society and the market in general, of the financial position, as well as providing access to the public information issued by the Group.

The Board has two auxiliary committees: the Audit and Corporate Practices Committee and the Executive Committee.

As compensation for the performance of their duties – after attending each meeting of the Board – both Directors and Statutory Auditors of the Company receive the amount obtained by multiplying the price of two \$50 pesos gold bullion coin (called "Centenario") by 1.42857.

The Annual General Meeting is responsible for assessing the Board's performance through the approval of the Board's Annual Report, the Financial Statements and also ratifying them as members of the Board.

Shareholders voice their major concerns to the Board through the Annual General Meeting, the company's highest corporate body, which is fully authorized to direct and decide upon the most important questions of the Company. The memorandum of the General Meetings held during the year describe the number and nature of major concerns which were conveyed to the Board. They can be read and consulted in the information for investors/regulatory information section at www.bancomer.com.

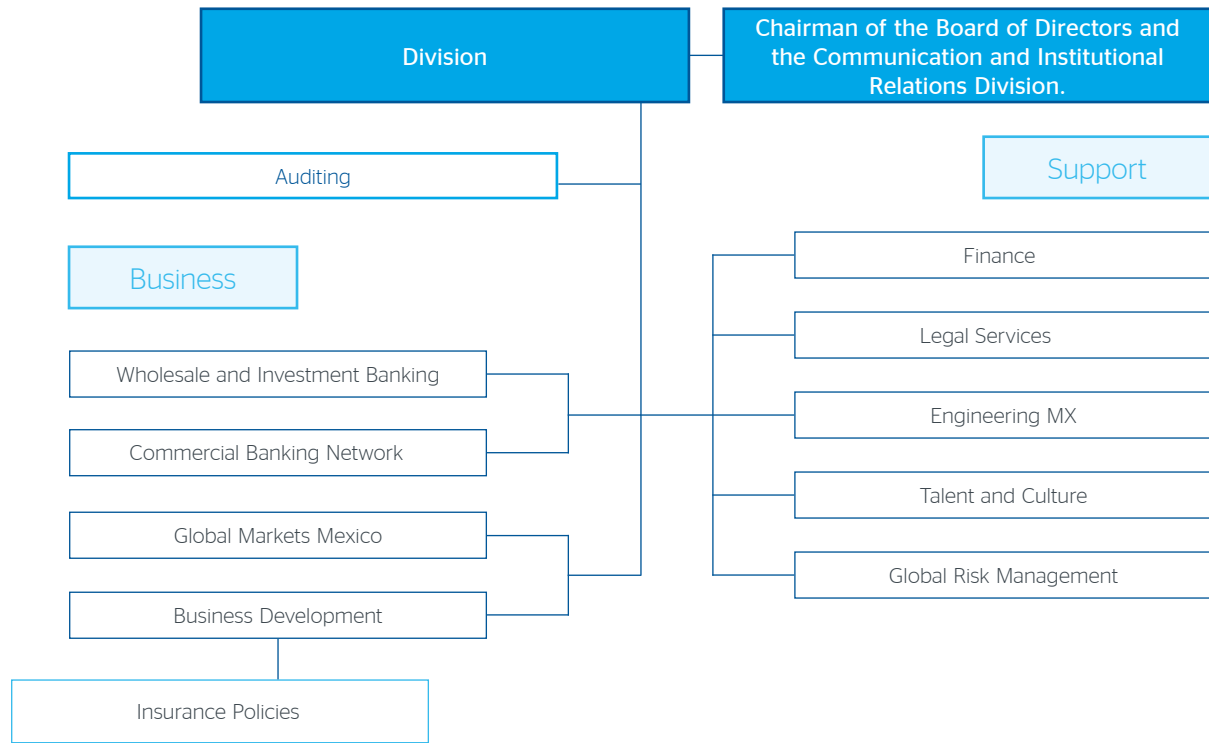
Responsible Business Management

The committee in charge of making decisions on environmental and social issues is the Responsible Business Committee, whose main purpose is to promote and monitor the company's responsible business plan. It is chaired by the Chairman of the Board of Directors and the CEO of BBVA Bancomer and

composed of nine Deputy Directors, eight Area Directors, with the CRR Director serving as coordinator, who in turn liaises with the CRR area of the BBVA Group.

The Responsible Business Committee sat on two occasions in 2016.

Corporate Structure



Management Committee

Position Chief Executive Officer	
Eduardo Osuna Osuna	Deputy Chairman and CEO
Luis Robles Miaja	Chairman of the Board of Directors
Óscar Coppel Tirado	Commercial Banking Network
Luis Ignacio de la Luz Dávalos	Finance
Fernando Díaz Castañares	Legal Services
Fernando Eguluz Lozano	Talent & Culture
Francisco Xavier Leyva Rubio	Engineering MX
Luis Morales Espinosa	Insurance Policies
Blanca Cecilia Muñoz Martínez	Global Risk Management
Hugo Daniel Nájera Alva	Business Development
Natalia Ortega Gómez	Audit
Adrián Otero Rosiles	Wholesale and Investment Banking
Álvaro Vaquero Ussel	Global Markets Mexico

Group Profile

102-22, 103-1, 103-2

Board of Directors

1. Andrés Alejandro Aymes Blanchet *
2. Alberto Bailleres González
3. Fernando Gerardo Chico Pardo *
4. Arturo Manuel Fernández Pérez
5. José Francisco Gil Díaz
6. Francisco González Rodríguez
7. Ricardo Guajardo Touché *
8. Fernando Gutiérrez Junquera
9. Enrique Medina Fernández *
10. Eduardo Osuna
(Deputy Chairman and CEO)
11. Alejandro Ramírez Magaña *
12. Luis Robles Miaja (Chairman)
13. Vicente María Rodero Rodero
14. Jorge Sáenz-Azcunaga Carranza
15. Carlos Salazar Lomelín
16. Jaime Serra Puche *
17. Carlos Torres Vila

* Independent Directors

Secretary

José Fernando Pío Díaz Castañares

Deputy secretary

Alfredo Aguirre Cárdenas

Principal Statutory Auditor

José Manuel Canal Hernando

Alternate Statutory Auditor

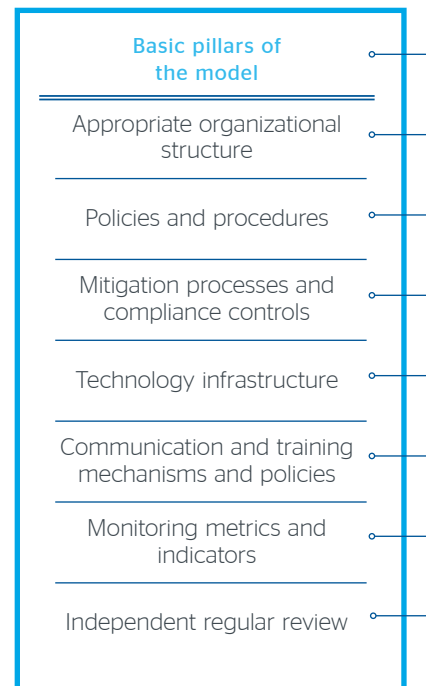
Jorge Evaristo Peña Tapia

Compliance

The Group's Compliance System constitutes one of the bases upon which BBVA Bancomer consolidates its institutional pledge to conduct all its operations and business in accordance with strict codes of ethical conduct.

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

- Conduct on the markets
- Dealing with conflicts of interest
- Anti-money laundering and preventing funding of terrorist activity
- Personal data protection
- Anti-corruption



Code of Conduct

The new BBVA Bancomer Code of Conduct, which was approved by the Board of Directors in 2015, is applicable to members of the Group, but also to suppliers and third parties. This reflects the approach to integrity in BBVA Bancomer, and is a crucial tool to implement a culture of respect for the law.

The behavior patterns to treat customers, Group members, the Company itself and society are determined within five chapters. Using a clear and direct language, its content is adapted to modern requirements, including new concepts on financial inclusion, presence in social networks, rules on sanctions, seizures, and anti-boycott regulations, among others.

In accordance with the principles of the Global Compact, the Code contains an anti-corruption policy stating that BBVA tolerates no form of corruption or bribery whatsoever in any of its activities. It also reiterates a commitment to respect human rights thus promoting respect for human dignity and fundamental rights thereof.

Our system for making claims or complaints, which is called the "Whistleblower Channel", forms an essential part of compliance. These channels are an effective channel for reporting any infringements of the Code of Conduct which collaborators, customers, supplier and colleagues spot when going about their activities.

HPD (internal system): "Whistleblower Channel"

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Global telephone:
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Legal compliance

As of December 31, 2016, BBVA Bancomer had no fines or penalties for breaches of legislation

or regulations related to environmental issues, its operations in society or the supply and use of products and services which might be significant regarding its equity, financial situation and consolidated results. 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 signed

At BBVA Bancomer we continue to support the following initiatives:

- United Nations Global Compact
- United Nations Environmental Program Finance Initiative (UNEP FI). *
- Equator Principles. *
- United Nations Principles for Responsible Investment.

*These initiatives are supported at BBVA Group level

We are part of the following associations:

- Mexican Banking Association (ABM)
- Asociación de Desarrolladores Inmobiliarios (Property Development Association) (ADI)
- Asociación Mexicana de AFORES (Mexican Association of AFORES) (AMAFORE)
- Asociación Mexicana de Internet (Mexican Internet Association) (AMIPCI)
- Asociación Mexicana de Intermediarios Bursátiles (Mexican Stock Broker Association) (AMIB)
- Mexican Association of Insurance Institutions (Asociación Mexicana de Instituciones de Seguros) (AMIS)
- Bolsa Mexicana de Valores (Mexican Securities Market) (BMV)
- Cámara Nacional de la Industria de la Vivienda (National Chamber of the Housing Industry) (CANADEVI)



2016 Developments

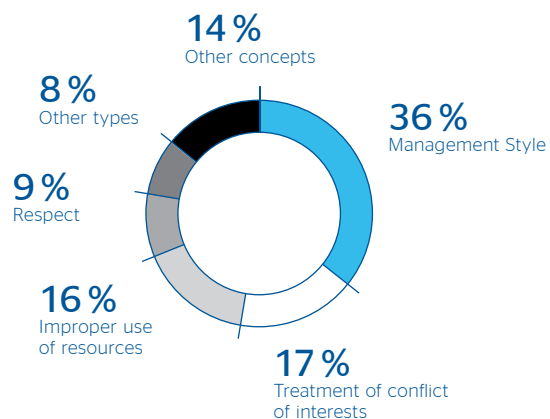
Three courses were carried out focused on knowledge of and adhesion to the new Code of Conduct: the corporate course on the new Code of Conduct, in which employees formally adhered to the Code; the Integrity in business workshop, which this year was largely aimed at the members of Vitamédica; and a new course where we will train Group members in managing and preventing conflicts of interest, leadership styles, prevention of fraud and other subject which concerns forms of conduct where the most serious issues are reported or breaches of the Code of Conduct, scheduled for 2017.

In 2016, 22,435 employees carried out the online course, bringing the total percentage of Group employees who have done the course to 59%.

Every month, communication initiatives were made through different media largely reinforcing those forms of conduct where the most serious problems are detected, and where we have decided to act to prevent and correct them.

There were 13% fewer complaints received in 2016 compared to 2015, undoubtedly due to our having more robust areas and control processes, and also because the effect of the training contents in integrity and the Code of Conduct have brought down the number of complaints on infringements. The positioning of the Discipline Committees and the New BBVA Disciplinary Regime have also played a role in bringing down complaints.

The main types of complaint in 2016 were as follows:



Business model

Commercial business model

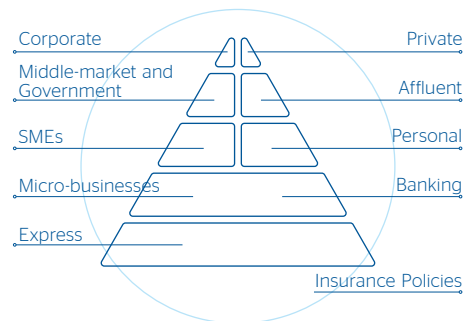
Grupo Financiero BBVA Bancomer (GFBB) is a world-class group offering a wide range of services ranging from simple loans to international structured products.

The main subsidiary of GFBB is the bank (BBVA Bancomer)—a universal bank serving customers differently through specialized products and services. The bank is aware that much of its success as a bank depends on customer satisfaction. That is why it is constantly changing in order to be able to offer the best banking services in Mexico and maintain a long term relationship with customers.

The business model is based on serving each customer segment in a different and customized way, through networks of specialized executives to be able to offer a high quality service. The model is also based on an efficient distribution network with an extensive coverage, which is key for providing easy and secure access to financial services. Lastly, 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 leadership in Mexico and is in an ideal position for future growth.



Materiality and Dialog with Stakeholders

In BBVA Bancomer, we identify our stakeholders based on the level of influence they have on the activities of BBVA Bancomer in the economic, social and environmental spheres. We select six main groups of stakeholders: shareholders, customers, employees, suppliers, regulators, and society, with whom we establish commitments.

We have set up dialog mechanisms which we use to gauge their expectations, so we can reinforce our ties with them.

Tools for Consultations and Discussions with Stakeholders

Stakeholders	Commitment of BBVA Bancomer	Dialog Channels	Frequency	Responsible Area
Shareholders	Creating more value in a sustainable way over time	Annual General Meeting	Annually	Investor Relations
		Annual report	Annually	
		Quarterly Financial Information	Quarterly	
Customers	Seeking the best solutions which make BBVA Bancomer their best option	Contact website	Daily	Commercial banking Digital banking Transformation CRR Commercial Development Payment Methods
		Branches	Daily	
		Línea Bancomer	Daily	
		Website: http://www.bancomer.com	Daily	
		Press channels (newspapers, magazines, fliers, direct mails, TV and radio, and others)	Daily	
		Satisfaction survey	Annually	
		Social media	Daily	
		Opinion studies	Periodic	
		Focus groups	Annually	
		In-depth interviews	Annually	
Employees	A management style that makes people enthusiastic and which is beneficial for training, motivation and personal and professional development	For you Portal From HR	Daily	Talent and Culture CRR
		Bancomer TV	Daily	
		Breves weekly bulletin	Weekly	
		Conecta-T Magazine	Monthly	
		Email	Daily	
		Great Place to Work working climate survey	Annually	
		Internal RepTrack	Annually	
		Focus groups	Annually	
Suppliers	Acting with integrity and strictly abiding by laws	Adquira electronic portal	Daily	Transformation CRR
		Complaints and suggestions box	Daily	
		Email	Daily	
		Satisfaction survey	Annually	
		Focus groups	Annually	
		In-depth interviews	Annually	

Group Profile

102-46, 102-47

Regulators	Finding an ally for mutual benefit in BBVA Bancomer	Committees	Monthly	Talent and Culture CRR
		Forums	Periodic	
		Meetings	Periodic	
		Messages	Periodic	
		In-depth interviews	Annually	
Society	Playing an active role in the sustainable development of the society in which we operate	Website web www.fundacionbbvabancomer.org	Daily	BBVA Bancomer Foundation Customer Insight CRR
		Meetings with Civil Society Organizations	Periodic	
		Social media	Daily	
		Opinion studies	Annually	
		Reptrack	Six-monthly	
		Focus groups	Annually	
		Online surveys	Annually	
		In-depth interviews	Annually	

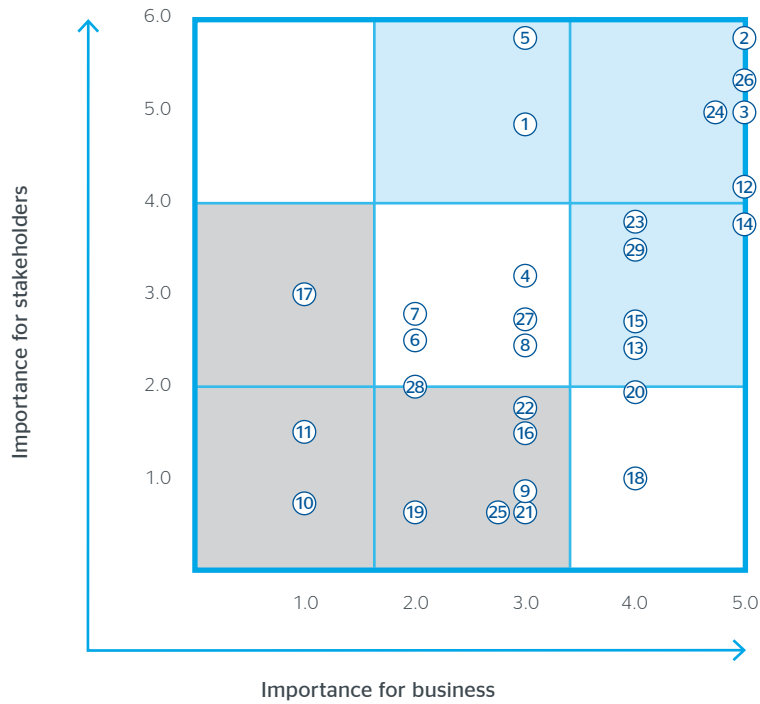
Materiality Analysis

Every year, the CRR Department performs a study to identify the most important subjects for the organization and its stakeholders. The results of this study - the material issues - are integrated in our strategy and used to define the contents of our report.

In 2016, the BBVA Bancomer materiality study was aligned with the BBVA global methodology, which consists of three phases:

1. Identifying issues: 25 issues which have been detected as being material, through a number of different studies and queries;
2. Prioritizing issues: assessing each issue's materiality for stakeholders and their impact on business
3. Exercise validation: review and approval by the BBVA Group CRR area.

Materiality matrix and material issues 2016



1. Products with good value for money (no abusive clauses, etc...)
2. Communication and marketing practices
3. Customer service quality
4. Address society's demand for credit
5. Security, privacy and customer protection (including big data)
6. Deal with customers facing difficulties
7. Employment quality (temporary, outsourcing, relocations...)
8. Respect for employee rights
9. Training and talent development
10. Remuneration of top management and members of the Board of Directors
11. Responsible social and environmental funding
12. Anti-money laundering/preventing funding of terrorist activities
13. Compliance with tax regulations

14. Ethical conduct
15. Responsible procurement/outourcing
16. Good Corporate Governance
17. Solvency and financial management
18. Respect for human rights
19. Contribution to the development of local societies (job creation, support for SMEs...)
20. Financial Inclusion
21. Community involvement
22. Diversity and work/life balance
23. Climate change
24. Digitalization
25. Financial literacy
26. Transparency
27. CRR communication
28. Education
29. Eco-efficiency

Group Profile

Material Issue	Impacted Stakeholder	Scope	Initiatives by BBVA Bancomer
Products with good value for money	Shareholders Customers	GFBB	Financial Inclusion
Communication and marketing practices	Customers Regulators	GFBB	TCR Communication
Customer service quality	Customers Employees	GFBB	Customer experience
Customer security, privacy and protection	Customers Society	GFBB	Customer security
Anti-money laundering/ preventing funding of terrorist activities	Shareholders Regulators Society	GFBB	Anti-money laundering
Compliance with tax regulations	Regulators	GFBB	Regulatory compliance
Ethical conduct	Shareholders Customers Society	GFBB	Regulatory compliance
Responsible procurement/ outsourcing	Suppliers	GFBB	Suppliers
Climate change	Society	GFBB	Environment Climate change (GEP)
Digitalization	Customers	GFBB	Business development Financial Inclusion
Transparency	Shareholders Customers Society	GFBB	Regulatory compliance TCR Communication Independent review letter
Eco-efficiency	Shareholders, Employees, Society	GFBB	Global Eco-efficiency Plan (GEP)

GFBB: Grupo Financiero BBVA Bancomer

Responsible business model

Based on the Corporate Social Responsibility Policy, our responsible business model is underpinned by three interdependent pillars which define its strategic framework:

Committed employees
Consists of promoting a culture of social commitment and shared values among the Group's employees



Customers:
Banking for people.
Consists of conducting our financial activity keeping people in mind

Society:
Education and science
Consists of carrying out initiatives primarily in education, but also in science and culture

The three strategic priorities of the responsible business Plan are:

Priorities	Initiatives
Transparent, clear and responsible (TCR) communication	TCR Communication
Education	Financial literacy Granting scholarships
Products with high social impact	Financial Inclusion Supporting entrepreneurship Mejora Mutualista (housing rescue plan) Fondo B+ Educa

2016 Developments

The CRR Department and involved areas monitored the initiatives set out in the Responsible Business Plan and took part in the committees created for that end.

