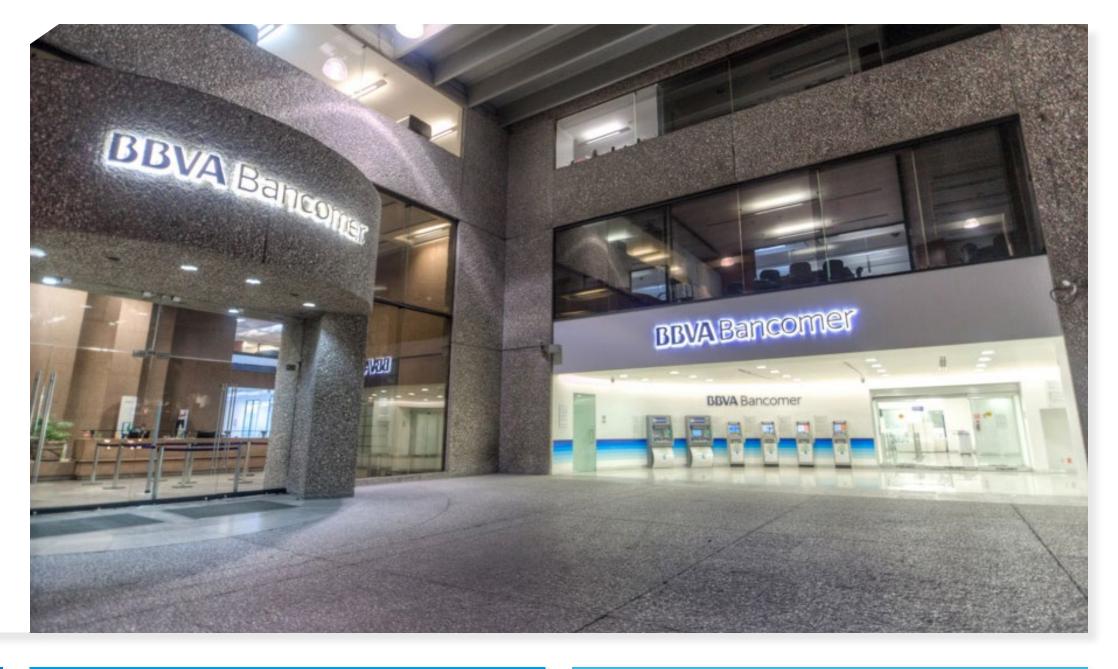
## Annual Report 2014

### adelante.





### ANNUAL REPORT 2014



### FINANCIAL INFORMATION BBVA BANCOMER







### ANNUAL REPORT 2014

## **Transformation**

Improve customer service. Grow business with quality. Make processes simpler and more efficient. The Transformation Plan launched by BBVA Bancomer in 2013 and lasting until 2016 aims to improve customer perception and service, boost the growth of the business with quality, and make processes simpler and more efficient.

The Transformation Plan is leveraged on a major Investment Plan. Around USD 1.5 billion of investment was allocated in the period 2013-2014 for the remodeling of the branches, development of new technology, improvement of platforms and completion of the construction of new corporate headquarters.

In all, 711 branches have been remodeled and the "Experiencia Única" program has been implemented in 100% of the business networks, increasing the productivity and profitability of both the network and the managers.



The new Digital Banking unit has been created to increase the number of customers in digital channels and allow easy, secure and guick access to financial services without the need to access a branch.

### ANNUAL REPORT 2014

# 01

#### Grupo Financiero BBVA Bancomer

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- Management structure
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- Board of Directors
- Report from the Chairman of the Board of Directors
- Report from the Chief Executive
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- ► Leadership
- ► Presence
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- Advertising Campaigns
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### ANNUAL REPORT 2014

## 03

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- Impact on Society
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- ► Financial Education
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- Social, Environmental and Reputational Risk
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- ► Suppliers
- ► Society
- ► Environment
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#### **BBVA** Bancomer Annual Report 2014



Grupo Financiero BBVA Bancomer

### **Group Profile**

**G4-56** 



#### **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 collaborators with the best conditions to develop fully.

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

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

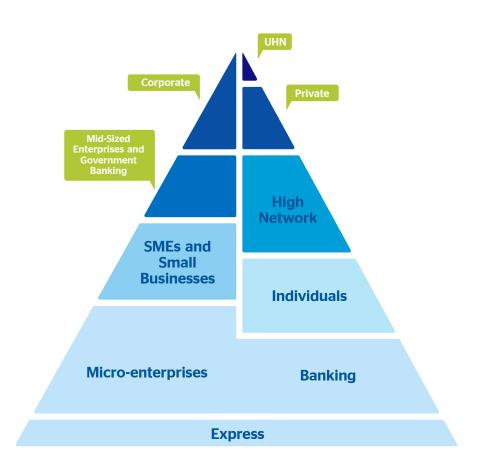
### BBVA Bancomer Annual Report 2014



#### Grupo Financiero BBVA Bancomer

### **Group Profile**

G4-3, G4-4, G4-8



#### **Business Model**

## BBVA Bancomer is a universal bank that provides its customers with a personalized service through specialized products and services.

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

Through its business model, BBVA Bancomer offers personalized service to each of our customer segments, with networks of specialist executives offering a 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. Finally, it is a business model that is firmly committed to technology and major investments in transformation and innovation projects.

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

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



## **Corporate Structure**

**Grupo Financiero** 

**BBVA Bancomer, S.A. de C.V.** 

**G4-6** 

**BBVA BANCOMER, S.A.** 99.99%

CASA DE BOLSA BBVA BANCOMER, S.A. DE C.V. 99.99%

**BBVA BANCOMER ADMINISTRATIVE SERVICES** 99.99%

BBVA BANCOMER OPERADORA, S.A. DE C.V 99.99%

HIPOTECARIA NACIONAL, S.A. DE C.V 99.99%

**BBVA BANCOMER GESTIÓN, S.A. DE C.V.** 99.99%

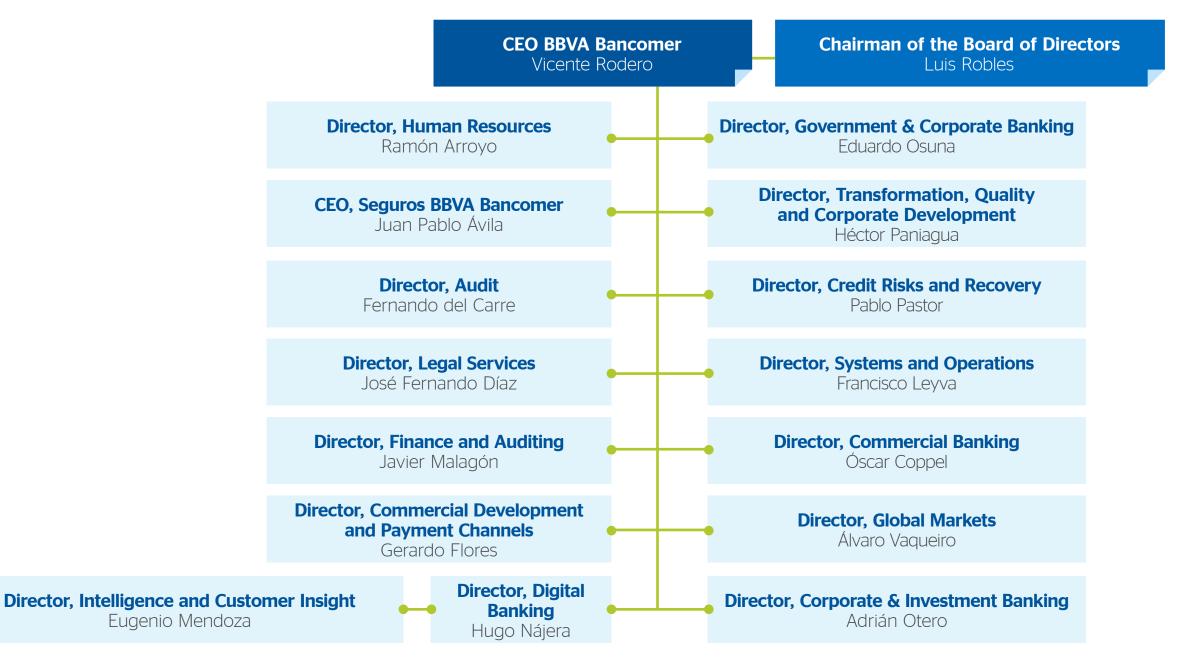
**SEGUROS BBVA BANCOMER, S.A. DE C.V.** 99.99%

**PENSIONES BBVA BANCOMER, S.A. DE C.V.** 51.00%





## **Management structure**





### **BBVA Bancomer**Annual Report 2014



### Grupo Financiero BBVA Bancomer

## **Management Committee**

G4-39

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



### BBVA Bancomer Annual Report 2014



G4-38

### Grupo Financiero BBVA Bancomer

## **Board of Directors**

#### Annual General Meeting of Shareholders

Full members	Alternate members	
José Francisco Gil Díaz	Ignacio Deschamps González	
Alberto Bailleres González	Arturo Manuel Fernández Pérez	
Enrique Medina Fernández*	José Fernando de Almansa y Moreno-Barreda*	
Luis Robles Miaja CHAIRMAN	Vicente María Rodero Rodero DEPUTY CHAIRMAN AND CEO	
Fernando Gerardo Chico Pardo*	Andrés Alejandro Aymes Blanchet*	
José Antonio Fernández Carbajal	Carlos Salazar Lomelín	
Ángel Cano Fernández	Manuel Castro Aladro	
Francisco González Rodríguez	Fernando Gutiérrez Junquera	
Ricardo Guajardo Touché*	Jaime Serra Puche*	
Alejandro Ramírez Magaña*	Pablo Escandón Cusi*	
Secretary	Alternate secretary	
José Fernando Pío Díaz Castañares	Alfredo Aguirre Cárdenas	
Statutory auditor	Alternate statutory auditor	
José Manuel Canal Hernando	Jorge Evaristo Peña Tapia	

\* Independent directors



### BBVA Bancomer Annual Report 2014



#### Grupo Financiero BBVA Bancomer

### **Report from the Chairman of the Board of Directors**

#### G4-1, G4-2

#### **Dear shareholders:**

The county was affected by contrasting influences in 2014. First, there was the successful conclusion of the legislative process involving 11 structural reforms that were essential if Mexico was to reach stable and dynamic growth, as well as greater welfare for its families; but then we experienced adverse and unexpected events such as the extremely severe temperatures of the U.S. winter, which cut back the strong growth of our economy in the first half of the year, a steep fall in oil prices, and the reprehensible acts of violence in Guerrero, which are a reflection of a serious institutional weakness in some states in the country.

It is clear that we should redouble our efforts to strengthen our institutions. It is a great advance for Mexico to finally have economic reforms that have been pending for a number of years. And it is very positive to have such important assets as macroeconomic stability, a solid and solvent banking system, and many others. But we have to complement these actions with new institutional reforms that strengthen the correct application of the law and fully consolidate the rule of law. Only by working to generate these new opportunities and protect the rights of all the citizens can we overcome the imbalances in regional development and the backwardness of inequality and poverty.

For BBVA Bancomer 2014 was a year of major achievements. The include: the introduction of a new model of customer service that is much closer to the customers; boosting the modernization of all the branches in the country; significant progress has been made in the construction of new corporate headquarters in Mexico City; and, internally, the Directorate General for Digital Banking and Ultra-High Net Worth Private Banking was created to make better use of the enormous competitive advantages offered by our institution for satisfying customer needs, for all customers and also in a more exclusive, personalized and differentiated way.

The results show that BBVA Bancomer's strategy is a success.

The results show that BBVA Bancomer's strategy a success. Offering better levels of service, setting us apart from our competitors and controlling risks have led the results of BBVA Bancomer's management to be outstanding for the second year in a row. I would like to congratulate very warmly our Deputy Chairman and CEO Vicente Rodero, all his management

For BBVA Bancomer 2014 was a year of major achievements.







### **Report from the Chairman of the Board of Directors**

team and all our collaborators in the bank for the efforts they have made and the great talent they have shown in helping us once more exceed all the targets we have set ourselves.

BBVA Bancomer's leading position is widely recognized by the financial authorities and institutions. BBVA Bancomer's leading position is widely recognized by the financial authorities and institutions. The Mexican Banking Association (ABM) has honored BBVA Bancomer by designating its President as President of the Association for the third time in the last 14 years. Our goal will be to maintain a frank and open dialog with the authorities and head up the industry's efforts to extend banking penetration and lending, while taking care that the loans granted are healthy and sustainable.

We are committed to society. As in the last six years, this year's report has been prepared following the international Global Reporting Initiative guidelines (this time in their G4 version), thus reaffirming our commitment to remain at the forefront of sustainability issues. As part of our strategic corporate responsibility plan "Responsible Business 2013-2015", in 2014 we made progress in various programs that have allowed us to make a major social and environmental impact. In 2014 we strengthened our actions in favor of education as a means of increasing social welfare. The extensive program of educational scholarships offered by the BBVA Bancomer Foundation benefits 17,800 students in secondary education. To this, new measures have been added, such as: the use of the "Education Ball" in the BBVA Bancomer MX League to create a greater awareness of the importance of education; the financial literacy program "Valores de Futuro" (Future Values) to instill interest in personal finance among children and young people; and an important agreement with the Secretariat for Public Education to double the number of beneficiaries of the "Becas Adelante" program and support 4,000 young people in their preparatory studies. In addition, we can proudly report that in 2014 our employees making up the first graduates of BBVA Bancomer University completed their studies.

We are committed to society and in 2014 we reinforced our actions in favor of education as a means to increase social welfare.



### BBVA Bancomer Annual Report 2014



The various forms of support we provide to society are well known and recognized.

2014 posed enormous challenges for the country, but Mexico has a historic opportunity that it cannot miss out on. Grupo Financiero BBVA Bancomer

### **Report from the Chairman of the Board of Directors**

The support we provide to society is well known and recognized. For example, in April the Inter-American Development Bank granted BBVA Bancomer's B+Educa Fund the Beyond Banking Award for it contribution to the development of investment options with a responsible impact in Latin America. In December, the Federal Government and BBVA Bancomer Foundation received the Global Partner Award from the United Nations Institute for Training and Research for its support to the ideals of the United Nations in efforts to reconstruct the La Pintada community in the state of Guerrero, which was destroyed by the tropical storm Manuel in September 2013. These actions also support our commitment to the UN Global Compact, which BBVA Bancomer joined in 2003 and whose principles have been incorporated into this report as part of Communication on Progress for this period.

We are well aware that 2014 posed enormous challenges for the country, but Mexico has a historic opportunity that it cannot miss out on. Our economic stability, and all that implies, the democratic development we have achieved, our demographics, territory, natural wealth, industrial development, commercial policies and the recently approved structural reforms, all give us the opportunity to make Mexico a developed nation in which existing regional imbalances and inequality can be overcome and institutional development can begin to evolve in a satisfactory fashion. We all have to play our part at this historic time. You may rest assured that BBVA Bancomer will do so.

BBVA Bancomer is fully committed to Mexico.

Luis Robles Miaja Chairman of the Board of Directors





### **Report from the Chief Executive Officer**

#### G4-1, G4-2 Business in 2014

2014 was a difficult year for Mexico and for the banking sector. The economy grew below expectations, generating sluggishness in the financial system. In this environment, the Bank of Mexico cut the benchmark interest rate to 3.0%, an all-time low, which was also in itself a challenge for the banking system.

The loan portfolio has grown 13% over the year, above the market as a whole. Despite this, BBVA Bancomer registered a positive trend in commercial activity, comparing favorably with the market as a whole. The loan portfolio closed the year at 786,432 million pesos, an annual increase of 13%, above the rate of GDP growth.

The commercial portfolio was most buoyant, with a balance of 433,555 million pesos, equivalent to an increase of 19% over the year. Finance for SMEs performed outstandingly, with an annual increase of 27% and more than 51,000 new loans granted. At the same time, lending to corporates and medium-sized companies has been posting double-digit growth of 21%<sup>1</sup>. We also continued to support our corporate customers in issues on the debt and capital markets, giving us the title of "Best Investment Bank in Mexico".

BBVA Bancomer maintains its leading position in the Mexican market. Consumer finance, including payroll, personal and auto loans, amounted to 100,211 million pesos, equivalent to an annual growth of 19%. This strength has been supported by the boost we have given to the pre-approved loan campaigns for our customer base. In the credit card portfolio, banking has been growing at the market rate (5%), while the rest of the portfolio has been affected by the cancellation of the agreement with Walmart in November 2013.

Mortgage lending closed the year with a balance of 159,466 million pesos, 4% up on the previous year. However, 15% more new loans were issued than in 2013, maintaining BBVA Bancomer's leading position in the market with one out of every four mortgages in the private sector<sup>2</sup>.





<sup>1</sup> Internal segmentation of corporates (transnational companies), Medium-sized companies (annual sales of between 100-250 million pesos) and SMEs (annual sales of up to 100 million pesos).

<sup>2</sup> New mortgage loans (amount issued) and market position, according to information from the National Banking and Securities Commission (CNBV) at the close of December 2014.



## **Report from the Chief Executive Officer**

It is worth highlighting that lending has been accompanied by good asset quality indicators. At the close of December 2014, there was an improvement in the NPA ratio of 43 basis points to 2.7%, notably better than the market as a whole.

High capital ratio of 15.2%. Customer funds, which include demand deposits, time deposits, promissory notes and investment companies, stood at 1,128,855 million pesos, an annual increase of 11%. Demand deposits remain strong, with a balance of 577,921 million pesos, an annual increase of 10%. This positive performance means the mix of funds gathered remains good; there is a greater relative weight of demand deposits, maintaining BBVA Bancomer's leading position in deposits (demand + time), with a market share of 22.6% according to the National Banking and Securities Commission (CNBV), with figures as of December 2014.

Time deposits closed the year at 145,838 million pesos, an annual increase of 15%. Assets under management in mutual funds amounted to 333,968 million pesos, allowing BBVA Bancomer to maintain its position as one of the biggest mutual fund managers on the market, with a market share of 19.7%, according to information from the Mexican Securities Industry Association(AMIB).

The trend in net interest income is positive, with annual growth of 10.6%. 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 15.2%, 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.

With respect to its income statement, I am happy to tell you that we have closed the year with solid earnings based on constant generation of revenue, while maintaining recurring expenses under control and despite a backdrop of strong lending. We have also continued to focus our efforts on risk control.