We conducted a reputational risk diagnosis to identify the most important risks for the bank, and, based on the results, set up an action plan.

We launched the "BBVA with human rights" project so as to deal with the possible impacts on human rights generated by the financial sector. We analyzed the real and potential impact caused by BBVA's activity in the different areas and businesses on human rights. We also arranged a practical and interactive workshop which was attended by 20 areas from the bank, and which was used to promote reflection and discussion about what it means to apply the international human rights agenda in the day-to-day activities in those departments and areas.

169 candidates submitted applications

100 entrepreneurship received face-to-face training

30 hours of online training by the Monterrey Tec

20 special entrepreneurship received additional training from the IPADE Business School

\$ MXN 4,157,785.71 billion investment in funded entrepreneurship

20 active mentors

We launched the IV Momentum Project, a BBVA Group global initiative to support social entrepreneurship, in alliance with the New Ventures Mexico and EGADE Technological Business School in Monterrey.

BBVA Bancomer was given the "Socially Responsible Company Award" (SRC) for the sixteenth consecutive year, and Seguros Bancomer also received the same award for the eighth year in a row.

With the assistance of the Talent and Culture area, this year we were awarded the Responsible Family Company Prize, which confirms that our Torre BBVA and Parques BBVA Bancomer headquarters

promote good working practices, specifically referring to actions and policies which help the bank's employees to live a culture based on three principles: a good work/life balance; equal opportunities and combating violence and sexual harassment in the workplace.

At sector level, we have continued to support the social responsibility initiatives which have been created through the Mexico Banking Association (ABM): Green protocol and measuring carbon footprint, and other social responsibility initiatives, and we collaborate in the AMB 2016 Banking Social Responsibility and Sustainability Report.

Social, environmental and reputational risks

As a financial institution, BBVA Bancomer has a direct impact on the environment and society, through the consumption of natural resources and relations with its stakeholders, and indirectly, through our funding activity and the projects we finance. These impacts cause direct, indirect and reputational risks.

These non-financial risks may affect borrowers' credit profile or the projects we finance, and thus the quality of the risk and the repayment of the loans.

To manage these risks, BBVA Bancomer takes into account environmental, social and reputational factors as well as traditional financial variables, in risk management. These factors are integrated in risk management in accordance with the principle of prudence that governs BBVA's activity, through a number of lines of action.

This year we conducted a reputational risk analysis, through which we were able to identify a list of risks. These included anti-money laundering, local funding, being environmentally responsible and respect for human rights, as well as a number of other issues.

Responsible lending

ESG stands for environment, social and corporate governance. We integrate these variables into our risk management system, alongside other traditionally managed aspects. These ESG variables manage non-financial risks that might affect the credit profile of a borrower or financing project and consequently jeopardize debt repayment.

Ecorating

We have designed the Ecorating tool, which will be used to evaluate the environmental risk of companies. Each customer is assigned an environmental risk level depending on several factors: some of the most important are location, polluting emissions, use of resources, the company's environment which is likely to be directly or indirectly affected by the company's activities, legislative pressure and tax treatment of environmental issues.

The objectives are:

1. To individually identify the level of a customer's or prospective customer's environmental and social risk.
2. To set up controls which minimize the customer's possible ecological impacts on the environment.

Ecorating consists of a 6-question questionnaire referring to the following issues:

- Permits for drinking water
- Permits or indication for use of soil
- Permits for electricity supply
- Special permits (licenses) issued by the state or municipality
- Administrative environmental fines
- Environmental Management System according to ISO 14001

Equator Principles

The BBVA Group has been a signatory of the Equator Principles (EP) since 2004. They are a set of standards promoted by the World Bank, through its subsidiary, the International Finance Corporation (IFC), to determine, assess and manage social and environmental risks in project finance.

Based on the IFC social and environmental policies and standards and the World Bank's Environmental, Health and Safety general guidelines, the EP are applied to the funding of new projects for an amount equal to or higher than 10 million dollars, to the expansion of projects which cause significant impacts and assessment in project finance. In BBVA Bancomer, we do not take into account the minimum threshold, in fact we apply the EP to transactions of any amount

and no matter what the purpose of the funds applied, not only to new projects or significant expansions but also to building of projects, acquisition, refinancing, etc.

EP analysis is part of our internal project structuring and approval processes. This process includes social and environmental due diligence that starts with assigning a category (A, B or C) which, based on the International Finance Corporation (ICF) categories, and which represents the level of environmental and social risk in the project.

To approve any project finance transaction, apart from the preliminary category assignment, the report must include an EP compliance report reviewed by the unit responsible for approving it.

2016 Developments

Deals funded using the Equator Principles in Mexico in 2016

Category (1)	Sector of transactions	Amount funded by BBVA Bancomer (millions of pesos, MXN)
B	Property assets	\$450
B	Oil and gas	\$561.5
B	Property assets	\$748.7
B	Industry	\$1,684.7
B	Oil and gas	\$1,123.1
B	Property assets	\$835.3
Group	6	\$5,403.5

(1) -**Category A:** Projects with a significant negative impact that may affect a wider area than that considered by the project.

-**Category B:** Projects with a minor negative impact on the human population or on areas of environmental importance.

-**Category C:** Projects with a very small or no impact on the environment.

(2) To calculate the amount financed by BBVA Bancomer in Mexican pesos an exchange rate of 1 dollar=18.7193 pesos (MXN) was used.

Scope: BBVA Bancomer

Anti-money laundering and preventing funding of terrorist activities

The Anti-Money Laundering and Preventing of Terrorist Financing (henceforth referred to as AML/PTF) constitutes an ever-present objective that the BBVA Group associates with its pledge to promote and uphold the well-being of the different communities in which it operates.

For the BBVA Group, ensuring that its products and services are not used for illegal purposes likewise constitutes an essential requirement for safeguarding its corporate integrity.

To achieve the above objective, as a global financial group with branches and subsidiaries that operate in numerous countries, BBVA Group has adopted a model for managing the risk of money laundering and funding of terrorist activities which consists of the following:

- A suitable organizational structure which has the necessary resources to manage this function and a clear assignment of roles and responsibilities in each entity.
- A set of regulations to determine obligations and precautions in this sphere; customer identification and knowledge measures (KYC) are particularly important.

- The deployment of customer monitoring measures, designed to identify potential suspicious activities and guarantee they are reported to the responsible authorities.

- The execution of employee communication and training plans. These plans are designed in accordance with each group's level of exposure to the risk of money laundering and they are aimed at maintaining a suitable level of awareness and in providing the necessary capacities to fulfill applicable laws.

- Permanent communication between Head Office and all BBVA Group subsidiaries and branches so as to ensure continuous monitoring and oversight in this sphere.

- An independent review, so as to independently verify and check the deployment and efficacy of the other model elements.

- Compulsory training for all staff regarding anti-money laundering and preventing funding of terrorist activities. Every year employees take part in a course which has been designed in conjunction with the ABM, based on applicable anti-money laundering laws.

2016 Developments

Anti-money laundering

Scope:
BBVA Bancomer

	2014	2015	2016
Participants in training schemes on anti-money laundering	31,625	36,746	32,454
Specialists in prevention of money laundering and funding of terrorist activities	59	275	280
AML and PTF Department Template	59	119	136

- This year, our department was expanded to step up our efforts and to be able to better address the new laws which have been enacted concerning anti-money laundering in Mexico.

- We used a software called Fircosoft, which checks transactions and customers against blacklists of the Ministry of Public Finance and other entities.

- We carry out risk assessments on products or processes which could potentially be affected by money laundering.

Leadership

Economic leadership

December 2016	Bancomer	Participation (%)	Location
Leader in infrastructure			
Branches	1,835	14.7	1
ATMs	11,395	23.9	1
Correspondents*	31,202	15.1	1
Leader in Commercial Activity			
Total assets	1,911,979	22.1	1
Performing Loans	995,012	23.4	1
Consumer Finance + Credit Cards	245,965	28.7	1
Vehicles	110,878	44.2	1
Mortgage loans	176,826	26.5	1
Customer deposits	1,287,596	22.2	1
Demand deposits	758,098	25.8	1
Mutual funds	355,691	19.4	2

CNBV information: Bank with sofo

Auto loans: number of new and semi-new loans. Compared with banking companies

Mutual funds: assets under management in investment companies without duplication

Sources: CNBV, AMIB, AHM and JATO

***November 2016**

Social leadership

Grants awarded by the BBVA Bancomer Foundation ¹	30,865
Financial literacy workshops taught	910,784

(1) Scope: "Por los que se quedan" (For those left behind) Integration Scholarships, Children's Knowledge Olympics, Adelante (Forward) and Adelante con tu Universidad (Forward with your University) Scholarships.

Environmental leadership

Tier IV Gold certified building	1
ISO 14001 certified buildings	1

Group Profile

102-4, 102-6

Presence

BBVA Bancomer	Branches	ATMs	Employees
Aguascalientes	19	138	265
Baja California	61	399	816
Baja California Sur	21	119	229
Campeche	14	109	179
Coahuila	41	338	480
Colima	12	77	729
Chiapas	37	230	12,152
Chihuahua	63	412	511
Mexico City	283	1,888	161
Durango	18	130	234
Guanajuato	84	446	1,157
Guerrero	36	190	419
Hidalgo	34	217	424
Jalisco	198	956	2,346
State of Mexico	187	1,271	2,156
Michoacán	84	399	1,033
Morelos	28	146	338
Nayarit	21	118	247
Nuevo León	100	562	1,170
Oaxaca	27	155	306
Puebla	70	427	920
Querétaro	30	227	418
Quintana Roo	24	238	287
San Luis Potosí	33	153	382
Sinaloa	38	209	499
Sonora	50	348	610
Tabasco	32	193	365
Tamaulipas	46	339	474
Tlaxcala	12	91	153
Veracruz	84	600	1,064
Yucatán	25	154	346
Zacatecas	23	115	263
Total	1,835	11,395	31,133
Agencies	1		24
Total Institution	1,836		31,157

Importance of BBVA Bancomer in the Mexican economy

GENERAL INDICATORS OF MULTIPLE BANKING IN MEXICO	DEC. '14	DEC. '15	DEC. '16
Total multiple banking institutions	45	44	47
Branches	12,698	12,231	12,522
Employees	224,877	224,301	230,319
Total banking assets (million pesos)	6,913,222	7,770,086	8,669,563
Constant GDP (million pesos)	13,915,587	14,253,109	14,589,507
% of GDP	49.7%	54.5%	59.4%
Aggregate gross banking portfolio (million pesos)	3,352,231	3,842,981	4,339,096
% of GDP	24.1%	27.0%	29.7%
Total deposits (million pesos)	3,533,842	4,020,099	4,526,559

Source: CNBV, INEGI. GDP

IMPORTANCE OF BBVA BANCOMER IN THE MEXICAN ECONOMY	DEC. '14	DEC. '15	DEC. '16
Total assets (million pesos)	1,536,409	1,696,133	1,908,681
Share of total assets	22.2%	21.8%	22.0%
Traditional deposits (million pesos)	797,687	952,801	1,035,483
Traditional deposits / Total assets	51.9%	56.2%	54.3%

Traditional deposits: demand and time deposits and issued credit securities

Source: National Banking and Securities Commission

Report from the Chairman of the Board of Directors



“...2016 was a good year for Mexico, a very good one for banking and an exceptional year for BBVA Bancomer...”

Dear friends,

2016 was a year of many surprises on the international front. The fall in oil prices grew more pronounced, the Brexit referendum took place in June, and then we saw the results of the US elections in November.

Despite the challenging international setting, 2016 was a good year for Mexico, a very good one for banking and an exceptional year for BBVA Bancomer.

Amidst the uncertainty, the Mexican Economy showed its strong points. The buoyant domestic demand was fuelled by employment and real wage earnings. It is estimated that the Mexican economy achieved real GDP growth of 2.3%, a good figure considering the many external shocks.

Structural reforms forged ahead, in some cases implemented ahead of time. In education, for example, a new teacher assessment model was launched, while the foundations were also established so as to constantly improve quality in teaching. In the energy sector, the tenders in Ronda 1 and the Trión field drew investments of over 70 billion dollars; in fact, it was the largest tender ever made in this sector, not only in Mexico; but all over the world.

For the fifth successive year, the banking sector managed to forge ahead with a healthy and sustainable cycle of growth in lending. The balance of private sector outstanding loans reported growth of 15.3% yoy, six times the pace of the growth in the general economy. The NPA ratio also fell from 3.2% in 2015 to 2.6%.

BBVA had an exceptional year in 2016. It reached the historical figure of 1 billion pesos in performing loans. Furthermore, these funds were directed to all sectors of the population, companies and governments throughout Mexico. We are very proud because these results reinforce BBVA Bancomer's position of leadership.

I warmly congratulate our Deputy Chairman and CEO, Eduardo Osuna, his management team and all our employees in the institution for these excellent results, which show their overwhelming passion, efforts and talent applied to a successful growth strategy with strict cost control.

BBVA Bancomer has a lot to celebrate as a bank. **In 2016, we concluded the investment of 3.5 billion dollars so that our customers can enjoy the most modern and efficient channels and services in Mexico.** The official opening of new corporate headquarters in Paseo de la Reforma and in other places in Mexico, marks the successful completion of our profound transformation process which we launched over three years ago.

We are also a Family Responsible Company. Torre BBVA Bancomer and Parques BBVA Bancomer were acknowledged by the Ministry of Labor, Pensions and Benefits as promoting good working practices, while the Data Processing Center (DPC) in Lago Esmeralda was awarded the highest possible sustainability certification, Tier IV Gold.

In 2016, we brought all the opportunities of this new era to everyone, through the use of technology. The digital business strategy was consolidated: we launched the B-móvil digital account, created the portfolio of the future with BBVA Wallet and celebrated our first year of Wibe in vehicle insurance.

We have stepped up our commitment to Mexico. We celebrated the 10th anniversary of our "Por los que se quedan" (For those left behind) Integration Scholarships and we launched the "Adelante con tu Universidad" (Forward with your University) Scholarships. Our Community Service volunteer program cleaned and painted public spaces in Parque Cañitas in Popotla, CDMX; 1,500 volunteers materialized our Reforestation Plan of over 17,000 trees in Guadalajara, León, Puebla, Mérida and Tijuana. In line with our Global Eco-Efficiency Plan, we also signed an agreement with "Enel Green Power" to provide wind energy to our network of branches and corporate headquarters.

We successfully helped customers and non-customers to manage their personal finances. Our BBVA Bancomer "Adelante con tu futuro" (Forward with your future) financial literacy program passed the one million workshop mark in 2016 and over 5 million over the last three years. According to the World Bank, 92% of the program beneficiaries improved their personal finances management. We also managed to extend the scope of our "Valores de Futuro" (Future Values) program to reach over 860,000 children and young people.

We at BBVA Bancomer are responsible corporate citizens. Through these initiatives, we have underscored our commitment toward the United Nations Global Compact and Sustainable Development Goals.

Luis Robles Miaja

Chairman of the Board of Directors of BBVA Bancomer

Report by the Deputy Chairman of the Board of Directors and CEO



“...BBVA Bancomer is a bank which is always evolving so as to offer the best service to its large customer base”

2016 was a difficult year for Mexico and the banking sector. This year, Mexico's economic growth has not been as encouraging as expected. A number of external and internal factors had an impact on the general backdrop: the peso devaluated sharply, oil prices tumbled, there was a much more complicated global economic environment, and then there were Brexit and the US elections.

However, BBVA Bancomer managed to achieve a rock-solid financial performance in 2016. Especially in commercial activity, which performed strongly with double-digit annual growth.

The loan portfolio passed the one billion pesos mark, up 13% yoy. We continued to support Mexico's productive sector. This is shown in the trend of the commercial portfolio, which showed the most dynamic performance of 15% yoy. In commercial lending, the most relevant item is the increase in SME funding, which was 19% higher than the previous year; while corporate and medium-sized enterprises loans also posted annual double-digit growth of 17% and 15%¹ respectively.

Our steady support to families is reflected in the consumer loans, which include payroll, personal and vehicle loans, and which posted annual growth of 18% to MXN 144.82 billion. This strength has also been supported by the boost we have given to the pre-approved loan campaigns for our customer base. Credit cards reported growth of 8% yoy, and if we look at revenue in this product, we see that it was up 14% yoy.

Mortgage lending closed the year with a balance of MXN181.515 billion, 8% up on the previous year. 13% more new loans were issued than in 2015, maintaining BBVA Bancomer's leading position in the market with one out of every four mortgages in the private sector².

It is worth highlighting that lending has been accompanied by good asset quality indicators. At the close of 2016, the non-performing portfolio had improved by 14 basis points (bp) to 2.2%. We also saw an improvement in the Coverage Index, which stood at 132.1%, while the risk premium was steady at 3.4%.

Traditional deposits in customer funds, which include demand and time deposits, issued credit securities and and global deposits account without movements, amounted to MXN1,031.41 billion, up 9% yoy. Demand deposits remain strong, with a balance of MXN754.50 billion, an annual increase of 11%. Time deposits closed the year at MXN193.75 billion, an annual increase of 10%. This performance means the mix of funds gathered remains good; there is a greater relative weight of demand deposits.

Assets under management in mutual funds amounted to MXN355.55 billion pesos, allowing BBVA Bancomer to maintain its position as one of the biggest mutual fund managers on the market, with a market share of 19%, according to information from the Mexican Association of Stock Market Intermediaries (AMIB).

It is important to stress that BBVA Bancomer is a solvent institution. At the close of the year the bank had a total capital ratio of 13.7%, above the levels required by regulations. In addition, it has continued to manage actively its levels of liquidity to respond to the growth in business.

¹ Segmentación interna de Corporativos (compañías transnacionales), Empresas Medianas (ventas anuales entre 100-250 mdp) y PyMEs (ventas anuales hasta 100 mdp).

² Segmentación interna de Corporativos (compañías transnacionales), Empresas Medianas (ventas anuales entre 100-250 mdp) y PyMEs (ventas anuales hasta 100 mdp).

BBVA's stiff resilience despite the challenging economic environment is reflected in its sound income statement. It has been bolstered by constant revenue, while costs have been kept under control despite heavy investment, and with a clear risk management strategy.

Net interest income amounted to MXN113.34 billion pesos, annual growth of 12%: This growth has been driven by higher loan and deposit volumes, as well as by a good performance in the insurance business. Fees rose 7% yoy, fuelled by buoyant credit and debit card fees, due to customers performing a higher number of transactions with these products.

BBVA applies strict expense control and management, in spite of its ongoing investments in Mexico. An example of this is the controlled 5.0% annual increase in administration and marketing expenses. Investment also went into expanding the banking infrastructure, making GFBB one of the leading institutions with 1,836 branches, 95% of which have been renovated. We also added another 662 ATMs to our pool, making a total of 11,434 ATMs at year end.

Proper management of income allows GFBB position itself as one of the most efficient institutions in the financial system, with a efficiency ratio - measured as an expense-to-income ratio - of 39.4% at the end of December 2016.

**In 2016, net profit was
a cumulative
MXN40.79 billion,
18% higher than
the previous year.**

In the non-banking business, Seguros BBVA Bancomer posted an accumulated net profit of MXN\$4.48 billion, 11% higher than the previous year. Therefore, it maintains its leading position within the bancassurance market, and second place in the insurance sector.

2016 was also a year of outstanding results, while the focus on implementation was maintained. We are forging ahead with initiatives in the main areas of the Transformation Plan, such as the progress in the Investment Plan, in which 2.9 billion dollars were invested between 2013 and 2016, accounting for 83% of total investment. We postponed part of the investment to 2017 and we will continue investing to underscore BBVA Bancomer's long-term commitment to Mexico.

We are the example for others to follow in digital strategy, with the best technological development and the best innovation in terms of digital services and channels. This is borne out by the positive trend in digital customers, where BBVA Bancomer already has approximately 4 million, accounting for 21% of the total customer base. In fact, around 40% of total consumer loans are now contracted through digital channels such as Bancomer.com, BMóvil and ATMs.

In this regard, BBVA Bancomer is a bank which is always evolving so as to offer the best service to its large customer base.

Before I finish, I would like to take this opportunity to thank all the employees of the Grupo Financiero BBVA Bancomer for their efforts, commitment and profound dedication, because without this institution's magnificent human team, we would not have been able to achieve this result. I would also like to thank our customers for having chosen us and their loyalty, and also the members of the Board of Directors for their concerted efforts to continue to strengthen our institution.

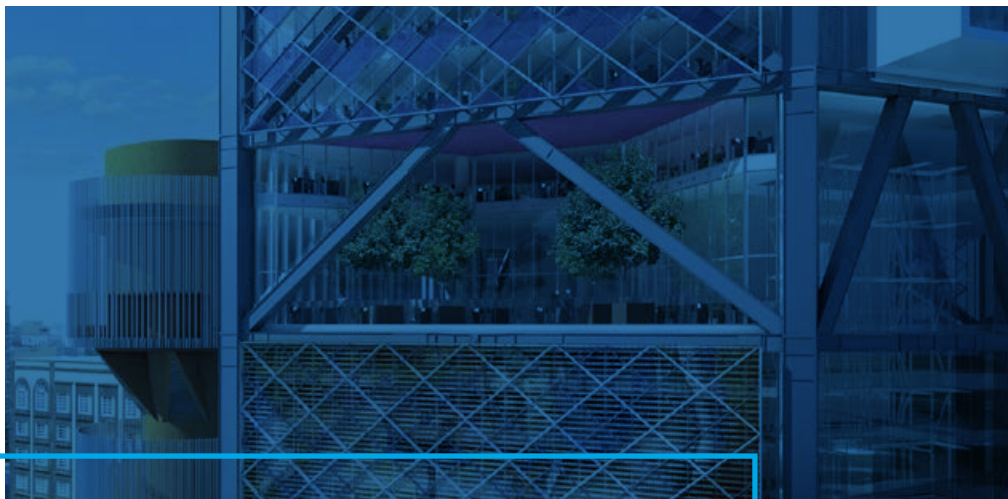
Forward, Creating Opportunities.

Eduardo Osuna Osuna

Deputy Chairman of the Board of Directors and

CEO of BBVA Bancomer

Business Units



Maintaining a state-of-the-art
banking business

Business Units

BBVA Bancomer is a bank in a constant state of transformation, focused every day on evolving and improving our customer service and products.

Sales Network

BBVA Bancomer has been investing heavily in Mexico since 2013, allowing it to transform the branches network through the “Ulises” project, whereby branches are renovated and redistributed to give them a more contemporary and simple look. By the end of 2016, 1,831 branches, or 95% of total branches, had been remodeled.

Branch executives have also been arranged by customer segment so that each of them can perform a specialized tailor-made services, using service protocols which create a better user experience for BBVA Bancomer customers. This improvement was evident in the strong growth in consumer loans (payroll, personal and

auto loans) of 18% in 2016. Turnover from credit cards was also 14% higher than the previous year, while origination of mortgage loans rose 13% in 2016.

The deposits business unit reported growth of 12% in 2016; foreign currency, time and demand portfolios performed particularly impressively with growth of 42%, 18% and 12% respectively.

With this pattern in commercial activity, BBVA Bancomer has managed to achieve a rock-solid income statement, in which net interest income rose by 14% yoy, fees by 10%, with excellent cost control (costs rose by only 3%). Profit Before Tax (PBT) increased by 21% yoy.

Business Development

This area focused on developing new businesses, new technology and channels to ensure BBVA Bancomer continues to be the market leader. All the branches have been remodeled: larger “practicajas” have been installed with state-of-the-art ATMs where customers can also access consumer loans (one-click). The new digital channels have driven sales (approximately 40%

of new consumer loans are placed through digital channels: Bancomer.com, Bancomer Móvil and ATMs).

Another part of the transformation consists of the integration of the Insurance Business within the Business Development Unit, crucial for the product to be an integral part of the sales drive across the network.

Wholesale Banking

We remain leaders in Wholesale and Investment Banking. In corporate banking we maintain the largest market share in business (29%), government (30%), developer (35%) and vehicle loans to dealerships (12%). We are still leaders in different business lines within Investment Banking, even though activity in Mexico fell due to a number of external and internal shocks.

Banking results were extremely positive, with double-digit growth in the business, corporate and developer portfolios, bringing growth in the Wholesale Banking portfolio to 14% for the year. Deposits posted growth of 10% with a large increase in foreign currency.

The income statement also impressed, net interest income rising by 20% and PBT by 25% during 2016.

Global Markets

Since 2012, Global Markets has been ranked first as Market-Makers of the SHCP and Bank of Mexico. We remain committed to play an active role in the fixed rate government securities market; and also bid at competitive prices in primary auctions for these securities, listing buy and sell prices on the secondary market to provide liquidity at competitive prices for our customers and the foreign exchange market.

We continue to roll out our online broker (Bancomer Trader: it has been downloaded 10,000 times) which customers can use to trade with the Mexican Securities Market. Also worthy of note our real time data platform, Research reports and other tools which can be used to make informed decisions..



Staff Units

Business Units have been able to realize all their potential and achieve positive performances partly due to the constant assistance from the Support Units, which enable them to maintain recurrent business results and integral management, providing synergies which fuel further growth.

Internal Auditing

The Internal Auditing unit seeks continuous support in internal control, guaranteeing the integrity for which our financial institution is famed.

This business unit continuously carries out monitoring, follow-up and prevention activities to ensure an adequate business performance in terms of customer processes and also internal procedures.

Legal Services

In 2016, the Legal Services area provided support so as to maintain transparency and guarantee that the constant changes in banking regulations are clearly understood and strictly complied with.

It also acts as the point of contact for customers' complaints and demands, which are directed toward the bank so that both parties can have the best options and be mutually satisfied.

Finance

Despite the stringent regulations in capital and liquidity management, BBVA Bancomer has managed to keep our capital ratios above the minimum regulatory levels, and also maintained comfortable liquidity levels to drive constant growth. Our total capital ratio stood at 13.7% at year end, while the LCR (the new short-term liquidity indicator implemented through the new Basel II requirements) was 124.46%.

The bank also achieved a rock-solid income statement in 2016 based on recurrent revenue, control of costs and adequate risk management.

Risks

Our healthy and stable credit quality indicators are the result of adequate risk management. BBVA Bancomer is famed for being a cautious bank, which has a forward-looking approach to risks. This approach has allowed us to achieve a positive performance in risk ratios: the non-performing portfolio fell 14 basis points (bp) to 2.2%, while the NPA coverage ratio also improved, rising to 132.1%. Our risk premium - the cost of lending - was steady at 3.4% at year end.

Engineering

The Engineering area provides support in the systems and technological platforms for all the bank's operations which form part of customer services. It plays a key role in maintaining BBVA Bancomer's position as the leader in Digital Banking in Mexico.

Talent and Culture

BBVA Bancomer's exceptional results are only possible because of its magnificent team of skilled and motivated employees. The Talent and Culture area's main priority is to draw, develop and retain its labor force, maintaining a values-based corporate culture and a total balance between professional and personal development.

As a result, BBVA Bancomer employees are able to enjoy very high living standards and also an excellent atmosphere at work. According to the Great Place To Work annual survey, where BBVA Bancomer improved its score by 3 points, closing the year at 84%. Employees also had one of the highest levels on the market, 94%, in the sense of pride at belonging category.

BBVA Bancomer has its sights permanently set on transformation, to create the best opportunities on the market.

CRR advertising campaigns and communication

Mass campaigns

- **Bancomer Vehicle Insurance:** “You can’t stop your car from having an accident, but you can protect it with Bancomer Vehicle Insurance”. The campaign was focused on remembering the brand and the product, the message being that your car cannot protect itself from the risks out on the road.
- **Bancomer Payroll:** “Bancomer Payroll is the key that opens a thousand opportunities”. The campaign consisted of underscoring the benefits of changing to the Bancomer Payroll product.
- **Wallet:** “The smartest way to go shopping”. In this campaign, the core message is that BBVA Wallet is the app that offers benefits for smart shopping.
- **Wibe:** “Things which will never happen to your car”. Here, the campaign revolved around wibe’s benefits, so as to reinforce this product’s positioning on the market.

Social media

We create and monitor the contents and customer service across all platforms in the bank’s institutional social media.

- We covered 76 events in institutional social media, the most noteworthy being: Official Opening of Torre Bancomer, Open Talent, Entrepreneur Week, National Financial Literacy Week, Hackathon Bancomer, The highest concert: Café Tacvba, Bancomer Talks, Alexander Schulz: Highline.
- We were the Trending Topic on Twitter in the following events: #TorreBancomer (Official Opening of the Bancomer Tower), #HackathonBancomer, #BancomerTalks, #TorreBancomer (Café Tacvba) and #Miraalcielo (Highline).
- Our level of customer service on Facebook and Twitter platforms improved: we went from responding to 85% of customers within a maximum of 30 minutes to responding to 100% of them within 15 minutes.

Facebook: 1,041,643 Fans
Twitter: 144,681 Followers
LinkedIn: 37,374 Followers
Google+: 8,934 Followers
Youtube: 6,234 Subscribers

CRR communication

To communicate the activities and results of the BBVA Bancomer responsible business strategy, studies and reports are generated, which are spread mainly through electronic channels among its stakeholders.

BBVA Bancomer 2016 Annual Report	<ul style="list-style-type: none"> • Economic, social and environmental results • Available on the bank’s website • HTML and PDF version
BBVA Bancomer Foundation 2016 Annual Report	<ul style="list-style-type: none"> • Results of its activities and programs • Available on the Foundation website • PDF version
ABM 2016 Annual Report	<ul style="list-style-type: none"> • Results of all the activities and programs of Social Responsibility and Sustainability of all unionized employees • Distribution amongst financial institutions • Available on the association website
Economic and Social Balance	<ul style="list-style-type: none"> • Shows the positive impacts on people and society as a result of the everyday activity of BBVA Bancomer
BBVA Bancomer CoP and Foundation	<ul style="list-style-type: none"> • Information about the Progress in applying the 10 Principles of the Global Compact, to which both institutions are adhered • Available on the Global Compact website
Press articles and statements	<ul style="list-style-type: none"> • ConéctaT Magazine available on the corporate intranet • Press statements available at the Press Room on the bank’s website

Economic impact



We passed the one billion pesos mark in support for economic development

Analysis and Discussion of Business Development

Grupo Financiero BBVA Bancomer, key balances in millions of pesos.

Trend in Commercial Activity

At the close of December 2016, we managed to pass the 1 trillion pesos mark in performing loans, 13.3% higher than the 2015 figure. This positive development not only allows BBVA Bancomer positioning as market leader with a share of 23% at the end of December 2016, but also - according to the CNBV - it has been the bank with the largest increase in total loans balance during the last twelve months.

Performing Loans

+13.3% year on year

1,001,269

2016

884,120

2015

Figures in millions of pesos

COMMERCIAL LOANS rose by 14.8% year on year to MXN572.22 billion. The strongest performer within this portfolio has been business loans, which increased by 18.9% over the last twelve months.

THE CONSUMER FINANCE AND CREDIT CARD PORTFOLIO reported an exceptional performance, growing by 13.6% during the year to reach MXN247.53 billion. But the highest growth in this portfolio was in consumer finance, which includes payroll, personal and vehicle loans, and which was 16.7% higher than the previous year. The trend of payroll and personal loans has been mainly supported by the issue of loans to our own customer base, which not only allows higher volumes but also stable quality in these portfolios. Growth in the credit cards portfolio, meanwhile, had improved at the close of December 2016, reaching MXN102.712 billion, 7.8% higher than in 2015.

MORTGAGES were up 8.1% at the close of December 2016 to MXN181.515 billion. BBVA Bancomer is still the leading bank in mortgage loans; according to the CNBV, it grants one out of every four new mortgages in the private sector.

In December 2016, demand and time deposits had increased by 10.9% against the previous year. If we include issued credit securities and the global deposits account without movements, traditional deposits were up by 8.7% yoy. Demand deposits amounted to MXN754.50 billion at the close of 2016, up 11.1% against the previous year, while time deposits saw an annual increase of 10.2% to reach MXN193.75 billion at the close of December 2016. This makes BBVA Bancomer the market leader in terms of banking deposits, with a 23% market share. This performance in deposits means BBVA Bancomer has a profitable funding mix, with a greater relative weight of demand deposits.

Assets managed in mutual funds stood at MXN355.55 billion at the end of December 2016, up 4.9% against the previous year. BBVA Bancomer is one of the biggest mutual fund managers on the market, with a market

share of 19%, according to the Asociación Mexicana de Intermediarios Bursátiles (AMIB, Mexican Securities Industry Association) at December 2016. Total deposits amount to over MXN1,000.7 billion, tantamount to annual growth of 7.7%.

Commercial loans

+14.8% year on year

572,220

2016

498,296

2015

Figures in billion pesos

Consumer finance and credit card portfolio

+13.6% year on year

247,534

2016

217,982

2015

Figures in billion pesos

Demand deposits

+11.1% year on year

754,498

2016

679,012

2015

Figures in billion pesos

BBVA Bancomer manages total customer deposits of MXN1,700 billion

Earnings

In December 2016, net interest income stood at MXN\$113.34 billion, annual growth of 12.2%. This growth has been driven by higher loan and deposit volumes, as well as by a good performance in the insurance business. Preventive estimates rose 13.9%, in line with the increase in the loan portfolio. As a result, net interest income adjusted for credit risks amounted to MXN\$80.90 billion in December 2016, 11.6% up on the figure for the previous year.

Fees and commissions saw an annual increase of 6.5%, amounting, at the end of December 2016, to MXN\$22.67 billion. Credit and debit card fees were the most buoyant, due to customers performing a higher number of transactions with these products.

Net trading income rose sharply by 20.2% in the cumulative figure at December 2016, driven by positive purchase/sale income, mainly from currencies and security investments.

Other operating income closed the year at MXN790 million, fuelled largely by income from the sale of foreclosed assets.

BBVA applies strict expense control and management, in spite of its steady investments in Mexico. An example is the controlled 5.0% annual increase in administration and marketing expenses.

Net interest income

+12.2% year on year

113,335

2016

100,997

2015

Figures in billions pesos

Investment also went into expanding the banking infrastructure, making GFBB one of the leading institutions with 1,836 branches, 95% of which have been renovated. It also has 11,434 ATMs, 662 more than the previous year.

However, proper management of income allows GFBB position itself as one of the most efficient institutions in the financial system, with a efficiency ratio - measured as an expense-to-income ratio - of 39.4% at the end of December 2016.

Net profit was MXN40.79 billion in 12M16, up 18.3% year-on-year or MXN6.30 billion.

Economic impact

Indicators (%)	GFBB	Market*
Return on equity (ROE)	22.2	11.3
Net interest income (NII)	5.8	4.6
Efficiency Ratio	39.4	51.1
NPA ratio	2.2	2.1

* Market made up of 5 Groups at December 2016 (Banamex, Santander, Banorte, HSBC and Scotiabank).

SOURCE: Quarterly Financial Group Reports

Economic Value Added (EVA) by stakeholder

	Dic-14	Dic-15	Dic-16
Personnel costs	18,074	19,637	21,201
Interest expenses	27,012	27,940	34,633
Administration and operating expenses	14,854	15,760	15,622
Taxes	9,559	11,094	13,572
Contribution to the community: funds allocated	69,499	74,431	85,028
Economic value generated and distributed			
Economic value generated	114,898	127,332	141,841
Net interest income	92,496	100,997	113,335
Net fees and commissions	20,483	21,280	22,666
Other ordinary revenue	1,919	5,055	5,840
Economic value distributed	74,007	80,612	88,399
Dividends	20,515	21,475	23,531
General administrative expenses	25,859	28,406	30,095
Taxes	9,559	11,094	13,572
Personnel costs	18,074	19,637	21,201
Economic value retained	40,891	46,720	53,442
Preventive estimates for credit risk	25,526	28,482	32,434
Reserves	15,365	18,238	21,008

SOURCE: Grupo Financiero BBVA Bancomer

Figures in billion pesos

Social and Environmental Impact



Value for our stakeholders and the environment

Customers

Our evolution goes hand in hand with the revolution in technology, and is aimed at making our customers' lives easier. We use a clear and simple language and provide you with innovative services and solutions. We are always seeking to improve the way we listen to our customers so as to offer them a better experience and a service which lives up to their expectations. We reinforce their security using preventive and protective tools.

Customer experience

The customer experience is one of BBVA Bancomer's main strategies, because each opinion or survey which we get from our customers is an opportunity to improve our service.

Every six months we carry out an open market benchmarking study to calculate the NPS (Net Promoter Score, which is the ranking of the best companies according to customer experience). In this study, people are asked to recommend only the 5 top banks.

In 2016, we were ranked first in 6 out of the 8 cities where we conducted the study. BBVA Bancomer achieved the top position in the Commercial banking segment.

Since 2015, we have deployed a digital feedback platform aimed at understanding our customers' needs in our Branches Network. We can use this platform to know our customers' opinions in real time when they carry out a transaction at the teller, any consultation or when using the Self-Service. We increased our score by 11 points from 2015 to 2016.

We use the NPS methodology in telephone surveys to get a score for each type of customer, and for our service channels: Bancomer.com, Bancomer Móvil, Self-Service and the Contact Center. In 2016, we increased the recommendation indicator for these channels vs. 2015.

Transparent, clear, and responsible (TCR) communication)

The financial sector is perceived as being complex. Customers believe we use a highly technical language. Banking employees use this way of speaking to understand each other, but customers do not always “catch our drift”.

People want clear and accurate information about the products they use. It is up to financial institutions to explain any statement, document or contract issued by us in a simple and easily comprehensible language to allow people to make informed decisions.

To reach this goal, we have developed the TCR Communication project as one of the strategic pillars of the responsible business model. It consists of defining the basic action criteria and the guidelines needed to apply the simplest possible approach to all communication about products and services and in all points of contact with customers and stakeholders. The Process Architecture Department, which is part of the General Transformation Division, is responsible for the TCR initiative.

TCR Communication is applied in the following spheres:

- TCR product sheets: They describe the advantages of products, but also the costs and risks associated with them, using a simple language and also a glossary of terms (for any technical words which cannot be avoided).
- TCR contracts: The idea here is to take a novel approach to current contracts with customers, using a more intuitive structure and a language which is easy to understand.

- TCR Publicity: The aim of this initiative is for BBVA Bancomer's language in advertising to be transparent, clear and responsible. Accordingly, we drew up the TCR Advertising Language Code, a self-regulating document which sets out the principles applicable to all the Group's advertising communications.