### **Report from the Chief Executive Officer**

Net interest income amounted to 92,496 million pesos, an annual growth of 10.6%: The increase in the loan portfolio and deposit volumes, as well as a good price management, has allowed us to mitigate the negative impact of the decline in market's benchmark interest rates. Income from net fees and commissions has grown at an annual 2.9%, below the rate of inflation.

Administration and promotion costs have increased by an annual 8.0%. Good management of expenses has meant that the efficiency ratio stood at 42.7% at the close of December 2014 and the bank remains one of the most efficient in the system.

Net profit was a cumulative 31,005 million pesos for 2014. In comparable terms, in other words before discontinued operations, there was an increase of 4.1% with respect to the previous year<sup>3</sup>.

2014 has been a good year for earnings and a year when there was significant progress made in the main lines of the Transformation Plan. In addition, the non-banking business also registered a good performance in the year. Seguros Bancomer posted a net profit of 3,918 million pesos, maintaining its leading position in the bancassurance market, and second place in the insurance sector.

So 2014 has been a good year for earnings and a year when there was significant progress made in the main lines of the Transformation Plan launched in 2013.

BBVA Bancomer's Transformation Plan is focused on improving customer perception and service, boosting the growth of the business with quality, and making processes simpler and more efficient.





### **Report from the Chief Executive Officer**

This Transformation Plan is leveraged on major investment of USD 3.5 billion. In total for 2013 and 2014 around USD 1.5 billion were invested for the physical remodeling of the branches, involving a better segmentation of the customer base, and patios with more extensive self-service areas. It includes the development of new technology, new distribution channels and the conclusion of the construction of new corporate headquarters.

2015 will again be a year for continuing with progress at a good rate in the Transformation Plan as a whole, which will be in place until 2016. This year new business models will be implemented to boost the growth of commercial activity. The "Experiencia Única" (Unique Experience) project is also expected to mature, which should boost sales and profitability in branches, at the same time developing non-branch products to increase the number of customers using digital channels.

In 2015 we will complete the construction on the three corporate headquarters and thus more than 9,000 people will change their place of work. In 2015 we will complete the construction of the three corporate headquarters and thus more than 9,000 people will change their place of work. The opening of the new corporate headquarters will have positive effects on the new image of the bank, as well as implementing new forms of work that are simpler and more efficient and flexible.

Without doubt, 2015 will be a year of many changes for BBVA Bancomer and also for the country, once the scope of the structural reforms approved is more clearly defined; and it will be a year when the country should grow at a faster pace that fosters more dynamic banking activity.

That is why we are optimistic and we continue to drive transformation forward, so that BBVA Bancomer can take advantage of the market opportunities and consolidate its leading position, constructing a bank that is more modern, more technological, more efficient and closer to the customers.





## **Report from the Chief Executive Officer**

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

Adelante,

Vicente Rodero Rodero CEO



#### **BBVA** Bancomer Annual Report 2014

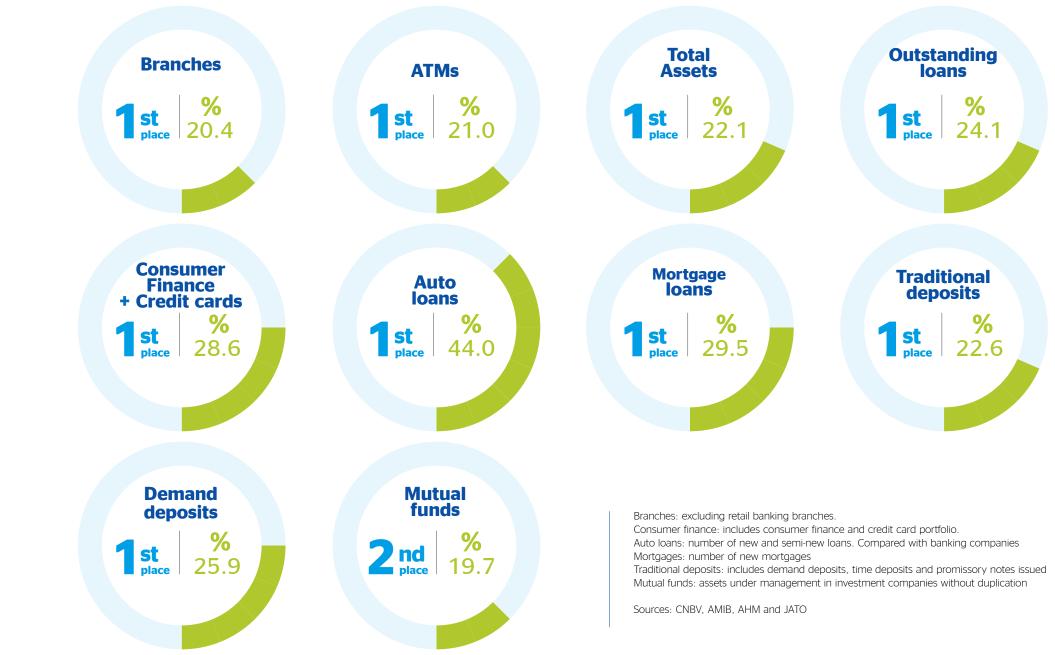


**G4-9** 

Grupo Financiero BBVA Bancomer

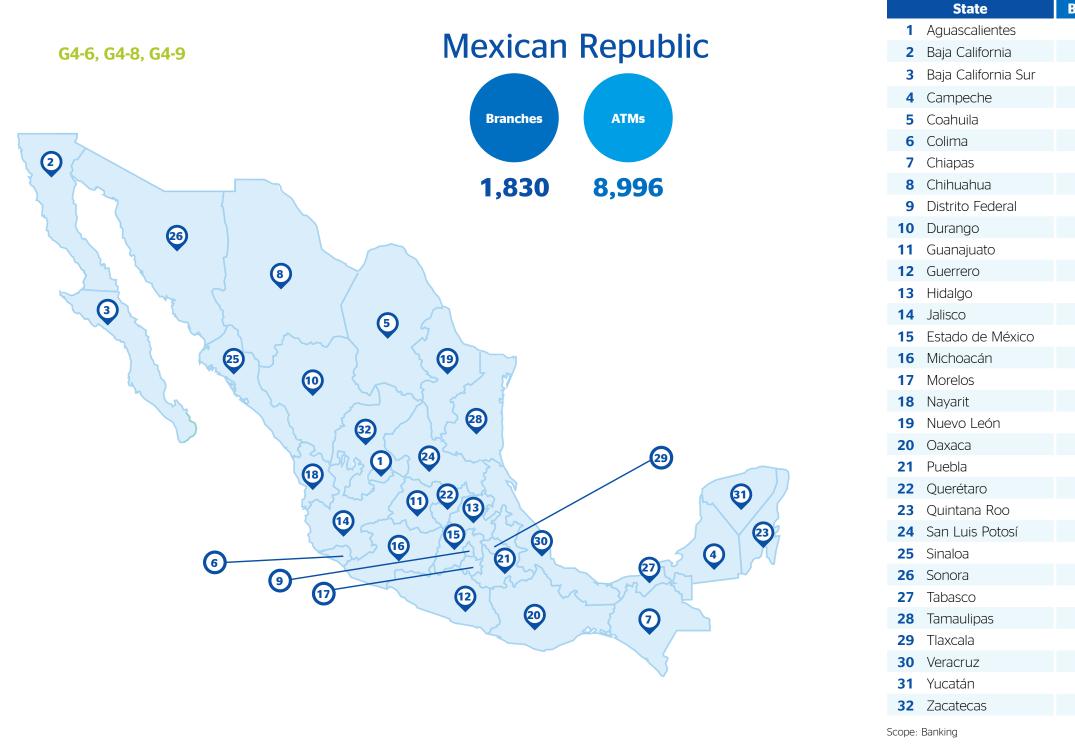
### Leadership

Market share (%, December 2014)





### Presence



### Menú

Branches	ATMs	Employees
17	92	249
63	327	812
21	92	207
15	93	162
41	256	505
12	51	143
39	170	445
60	317	729
294	1,717	11,131
18	77	220
84	356	1,108
36	128	392
31	149	426
195	730	2,270
187	1,068	2,048
88	241	1,022
27	112	317
20	86	219
94	477	1,123
27	124	304
67	315	922
29	143	381
23	194	260
34	121	378
35	121	425
51	247	580
31	174	347
44	249	512
10	71	145
89	499	1,046
24	120	320
24	79	239
		200

#### **BBVA** Bancomer Annual Report 2014



### Grupo Financiero BBVA Bancomer

## **Relevant Information**

Million pesos

General Indicators of multiple banking in Mexico			
	2012	2013	2014
<b>T</b> 1 1 1 1 1 1 1 1 1 1 1 1	10	10	
Total multiple banking institutions	43	43	45
Branches	12,407	12,581	12,715
Employees	211,083	237,903	225,924
Total banking assets (million pesos)	6'021,260	6'551,871	6'970,144
Constant GDP (million pesos)	13'286,154	13'470,942	13'757,167
% of GDP	45.3%	48.6%	50.7%
Aggregate gross banking portfolio (million pesos)	2'752,369	3'033,539	3'346,926
% of GDP	20.7%	22.5%	24.3%
Total deposits (million pesos)	2'984,054	3'171,520	3'533,846