- Digital TCR: Ensuring that digital solutions are intuitive and contain clear and sufficient information.

- Customer service centre: Improving the customer's experience with phone advisors.

2016 Developments

Product sheets: We have 100 sheets which are updated under TCR criteria, representing 100% of commercial banking products and some high net worth and corporate banking products.

Contracts: The digital channels contract is installed and ready to be used for current and new customers. With the current procedure, we have 9 contracts transformed into validations, while this brings down the number of times the customer has to sign for credit cards and consumer.

Advertising: We apply the TCR code for traditional and digital marketing and review of contents by the Marketing area and advertising agencies.

Digital TCR: We teach workshops to multidisciplinary teams who specialize in designing and developing digital solutions which are tested before they are released on the market.

Customer support centre: We train our content developers using a clear language and we define the strategy to transform the maps used to guide the phone advisors when they speak to customers.

Financial literacy

Financial literacy (FL) is one of the strategic priorities in the BBVA Bancomer Responsible Business Plan and it is materialised through our Global Financial Literacy Plan. Our objective here is to facilitate the development of financial skills that enable society to make informed decisions to improve people's financial well-being and be more aware of the risks and opportunities that exist.

We work mainly with three segments:

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

Financial literacy for adults, which - along with TCR Communication - is the other key to enabling customers to make informed decisions, and;

Training in finance and business skills for SMEs, which play a key role in developing the economic and entrepreneurial fabric of the country in which they operate.

The BBVA Bancomer financial literacy program, Adelante con tu Futuro (Forward with your Future), which was devised in 2008, uses the largest infrastructure for a financial literacy program in Latin America: it has 20 fixed classrooms, 15 mobile classrooms, 15 mobile equipment units, 100 instructors and contents which are aligned with people's life cycles so that we can give them the necessary tools to help them manage their finances in a better way.

2016 Developments

Participants in the Adelante con tu Futuro (Forward with your Future) Financial Literacy Program.

Year	2014	2015	2016
Participants	312,540	338,662	320,707
Workshops completed	905,871	938,691	910,784

Includes participants in "Future values" workshops.

Participants in "Future values" workshops.

Year	2014	2015	2016
Number of students	51,122	16,523	16,096
Number of workshops	81,380	16,523	16,096
Number of volunteers	123	105	154
No. of schools	ND	31	20

- The World Bank evaluated our Financial Literacy program so as to quantify its impact on our customers' financial behavior once they had received training and advice. The results were positive: personal finance management improved by 92% and responsible credit management by 90%.
- We organized the 3 National Financial Literacy Meeting in Mexico City, which was attended by 103 people.

- We took part in the National Entrepreneur Week. We spoke to over 5,000 visitors at our stand, and also offered a mobile classroom, 60 recreational workshops for children, a conference attended by 260 people and social media activities.
- We appeared at two games in the BBVA Bancomer MxSub-13 League to promote financial literacy by talks and games to young football fans.
- We took part in the National Financial Literacy Week, an event which is aimed at raising households' and families' awareness about the effect of their habits in personal finance and to give them advice on how to improve.
- We took part in the 5th Financial Literacy Week in the United States and Canada, a series of workshops and conferences which are aimed at raising awareness amongst Mexicans living in these countries about buying homes in Mexico.
- We were present in the Día de Ahorro Infantil (Children's Saving Day), an event organized by the Mexican Banking Association (ABM). We visited groups of primary five pupils in state schools from 14 cities, explaining the most important types of saving.
- We offered training to students from 4 universities which have agreements with BBVA Bancomer (Tula Tepeji Technological University, Huejotzingo Technological University, Huatusco Polytechnic and the Reforma Banking and Commercial School) so that they could teach financial literacy workshops to university students and teaching/administrative staff at these universities.

Management of complaints and claims

Customers' claims and complaints are an excellent way of improving processes throughout the BBVA Bancomer Group, as they point out very clearly which parts of our processes have to be changed so as to simplify our customers' lives. Necessarily, in view of the economic situation, the growth in our business and the changes in standards and regulations - which are more severe with financial institutions - we need to strive ever harder when managing any request or complaint by our customers.

Our Special Claims Unit aims to adapt and evolve continuously so as to improve and optimize its

management models. The highest number of claims is in the cards area, particularly credit cards.

Any complaints that one of our customers or users might have regarding the use of BBVA Bancomer products and services, are resolved by the relevant channels; the main channels are: Branches, Línea Bancomer (customer support phone number) and Bancomer.com

If any of our customers is not fully satisfied with the way in which their complaint has been handled, they can contact the BBVA Bancomer Specialized Unit. Here a multi-disciplinary team which take a fresh look at their request, offering a high quality service.

Complaints submitted to the Specialized Unit	2014	2015	2016
Direct customer complaints	34,725	47,453	49,598
Complaints made to CONDUSEF	37,681	34,135	36,176
Total number of complaints	72,406	81,588	85,774
Resolved in the customer's favor	19,793	19,352	20,197
Resolved in the bank's favor	30,141	30,917	40,132
Average number of days to handle complaint	ND	11	9

(1) For statistical data, we only consider our customers' complaints in the execution or delivery of a product or service which could entail a monetary impact.

(2) Although the number of complaints made by our customers increases each year, the rate of growth is lower than the bank's growth rate.

Scope: BBVA Bancomer

Customer protection

In view of the growing climate of insecurity and crime which is becoming so pervasive across Mexico, our customers and users need to feel safe in the knowledge that their information, their assets and even their physical integrity are safe with us.

BBVA Bancomer's Institutional Security Division works on several fronts to prevent and manage the most important operational and technological risks.

2016 Developments

- In September 2015, we began to roll out the Chip + NIP strategy for shopping in retail establishments. This measure is focused on eliminating fraud risk when customers lose their cards or they are stolen. Through this strategy we have managed to bring down average monthly fraud by 41% in 2015 vs. 2016 for petty theft.
- In alliance with CERT España, we monitor Internet activity toward websites attempting to "phish" Bancomer.com. Once these websites are identified, they are blocked and cancelled so to ensure customers not longer try to log and compromise their data such as card number, passwords and PIN. In 2016, we deployed a number of improvements in the detection process, and reduced the number of BBVA Bancomer phishing sites by 25%.
- Deployment of an optical reader to ensure that only authentic customers are carrying out transactions on the Bancomer.com website. With the OTP (One Time Password), only one device can read the activation code, thus bringing down the risk of the customer sharing it verbally with a potential hacker.
- Since the previous year, we have implemented and installed new technologies in branches and ATMs, which are actually superior to those used by law enforcement, to prevent hold-ups at branches. Examples are:

Fake Sites

- 25 %

1,341

2016

1,798

2015

- Installation of screens in counters limiting visibility of the customer's transactions.
- Installation of CCTVs in parking areas.
- Implementation of the Anfitrión Bancario (Banking Host) -a bank clerk at the branch who warns, detects, and identifies crime patterns, such as card fraudsters ("talladores"). This person will activate the warning operation towards the Institution's surveillance monitoring center.
- Security and surveillance at risk-prone branches.
- Regular meetings held with municipal and state authorities through the SEPROBAN (Security and Banking Protection) (Coordinator) authority to sign cooperation agreements.
- As for fraud prevention, we operate with the state-of-the-art technology, and with staff trained for the implementation and application of security measures.

Team

In BBVA Bancomer we genuinely believe that people are the key to our success. We are creating a new working culture in an environment and with types of task where the customer is at the heart of everything we do.

One example of the cultural transformation under way in BBVA Bancomer is the experience in the Human Resources Division, which is being reorganized and transformed into the Talent and Culture Division. The cultural transformation in BBVA Bancomer is taking place through a five-dimensions model, where the chief goal is to have an impact on the spirit of the people who form part of the organization.



Based on market trends, we have defined an aspirational model in the T&C function, leveraged on 5 core dimensions

3. Managing
talent and developing leaders

4. Improving
performance



1. Promoting
values

2. Seeking
satisfaction

5. Alignment
with global Holding strategy

THE T&C FUNCTION EVOLVES to change the "soul" of the Organization: its people

Staff profile

Workforce by Age and Gender	2014	2015	2016
Age		Percentage of employees	
< 25	18.9%	11.2%	11%
25-45	66.7%	71.5%	74%
< 45	14.4%	17.3%	15%
Gender		Percentage of employees	
Females	53.1%	53.4%	54%
Males	46.9%	46.6%	46%
Total employees	38,273	38,719	37,839

Scope:
BBVA Bancomer

Staff by Contract, Work Schedule and Gender	2016			
Contract	90.3% of workforce		9.7% temporary ⁽¹⁾	
	M-15,798	F-18,368	M-1,744	F-1,908
Working day	98.1% full-time		1.9% part-time ⁽¹⁾	
	M-17,328	F-19,804	M-214	F-472

⁽¹⁾ Expatriates account for 0.1% of this total

Scope:
BBVA Bancomer

We are creating a new working culture in an environment and with types of task where the customer is at the heart of everything we do.

	Employee Recruitments ⁽¹⁾		2014		2015		2016	
			F	M	F	M	F	M
		< 25	2,248	2,090	1,745	1,202	2,414	1,828
		25-45	2,024	2,583	2,133	2,398	2,786	2,938
		< 45	63	187	55	119	60	156
		Total	9,195		7,652		10,182	

⁽¹⁾ Reports actual recruitments.

Scope: BBVA Bancomer Group

	Employee Terminations ⁽¹⁾		2014		2015		2016	
			F	M	F	M	F	M
		Under 25 years	1,381	1,342	940	740	1,709	1,224
		25-45 years	2,649	2,672	2,336	2,466	3,782	3,723
		Over 45 years	341	591	299	425	453	677
		Total	8,976		7,206		11,568	

⁽¹⁾ Reports actual terminations.

Scope: BBVA Bancomer Group

	Turnover by Age and Gender		2014		2015		2016	
		Males	26%		20.2%		9.2%	
		Females	21.7%		17.4%		8.1%	
		0-25 years	42.80%		36.8%		18.4%	
		25-45 years	20.70%		17.5%		8.4%	
		Over 45 years	16.10%		11%		2.1%	

In 2014 and 2015 managed turnover reported. From 2016, voluntary turnover reported.

Scope: BBVA Bancomer Group

	Absentees Level		2014		2015		2016	
		Employees ¹	30,981		30,270		9,942	
		Days ²	195,328		204,540		172,449	

⁽¹⁾ The 2016 figure does not include repeated employees.

⁽²⁾ Refers to calendar days.

Recruitment, training and development

Young Talent

We are transforming our bank to offer a better service to our customers and to be a better place to work in. Young people are definitely the driving force behind this process of constant transformation and change. It is they who question and propose, who have new insights into what is already there and who help to improve the country's working and social climate.

We want to be near young people and their universities, help them with their training and be able to offer them their first work experience in BBVA Bancomer, so that they can learn and know what it is like to be part of the Group - and for them to choose us when it comes to their careers.

Belonging to BBVA Bancomer means having a career in one of the most solid companies. We look for professionals who have studied a range of university degrees to enrich our teams and add new talent in specific skills.

Young Talent Programs:

- **Internship Program:** it mainly targets students in the last year of their degree with an average mark of 8.5, who are interested in enhancing their career prospects and acquiring professional experience by taking part in a specific project for six months. The students work 30 hours a week. In 2016, we hired 98 students in different business areas.



- **Junior Trainees Program:** it is aimed at recent graduates, and lasts for 1 year. The primary objective is to spot talented individuals from the new generations, to quickly enhance their careers and their skills, and also help to accomplish certain goals of the different business areas. In 2016, we hired 59 Junior Trainees.

- **Senior Trainees Program:** Aimed at developing talent in different levels of the Group through a program focused on graduates with a Master's degree, for 12 months of work experience. Through specific projects and roles in the Senior Trainees Program, we seek to create more analytical and critical building blocks to continue transforming the bank. In 2016, we hired 20 Senior Trainees.

- **Summer Internship Program:** the goal of this program is to connect BBVA Bancomer with new generations of talented youngsters through a program which targets Master's graduates for a period of three months.

Training

BBVA Campus training centers

Open Day was used for the official opening of the Campus BBVA corporate training centers in Torre Murano and Torre Torea. For four days, over 700 bank employees were able

to attend eight conferences, 16 innovation workshops and 48 learning journeys, and took part in the company's new learning experiences..

Training	2014	2015	2016
Classroom training (hours)	1'340,572	974,180.77	718,140.09
E-campus training (hours)	1'676,177	1'576,064.07	1,479,780.27
Total	3'016,749	2'550,244.84	2,197,920.36
Percentage of employees trained	100%	96%	98.6%
Total investment in training (pesos)	136'800,610	137,754,110	139,747,208
Investment in training per employee (pesos)	3,511	3,557	3,745.37
Training hours per employee	77.43	68	58.9
Satisfaction rating of training	9	9	9
Employees who have received training	38,961	37,521	37,312

Scope: BBVA Bancomer Group

Employees received 584,772 hours of training on the subjects of anti-money laundering, human rights, anti-corruption, protection of personal data and codes of conduct.

Diversity and work/life balance

Through our Diversity strategy, we support initiatives which promote equal opportunities between male and female employees, always seeking to find the best talent and allowing everyone to realize their potential skills.

We also support initiatives aimed at preventing any obstacles in the company for disabled people, hiring “differently-abled” employees to the BBVA Bancomer team.



Gender equality

We have a diversity strategy to promote gender equality and to empower female employees.

Diversity lines of action

Gender equality	Inclusion
-Maternity	-Infrastructure and accessibility
-Professional Development	- Human Resources Processes
-Awareness Raising	-Recruitment
	-Awareness Raising

We have set up two committees aimed at guaranteeing that procedures work smoothly: the Operating Committee, which sits once a month, and the Strategic Committee, which meets once a quarter.

Our corporate headquarters are equipped with services which help us to achieve our goals:

- Breastfeeding rooms and agreements with kindergartens and schools.
- Staggered hours and working from home.
- Accessibility and infrastructure for disabled people with services such as parking places, ramps, bathrooms and office space.

2016 Developments

Employee Category by Gender	2014		2015		2016	
	Males	Females	Males	Females	Males	Females
Management Committee and Corporate Directors	61	2	58	5	55	5
Executives	244	40	213	35	184	35
Middle management	2,483	1,395	2,673	1,593	2,729	1,706
Experts	3,109	2,799	3,198	2,881	3,239	2,978
Sales force	7,110	7,282	6,795	6,907	6,126	6,174
Entry-level positions	8,823	4,925	5,087	9,274	5,227	9,381

Scope: BBVA
Bancomer Group

Levels of Reinstatement Following Maternity Leave

	2014	2015	2016
Maternity leave ⁽¹⁾	972	1,131	1,004
Number of leaves covered	662	647	92
Number of women reinstated	767	996	856

⁽¹⁾ "Leave" means women who were absent on account of maternity.

- 5 women have Senior Management positions.
- At the close of 2017, we had 37 disabled workers in BBVA Bancomer.
- In 2016, we recruited 5 employees with motor dysfunction in full-accessibility branches; and also collaborated with the Colabore A.C. Foundation to raise awareness amongst our colleagues.
- We updated the Maternity Guidelines, the Regulation for use of the Breastfeeding Room and the Guidelines for Reinstatement of Female Employees following Maternity Leave.
- We made further efforts into raising employees' awareness, mainly through the diversity website, promoting paternity, maternity and respect for diversity.
- We promoted paternity as part of the Quality Program by launching a campaign encouraging our employees to find out about and take their paternity leave.

Recruitment and remuneration

Our remuneration system is based on mutual creation of value for the Group's professionals, based on the best current generally accepted national and international practices of remuneration and good corporate governance.

There are two types of remuneration, which are clearly differentiated:

- **Fixed remuneration**, which is established taking into account the level of responsibility and the employee's track record, setting a salary benchmark for each function.
- **Variable remuneration**, which rewards people who create value in the company, compensating individual and team contributions. Variable compensation is aimed at rewarding individual, group and organizational results, measured through customer, financial and other indicators.

The basic salary for each professional category is the same regardless of gender, 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 in Mexico as a whole.

BBVA employees also have a range of social benefits which are divided into three areas:

- **Agreements and special offers:** Access to agreements with companies and membership programs offering discounts for travel, schools and nursery schools, restaurants, clothing, etc.



Decent Work and Economic Growth

We guarantee decent employment for all men and women, including young people and the disabled, and equal pay for equally valuable work.

- **Sports and recreation:** Sporting, social and cultural activities to encourage integration and family well-being, such as the BBVA Bancomer Race and the Banking Games.
- **For the family:** Events and programs for our employees' children and relatives, such as the Summer Entrepreneurs Program and the BBVA Route.
- **Benefits:** Personal loans for clothing and footwear, consumer items, automobiles, mortgages, personal items and business loans. With the Beneflex system, each employee decides where he/she wants to have cover, in accordance with his/her needs.
- **Medical Service.**

The new headquarters also have additional benefits such as:

Food	Transport	Well-being	Services
General canteens	Corporate transport	Medical appointments	Service desk (dry cleaning, cosmetics, etc.)
Pay canteens	Transport between office buildings	Drugstore	Shoeshine
Coffee shops	Parking for cars, motorbikes and bicycles	Breastfeeding rooms	Souvenir shop
Co-working areas		Well-being centers	Recreational areas (table football, ping pong, etc.)
		Plants	Open air activities

⁽¹⁾ Not all the benefits are offered in all the new offices.

Working conditions

In 2016, we worked hard to ensure our employees could adapt quickly to the new headquarters. After the grand opening of the Torre BBVA Bancomer, we organized "A day for family and friends" in the summer of 2016. Over 9,000 of our employees' relatives and friends were invited to get to know our different headquarters so that they could also feel they were taking part in this far-reaching transformation project.

We applied changes in our assessment system so as to have a more flexible process, with inputs from unionized staff and individual results assessment. This assessment measures each employee's skills, leadership, rating and potential, all in one system. It is used to improve employees' conversations with their leaders, and to provide insights about their future prospects.

We use metrics to calculate employees' progress in employee-organization relations and impacts on satisfaction, well-being and productivity. This year, the three most important metrics were:

1. **Cultural Diagnosis-** In 2016, this metric was applied for the first time to all employees who were relocated to the new offices so as to gauge their perceptions about changes with regards to available services, new behaviors and physical space.

2. **The 2016 Internal Emotional Reputation Survey (RIE) 2016-** Allows us to observe how employees' views of the company's image change over time. According to this year's results, our company's internal reputation has been steady from the standpoint of network employees and central services, and our main strengths are considered to be our solidity and growth.
3. **The Organizational Climate Survey-** Applied by the Great Place to Work Institute. This year was our best result for the last 5 years: 85 out of every 100 employees have a high level of satisfaction.

Our philosophy concerning freedom of association and union representation is that dialog and conciliation are the best way to solve conflicts and reach consensus.

BBVA Bancomer has the most comprehensive collective labor agreement in the financial sector, defining labor relations with 31.9% of the BBVA Bancomer Group's employees.

Having a decent and responsible labor union representation as well as a recognized and solid collective agreement allows us to forge ahead with our actions and projects; always relying on well-paid and attractive human capital, and keeping us in a strong position in the financial market.

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.

2016 Developments

Bank Workforce: 37,839			
Unionized		Non-unionized	
Males	4,186	Males	13,374
Females	7,894	Females	12,385
Total	12,080	Total	25,759

Alcance:
Grupo BBVA Bancomer

- We carried out a salary review on the 18 collective wage agreements of all the separate BBVA Bancomer Group companies, and raised unionized employee wage scales by 4%.
- We received 104 labor inspection visits by the Ministry of Work and Social Welfare; workers' representatives of the visited work centers took part in the joint committees.
- With the help from the union representatives from the Group's companies, we deployed 24 business projects which impacted the staff's working conditions.
- We organized 21 Talent and Culture and Corporate projects or processes with union representatives involving the Group's unionized staff.
- We included flexible remuneration and skill assessment schemes for the Group companies' unionized staff.
- Changes were made to the "Bono Venus" and "Gana más" compensation packages for unionized employees in 2016 with the inclusion and cancellation of products in line with business requirements.
- As we do every year, we prepared the joint work program with union representatives, and we supported 18 nationwide events for unionized staff.
- We kept the Group unions informed of all events, changes and issued memorandums, and shared 465 circulars during the year.