Source: CNBV, INEGI

#### Importance of BBVA Bancomer in the Mexican economy

	2012	2013	2014
Total assets (million pesos)	1'383,800	1'501,965	1'677,899
Share of total assets	23.0%	22.9%	24.1%
Traditional deposits (million pesos)	671,171	709,703	794,887
Traditional deposits / Total assets	48.5%	47.3%	47.4%

Traditional deposits: demand and time deposits and promissory notes issued

Source: National Banking and Securities Commission



### **BBVA Bancomer**Annual Report 2014



### Grupo Financiero BBVA Bancomer

## **Relevant Information**

Million pesos

**G4-EC1** 

#### Breakdown of Economic Value Added (EVA) by stakeholder

	2012	2013	2014
Personnel costs	16,019	17,178	18,074
Interest expenses	32,741	28,652	27,012
Administration and operating expenses	13,360	14,338	15,127
Taxes	8,994	9,265	9,559
Contribution to the community: funds allocated	71,114	69,433	69,772

Economic value generated and distributed			
Economic value generated	101,892	108,194	115,171
Net interest income	77,333	83,641	92,496
Net fees and commissions	18,218	20,175	20,756
Other ordinary revenue	6,341	4,378	1,919
Economic value distributed	65,047	71,033	73,491
Dividends	19,399	20,568	20,515
General administrative expenses	20,635	24,022	25,343
Taxes	8,994	9,265	9,559
Personnel costs	16,019	17,178	18,074
Economic value retained	36,845	37,161	41,680
Preventive estimates for credit risk	22,260	23,699	25,526
Reserves	14,585	13,462	16,154

Source: Grupo Financiero BBVA Bancomer





## **Advertising campaigns**

#### Liga BBVA Bancomer MX

As part of the strategy of changing BBVA Bancomer's positioning, in June 2013 it decided to sponsor the Liga MX, which was renamed Liga BBVA Bancomer MX.

A year after the launch of Liga BBVA Bancomer MX major audience figures have been achieved in the mass media in Mexico and the United States. In 2014, 334 matches were broadcast with a cumulative audience of over 300 million in Mexico and around 140 million in the U.S.

In record time Liga BBVA Bancomer MX has won a place for itself among soccer fans in our country, who account for 60% of the population, according to the study by the specialized company Repucom. The result has been to achieve major levels of memorability and BBVA Bancomer's place as one of the Top 10 brands associated with soccer after only one and a half years of sponsorship.

A study by Millward Brown highlights that people who identify BBVA Bancomer's sponsorship in the soccer league have higher levels of "brand consideration" and "recommendation", at an average of 40% more than those who do not follow the League.

The benefits for our image and positioning are very positive, bringing us closer to our customers, as well as to young people and children who perceive us as a warmer bank that is more interested in society, thanks to the links between the values of BBVA Bancomer and those of sports and soccer, as well as the altruistic promotion work that we have carried out in areas such as Education and Health.

#### **Customer Loyalty Month**

In 2014 three campaigns were launched for the Customer Loyalty Month, in which customers received a gift for buying a product or service. It allowed us to increase the level of customer loyalty as well as selling more of the Bank's products and services.

This campaign had TV commercials supporting both the promotion and the sponsorship with the Liga BBVA Bancomer MX.



## **Advertising campaigns**

#### Vida Bancomer

After nearly 8 years of the Vida Bancomer program a campaign was launched divided into two phases, April and October. The aim was to make credit card holders aware of the benefits of the loyalty program with discounts in participating stores and the use of Bancomer points through the icon "Ciclo de Vida Bancomer" (Bancomer Life Cycle).

This involved creating a communication strategy based on icons to illustrate how simple it is to take advantage of the benefits of a BBVA Bancomer card in just a few steps, thus strengthening the brand image and giving greater weight to Bancomer Points.

In addition, there were 4 Vida Bancomer prize draws to create incentives for our customers to use Bancomer Points.

#### SME prize draw

A semi-mass market campaign was created for the second SME Bancomer prize draw with the same slogan of "El motor que tu PyME necesita" (The driving force your SME needs). The means used were posters, banners, e-mails and dynamic marketing. The results exceeded the objectives expected for this campaign.

#### **UHN Launch**

BBVA Bancomer launched Ultra High Net Worth Private Banking, the new form in which the Bank breaks with traditional moulds and conventions, providing our customers with what until now has been an unprecedented experience in financial institutions. As well as resolving the asset management needs of its customers, UHN adds value to each aspect of their lives, taking care of their personal, business and family needs with a vast array of services tailored to their lifestyle.

The UHN banker provides a direct link to the benefits, capacities and opportunities offered to customers by Grupo Financiero both in Mexico and around the world. It is the only contact they will require for all their needs to be resolved.



## **Advertising campaigns**

At BBVA we see this time of change and new opportunities as a challenge in which we want to be a key piece of the puzzle. That is why we are preparing to reshape the world together with the BBVA Bancomer Private Banking UHN unit and our customers.

#### **Can Roca Event**

In 2013 BBVA forged a 3-year alliance with El Celler de Can Roca, which this year was awarded the title of Best Restaurant in the World, to carry out a world tour called "The Cooking Tour Experience".

At the start of 2014, the Roca brothers selected the best producers in Mexico to form part of their culinary creations in 15 specialized events in the country. The result was a unique experience of the highest level for Private Banking, Corporate & Investment Banking and Consumer Finance customers.



## Advertising campaigns



**Personal Banking** 



BBVA Bancomer Seguros	\$
RespaldoSeguro Bancom a combatir al cáncer, po te aseguras hasta por \$3	r \$6 diarios
Contrátalo en: www.segurosbancomer. o llamando al: 01 800 600 0909	com.mx
adelante. Growther conference of a sector sector	Inducerenges Psintetutalud
Existe un periodo de espera de 90 días hibites a parter de su com si resultas alectado por alguno de los tipos de cáncer cubiertos, p Los tipos de cáncer excluidos son: cualquer tipo de cáncer de pe como premitipor, cualquer de los de cáncer no invasivo, sarcom regularitor a consecuencia de tabaquianto y cáncer cervicosterin es de taina a verema de 9 día 21 hobres subador vecemina de	odrás presentar tu reclamación. I, tumores considerados a de Kaposi, cáncer de aparato o le situ. El horario de atención

Insurance





SME prize draw



Libretón Integral



**BBVA Bancomer** Foundation



**Customer Loyalty** Month





### **Business Units**

#### **Commercial Banking**

The unit serves over 80% of all customers. including the private and high net worth, personal and banking segments, as well as SMEs.

Commercial Banking in Mexico is divided into two main units: first, the Commercial Network, which includes the whole retail distribution network; and second, Commercial Development and Payment Channels, which aims to design and develop banking products for the customer segments served by the Commercial Network.

The unit serves over 90% of all customers, including the private and high net worth, personal and banking segments, as well as SMEs.

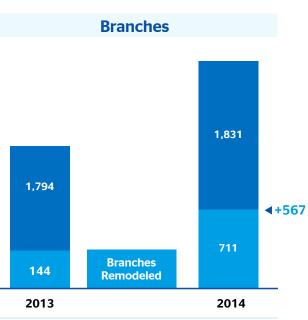
At the close of the year, Commercial Banking managed 48% of all the bank's loan portfolio, with a balance of 376,688 million pesos, 7.5% up on the figure the previous year. In deposits the amount was 776,457 million pesos, an annual increase of 9.1%.

In 2014, a total of 711 branches were remodeled and the number of ATMs increased by 1,247, due to the extension of the self-service "patios". In all, the number of transactions carried out in ATMs amounted to 527,867 million, 8.7% up on the previous year. This figure has been boosted not only by the increase in number, but also initiatives such as making the pre-approved consumer loans available to customers through ATMs (with the aim of also giving quicker and more secure access to financial services through digital channels).

For customers in the personal banking segment, the strategy of awarding pre-approved loans has continued. This has not only increased the volume of consumer finance, while maintaining portfolio quality; it has also been reflected in an improvement of the customer loyalty rate.

In new products and services, BBVA Bancomer has set up a new *Ultra High Network* (UHN) business unit. The aim is to provide a tailored service through a specialized network to deal with the financial needs of customers in the highest wealth segment.









### **Business Units**

For SMEs the number of specialized employees and SME business centers has continued to increase, with the aim of strengthening the coverage for this group at national level. The above has been reflected in the continuous growth in lending for this segment.

### **Government & Corporate Banking**

Government & Corporate Banking serves medium-sized companies, government bodies, housing developers, distributors in the automobile market, as well as the financial leasing business managed in Mexico. This business unit has 168 branches for specialized service for companies (including housing developers) and the government. At the close of the year it managed a portfolio volume of 256,676 million pesos (up 14.6% year-on-year) and customer funds of 306,182 million pesos (up 10.1%).

Corporate lending has grown in double digit figures in 2014. Finance for government (including the Federal Government, state secretariats, government institutions and local councils) recovered at the close of the year.

Commercial lending has grown at double-digit rates in 2014.

With respect to developers, there has been some recovery in the housing construction sector. The number of homes financed in 2014 by BBVA Bancomer increased by 7.9% on the previous year. Overall, the bank granted one out of every four new mortgages in the private sector.