Community service and social engagement

Our Corporate Service Program aims to connect the bank's corporate social responsibility programs with the genuine interest of our employees who wish to volunteer and help their communities.

We use a Community Service Committee made up of key company areas, a corporate community service portal where we publish events which employees can take part in, and a "Community Service Day".

2016 Developments

- 2,999 volunteer employees (which includes employees with more than one community service activity)
- We promoted 7 community service initiatives
- 59,924 hours dedicated to community service

*Our Corporate Service Program aims to **connect the bank's social responsibility programs with the genuine interest of our employees** who wish to volunteer and help their communities.*

Community service activities carried out in 2016 include:

- 4 Reforestation of the BBVA Forest to preserve the Ajusco National Park by planting 10,000 trees and fostering an environmentally friendly culture for employees and families.
- Reforestation activity was extended throughout Mexico: Guadalajara, León, Puebla, Mérida and Tijuana.
- Over 22,000 interns received backing from Godparents, Tutors and Mentors of the BBVA Bancomer Foundation for educational programs.
- Employees who signed up as volunteers taught the "Valores de futuro" (Future values) financial literacy workshops to high school pupils.
- "Sumando Esfuerzos" (Joining Forces), a special community service day to improve the Parque Cañitas quarter, in Popotla, by cleaning and painting public spaces, improving the façades of a hundred dwellings and nine schools, and developing a community vegetable and fruit garden.
- Momentum Project to support social entrepreneurship with tutoring programs of 20 active mentors from BBVA Bancomer.



Life in Land Ecosystems

We helped to conserve biodiversity through the Reforestation of the BBVA Bancomer Forest, an ecological restoration program of 50 hectares in the Ajusco National Park, one of the most important green areas in Mexico City.

Society

Products with a high social impact

We develop financial products with a high social impact in which differential social attributes are integrated. Products fostering growth, financial inclusion, and supporting people with special needs.

Financial inclusion

With new technologies, increased capacity for data processing, higher speed and easier data connection, cheaper smart phones and a higher numbers of public Wifi spots, financial institutions now have the possibility of creating value offerings for a low-income customer segment at a lower cost. Low-income sections of the population find that by using formal financial services they can significantly reduce the costs and risk of their financial transactions, such as sending and receiving money, saving resources and paying for products and services.

In BBVA Bancomer, we have understood that higher financial inclusion has a positive impact on well-being and Mexico's sustained economic growth, and, thus, fighting financial exclusion is consistent with our ethical and social commitment, and also our mid and long term business objectives.

We have developed a financial inclusion (FI) business model which allows us to properly serve low-income sections of the population. Our goal is for money to be a way of enhancing

their lives, not an obstacle. We aim to provide them with access to financial services through alternative solutions other than the traditional branch model, developing low cost digital channels and products, products which are easy to open and simple to use, so they can perform enquiries, transactions and transfers quickly and securely, with guaranteed security, availability and proximity.

Financial Inclusion Strategy:

- Use of new digital technologies
- Increased banking coverage with platforms with branchless platforms
- Low cost innovative financial solutions, designed for the segment
- Use of big data and untraditional methodologies to assess risk

Products	Service Channels
Express account	Banking correspondents
Advance on salary	SMS Bancomer
Life micro-insurance	Bancomer mobile
Microcredits	Apps
International remittances	ATMs and recyclers
	Flap

2016 Developments

Multi-channel banking 2016		
Channel	Total Transactions	Change vs. 2015
Internet	1,392,322,700	19%
ATMs	820,897,037	-3%
Bmovil	905,969,217	84%
BSMS	10,702,593	61%

- In 2016, we granted about 38 thousand consumer micro-credits of up to 3,000 pesos each month.
- We developed a life micro-insurance policy for the first time. It will be available in 2017.
- Through our correspondent banks, we reached our goal of having 30,000 working establishments (30,169 in total) and we obtained the certification for three new correspondents.
- Through our Financial Inclusion Social Programs, we covered 116 subsidies programs at federal, national and municipal level. In 2016, we carried out a mass replacement of debit cards to the beneficiaries of the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), which is responsible for managing federal funds for rural development in Mexico.
- We promoted Flap, a technological solution so that small merchants can charge their customers using credit or debit cards.
- In 2016, BTS (Bancomer Transfer Services) became a subsidiary of BBVA Compass Payments, Inc. and processed 29,000,014 remittances sent from the US to Mexico for a volume of \$8.80 billion, 33% of electronic remittances in Mexican banking.

Supporting entrepreneurship

Innovation Center

Mindful of the importance of maintaining digital leadership in the financial sector, BBVA Bancomer has created an Innovation Center. The cultural transformation we face today allows us to work with an open and collaborative model which promotes and reinforces interactions with the innovation ecosystem, particularly entrepreneurs, startups and developers.

We have a special space showcasing our main innovation projects, one which is also used as a test lab for testing new products and services with real users. The Innovation Center offers free workshops, conferences and seminars focused on innovation, allowing BBVA to work closely with entrepreneurs, opinion leaders, institutions and companies.



Industry Innovation and Infrastructure

We promote innovation to develop new products and services, particularly those which enable people to gain better access to financial services.

Digital community

We created a digital community made up of SMEs and entrepreneurs through the Yosoypyme.net platform, a space for training, advice and high value contents for each stage of business.

We aim to strengthen this important sector with what is called SME Membership, which offers access to valued added BBVA Bancomer products and services, such as the following:

- CFDI unlimited and free electronic bills

- Stamping of CFDI payrolls
- Financial Literacy Workshops
- Commercial alliances
- Additional payroll services

We collaborate with other companies which help small enterprises to be successful, such as SAP, Fundación ProEmpleo, Impuestum and E-Myth.

*The cultural transformation we face today allows us **to work with an open and collaborative model which promotes and reinforces interactions with the innovation ecosystem, particularly entrepreneurs, startups and developers.***

2016 Developments

- We carried out the 4th Momentum Project, an initiative whose mission is to contribute to the development of social entrepreneurship in Mexico, implementing a support program and ecosystem so that most promising social entrepreneurs can consolidate themselves, grow, and scale their impact. With the collaboration of New Ventures and Monterrey Tech, this year we achieved the following:
 - 169 candidates submitted applications
 - 100 entrepreneurs received face-to-face training
 - 30 hours of training online by the Monterrey Tec
 - 220 special entrepreneurs received extra training from the IPADE Business School
 - MXN4.15 billion investment in funded entrepreneurs
 - 20 active mentors
- We carried out the "Bancomer Hackathon", a competition in which participants devise a technological idea through co-working in a short space of time to deliver innovative solutions aimed at improving Internet and financial transactions in Mexico.
- We carried out the 2016 BBVA Latin America Open Talent competition, where young developers from 77 countries presented 1,217 projects with innovative ideas in the field of fintech (financial technology). One of the winners is called Kobra, an application developed by two Mexican entrepreneurs and aimed at improving the management of SMEs and setting up efficient collection mechanisms.
- The BBVA Bancomer Innovation Center sponsors the 2016 StartupBus Mexico. Since 2010, this international project has been a hub for experts with different profiles who are willing to set off on coach to develop a fintech idea during a three-day trip. The 2016 StartupBus Mexico transported 30 entrepreneurs between 18 and 35 years old from Puebla, Monterrey, Querétaro, Pachuca and Chihuahua, from the BBVA Bancomer Tower to Boulder, Colorado, in the United States.
- We supported the 5th annual "MIT Technology Review" prizes for 10 Innovators under 35 years old in Mexico. This initiative is aimed at young Mexican leaders with first-rate technological projects, who join a community of over 250 young entrepreneurs from Argentina, Brazil, Colombia, Ecuador, Peru, Uruguay and Central America.
- Financial Literacy: in conjunction with the National Entrepreneurial Institute (INADEM), the University of Anáhuac México Sur and ADAMS Capacitación completed the first stage of the "Competencias Empresariales que te Impulsan adelante" (Business Skills that give you a head start) diploma course, aimed at the bank's customers and non-customers. Through this initiative, 450 SME entrepreneurs were given 110 hours of training in business development over an eight-month period.

Mejora Mutualista (housing rescue plan)

This model is applied in housing developments where mortgage loans which are now highly impaired were taken out. To redress this situation, we need to apply a comprehensive rescue to these mortgages on three parallel fronts

Comprehensive Rescue	
Financial Rescue	Through products aimed at solving problems with mortgage loans
Social Rescue	By community organization, through neighborhood promoters who work directly with the community and also with the participation of local authorities such as the council, water authority, universities, etc., rebuilding the social building blocks of these communities
Physical Rescue	By investment in physical improvements sought by the community; conditional on full payments (mortgage, water, property tax and maintenance expenses).

2016 Developments

We have now been deploying the Mejora Mutualista model for two years in housing developments in Tijuana, B.C., and so far have accomplished the following:

- Actions in 5 housing developments
- 3,463 Bancomer homes
- 5,150 homes in total
- 15,450 inhabitants have benefited (average of 3 inhabitants per home)

Financial Rescue

- Reduction in non-performing portfolio from 38% to 34% from 2014 on, the year Mejora Mutualista was launched.
- Lower entries in default of owned homes.
- Fast-track sale of homes owned.
- A 68% reduction in the stock of homes owned.

Social Rescue

- Construction of a broad network of 18 allies in different government and private institutions, which have made significant investments through payments in kind, such as the refurbishment of 6 guard booths by the Tijuana Department of Municipal Public Security, or the painting of 3 artistic murals with the Fundación Entijuanarte, A.C..
- Community organization through staff hired by BBVA Bancomer, with very positive results by reinforcing neighborhood associations and fostering reading, culture and sports.

Physical Rescue

- At 2016 year end, investment of \$5,776,206 in physical improvements to 3,884 homes.
- such as energy saving lamps, installation of wire fences and painting home façades.
- Restoration of public parks, guard booths, energy saving lamps, maintenance of gates and painting home façades, to name only a few initiatives.

Fondo B+Educa

This investment fund allows investors to earn high yields while contributing to Mexican education.

Its purpose is to donate 25% of yield received within the month and grant scholarships to

young people with high levels of academic achievement through the “Por los que se quedan” (“For Those Who Are Left Behind”) Integration Scholarships program offered by the BBVA Bancomer Foundation.

2016 Developments

Fondo B+Educa	2014	2015	2016
Donations (million pesos)	75'721,167	82'127,003	137'850,276
Investors	39,112	39,923	ND

SCOPE:
BBVA Bancomer

The BBVA Bancomer A.C. Foundation is the organization responsible for delivering social action initiatives of the Grupo Financiero BBVA Bancomer.

Social Programs

The BBVA Bancomer A.C. Foundation is the organization responsible for delivering social action initiatives of the Grupo Financiero BBVA Bancomer. It has developed innovative educational, cultural and entrepreneurship programs for Mexican society.

In 2016:

- Investment of \$402,507,676 in social programs
- 72, 646 direct beneficiaries

BBVA Bancomer Foundation programs

Education	Entrepreneurship	Culture
“Por los que se quedan” (For those left behind) Integration and Forward Scholarships	Magdalena Contreras Educational Center	Bancomer Arts Scholarship
Adelante con tu Universidad (Forward with your University)	BBVA Bancomer INEA-Foundation community support	Bancomer-MACG Program
The Children’s Knowledge Olympics	BBVA Bancomer Social Incubators Educational and Production Centers	“Hazlo en cortometraje” (Do it in a short film) university competition
Corporate Community Service		Publications
		Strategic Alliances

You can find out more about BBVA Bancomer Foundation programs in its Annual Report at www.fundacionbbvabancomer.org

Education

2016 Developments

“Por los que se quedan” (For Those Left Behind) Integration Scholarships and Forward Scholarships

It is now 10 years since we launched this program which is aimed at supporting talented Mexican youngsters from migrant families, through helping them with their academic and personal training. We provide a monthly financial scholarship, and support the youngster through a Godmother or Godfather to track their academic or personal development.

Student Scholars	
Integration scholarships	17,393
“Adelante” (Forward) Scholarships	10,509
Volunteers who accompany them	1,009

Adelante con tu Universidad (Forward with your University) Scholarships

We provide economic scholarships, mentoring programs and academic opportunities so that young people who took part in and successfully graduated with the Por los que se quedan (“For those left behind”) Forward Scholarships program can forge ahead their university studies.

Student Scholars	
Adelante con tu Universidad (Forward with your University)	40
Volunteers who accompany them	77

Becas de la Olimpiada del Conocimiento Infantil (Children’s Knowledge Olympics Scholarships)

We reward high academic performances, and, in conjunction with the Department of Education, we grant scholarships to young people who achieve the best results nationwide in the Children’s Knowledge Olympics.

The Children’s Knowledge Olympics Scholarships	
Student Scholars	2,923
Volunteers who accompany them	809

Entrepreneurship

Social Incubator Educational and Productive Centers

We support everyone in the communities where we operate, to create entrepreneurship programs or projects aimed at improving their social environments, using social incubators and educational support models.

SOCIAL INCUBATORS - EDUCATIONAL AND PRODUCTION CENTERS	
Educational and Productive Centers in operation	16
People assisted	18,634
Micro-businesses supported	582



Putting an End to Poverty

Through our educational programs, we help children to have the opportunity of going to school and thus get ahead in life.



Quality Education

We help to make education inclusive, fair and high quality, assisting boys and girls from underprivileged communities to continue their studies, including university.

INEA Community Places

With the aim of bringing down the number of people who fall behind in their studies in Mexico, we have created an alliance with the National Institute for Adult Education (INEA) to teach literacy programs, primary and secondary education classes, and award qualifications, in our community initiatives.

INEA Community Places	
Community Places in operation	4
People assisted	1,663

Magdalena Contreras Educational and Productive Center

We teach educational and cultural training programs, training in workshops and courses which have an impact on beneficiaries' personal and professional development, with a marked focus on improving the social climate in the area.

Magdalena Contreras Educational and Production Center	
Centers in operation	1
People assisted	1,406

Culture

We promote innovative artistic and cultural projects with the firm objective of enriching the cultural heritage of Mexico.

Culture	
The Bancomer Arts Scholarship	55 projects supported
Bancomer MACG Program	20 artists supported
"Hazlo en cortometraje" (Do it in a short film) University Competition	27 winning short films

Suppliers

Responsible procurement

A good deal of companies' social and environmental impact is not what they do but who they buy from. Thus, it is vital for large corporations to encourage our suppliers to adopt social responsibility and sustainability practices.

BBVA Bancomer's relationship with its providers is governed by the new Code of Conduct, by the Responsible Procurement Policy, by the Corporate Regulations for the Purchase of Goods and Contracting of Services.

Regular suppliers are subject to an approval process that involves validating 10 questions:

- Technical and human infrastructure
- Supply capacity
- Economic and financial solvency
- Quality (processes and products/services)
- Compliance with payment commitments
- Post-sale service and guarantees
- Market consolidation
- Organization and technology
- References
- Sustainability

Based on the Responsible Procurement Policy, progress has been made in the procurement process, both in the supplier approval process and in the terms and conditions and contracts, which establish responsible criteria and clauses for complying with this policy.

Analyzing sustainability allows us to know whether suppliers meet their legal responsibilities and encourage their civic responsibilities, for example by fulfilling the following criteria:

- Compliance with UN social and environmental principles.
- Adoption of internal measures to guarantee diversity and equal opportunities in human resources management.
- Adoption of measures to foster occupational health and safety and prevent occupational hazards.
- Supporting freedom of association and collective bargaining of their workers in all countries in which they operate.
- If the suppliers have a code of conduct or policy to prevent forced labor, child labor or other breaches of human rights in the company or in their subcontractors.
- If the suppliers have a code of conduct or policy to avoid corruption and bribery.
- Taking part or collaborating in activities relating to culture, scientific knowledge, sports, the environment or helping underprivileged sectors of the population, through direct initiatives or donations, in alliances with other organizations or institutions.
- Hiring people with disabilities.
- If the suppliers have a corporate responsibility policy.
- We have two certifying entities which are responsible for conducting annual audits of suppliers to verify that they meet the approval criteria.

At BBVA Group level, a biennial survey is conducted on suppliers to find out their level of satisfaction. At local level, we have the whistleblower channel at noconformidadesproveedoresmexico.mx@bbva.com and we carry out regular satisfaction surveys.

Procurement Process

Our supply chain is made up of a catalog of suppliers we classify according to their turnover into A, B, C1 and C2; the first three categories are the most important as they account for almost 70% of billing.

We use the Global Procurement System (GPS) technological platform to provide support to every stage of the procurement process (budgeting, purchases and finance). GPS

is integrated in the Adquira Marketplace suppliers portal, allowing for online interaction between BBVA Bancomer and its suppliers, via a collaborative environment, through the electronic exchange of documents. We thus cover the main procurement process scenarios, from the point orders are issued up to registering invoices, including e-billing.

2016 Developments

Supplier Approval	2014	2015	2016
Number of suppliers	472	627	658
Number of approved suppliers	441	493	340
Percentage of purchases from suppliers who have taken part in the approval process	ND	45%	44%
Number of suppliers who have failed the approval process	9	35	108
Number of electronic negotiations	452	963	579

Scope:
BBVA Bancomer

- A total of 869 suppliers received training so that they could use the platform in Adquira in the e-billing mode.
- All the hired suppliers (37 are foreign) were registered on the Adquira portal, and the system was configured.
- 97% of our suppliers are Mexican. The other 3% come from Chile, Peru, the United States, Spain, the UK, Belgium, Sweden, Switzerland, Canada, Germany, the Netherlands, Ireland, Japan, Panama and Luxembourg.

Environment

As a financial institution, BBVA Bancomer has a significant potential impact on the environment through the consumption of natural resources and the emissions generated, and in particular through its products and services, especially those related to financing, asset management and supply chain activities.

As we belong to the financial services sector, our main impacts stem from the electricity used, business trips and electronic and paper waste generated. That is why it is crucial to have a strategy which helps us to manage them efficiently. Our commitment to the environment is reflected in the Environmental Policy. In addition to complying with environmental laws, we have adhered to various community service initiatives: the Financial Initiative of the United Nations Environment Program (UNED-FI), the Equator Principles, the Principles for Responsible Investment (PRI), the United National Global Compact and the Carbon Disclosure Project.



BBVA Bancomer - as a financial institution - has a direct impact on the environment, through the use of natural resources and emissions generated

Climate change

We are committed to fighting climate change. We signed a key agreement with Enel Green Power to provide BBVA Bancomer offices with sustainable electricity generated in wind farms. This initiative will interconnect 1,423 branches, Torre BBVA Bancomer, Parques BBVA Bancomer, Montes Urales No. 620 and all our headquarters across Mexico.



Climate Initiatives

We rolled out an eco-efficiency plan to bring down our CO2 emissions, so helping to fight climate change and its effects.

Global Eco-efficiency Plan

We have established a Global Eco-Efficiency Plan (GEP), managed by the Purchasing, Properties and Services Department, which objective is to reduce our carbon footprint. The objectives per employee for the period 2016-2020 are:

GEP 2016-2020	
Environmental management and sustainable construction	29% employees in certified buildings
	--3% consumption per employee
Energy and Climate Change	65% of energy from clean sources
	--56% of CO2 emissions per employee
Water	--3% consumption per employee
	11% of employees in buildings with alternative water sources
Paper and waste	--23% paper consumption per employee
	29% employees in buildings with selective collection
Extended commitment	Getting employees involved in the company's efforts. Extending the environmental commitment to the supplier chain.

2016 Developments

GEP Main Indicators	2016 (Base Year)	
Employees in certified buildings (%)	1.3%	(1) Total number of employees is the sum of employees of the BBVA Bancomer Group plus the number of external staff of the bank buildings and branches.
Electricity consumption per employee (KWH)	5.78 MWh	(2) In 2016, there was a total of 37,839 employees, plus 7,343 external employees, making a total of 45,182.
Eq. CO2 emissions per employee (T)	2.87	(3) Includes ISO 14001 and LEED certifications.
Water consumption per employee (m3)	13.81	
Paper consumption per employee (kg)	39.17	

Scope: BBVA Bancomer Group

Water Consumption

- The BBVA Bancomer Tower can recycle 100% of rainwater and waste water.
- We use the treated water in: WCs, cooling towers, water mirrors and gardening.
- We installed low consumption bathroom fittings and accessories, saving 20% in consumption of treated water.

Social and Environmental Impact

302-1, 302-3, 302-4, 302-5

Water consumption (m ³)	2014	2015	2016	
Annual total water consumption (m ³)	805,342	580,804	624,359	(1) Total number of employees is the sum of employees of the BBVA Bancomer Group plus the number of external staff of the bank buildings and branches.
Water consumption per employee per year (m ³)	18.91	13.41	13.81	(2) In 2016, there was a total of 37,839 employees, plus 7,343 external employees, making a total of 45,182.
				(3) (m ³)=cubic meters

Scope: BBVA Bancomer Group

Electricity and fuel consumption

- An agreement was signed with Enel Green to supply wind energy to offices and branches.
- R22 gas equipment was replaced with ecological R410a gas in the branches network, bringing down energy usage.
- State-of-the-art more highly efficient furnaces, which work with gas, were installed in the new towers, reducing steam generation by 48%.



**Accessible
Non-Contaminating
Energy**

We help to improve energy efficiency by using wind energy for our offices and branches.

Energy Consumption	2014	2015	2016	
Total electricity consumption	221,781.63 MWh (798,414 GJ)	254,074.12 MWh (914,667 GJ)	261,238 MWh (940,456 GJ)	
Total electricity consumption per employee	5.20 MWh	5.87 MWh	5.78 MWh	
Total LP gas consumption	96,749 l (2,320 GJ)	118,459 l (2,840 GJ)	156,721.77 l (3,758 GJ)	
Total natural gas consumption	ND	ND	63,892 m ³	
Total diesel consumption	768,590 l (28,019.52 GJ)	657,322 l (23,963.16 GJ)	331,810.17 l (12,096.38 GJ)	

(1) Total number of employees is the sum of employees of the BBVA Bancomer Group plus the number of external staff of the bank buildings and branches.

(2) In 2016, there was a total of 37,839 employees, plus 7,343 external employees, making a total of 45,182.

(3) MWh=Megawatt-hour

(4) GJ=Gigajoule

(5) l=Liter

(6) m³=Cubic meter

Scope: BBVA Bancomer Group

Social and Environmental Impact

305-1, 305-2, 305-3, 305-4, 305-5

Scope 2016: Airplane kilometers: BBVA Bancomer Group.	Km. travelled by plane:	2014	2015	2016
	Journeys less than 500 km	733,840	819,166	4,591,489
	Journeys between 500 and 1600 km	16,253, 372	16,243,029	22,056,761
	Journeys higher than 1600 km	41,918,118	40,373,102	24,483,086

Audiovisuals

BBVA Bancomer promotes the use of video-conferencing rooms so that users do not have to travel to other offices, bringing down CO₂ emissions from use of other forms of transport.

Accumulated figures. Scope: Bank headquarters and offices		2014	2015	2016
	Videoconferences	3,598	6,886	16,558
	Rooms equipped with video-conferencing equipment(1)	112	175	178
	Audioconferences	17,127	23,331	21,552
	Telepresence	157	90	2

Paper consumption

- MFDs were installed allowing us to save time, energy and thousands of meters of paper.
- We have rolled out the Paperless program and digitalization of files for a new corporate culture and awareness.

(1) The number of employees is the sum of employees of the BBVA Bancomer Group plus the number of external staff of the bank buildings and branches.

(2) In 2016, there was a total of 37,839 employees, plus 7,343 external employees, making a total of 45,182.

(3) (kg)=kilogram

Scope: BBVA Bancomer

Paper	2014	2015	2016
Total paper consumption (kg)	1,923,911	2,185,298	1,769,841
Total paper consumption per employee (kg)	45.18	50.47	39.17

CO₂ emissions

Atmospheric Emissions (t)	2014	2015	2016
Total CO ₂ emissions (T)	113,566	126,827	128,855
Total CO ₂ per employee (T)	2.66	2.93	2.87
Direct emissions of CO ₂ (T)	2,240(4)	1,968	1,349
Indirect emissions of CO ₂ (T)	111,469	124,859	127,505

(1) Total CO₂ emitted is calculated by adding direct emissions (fossil fuels) to indirect emissions (electricity and air travel).

(2) The number of employees is the sum of employees of the BBVA Bancomer Group plus the number of external staff of the bank buildings and branches.

(3) In 2016, there was a total of 37,839 employees, plus 7,343 external employees, making a total of 45,182.

(4) Total CO₂ emissions rose by 1.6% in 2016 against 2015, although they fell by 2.04% per employee.

(T)= metric tons

Scope: BBVA Bancomer Group

Buildings with environmental certification

In 2015, the construction of our new corporate headquarters was completed: BBVA Bancomer Tower, Parques BBVA Bancomer, and the Data Processing Center (DPC).

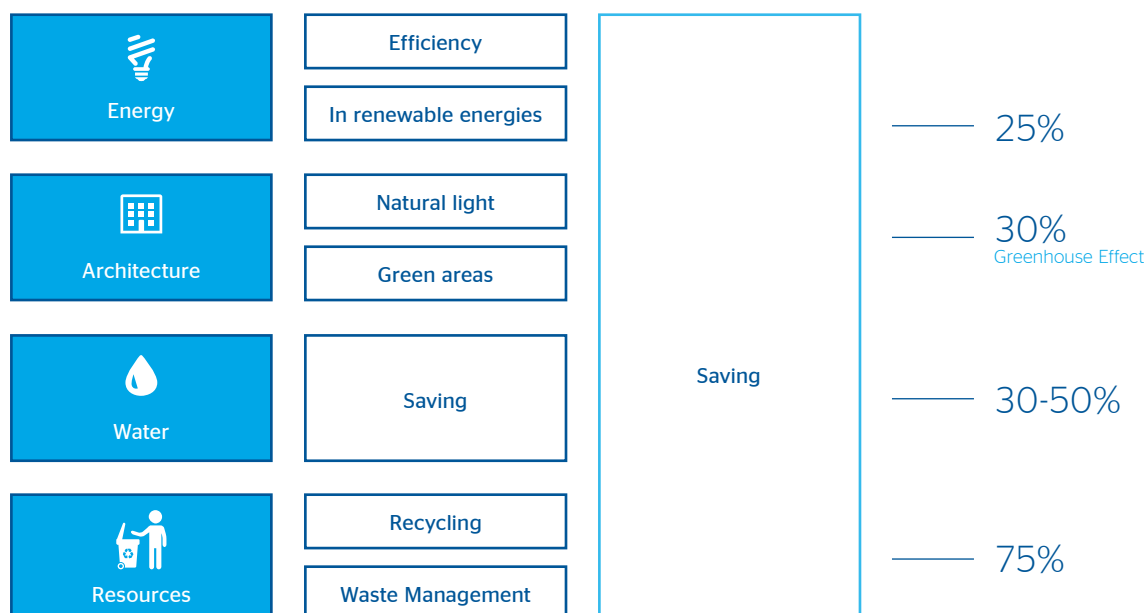
The former two are undergoing the LEED (Leadership in Energy and Environmental Design) certification processes; Gold and Silver, respectively.



Sustainable Cities and Communities

We play our role in making Mexico City a more resilient and sustainable city by building our headquarters which are not only sustainable but which also promote safe and efficient transport and inclusive and accessible public spaces.

LEED Certification Commitments



Social and Environmental Impact

This year, the Lago Esmeralda Data Processing Center (DPC) was awarded the Tier IV Gold certification in operational sustainability, putting it ninth in the global ranking and in the number one spot in Mexico and Latin America in terms of its security and reliability in both construction and operational procedures.

ISO: 14001 certified buildings	2016
ISO: 14001 certified buildings	1 ⁽²⁾
Number of employees in certified buildings ⁽¹⁾	600

(1) Includes ISO 14001 and LEED certifications.

(2) Montes Urales 620. Under way DPC, Parques Polanco and Torre BBVA Bancomer

Scope 2016: Grupo BBVA Bancomer

Waste managed

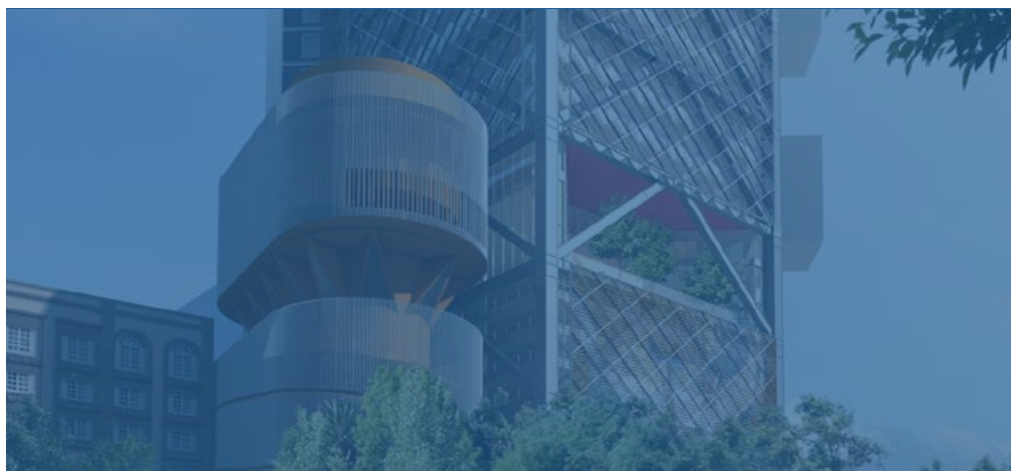
- We are equipped with refuse units for adequate sorting and preparation.
- We collect and destroy paper with state-of-the-art equipment.

Waste Managed	2014	2015	2016
Paper (kg)	1,051,703	65,080	78,262
Electrical and electronic appliances ¹ (kg)	46,475	32,873	41,546

⁽¹⁾ This equipment was send to the distributor (kg)=kilogram

Scope: Central buildings and bank offices

Prizes and Awards

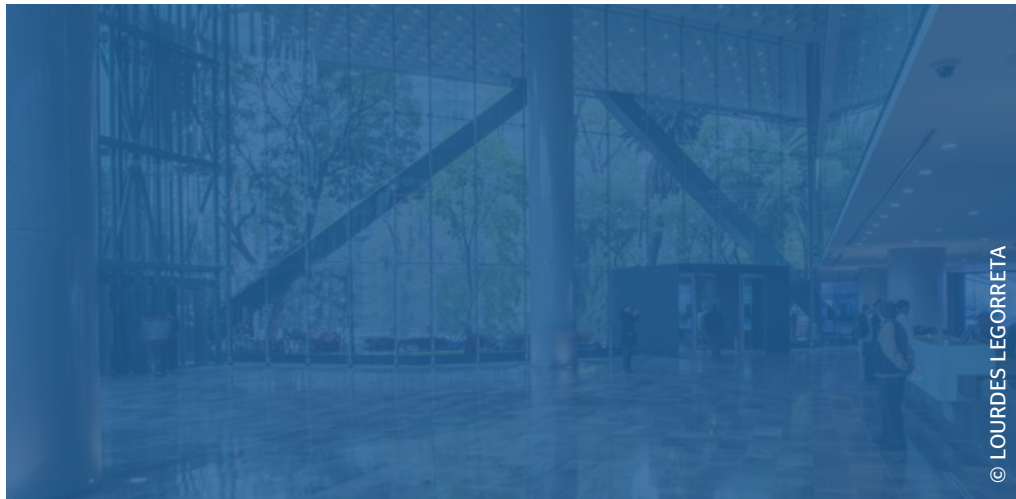


Awards	Granting Institution
Best bank in Mexico and Best investment bank	Euromoney
BIT Award to BBVA Send as the Best innovative strategy of the year in Mexico	Expansión newspaper
CIE Prize for the "Best event lighting design" for the official opening of the Torre BBVA Bancomer	BizBash
Bronze Medal for the Torre BBVA Bancomer	The American Architecture Prize
International Prize for the Structure of Torre BBVA Bancomer	Structural Awards
Award of Merit to Torre BBVA Bancomer	ENGlobal Best Projects Awards
Future Thinking and Concepts Prize for the Design of the Data Processing Center (DPC)	Datacenter Dynamics Awards
IMEI 2016 National Intelligent and Sustainable Prize for Parques Bancomer	Mexican Smart Building Institute (Instituto Mexicano del Edificio Inteligente, IMEI)

Prizes and Awards

Reconocimiento	Institución Otorgante
Excellence in Financial Literacy Education in the Organization category in 2016	Institute for Financial Literacy
Family Responsible Company Award for Torre BBVA Bancomer and Parques BBVA Bancomer	Ministry of Labor, Pensions and Benefits
BBVA Bancomer was given the “Socially Responsible Company Award” (SRC) for the sixteenth consecutive year, and Seguros Bancomer also received the same award for the eighth year in a row.	Mexican Philanthropy Center (Centro Mexicano para la Filantropía, Cemeфи) and the Alliance for Social Corporate Responsibility in Mexico (Alianza por la Responsabilidad Social Empresarial en México, Aliarse)
Ranked number 10 out of 50 Socially Responsible Companies	Mundo Ejecutivo
Ranked 7th in the list of Best Companies to Work For in the financial sector in Mexico	Great Place to Work Institute
Ranked 7th in the list of Best Companies to Work For with over 5,000 employees in Mexico	Great Place to Work Institute
ISO 9001:2008 certification in its quality management processes for the Institutional Security Department, Corporate Buildings, Civil Protection and Prevention of Document Fraud.	International Organization for Standardization
TIER IV Gold certification in Sustainability to the Data Processing Center (DPC)	Uptime Institute
ISO 14001 to the Montes Urales building	International Organization for Standardization

Appendices



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[GRI table of contents](#)

[Global Compact and Sustainable Development Goals](#)

[Independent review report](#)

[Achievements in 2016 and Goals for 2017](#)

[Glossary](#)



GRI table of contents

GRI Content Index for the comprehensive option 'in accordance' with GRI Standards

GRI Standard	Contents	Chapter/Page	Omission
GRI 101: FOUNDATIONS 2016			
General contents			
GRI 102: General Contents 2016	102-1	About this Report p.4	
	102-2	Commercial Business Model p.11	
	102-3	Paseo de la Reforma 506 Col. Juárez Ciudad de México	
	102-4	Presence p.21	
	102-5	About this Report p.4	
	102-6	Presence p.21	
	102-7	Leadership p.20 Importance of BBVA Bancomer in the Mexican economy p.22	
	102-8	Team p.42	
	102-9	Suppliers p.57	
	102-10	About this Report p.4	
	102-11	Social, environmental and reputational risks p.17	
	102-12	International commitments signed p.9	
	102-13	International commitments signed p.9	
	102-14	Report from the Chairman of the Board of Directors p.23 Report by the Deputy Chairman of the Board of Directors and CEO p.25	
	102-15	Report from the Chairman of the Board of Directors p.23 Report by the Deputy Chairman of the Board of Directors and CEO p.25	
	102-16	Corporate Philosophy p.5 Code of Conduct p.9	
	102-17	Code of Conduct p.9	
	102-18	Corporate governance p.6	
	102-19	Corporate governance p.6	
	102-20	Responsible Business Management p.6	
	102-21	Materiality and dialog with stakeholders p.11 Responsible Business Governance p.6	
	102-22	Board of Directors p.8	

GRI Standard	Contents	Chapter/Page	Omission
GRI 102: General Contents 2016	102-23	The Chairman of the Board of Directors is also the Senior Vice President and Head of Communication and Institutional Relations	
	102-24	Corporate governance p.6	
	102-25	Corporate governance p.6	
	102-26	Corporate governance p.6	
	102-27	No actions of this kind were carried out.	
	102-28	Corporate governance p.6	
	102-29	Responsible Business Management p.6	
	102-30	Risks p.31	
	102-31	Responsible Business Management p.6	
	102-32	Responsible Business Management p.6	
	102-33	Corporate governance p.6	
	102-34	Corporate governance p.6	
	102-35	Corporate governance p.6	
	102-36	Corporate governance p.6	
	102-37	Stakeholders are not involved in this process.	
	102-38	Not Available	For security reasons, this information is considered to be confidential.
	102-39	Not Available	For security reasons, this information is considered to be confidential.
	102-40	Materiality and dialog with stakeholders p.11	
	102-41	Working conditions p.47	
	102-42	Materiality and dialog with stakeholders p.11	
	102-43	Materiality and dialog with stakeholders p.11	
	102-44	Materiality and dialog with stakeholders p.11	
	102-45	About this Report p.4	
	102-46	Materiality Analysis p.13	
	102-47	Materiality Analysis p.13	
	102-48	The information provided in previous reports has not been reformulated.	
	102-49	There were no changes in the data collation methodology.	
	102-50	About this Report p.4	
	102-51	About this Report p.4	

Appendices

GRI Standard	Contents	Chapter/Page	Omission
GRI 102: General Contents 2016	102-52	About this Report p.4	
	102-53	ibacosta@bbva.com	
	102-54	About this report p.4 GRI table of contents p.68	
	102-55	GRI table of contents p.68	
	102-56	Independent Review Report p.73	
MATERIAL ISSUES			
Acquisition practices			
GRI 103: 2016 Management Approach	103-1	Responsible procurement p.57	
	103-2	Procurement Process p.58	
	103-3	Responsible procurement p.57	
GRI 204: Acquisition practices	204-1	Approval of suppliers p.58	
Anti-corruption			
GRI 103: 2016 Management Approach	103-1	Regulatory compliance p.8 Anti-money laundering and preventing funding of terrorist activities p.19	
	103-2	Regulatory compliance p.8 Anti-money laundering and preventing funding of terrorist activities p.19	
	103-3	Code of Conduct p.9 Anti-money laundering and preventing funding of terrorist activities p.19	
GRI 205: Anti-corruption 2016	205-1	Social, environmental and reputational risks p.17	
	205-2	Code of Conduct p.9	
	205-3	Not Available	For security reasons, this information is considered to be confidential.
Energy			
GRI 103: 2016 Management Approach	103-1	The environment p.59 Climate change p.59	
	103-2	Global Eco-efficiency Plan p.59	
	103-3	GEP Main Indicators p.60	

GRI Standard	Contents	Chapter/Page	Omission
GRI 302: Energy 2016	302-1	Electricity and fuel consumption p.61	
	302-2	Not applicable	This information is not included within the scope of the measurement.
	302-3	Electricity and fuel consumption p.61	
	302-4	Electricity and fuel consumption p.61	
	302-5	Electricity and fuel consumption p.61	
Emissions			
GRI 103: 2016 Management Approach	103-1	The environment p.59 Climate change p.59	
	103-2	Global Eco-efficiency Plan p.59	
	103-3	GEP Main Indicators p.60	
GRI 305: Emissions 2016	305-1	CO2 emissions p.63	
	305-2	CO2 emissions p.63	
	305-3	CO2 emissions p.63	
	305-4	CO2 emissions p.63	
	305-5	CO2 emissions p.63	
	305-6	BBVA Bancomer buildings do not emit significant amounts of substances which are harmful to the ozone layer.	
	305-7	BBVA Bancomer buildings do not emit significant amounts of NOx, SOx or other atmospheric emissions.	
Supplier social evaluation			
GRI 103: 2016 Management Approach	103-1	Responsible procurement p.57	
	103-2	Responsible procurement p.57	
	103-3	Approval of suppliers p.58	
GRI 414: Supplier social evaluation 2016	414-1	Approval of suppliers p.58	
	414-2	No record is kept of these impacts.	
Marketing and Labeling			
GRI 103: 2016 Management Approach	103-1	Transparent, clear and responsible (TCR) communication p.38	
	103-2	Transparent, clear and responsible (TCR) communication p.38	
	103-3	Transparent, clear and responsible (TCR) communication p.38	

Appendices

GRI Standard	Contents	Chapter/Page	Omission
GRI 417: Marketing and Labeling 2016	417-1	Transparent, clear and responsible (TCR) communication p.38	
	417-2	Legal compliance p.9	
	417-3	Legal compliance p.9	
Financial Sector Supplement			
Financial Sector Supplement	FS1	Equator Principles p.18	
	FS2	Social, environmental and reputational risks p.17	
	FS10	Equator Principles p.18	
	FS12	No policies of this kind are applied.	
	FS13	Financial inclusion p.50	
	FS14	Financial inclusion p.50	
	FS15	Transparent, clear and responsible (TCR) communication p.38	
	FS16	Financial literacy p.39	

Independent Review Report



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Independent Assurance Report on the 2016 Annual Report to Grupo Financiero BBVA Bancomer, S.A. de C.V., to the Management of BBVA Bancomer

Responsibilities of BBVA Bancomer and independent reviewer

The elaboration of the 2016 Annual Report (2016 AR) for the year ended December 31st, 2016, as well as its content is responsibility of the Management of BBVA Bancomer, who is also responsible for defining, adapting and maintaining the management and internal control systems from which information is obtained, and which are also free of material misstatement due to fraud or error. Our responsibility is to issue an independent report based on the procedures applied during our review.