The business of auto loans, managed through the Consumer Finance unit, is based on specialized cover of financing needs, from distributors to the end user. At the close of the year, the auto loan portfolio was down year-on-year by 1.6%, due mainly to the end of the agreement with an major supplier in the automobile sector. In 2014 work continued on the strategy of concluding new commercial alliances with other suppliers and strengthening the financial leasing activity through an extensive range of products, from car leasing to specialized leasing of boats and airplanes. Of note in this respect is the commercial alliance between BBVA Bancomer and *Jaguar-Land Rover* to boost pre-approved loans and vehicle leasing for private banking and high net worth customers.



### **Business Units**

### **Corporate & Investment Banking (CIB) and Global Markets**

CIB specializes in managing corporate and global customers, to whom it offers added value investment banking and cash management products, as well as sophisticated investment vehicles. Global Markets originates, structures, distributes and manages the risk of market products with a customer-centric model, responding to customer investment needs and risk coverage.

At the close of the year, this unit registered a loan portfolio of 159,204 million pesos and a balance of deposits of 111,963 million pesos, both with significant double-digit year-on-year increases. In addition, the unit registered a participative activity in the debt and capital markets over the year.

In 2014, the unit carried out a number of significant transactions. One example of this is participation in the third follow-on offering of Fibra Uno (a vehicle for commodity investment) trust stock certificates. This has been the most important issue in Fibra Uno's sector, at 32,816 million pesos. There was also a successful placement of shares in the Alsea chain of restaurants for 6,900 million pesos, which was oversubscribed by 4.7 times. In issues of Mexican peso-denominated debt, BBVA Bancomer has maintained its number one position in the ranking, at 22% of the share. Finally, there is the growth of the Merger & Acquisitions (M&A) franchise, which has over the last few years become the supplier with the largest number of agreements concluded, at 7 operations and 16% of market share by number of deals.

Best Investment Bank in Mexico according to Euromoney and LatinFinance.

Finally, BBVA has contributed notably in Mexico to issues by corporate clients on the debt and capital markets, leading to this unit to be recognized as the Best Investment Bank in Mexico by two specialized magazines: *Euromoney* and *LatinFinance*.

This unit has registered a participative activity in the debt and capital markets over the year.



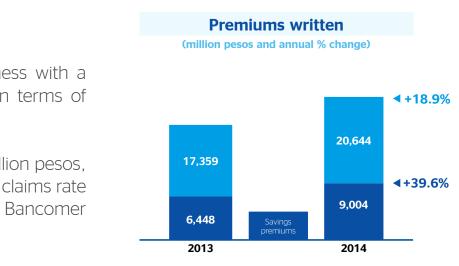
### **Business Units**

#### **Seguros BBVA Bancomer**

Insurance BBVA Bancomer registered stronger activity in premiums written. Insurance is sold through the subsidiary Seguros BBVA Bancomer. This is an important line of business with a significant contribution to the area's earnings. It is the biggest insurer in the bancassurance market in terms of earnings, and the second biggest in the whole insurance sector in Mexico.

In 2014, Seguros BBVA Bancomer registered stronger activity in premiums written, at a total of 1,148 million pesos, equivalent to annual growth of 19.8%. However, this trend was not passed on to earnings due to the high claims rate and lower NTI. Nevertheless, it is worth noting that in terms of earnings, the contribution of Seguros BBVA Bancomer continues to be representative and high.

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Source: Information from Seguros BBVA Bancomer



### **Staff areas**

We are working across the whole bank to be better.

The transformation underway in BBVA Bancomer includes various initiatives that continue to position us as the leading bank in Mexico, improving the quality of customer service every day and offering easier and simpler access to financial services. To this end, we are working in the whole bank to be better.

### **Digital Banking**

The new area called Digital Banking was launched in 2014. Among its main objectives it to increase the number of customers using digital channels, develop a range of internal, relevant and knowledge-based digital products for the bank, and implement low-cost solutions that support sustainable financial inclusion. Since its launch, this area has increased the number of digital customers by 25%. A text message service was also launched that allows customers to check their balance. They will soon also be able to recharge connection time and send money to Bancomer accounts without the need for an Internet connection on the cell phone.

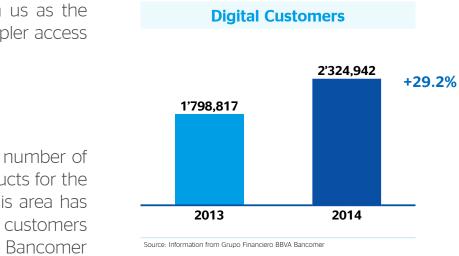
### **Systems and Operations**

The Systems and Operations area has also carried out transforming initiatives to improve customer relations. Some of the most important actions include improving the Bancomer Móvil platform, the creation of a new website for the SME segment and the installation of SPEI Móvil.

### **Risks**

Within the Risks area, we have created Risk Admission Factories located within the branches, with the aim of speeding up the response time to customer loan requests. In addition, this area has maintained lending growth with a high quality, recording the best asset quality indicators, which are even better than the average in the Mexican market.

### Menú







### **Staff areas**

#### Audit

Supporting the maintenance of a good risk management, a new model called Corporate Assurance has been created in the Audit area to mitigate transaction risks. The model also sets us apart from our competitors and ensures the healthy operation of the business.

#### Finance

Two successful issues underlined the confidence of national and international investors, both in BBVA Bancomer and in the country as a whole. The Finance Division has been responsible for two successful issues carried out in 2014. The first issue was a Senior Debt Bond for USD 750 million at 10 years and a rate of 4.375%, while the second issue was a structured Subordinate Capital Note for USD 200 million at 10 years and a rate of 5.35%. The subordinate note has been issued under the Basel III capital requirements in Mexico, so it is eligible as the bank's additional capital. Both issues underlined the confidence shown by national and international investors in both BBVA Bancomer and the country.

#### **Transformation**

A program in the central areas was implemented in the Transformation area to provide more coordination with the bank's networks. This program, called "Volcados a la Red" (Committed to the Network), consisted in officers from the central areas making calls and visits to colleagues in the business networks. In total, there were over 1,400 visits and more than 1,700 calls. Another program implemented was "Casa Limpia" (Clean House), in which 8,782 employees took part, destroying 52 tons of paper and eliminating 80 tons of garbage. This was the start of the adaptation to new forms of work that will be implemented within the new corporate headquarters.

At the same time, in 2014 the Process Plan was launched, leading to a reduction in paperwork and greater efficiency, both for customers and within the institution. For this, the Legal Services area has played a key role, notably in simplifying credit card and consumer finance contracts.







### **Staff areas**

### Human Resources

For the sixth year in a row one of the best companies to work for according to the annual Great Place to Work survey.

Last but not least, in Human Resources there was constant support for collaborators across the whole Grupo Financiero BBVA Bancomer. As an example of this, there was the launch of Bancomer University, which at the close of 2014 already had 180 graduates. There were also 3 million hours of training for 2,200 leaders.

As a result of all the above, including other support actions for employees, we have for the sixth year in a row been named as one of the best companies to work for in the annual *Great Place to Work* survey.

### BBVA Bancomer Annual Report 2014



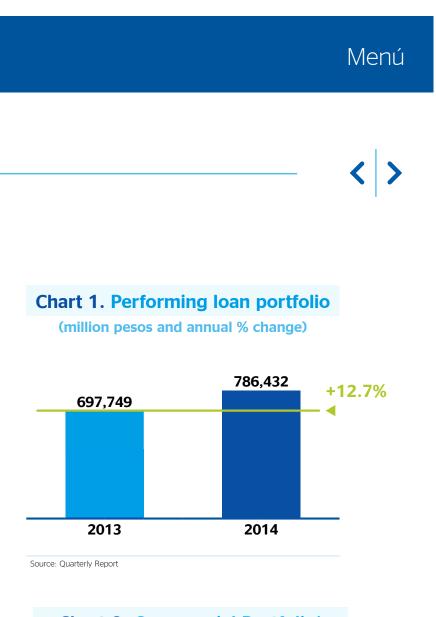
#### **Commercial activity**

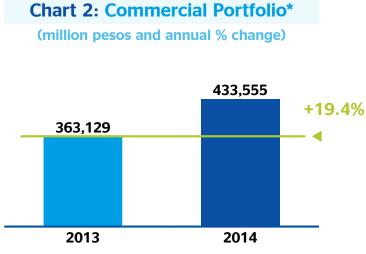
At the close of the year, the performing loan portfolio amounted to 786,432 million pesos, 88,683 million pesos more than in 2013, a 12.7% increase that is four times the rate of GDP growth in real terms. This makes BBVA Bancomer the bank with the biggest increase in the balance of its loan portfolio in the system (Chart 1).

By headings, the commercial portfolio had a balance of 433,555 million pesos, 19.4% up on the figure for 2013. This is due to the annual 12.6% growth in business activity, which accounts for 68% of the commercial portfolio, and by the loans to government bodies, which increased by 42.9% over the year (Chart 2).

The consumer finance and credit card portfolio had a balance of 193,411 million pesos, an annual growth of 7.1%: The biggest buoyancy can be seen in consumer loans (payroll, personal and auto loans), with a balance up 19.4% over the year. This trend has been mainly supported by the issue of pre-approved loans to our own customer base. The credit card portfolio, which is the most closely linked to the economic cycle, has declined in annual terms, due to the cancellation of an agreement with Walmart in November 2013.