This report has been prepared exclusively for the management of BBVA Bancomer in accordance with the terms of our agreement letter dated December 16th, 2016 and is not intended to be nor should it be used by someone other than this.

Scope of our work

The scope of our assurance was limited, and is substantially lower than a reasonable assurance work. Therefore, the security provided is also lower. This report in no case can be understood as an audit report.

We conducted our review of the 2016 AR under the following conditions and / or criteria:

- The adaptation of the contents of the 2016 AR to the GRI Sustainability Reporting Standards (GRI Standards) and the Financial Services Sector Disclosures.
- The review of the GRI Standards reported under the "in accordance Comprehensive option" specified in the GRI Content Index of the 2016 AR and according to the Materiality study provided by BBVA Bancomer.
- The consistency of information contained in the 2016 AR with supporting evidence provided by the management.

We have complied with the independence and ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), which it is based on the integrity, objectivity, professional competence and due care, confidentiality and professional behavior principles.

Assurance standards and procedures

We have performed our work in accordance with the International Auditing Standard ISAE 3000 Revised Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). We have also applied Assurance Standard AA1000 (AA1000AS) issued by AccountAbility, to provide moderate assurance level on the application of the AA1000 Accountability Principles Standard (AA1000 APS).

Our review work included the formulation of questions to the management as well as various areas of BBVA Bancomer that have participated in the elaboration of the 2016 AR and the application of certain analytical and sample screening tests that are described below:

- Meetings with staff of BBVA Bancomer to learn the principles, systems and applied management approaches.
- Analysis of the process to collect, validate and consolidate the data presented in the 2016 AR.
- Analysis of scope, relevance and integrity of the information included in the 2016 AR in terms of the understanding of BBVA Bancomer and of the requirements that stakeholders have identified as material aspects.
- Selected sample review from the evidence that supports the information included in the 2016 AR.
- Quality assurance performed by an independent partner of the project that verifies consistency between this report and the agreement letter, as well as work process quality and deliverables.

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BBVA Bancomer | Independent Assurance Report on the 2016 Annual Report

The following table details the disclosures reviewed according to the GRI Sustainability Reporting Standards and Financial Services Sector Supplement:

102-1	102-10	102-19	102-28	102-37	102-48	204-1	305-3	417-3
102-2	102-11	102-20	102-29	102-40	102-49	205-1	305-4	FS1
102-3	102-12	102-21	102-30	102-41	102-50	205-2	305-5	FS2
102-4	102-13	102-22	102-31	102-42	102-51	302-1	305-6	FS10
102-5	102-14	102-23	102-32	102-43	102-52	302-3	305-7	FS12
102-6	102-15	102-24	102-33	102-44	102-53	302-4	414-1	FS13
102-7	102-16	102-25	102-34	102-45	102-54	302-5	414-2	FS14
102-8	102-17	102-26	102-35	102-46	102-55	305-1	417-1	FS15
102-9	102-18	102-27	102-36	102-47	102-56	305-2	417-2	FS16

101-1	Management approach on procurement practices Management approach on anti-corruption
101-2	Management approach on energy Management approach on emissions Management approach on supplier social assessment
101-3	Management approach on marketing and labeling

These disclosures were selected for the independent review in accordance with the following criteria:

- Materiality of BBVA Bancomer referred in the 2016 AR.
- Information included in the 2016 AR.

Conclusion

Based on our work described in this report, the procedures performed and the evidence obtained, nothing comes to our attention that could make us believe that the disclosures reviewed in the 2016 AR contains significant errors or has not been prepared under the "in accordance Comprehensive option" established in the GRI Sustainability Reporting Standards 101: Foundation. For those specific disclosures where BBVA Bancomer did not report in a quantitative way, qualitative information such as procedures, policies, evidence of the activities was reviewed.

Action alternatives

Our action alternatives for strengthening future reports, which do not modify the conclusions expressed in this report, are the following:

- Work on the alignment of the Annual Report to the GRI Standards guidelines, specifically on the corporate governance disclosures, as well as to the International Integrated Reporting Council (IIRC) framework.
- Review the table of achievements and goals thoroughly in order to generate objectives aligned to the organization's strategy. In addition, keep using the SMART methodology (specific, measurable, achievable, realistic, and time specific) in the definition of new goals.

BBVA Bancomer | Independent Assurance Report on the 2016 Annual Report

Inclusivity

BBVA Bancomer carried out an update of its materiality study in 2016 based on the guidelines established by the BBVA Group in Spain. Through this methodology BBVA Bancomer did not assess the concerns expressed directly by its stakeholders so it is important to include them in the definition of the material topics.

Materiality

Based on the material topics identified in 2016, a validation process must be carried out with internal and external stakeholders to determine if the relevance identified for those material topics is appropriate. Additionally, it is recommended to continue using a direct communication mechanism with stakeholders in order to elaborate a complete analysis.

Responsiveness

The early adoption of GRI Sustainability Reporting Standards allowed to BBVA Bancomer reports for each material topic the management approach, which includes all the initiatives developed, the results achieved in the reporting period and the commitments undertaken. BBVA Bancomer should continue with this progress for future reports in order to respond to its stakeholders and their material topics.

We have submitted a detailed report of action alternatives to the Corporate Responsibility and Reputation Officer of BBVA Bancomer concerning areas of improvement in the sustainability strategy (specifically for the verified disclosures) and the reporting process.



Daniel Aguiñaga Gallegos
Partner of Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited
Sustainability

May 31st, 2017



AA1000
Licensed Assurance Provider
000-44

Global Compact and Sustainable Development Goals



Since 2004, BBVA Bancomer has been a member of the Global Compact, the United Nations international initiative aimed at fostering social responsibility in companies all over the world. The GC encompasses 10 principles divided into four subjects - human rights, labor laws, the environment and anti-corruption - which we undertake to fulfill.

The Sustainable Development Goals (SDG), adopted in the UN General Assembly in 2015, chart the course on which governments, companies and society, together, will work on during the next 15 years in order to reach 17 ambitious goals. We in BBVA Bancomer are taking part in this grand endeavor, to work for society and the planet, so as to create a better future for us all.



Classification

✓	Goal achieved
!	Goal with progress in fulfillment
✗	No progress in fulfillment

Achievements in 2016 and Goals for 2017

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
1	CRR (Corporate Responsibility and Reputation)	Define the strategic priorities of the 2016-2018 Responsible Business Plan. The Plan initiatives will be developed based on the defined priorities. November 2016.	The BBVA Group established six strategic priorities. The local CRR initiatives are aligned with those priorities.	✓	We will monitor the initiatives in terms of entrepreneurship, social and environmental contribution, reputation, awards and communication as set out in the strategy.
2	CRR (Corporate Responsibility and Reputation)	Complete the Mexican Philanthropy Center (CEMEFI) questionnaire to obtain, for the sixth time, the Socially Responsible Company (SRC) award for BBVA Bancomer, the eighth time for Seguros Bancomer and for the first time for Pensiones Bancomer with a deadline of May 2016.	BBVA Bancomer and Seguros Bancomer obtained the Socially Responsible Company Award, in May 2016.	!	Complete the questionnaire for the Mexican Philanthropy Center (CEMEFI) questionnaire to obtain, for the seventh time, the Socially Responsible Company (SRC) award for BBVA Bancomer, for the ninth time for Seguros Bancomer and for the first time for Pensiones Bancomer with a deadline of May 2017.
3	CRR (Corporate Responsibility and Reputation)	Update the contents of the Responsible Business section of Bancomer.com. In May 2016, the Integrated Annual Report 2015 (Spanish and English versions) will be added in its Spanish and English versions. Regarding the Responsible Business Plan, the update will be made once it is defined (December 2016).	The 2015 Integrated Annual Report was added in its Spanish and English versions in April 2016.	✓	Update the contents of the responsible business section adding the Integrated Annual Report (English and Spanish versions) in April 2017.
4	CRR (Corporate Responsibility and Reputation)	Propose a new scheme for the Responsible Business Committee, reexamining frequency, participants and subject matter to carry it out, via interviews to the Senior Management; deadline July 2016.	No	✗	No
5	CRR (Corporate Responsibility and Reputation)	To comply with the Advanced Communication on Progress (CoP) of the UN Global Compact; deadline April 2016.	In April 2016, the Advanced Communication on Progress (CoP) of the UN Global Compact was complied with.	✓	Comply with the Advanced Communication on Progress (CoP) of the UN Global Compact in April 2017.

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
6	CRR (Corporate Responsibility and Reputation)	Extend the scope of training relating to Responsible Business, adding the Code of Conduct, AML, Financial Literacy, Responsible Business and Sales Practices courses. 50% of employees must have completed at least one of these courses.	5 people took a specialized course in responsible business of different business areas. Employees received 588,508 hours of training on the subjects of anti-money laundering, human rights, anti-corruption, protection of personal data and codes of conduct.	!	Responsible business training is going to continue with 4 new employees in the Bank.
7	CRR (Corporate Responsibility and Reputation)	To prepare the 10th BBVA Bancomer Integrated Annual Report in May 2017, in accordance with the GRI G4 Content Index in English and Spanish version.	The 10th BBVA Bancomer Integrated Annual Report was prepared in accordance with the GRI Standards Guidelines in English and Spanish version.	✓	To prepare the 11th BBVA Bancomer Integrated Annual Report in accordance with the GRI Standards in English and Spanish version.
8	CRR (Corporate Responsibility and Reputation)	To prepare two reports on customer, non-customer and employee perception measurement in 2016; deadline: June and December 2016.	The customer, non-customer and employee perception measurement was conducted using the Reptrack methodology in 2016.	!	To continue to prepare two reports on customer, non-customer and employee perception measurement in 2017; deadline: June and December 2017.
9	CRR (Corporate Responsibility and Reputation)	To conduct a Materiality Study 2016 analyzing stakeholders not considered in previous studies; deadline December 2016.	The Materiality Study was carried out in November 2016.	!	To conduct a Materiality Study 2017 analyzing stakeholders not considered in previous studies in September 2017.
10	CRR (Corporate Responsibility and Reputation)	To publish 100 brochures in accordance with the TCR Communication to achieve 90% of the contracted products and develop four TCR contracts for the most sold products; deadline: December 2016.	At the close of 2016, 100 Sheets were available, covering 100% of Commercial Banking products/services. A digital channels contract installed and ready to be used for current and new customers, and 9 contracts transformed for validation purposes, consistent with current procedures.	!	No
11	CRR (Corporate Responsibility and Reputation)	To extend the scope to 100 companies for the 4th. Momentum Project; deadline: December 2016.	The fourth annual Momentum Project was organized in 2016. We received 169 applications from candidates, who took part in a selection process. The most outstanding entrepreneurship were given training, access to funding, and other benefits of the program. One hundred companies took part in Momentum Project.	✓	Carry out the fifth annual Momentum Project - now called BBVA Momentum - with the participation of 100 social entrepreneurship. Deadline: December 2017.

Appendices | Achievements in 2016 and Goals for 2017

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
12	CRR (Corporate Responsibility and Reputation)	Take part in all the meetings of the Social Responsibility and Sustainability Committees of the Mexican Banking Association, with a deadline of December 2016. Also, complete the adhesion and carry out an event to spread information about the Mexican Banking Green Protocol, pushed through by the Sustainability Committee in 2016.	BBVA Bancomer took part in all the meetings of the Social Responsibility and Sustainability Committees of the Mexican Banking Association. We completed the adhesion to the green protocol and promoted its disclosure. BBVA Bancomer took part in preparing the Mexican Banking Association's Annual Sustainability Report.	✓	1) Take part in all the meetings of the Social Responsibility and Sustainability Committees of the Mexican Banking Association in 2017. 2) Take part in preparing the 2016 Annual Sustainability Report of the Mexican Banking Association.
13	CRR (Corporate Responsibility and Reputation)	Carry out the Bancomer Urban Improvement Project pilot test for initiatives such as: painting the façades of houses and schools, recovering public spaces, special cleaning days, painting pavements and road markings; deadline: December 2016.	Bancomer Urban Improvement carried out the first special Joining Forces ("Sumando Esfuerzos") day at the CDMX. A total of 100 building façades and 9 schools were painted and 22,700m2 of the "Cañitas" estate were rehabilitated. in September 2016.	✓	Scale the project for two actions: one in the CDMX and another in inland Mexico. Activities aimed at enhancing public spaces, encouraging cohesion amongst communities and gaining allies. Deadline: December 2017.
14	CRR (Corporate Responsibility and Reputation)	Drawing up the second BBVA Bancomer Social Balance, identifying social indicators. Deadline: December 2016.	We drew up the 2015 BBVA Bancomer Economic and Social Balance in May 2016.	✓	No
15	Financial Literacy	We intend to carry out the following educational initiatives in 2016: Workshops: 1,015,747 Recreational Activities: 711,000 Other training activities: 61,211	We carried out 910,784 workshops and 1,246,088 recreational activities, 23,861 other training initiatives, making a total of 2,180,733 Financial Literacy actions.	!	Implement the new BBVA Bancomer Financial Literacy program to reach 1,036,000 workshops delivered in 2017.
16	Financial Literacy	To keep the redesign and update service, so that countries send on-demand reviews during 2016.	Countries did not send any reviews, so there is no evidence about this point.	N/A	To keep the redesign and update service, so that countries send on-demand reviews during 2017.

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
17	Financial Literacy	<p>-To implement the five workshops redesigned in 2015; deadline: first half of 2016; and to redesign and update educational content, materials and tools of four workshops of the BBVA Bancomer Financial Literacy Program; deadline: December 2016.</p> <p>-To implement the SME training program for the semi-massive segment through a model of six online training actions, integrating learning generated during 2015; deadline: September 2016.</p> <p>-To implement the SME training program for the Premium segment through a specialized face-to-face course, integrating learning generated during 2015; deadline: December 2016.</p>	<ul style="list-style-type: none"> • We implemented 4 of the 5 workshops which are the Basic Package of the program. • We improved the participants' experience with didactic activities and a contemporary and ad hoc look and feel for the targeted segment. We also used state-of-the-art technology to develop activities. • We updated concepts from a product, banking and regulatory standpoint. • We standardized the duration of the workshops and the amount and type of didactic tools used. • Semi-massive segment implemented; delivering 356 online Diploma Courses, with 20,110 hours of related training during 2016. • Premium segment implemented; 80 online Diploma Courses delivered, with 3,579 hours of related training during 2016. 	!	Develop Insurance and Investment workshops for adults and the improvements on those redesigned in 2016 for December 2017.
18	Financial Literacy	To integrate the operation of the "Adelante con tu futuro" (Forward with your future) classroom to the recurring activities of the Operation & Marketing area, from February 2016 on.	We managed to integrate the "Adelante con tu Futuro" (Forward with Your Future) classroom in the recurrent activities in the Operations Area and managed to teach 12,499 workshops in 2016.	✓	No

Appendices | Achievements in 2016 and Goals for 2017

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
19	Financial Literacy	A campaign will be launched to invite credit cardholders to the pilot program and it will be followed up to analyze the results of the three intervention strategies during 2016 and 2017.	A pilot campaign was rolled out, targeting credit cardholders through e-mail marketing and outbound process reinforcement with the call center, with financial literacy tips and invitation to workshops with the incentive of receiving a Bancomer 3,000 point bonus after attending such workshops. A total of 670 customers took part in this campaign, with 1,340 credit workshops. A telephone assistance campaign was deployed where customers received between 1 and 4 advisory sessions. A total of 3,867 people were contacted in this campaign, with 935 advisory sessions.	✓ No	
20	Financial Literacy	Renovate 315 computer units in mobile classrooms.	This project was postponed to 2017 due to budgetary requirements.	✗	Redesign of at least 2 ULISES fixed classrooms with the new corporate image and educational tools which consider technological innovation: virtual reality and augmented reality devices.
21	Financial Literacy	To integrate the delivery modes of missing Financial Literacy workshops (Universities, Atento Trainers, Tec Incubators, employees, On line, Future values and short workshops) into the Financial Literacy Management System in order to make the financial literacy management process (agenda and scheduling, registration of participants, monitoring and assessment) more efficient with the purpose of assessing the effectiveness and satisfaction of workshops.	The direct entry of Universities, Atento Trainers, and Tec Incubators delivery modes was integrated in SiGA. Employee, online, future values and short workshop modes were integrated based on uploads programmed by the suppliers. The agenda, control of participants, and supervisory modules were developed.	✓ No	

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
22	Financial Literacy	Deliver 87,975 workshops to BBVA Bancomer employees through the BBVA Campus platform. The workshops to be delivered are one of the six that are already on the platform, and workshop 7 which will be launched in 2016.	5,834 BBVA Bancomer employees have taken one of the six Financial Literacy workshops, making a total of 21,312 workshops.	!	No
23	Financial Literacy	Organize 160 training sessions intended for new Financial Literacy instructors, for statistics and social service program students, for Bancomer Foundation volunteers and for all strategic partners that replicate the program workshop.	In 2016, 141 training sessions were given to instructors, tantamount to 1,337 participants and 6,876 training hours.	!	No
24	Financial Literacy	Implement the Financial Checkup application in Bmóvil, to introduce Bancomer Nómina (Payroll) holders to their financial situation, tips for financial management, and an offering of products aligned with that situation. The deadline is December 2016.	BBVA CheckUp is implemented. It has not yet been released on the market. In the space of 9 months, we developed the new Bmóvil feature, which allows customers with direct salary deposits to maintain healthy finances. The app is very useful to customers as it shows them an intuitive graph with their status of income and expenses, credit payments and available funds; an animated heart shows them if their status is good or bad; and they also receive tips based on the customer's details and individual status to help them maintain or improve the state of their finances. NB: BBVA CheckUp is not an app, it is a feature which is part of the Bmovil app.	✓	Develop six features for BBVA CheckUp within the Bmovil appl. Deadline: December 2017.