Mortgage lending closed the year with a balance of 159,466 million pesos, 3.5% more than the previous year. However, 13.6% more new loans were placed than in 2013, maintaining BBVA Bancomer's leading position in the market with one out of every four mortgages in the private sector.





\* Includes bridge loans

Source: Quarterly Report

### BBVA Bancomer Annual Report 2014



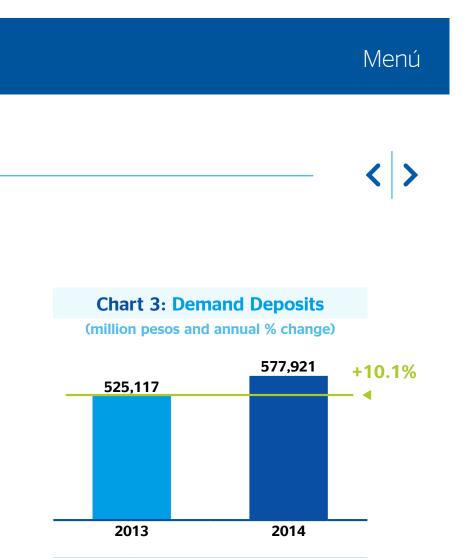
Financial Information BBVA Bancomer

## **Analysis and Discussion of Results**

Grupo Financiero BBVA Bancomer, key balances in millions of pesos

Demand deposits remain strong, with a balance of 577,921 million pesos, an annual increase of 10.1%. This positive performance means the mix of customer funds remains good; there is a greater relative weight of demand deposits, maintaining the leading position in deposits (demand + time), with a market share of 22.6% according to the National Banking and Securities Commission (CNBV), with figures as of the close of December 2014 (Chart 3).

Time deposits closed the year at 145,838 million pesos, an annual increase of 14.5%. Assets under management in mutual funds amounted to 333,968 million pesos, allowing BBVA Bancomer to maintain its position as one of the biggest mutual fund managers on the market, with a market share of 19.7%, according to information from the Mexican Securities Industry Association(AMIB).



Source: Quarterly Report



Financial Information BBVA Bancomer

# **Analysis and Discussion of Results**

Grupo Financiero BBVA Bancomer, key balances in millions of pesos

#### G4-14

### **Earnings**

Net interest income was 92,496 million pesos, equivalent to annual growth of 10.6%, boosted by greater volume of lending and deposits, as well as good price management.

Good risk management has maintained the quality of the loan portfolio over the year, as reflected in the stability of the preventive estimate for credit risks, which was under the growth in lending.

As a result, net interest income adjusted for credit risks was 66,970 million pesos, 11.7% up on the figure for 2013 (Chart 4).

At the same time, income from fees and commissions amounted to 20,756 million pesos, an annual increase of 2.9%, under the inflation rate.

Brokerage income was 3,955 million pesos, with an annual growth of 11.2%. It is worth noting that in 2014 BBVA Bancomer took advantage of market volatility to generate greater income, particularly in securities brokerage activities.

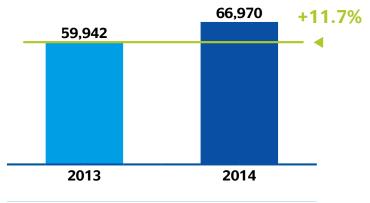
The heading of other income/expenses registered a fall, as in 4Q the valuation of labor liabilities was calculated using updated actuarial hypotheses, which has had a gross impact of 2,700 million pesos.

Cost control has allowed this heading to post annual growth of 8.0% at the close of 2014. This maintains the bank as one of the most efficient institutions in the financial system. In addition, the continuous implementation of the investment plan has meant that as of today we have 711 branches remodeled with 1,247 more ATMs than the previous year, at a total of 8.996 units.



### Chart 4. Net Interest Income adjusted by Estimates

#### (million pesos and annual % change)



Source: Quarterly Report



### Financial Information BBVA Bancomer

# **Analysis and Discussion of Results**

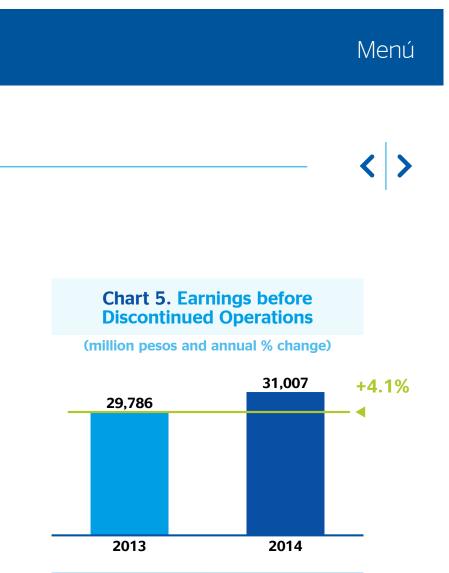
Grupo Financiero BBVA Bancomer, key balances in millions of pesos

Net profit amounted to 31,005 million pesos for 2014. In comparable terms, before discontinued operations, there was a 4.1% increase on the figure as of December 2013 (Chart 5).

Indicators (%)	BBVA Bancomer	Market*
Average return on equity (ROE)	19.1	10.3
Net interest margin (NIM)	5.8	4.6
Efficiency Ratio	42.7	51.0
NPA ratio	2.7	3.3
Capitalization Index	15.2	15.8

\* Market made up of 5 Groups (Banamex, Santander, Banorte, HSBC and Scotiabank). For the Capitalization Index, the market is the total number of banks that report to the Bank of Mexico.

Source: Quarterly Financial Group Report



Source: Quarterly Report





*Click* here to see the Audited Financial Statements



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Responsible Banking BBVA Bancomer

## **Responsible Business Plan**

#### **G4-42**

### **Corporate Social Responsibility Policy**

This year the **Board of Directors** approved the BBVA **Corporate Social** Responsibility Policy.

BBVA understands corporate social responsibility (CSR) as companies' responsibility for their impact on society. To fulfill this responsibility, BBVA integrates social, environmental, ethical, human rights and consumers' concerns into its daily business and into its relationship with its stakeholders.

Through its CSR policy, the BBVA Group commits itself as follows:

- Executing, at all times, its primary activity with responsibility.
- Maximizing the creation of sustainable and shared value with its shareholders, for other stakeholders and for the whole society it operates with.
- Identifying, preventing and mitigating its possible negative impacts.

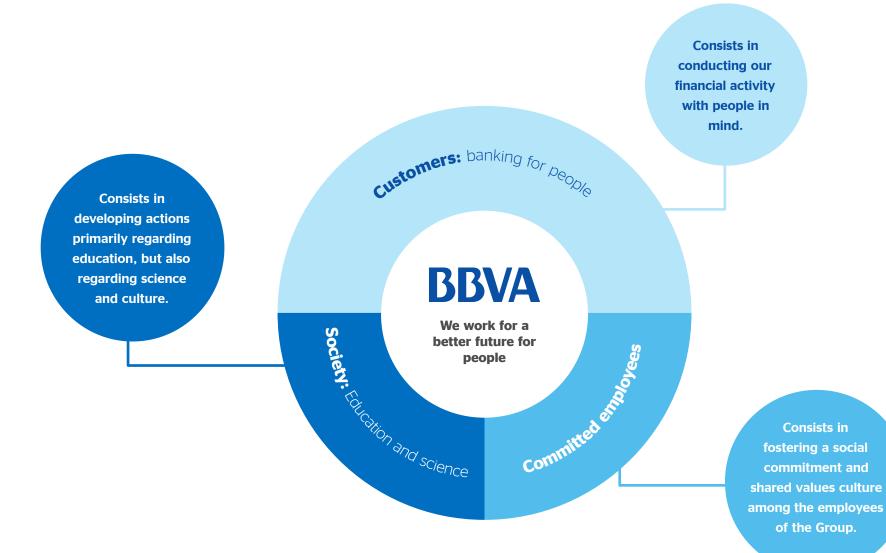


### Menú



### **Responsible Business Strategy**

Based on our business model – the principles-adjusted return –, responsible business strategy, adopted last year, revolves around three interdependent axes defining its strategic framework:



### Menú



The 2013-2015 responsible business plan revolves around three strategic priorities:

Strategic Lines	Initiatives
1. TCR (transparent, clear and responsible) communication	• TCR Project
2. High impact products	<ul><li>B+Educa Fund</li><li>Mutual Improvement</li></ul>
3. Education	<ul> <li>Financial Education</li> <li>Training for SMEs</li> <li>Entrepreneur support (Momentum Project)</li> <li>Awarding of scholarships</li> </ul>
4. Others	<ul> <li>Unique Experience</li> <li>Simplification</li> <li>HR Initiatives (diversity, equality and volunteering)</li> <li>Responsible Purchasing</li> <li>Global Eco-efficiency Plan</li> </ul>





### **Responsible Business Plan**

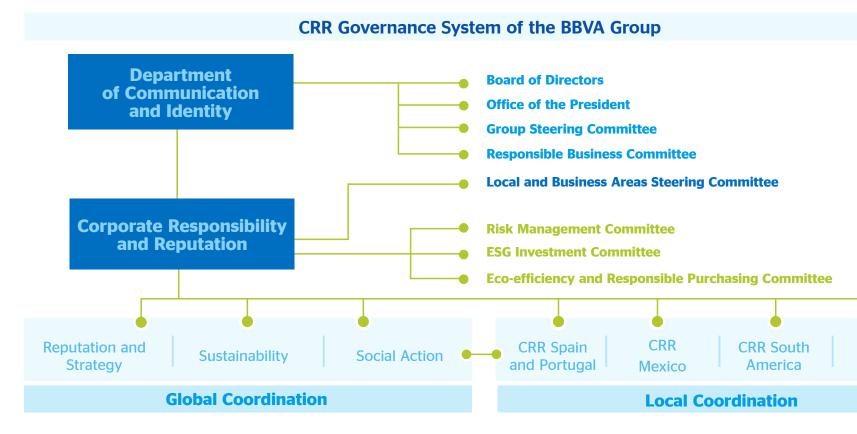
G4-35, G4-36,
G4-37, G4-43,
G4-44, G4-45,
G4-46, G4-47,
G4-48

### **Responsible Business Governance**

Locally, the highest governing body is the Responsible Business Committee (RB) (abbreviated to NR in Spanish), chaired by the CEO of BBVA Bancomer and made up of nine Deputy Directors, eight Area Directors (with the CRR Director serving as coordinator), and three CRR Directors from the BBVA Group. This committee meets up four times a year on a quarterly basis.