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
25	Financial Literacy	<p>Position the BBVA Bancomer Financial Literacy program in 2016 in:</p> <ul style="list-style-type: none"> Traditional media: 5 TV and 2 radio interviews, 50 press and 10 magazine articles. Direct media: 2.5 million account statements, 10,000 flyers, 1,000 posters. Digital media: Launch the new website in April to position the BBVA Bancomer Financial Literacy program in 2016, increase followers/fans on social media by 25%. 	<p>We achieved:</p> <ul style="list-style-type: none"> Traditional and direct media: 6 interviews, 52 publications in press articles and 22 publications in media websites. No magazine articles were published. Direct media: 31,000 flyers delivered in events, universities and fixed classrooms. No publicity was sent with account statements Digital media: The new website was launched with the following characteristics: <ul style="list-style-type: none"> * Navigation: improve user experience * Web architecture to improve exposure in search engines * Content Marketing Administrator to attract more possible participants (back) * Easy to sign up * Main menu focused on life milestones of people and companies * Design for smartphones and tablets * Version in Spanish and English * Flow was increased by 35.27% 	!	<p>Position the BBVA Bancomer Financial Literacy program in 2017 by rolling out a campaign in digital search engines, by creating communications in external and internal channels through traditional, direct and digital media and taking part in 4 national union events and 1 at international level. Through this, accomplish the following:</p> <ol style="list-style-type: none"> 1. Increase the number of visits to the www. educacionfinancierabancomer.com website by 30% 2. Facebook and Twitter followers by 20% and 30% respectively 3. Increase the number of annual social media interactions by 15%.

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
26	Financial Literacy	Manage the six "Valores de Futuro" (Future Values) platforms to teach at least 700,000 training activities to children and young people by December 2016.	<ul style="list-style-type: none"> We carried out 93,386 recreational activities in the future values classroom in the Interactive Economy Museum. A total of 1,138,100 interactive and recreational activities were carried out in KidZania in Mexico. A total of 12,822 workshops were carried out in 15 locations as part of the Community Service program. 14,602 future values activities were carried out in schools and special events. 	✓	<p>Manage the six future values program platforms to teach at least 1,200,000 training sessions to children and young people in 2017.</p> <p>Develop and implement inflation contents for children which consists of: 4 workshops, 4 multimedia activities and 1 video (1Q 2017).</p>
27	Financial Literacy	We intend to carry out 523,000 workshops in 2016:	We managed to carry out 582,112 traditional didactic workshops.	✓	Our goal for 2017 is to carry out 300,000 traditional didactic workshops.
28	Financial Literacy	Organize the III National Financial Literacy Meeting.	The III Meeting was carried out. National Financial Literacy Meeting.	✓	No
29	Financial Literacy	Implement an impact assessment to measure the effect of financial literacy workshops, personalized advice and text messages with tips for BBVA Bancomer customers on how to manage their personal finances during 2016 and 2017.	The project was planned. Different areas of BBVA Bancomer were coordinated. The campaign was launched and lasted from June to December 2016. Recently, we launched the follow-up on participating customers for assessment	!	We will get the results of the impact assessment launched in 2016.
30	Financial Literacy	Participate with at least three national and international renowned bodies to strengthen the prestige of BBVA Bancomer Financial Literacy by 2016.	<p>We participated in 11 different categories in 6 prize and awards referring to 6 prizes and awards of agencies which foster Financial Literacy at national and international level, and achieved:</p> <ul style="list-style-type: none"> 1 award won: Prize to the Best Organization of the Year from the "Institute for Financial Literacy". 3 under assessment (the results will be known in February 2017). 1 global participation event: "Global Money Week", organized by "Child & Youth Finance International". 	✓	Take note of the improvements advised by national and international agencies in 2016, and take part with 4 recognized agencies, 2 from Mexico and 2 at international level, to reinforce the prestige of BBVA Bancomer Financial Literacy in 2017.

Appendices | Achievements in 2016 and Goals for 2017

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
31	Financial Literacy	To develop a tool within the SIGA system which enables historical and up-to-date information to be consulted in real time, on the delivery of workshops, so allowing improvement decisions to be made at the end of 2016.	The dynamic tables and control panel tool, used to monitor metrics, was implemented.	✓	No
32	Financial Literacy	Implement the new Operational model for the BBVA Bancomer Financial Literacy program to reach 1,015,747 workshops delivered in 2016.	This project was postponed to 2017 due to budgetary requirements.	✗	Implement the new BBVA Bancomer Financial Literacy program to reach 1,036,000 workshops delivered in 2017.
33	Financial Literacy	[New 2017 Target]	[New 2017 Target]	N/A	Train 100,000 beneficiaries of the PROSPERA program with Financial Literacy workshops in 2017.
34	Financial Literacy	[New 2017 Target]	[New 2017 Target]	N/A	Achieve savings of at least 1% of the assigned budget in 2017.
35	Banking Correspondents	By 2016, our goal is to post in the Income Statement an income of at least MXN\$593,616, taking as reference income: Cash Back Oxxo, Cash Back Extra, Banking Correspondents and Saldazo Oxxo.	No		Control expenses from fee payments by banking correspondents (credit card payment, payment to debit card and services payment) through revenues with a target of not increasing net expenditure by over \$12 million pesos.
36	Human Resources	Keep building the best place to work and keep ranking among the GPTW - Best Companies to Work for, and achieve the same level of participation as last year.	GPTW results will be published on 22 April 2017, after this report is published.	N/A	No

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
37	Human Resources	Increasing sports and cultural activities by 5% over the previous year, which will help to improve the quality of life of active and retired employees.	By year end, a total of 50,894 people had benefited (Employees and Relatives), so we had achieved an increase of over 6%. On the sporting front, we reached 31,511 people, while in culture we helped a total of 19,383 people, giving them a recreational space and improving their lifestyles. A further 5,945 employees benefited from the Reward experience program, which is aimed at rewarding the professional track record of the Financial Group's employees.	✓	Increasing sports and cultural activities by 5% over the previous year, which will help to improve the quality of life of active and retired employees.
38	Human Resources	<ol style="list-style-type: none"> 1) Raise awareness by publishing two success stories of women; publication in at least 3 channels. 2) Raise awareness amongst employees by publishing the Respect for Diversity communication campaign: Respect for people, Gender Equity and Disability. 	<ol style="list-style-type: none"> 1) We raised awareness with the publication of two women's success stories. 2) The Respect for People, Gender Equality and Disability campaigns were rolled out. 	! Doesn't	
39	Human Resources	<ol style="list-style-type: none"> 1) Promote the reinstatement of women after maternity leave, for them to return to the workplace, by sending 600 emails to expectant Mothers and their Leaders. Publish the paternity and quality of life campaign using the electronic channels the Bank uses to communicate with employees. 2) Set up and publish the canteen access and parking process for expectant women during their pregnancies. 3) From March to November 2016, to promote the use of breastfeeding rooms at headquarters through announcements posted on the Diversity and Talent & Culture sites, and through direct e-mails to 70% of mothers reincorporated to the bank after delivery. 	<ol style="list-style-type: none"> 1) It was promoted not through direct emails but through the Website and screens to enter the Diversity Website containing the Maternity Guidelines and Leader Mentoring. 2) Parking access was explained in the reinstatement Guidelines. 3) This was done through company guidelines, not by direct emails, which are postponed until certain changes are changed in company policy before being published. 	! Doesn't	

Appendices | Achievements in 2016 and Goals for 2017

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
40	Human Resources	1) Promote the proper use of recycling areas through educational messages on electronic communication. 2) Perform at least 2 campaigns on ISO 14001 Certifications at the following headquarters: Montes Urales 620, Polanco, Reforma and Tecnoparque. 3) Raise employees' awareness through a communication campaign about LEED certifications of our Buildings, characteristics, importance, results, etc. 4) Reforest another 10,000 trees.	1) Efforts were made in the areas of recycling, water and energy. Two campaigns were carried out in the media and information was published during 2 months on "Sitio verde". 2) The recertification campaign was carried out in MU 620 in March-April and the initial certification in Torre BBVA Bancomer and Parques BBVA Bancomer in November and December 2016 and January 2017. The LEED certification did not commence, although the procedure was initiated before the authorities.	 No	
41	Procurement	A target of 600 suppliers to be managed was set for 2016.	A total of 658 suppliers were managed in 2016.		We have set a target of 600 suppliers to be managed in 2017.
42	BBVA Bancomer Foundation (Social Development)	Grant 6,376 new scholarships for first-year junior high school students of the "Por los que se quedan" (For Those Who Are Left Behind) Scholarship Program in 2016-2017 school year.	A total of 6,257 scholarships were granted for 1st year of Junior High School, as part of the BI PLQSQ program.		Grant 6,376 new scholarships to first-year junior high school students of the "Por los que se quedan" (For Those Who Are Left Behind) Integration Scholarship Program, for the 2016-2019 school year.
43	BBVA Bancomer Foundation (Social Development)	Grant 18,376 scholarships within the "Por los que se quedan" (For Those Who Are Left Behind) Integration Scholarship program in the 2016-2017 school year.	A total of 17,393 scholarships were granted to pupils in the 2016-2017 year of High School, as part of the BI PLQSQ program.		Have over 15,000 active scholars in the "Por Los Que Se Quedan" (For Those Left Behind) Integration Scholarships program for the 2016-2017 and 2017-2018 years.
44	BBVA Bancomer Foundation (Social Development)	Grant 1,000 new scholarships for High School pupils of the "Children's Knowledge Olympics" program, for the 2016-2017 school year.	A total of 2,923 scholarships were granted for pupils of the 2016-2017 year of High School within the Children's Knowledge Olympics program.		Grant 1,000 new scholarships for High School pupils of the "Children's Knowledge Olympics" program, for the 2017-2018 school year.
45	BBVA Bancomer Foundation (Promoting Culture)	Give a workshop for students of Universidad Tecnológica del Centro de Veracruz in Cuitláhuac, Veracruz. Most representative institution in 2015.	A workshop was carried out for 20 students on 30 June and 1 July 2016 at the Universidad Tecnológica del Centro de Veracruz in Cuitláhuac, Veracruz.		Create a Google+ community to publish art contents and tell 200 employees about the Foundation's cultural mission.

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
46	BBVA Bancomer Foundation (Promoting Culture)	Schedule the "De la formación a lo público" exhibition at 3 recognized cultural centers in Mexico.	The "De la formación a lo público" exhibition was scheduled at the Carrillo Gil Art Gallery at the CDMX (29 January to 22 May 2016) and at CONARTE Parque Fundidora in Monterrey Nuevo León (14 July to 16 October 2016).	!	Publish a work on the history of Portraits in Mexico dating back to 2500 years ago. Edition: 10,000 books.
47	BBVA Bancomer Foundation (Promoting Culture)	To implement an engagement and synergy program for stakeholders composed of 12 cultural activities and/or workshops throughout 2016.	Over 30 activities were offered for employees and customers, who were able to attend plays and exhibitions in 6 cities. A Contemporary Art course in our Torre BBVA Bancomer headquarters, attended by over 40 people (which was the limit).	✓	This year, conceptualize and carry out 2 Meetings and 1 Seminar for Bancomer / Carrillo Gil Art Gallery scholars with the participation of specialized advisors and professionals who will provide them with training and help them with their projects.
48	BBVA Bancomer (National Alliances)	Raise funds of MXN\$235,000,000.00 for the extension of coverage of the various initiatives offered by the Foundation; deadline: December 31, 2016.	Funds of MXN285,177,732.77 were raised to be used in BBVA Bancomer Foundation programs.	✓	Raise funds of MXN209,189,020 for the extension of coverage of the various initiatives offered by the Foundation; deadline: December 31, 2017.
49	BBVA Bancomer Foundation (Social Management)	Maintain the number of ITESM tutor students within a range of 1500 to 2000 for educational and productive centers - social incubator. Deadline 31 December 2016.	The support of 2,042 ITESM tutor students was achieved in Bancomer Educational and Productive Centers - Social Incubators.	✓	Maintain the number of ITESM tutor students within a range of 1500 to 2000 for BBVA Bancomer Educational and Productive Centers - Social Incubators. Deadline 31 December 2017.
50	BBVA Bancomer Foundation (Social Management)	Increase to 2,000 the number of direct beneficiaries for the Magdalena Contreras educational and productive centers; deadline: 31 December 2016.	A total of 1,406 people benefited at the Magdalena Contreras Educational and Productive Center.	!	For 1,050 people to benefit from the different workshops and courses taught at the Magdalena Contreras Educational and Productive Centers.
51	BBVA Bancomer Foundation (Social Management)	To increase to 18,000 the number of direct beneficiaries for the 16 educational and productive centers; deadline: 31 December 2016.	A total of 18,634 people benefited in the 16 Centers.	✓	Reach between (14,000 and 16,000) beneficiaries for the Bancomer Educational and Productive Centers - Social Incubators. Deadline 31 December 2017.

Appendices | Achievements in 2016 and Goals for 2017

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
52	BBVA Bancomer Foundation (Social Management)	Continue to re-equip the 4 other schools, for the 2015-2016 academic year and assess re-equipment applications for the 2016-2017 academic year.	SEDENA community service volunteers stopped providing deductible receipts, and the Ministry of Education did not deliver them, so this donation was not delivered to these schools.	✖	Seek other institutions which need school materials and which have deductible receipts. Existing school materials (980 articles). Deadline: 31 December 2017.
53	BBVA Bancomer Foundation (Social Management)	[New 2017 Target]	[New 2017 Target]	N/A	Provide benefits to 800 people in the 4 INEA - BBVA Bancomer Foundation Community Initiatives in literacy activities in primary and secondary schools.
54	BBVA Bancomer Foundation (Communications and Brand)	<p>1. To position, in 2016, the Bancomer Foundation - by a Dissemination and Communication Campaign - with follow-up of the Mexican Leaders Campaign. We will do this with customers, employees and non-customers of the BBVA Bancomer Group..</p> <p>2.- Increase metrics on the website vs. 2015 (visits and views). Visits: 120,000 Views: 80,000</p> <p>3.- To increase the percentage of metrics in SNS (Google +, Twitter and Facebook) vs. 2015.</p> <p>Twitter 25% Google 80% Facebook 50%</p>	<p>1.- The result of the campaign is reflected through the "Chavos que inspiran" (Inspiring kids) campaign, where we managed to position the Foundation with customers, employees, and also in the fund raising campaign, where we are above the set target.</p> <p>2.- Total Views at 2016 year end: 479,396 Total Visits at 2016 year end: 596,338</p> <p>3. Measurement not possible because the BBVA Bancomer Foundation does not use social media.</p>	!	<p>1. Position the Bancomer Foundation through a dissemination and communication campaign through the "Chavos que inspiran" (Inspiring kids), where the key to success is to reach the 2017 fundraising goals.</p> <p>2.- Increase metrics on the website vs. 2016: (visits and views). Visits: 10% Views: 10%</p>
55	BBVA Bancomer Foundation (Social Development)	Grant 4,000 new scholarships to pupils who have recently entered High School in the 2016 - 2017 academic year.	A total of 3,831 out of 4,000 active scholars recently entering High School were maintained in the Forward Scholarships program at December 2016.	!	Grant 4,000 new scholarships in the Por Los Que Se quedan (For Those Who Are Left Behind) Forward Scholarship Program to pupils who have just started High School in the 2016-2017 school year.

Appendices

No.	Area	Goal 2016	Progress 2016	Rating	New Goal 2017 (Smart).
56	BBVA Bancomer Foundation (Social Development)	Grant a total of 12,000 scholarships in the Forward Scholarships program for the 2016-2017 academic year.	A total of 10,509 active scholars recently entering High School were maintained in the Forward Scholarships program at December 2016 out of the three active generations.	!	Maintain 10,500 active scholars on the Por Los Que Se Quedan (For Those Who Are Left Behind) Forward Scholarships program out of the active generations in the 2017-2018 academic year.
57	BBVA Bancomer Foundation (Social Development)	To design an indicator scorecard to select the projects that will continue and to rate the success of projects undertaken by scholars.	The 2016 Performance Scorecard was designed.	✓	Design the Education and Social Development balanced score card to follow up on strategic projects in the area.
58	Human Resources	Promote community services activities for 600 employees in 2016 in initiatives managed by the Bank.	In 2016, 2,999 bank employees took part in various community service activities.	✓	No

Glossary

AA 1000 SES: Accountability AA 1000 Stakeholder Engagement Standard

ABM: Asociación de Bancos de México
(Mexican Banking Association)

ADI: Asociación de Desarrolladores Inmobiliarios
(Property Development Association)

AHM: Asociación Hipotecaria Mexicana
(Mexican Mortgage Association)

Amafore: Asociación Mexicana de Afore
(Mexican Afore Association)

AMIB: Asociación Mexicana de Intermediarios Bursátiles
(Mexican Stock Broker Association)

Amipci: Asociación Mexicana de Internet
(Mexican Internet Association)

AMIS: Mexican Association of Insurance Institutions
(Asociación Mexicana de Instituciones de Seguros)

ATM: Cashline machine

BID: Inter-American Development Bank (Banco Interamericano de Desarrollo)

BMV: Bolsa Mexicana de Valores
(Mexican Securities Market)

Cemefi: The Centro Mexicano para la Filantropía
(Mexican Center for Philanthropy)

CFI: Corporación Financiera Internacional
(International Finance Corporation)

CNBV: Comisión Nacional Bancaria y de Valores
(National Banking and Securities Commission)

CNSF: Comisión Nacional de Seguros y Finanzas
(National Insurance and Finance Commission)

Condusef: National Commission for the Protection and Defense of Users of Financial Services

Consar: Comisión Nacional del Sistema de Ahorro para el Retiro (National Retirement Savings System Commission)

ESR: Empresa Socialmente Responsable
(Socially-Responsible Company)

GRI: Global Reporting Initiative

IARC: Informe Anual de Responsabilidad Corporativa
(Annual Corporate Responsibility Report)

ICA: Ingenieros Civiles Asociados
(Civil Engineers Associates)

ILCE: Instituto Latinoamericano de Comercio Electrónico
(Latin American E-commerce Institute)

INEGI: Instituto Nacional de Estadística y Geografía
(National Statistics and Geography Institute)

LEED: Leadership in Energy and Environmental Design

MACG: Museo de Arte Carrillo Gil (Carrillo Gil Art Museum)

MIDE: Museo Interactivo de Economía
(Interactive Economy Museum)

ODM: Objetivos del Milenio (Millennium Development Goals, MDG)

OSC: Organizaciones de la Sociedad Civil
(Civil Society Organizations)

PGE: Plan Global Ecoeficiencia Global
(Eco-efficiency Plan (GEP))

RC: (Corporate Responsibility - CR)

RR HH: Human Resources (HR)

RRC: (Corporate Responsibility and Reputation - CRR)

SAC: Sistema Atención a Clientes
(Customer Support System)

SHCP: Secretaría de Hacienda y Crédito Público
(Secretariat of Finance and Public Credit)

SHF: Sociedad Hipotecaria Federal

SNAEBB: Sindicato Nacional de Empleados Bancarios
(National Union of Bank Employees)

SNEF: Semana Nacional Educación Financiera
(National Financial Literacy Week)

CC: Credit Card

UNE: Unidad Especializada (Specialist Unit)

UNEP-FI: United Nations Environmental Program - Financial Institutions

VALMER: Valuación Operativa y Referencias de Mercado
(Operational Assessment and Market Benchmarks)

BBVA Bancomer