Corporate responsibility is organized by a governance system under the leadership of the Board of Directors of the BBVA Group.

BBVA Bancomer CRR Management is in charge to promote and monitor the strategic responsible business plan by coordinating the business areas involved and reporting this to the Department of Institutional Relations and Social Responsibility of BBVA Bancomer and to the Global CRR Department.



### Menú

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### **Responsible Business Plan**

#### **2014 Developments**

- We followed up on initiatives of the Responsible Business Plan: TCR Communication, Momentum Project, Mutual Improvement, Diversity and Inclusion Plan, Corporate Volunteering and Global Eco-efficiency Plan, among others.
- We organized four sessions of the Responsible Business Committee, during which the progress and results of RB projects developed during the year were presented and assessed. The RB Committee reviewed and approved the materiality analysis, as well as the Annual Report.
- Two six-monthly Reptrack reputation measurements with customers and non-customers were conducted, as well as the annual employee survey.
- We took part in the BBVA Bancomer committees focused on corporate responsibility, such as the Corporate Volunteering Committee and the TCR Committee, which meet on a monthly basis.
- As for unions, we keep on supporting the two initiatives that have been created around social responsibility through the Mexican Banks Association (ABM, in Spanish): Green protocol and carbon footprint measurement and other social responsibility initiatives.
- We participated in the preparation of the Sixth 2013 Banking Social Responsibility and Sustainability of the ABM.

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G4-34, G4-40,

G4-41, G4-49,

G4-50, G4-51,

G4-52, G4-53,

G4-54. G4-55

Responsible Banking BBVA Bancomer

## **Governance Systems**

### **Corporate Governance**

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

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

Further details about the structure and function of this model can be found in the **2014 Corporate Governance** Annual Report.

The BBVA Bancomer Board of Directors is of plural representation; 40% are Independent Board Members. Such Board constitutes the natural representation, administration, management, and surveillance organ of the Company and, according to its own regulations; it is responsible of the most important decisions affecting the Company.

It is made up by five specific commissions: An Executive Committee, an Audit and Compliance Committee, an Appointments Committee, a Remuneration Committee and a Risk Committee.

The committee in charge of making decisions on economic, environmental and social issues is the Responsible Business Committee.

### Menú



To learn who make up the Board of Directors please refer to the Board of Directors chapter of this Report.



### **Compliance System**

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

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

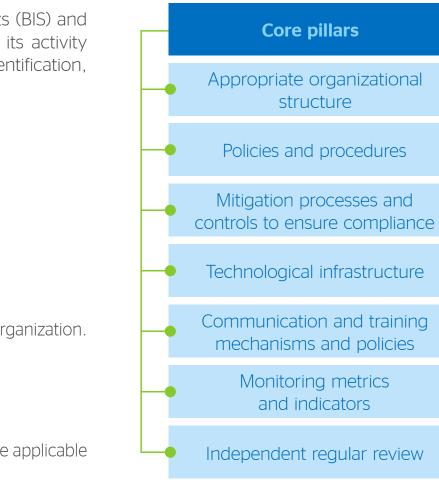
- Market behavior
- Handling of conflicts of interest
- Prevention of money laundering and terrorist financing
- Personal data protection

The basic pillars that make up this model are:

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

### Menú

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Responsible Banking BBVA Bancomer

### **Governance Systems**

G4-56, G4-57, G4-58

### **Standards of Conduct**

#### **Code of Conduct**

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

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

Ten years after its creation, the Code of Conduct of the BBVA Bancomer Financial Group is still in force and was ratified by the Auditing Committee of the Board of Directors in October 2014.

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

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



Internal e-mail: Actitud Responsable (Responsible Attitude)

**External e-mail:** actitud.responsable.mexico.mx@bbva.com Voicemail: (55) 56214188 or 01800-001-0011

#### HPD (corporate Intranet):

No lo vamos a tolerar (We Won't Put It Up With) Director of Discipline, Legal or Human Resources Directors:

**Corporate Compliance Management of BBVA:** actitud.responsable@bbva.com

### Menú





### **Governance Systems**

### **Respect for Human Rights**

#### **Relevant Issue** G4-DMA

The BBVA Bancomer Financial Group promotes respect for the dignity and rights of people in all their relationships: this commitment is reflected in the BBVA Commitment to **Human Rights** document.

Respect for human rights implies that all people are entitled to be treated with dignity. Human rights are inherent in all human beings, regardless of their nationality, place of residence, gender, national or ethnic origin, color, religion, language or other status.

In the field of human rights of workers, the ILO Declaration on Fundamental Principles and Rights at Work establishes the commitment of all Member States to respect four categories of principles and rights: freedom of association and the right to collective bargaining; the elimination of compulsory labor; the abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

Today, Mexico is experiencing a human rights crisis, and companies must help to mitigate it. The BBVA Bancomer Financial Group promotes respect for the dignity and rights of people in all their relationships; this commitment is reflected in the BBVA Commitment to Human Rights document.

Besides the general channels established in the Code of Conduct, the Responsible Attitude Committee has the task of ensuring compliance with the commitments made by BBVA Bancomer in this field and promoting the adoption of necessary measures to resolve any possible human rights violation.

The Human Resources department, through the Diversity and Gender Committee, works in creating staff awareness to ensure that within the company always prevail gender equality, labor inclusion and nondiscrimination.

### Menú

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**Grupo Financiero BBVA Bancome** 



Responsible Banking BBVA Bancomer

### **Governance Systems**

Both in online courses and face-to-face workshops, all employees endorsed the Code of Conduct electronically, accepting knowing it and acting according to the values and principles it postulates.

G4-SO5

#### **2014 Developments**

- This year we are celebrating ten years since the dissemination of the Code of Conduct of BBVA Bancomer. Therefore, on March 26, a video with a commemorative message was shown in BBVA institutional canteens and TV screens of office branches, and an event with some of the managers of the Group was held as an integrity workshop.
- The awareness campaign of the code had a scope for all employees of the Group, which this year was based on the slogan: "An example of integrity is being made by one piece only." Under this slogan different messages on integrity, confidentiality, data protection, prevention of money laundering and terrorist financing and management style were spread.
- Near 30,000 employees were trained online and through integrity workshops; courses were given to special groups such as the general services staff.
- In 2014 the integrity workshop evolved into a more structured program called "cultural transformation" that included various training aspects in integrity and leadership given by the Directors-General to over 500 employees.
- We also spread the Code of Conduct among our suppliers biennially, inviting them via e-mail to read our code and stick to it, as well as our Acceptance of Gifts Policy and our Conflict of Interest Prevention Policy. From 2010 to date we have sent these documents to over 5,000 suppliers.
- 1,239 cases were received through our Responsible Attitude reporting channels—28% less than the previous year. This decrease results from measures implemented in addressing the root causes that gave rise to 2013 complaints, mainly attacking issues related to selling practices and leadership style.
- Based on the situations more frequently reported in the institutional channels the commitment to strengthening employees training was established. Thus, the "cultural transformation" action plan includes, among its objectives, to strengthen the concepts of integrity, to recognize the importance of corporate culture, to reflect on ethical dilemmas and to identify the root cause and to change behaviors.

### Menú

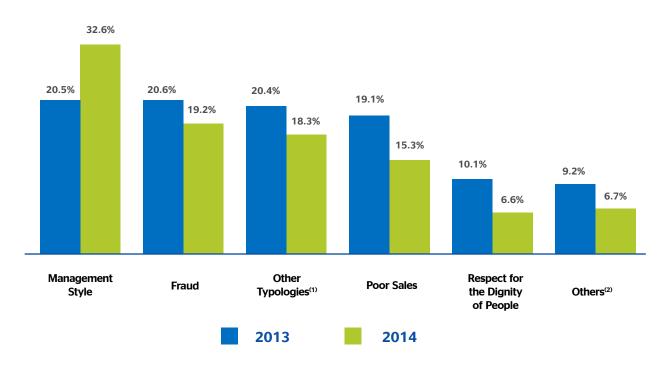
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### **Governance Systems**

#### G4-HR3, G4-SO5

Main Typologies Reported (2014 vs 2013)



(1) Failure to comply with institutional rules.

(2) Other sections of the Code of Conduct.

Source: Information System - Code of Conduct as of 12-31-2014

#### G4-EN29, G4-HR12

### Legal Compliance

As of December 31, 2014, BBVA Bancomer had no fines or sanctions on record for failure to comply with laws and regulations on environmental matters, performance within society, or the provision and use of products and services that may be of any significance with regard to the company's net worth, financial standing, or consolidated results. Likewise, there were no legal suits detected relating to acts of discrimination or violation of human rights, or significant legal complaints with regard to working conditions.

### Menú

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Responsible Banking BBVA Bancomer

## **Governance Systems**

### G4-15, G4-16 International Undertakings

At BBVA Bancomer we continue to support the following initiatives:

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



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Principles for Responsible Investment





### **Governance Systems**

Also, we are part of the following associations:

- Asociación de Bancos de México (Mexican Bank Association) (ABM)
- Asociación de Desarrollos 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)









### Menú

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Asociación de Bancos de México, A. C.















### Responsible Banking BBVA Bancomer

### **Materiality and Dialogue with Stakeholders**

G4-24, G4-25

### **Stakeholders**

#### **Relevant Issue**

These actions have helped to strengthen the relationship between BBVA Bancomer and its stakeholders. and to establish strategic alliances with them.

Stakeholders are key players in the social responsibility strategy of a company as they can be affected, either positively or negatively, by the company's decisions and objectives.

After analyzing the level of influence of the BBVA Bancomer activities in the economic, social and environmental context, we identified six main stakeholders: shareholders, customers, employees, suppliers, regulators and society, with whom we established commitments.

The Corporate Responsibility and Reputation Department is responsible for managing the relationship with these stakeholders. To this end, it has established dialogue mechanisms allowing it to know its expectations and thus integrate them into its strategy. For six years now, it performs a materiality analysis, which results – better known as relevant issues – are validated by the Responsible Business Committee. ✓

### Menú





**G4-26** 

Responsible Banking BBVA Bancomer

### **Materiality and Dialogue with Stakeholders**

### **Listening and Dialogue Tools**

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

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

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# Materiality and Dialogue with Stakeholders

Stakeholders	BBVA Bancomer Commitment	Dialogue Channels	
		Meeting of shareholders	
		<ul> <li>Annual report</li> </ul>	
	Create more sustainable value over time	Quarterly financial information	
Shareholders		• Website	
		Branch offices	
		Bancomer Line	
		Website: www. bancomer.com	
	Find the best solutions that make BBVA Bancomer their best choice	<ul> <li>Media (newspapers, magazines, inserts, direct mailings, television, and radio, among others)</li> </ul>	
Customers		Satisfaction survey	
Customers		Social networks	
		Opinion surveys	
		Focus groups	
		• <i>Para ti</i> HR portal	
		Bancomer TV	
	A management style generating	Breves weekly newsletter	
	enthusiasm and facilitating training, motivation, as well as personal and professional development	Conecta-T magazine	
		• E-mail	
Employees		• Great Place to Work survey	
		Internal RepTrack	

### Menú

Frequency	Responsible Area		
Annual			
Annual			
Quarterly	Investor relations		
Daily			
Daily			
Daily			
Daily	Commercial banking		
Annual	Commercial banking Digital banking Transformation CRR Commercial		
Daily	development Forms of payment		
Periodical			
Annual			
Annual			
Daily			
Daily			
Weekly			
Monthly	Human Resources (HR) CRR		
Daily	CINIX		
Annual			
Annual			



# Materiality and Dialogue with Stakeholders

Stakeholders	BBVA Bancomer Commitment	Dialogue Channels
•		Adquira electronic portal
		<ul> <li>Complaint and suggestion mailbox</li> </ul>
	Acting with integrity and strict	• E-mail
	adherence to laws	Satisfaction survey
Suppliers		Focus groups
		In-depth interviews
		Committees
		• Forums
	Considering BBVA Bancomer an ally for mutual benefit	• Meetings
Regulators		Communications
		In-depth interviews
		Website:     www.fundacionbbvabancomer.org
		OSC's meetings
	Actively promote sustainable	Social networks
	development of the society in which we operate	Opinion surveys
Society		RepTrack
		Focus groups
		In-depth interviews

### Menú

Frequency	Responsible Area	
Daily		
Daily		
Daily	Transformation	
Annual	11 di ISIOI I I duoi i	
Annual		
Annual		
Monthly		
Periodical		
Periodical	Human Resources (HR)	
Periodical		
Annual		
Daily		
Periodical		
Daily	BBVA Bancomer Foundation	
Annual	Customer insight	
Six-monthly	CRR	
Annual		
Anual		



Responsible Banking BBVA Bancomer

### **Materiality and Dialogue with Stakeholders**

#### G4-18

### **Materiality Analysis**

Materiality is identifying significant issues for the organization and its stakeholders.

**BBVA Bancomer** has conducted the materiality analysis since 2009.

and environmental issues in business strategy taking into account the expectations of its stakeholders.

BBVA Bancomer has performed this important task since its 2009 Annual Report, which has been extremely useful in the design not only of its reports but of its corporate responsibility and reputation strategy. For this report, the materiality analysis is particularly relevant since it is the main input for the new Global Reporting Initiative version G4.

#### Scope

The 2014 materiality analysis was conducted at the level of the BBVA Bancomer Financial Group and the considered stakeholders were:

### Menú

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- It involves an analysis that allows the company to have a better understanding of the alignment of economic, social



# **Materiality and Dialogue with Stakeholders**

### Methodology

The completion of the 2014 BBVA Bancomer materiality analysis was based on three methodologies:

a) The AA1000 SES (Stakeholder Engagement Standard)

**b)**The G4 of GRI (Global Reporting Initiative)

c) The Corporate Guidelines for Support of BBVA Group Stakeholder Consultation Processe

Three fundamental steps were followed:

Identification Prioritization Validation

For identification primary and secondary sources of information were consulted, namely:

Primary sources	<ul> <li>In-depth interviews with authorities, sustainability experts, civil society organizations and suppliers.</li> <li>Working environment consultation to employees through the internal RepTrak.</li> </ul>
Secondary sources	<ul> <li>Studies and reports from government agencies that regulate the financial sector.</li> <li>Benchmarking through reports conducted by national and international financial institutions.</li> <li>News from national newspapers and press kits of BBVA Bancomer and BBVA Bancomer Foundation.</li> </ul>
	<ul><li>Public opinion surveys</li><li>Notes from national watchers and international observatories reports.</li></ul>









# Materiality and Dialogue with Stakeholders

Three criteria were used for prioritization:

- Issues with significant or potential impact on the company
- Issues of high importance to stakeholders
- Issues on which BBVA Bancomer has a reasonable level of control

The review and validation of materiality analysis was performed by members of the BBVA Bancomer Responsible Banking Committee and by the auditing firm Deloitte.

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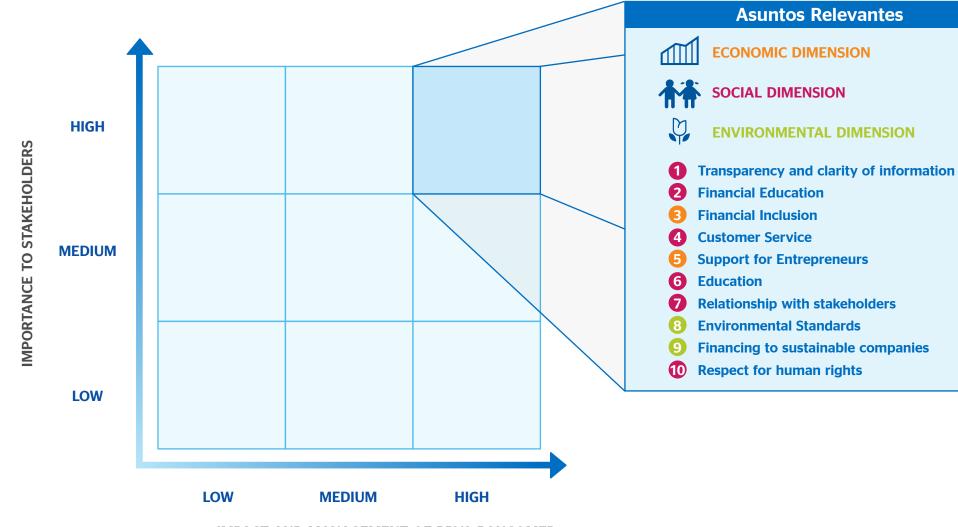


## **Materiality and Dialogue with Stakeholders**

### **Relevant Issues**

G4-19, G4-20, G4-21, G4-27

The results of the 2014 materiality analysis yielded 10 relevant issues:



IMPACT AND MANAGEMENT OF BBVA BANCOMER

### Menú



## **Materiality and Dialogue with Stakeholders**

### 1. Transparency and clarity of information

Impacted stakeholders: Customers, competitors, regulators and society

A greater flow of information from financial institutions to bank users is required in order to reverse the perception that financial institutions involve a lot of "small print" or even "misleading" information, which creates a distrustful relationship with such entities.

### **2. Financial Education**

### Impacted stakeholders: Customers, regulators and society

There is recognition that banking institutions are working on increasing financial skills of users, however, this has been insufficient. It is necessary that financial education becomes a priority to impact more people.

### **3. Financial Inclusion**

### Impacted stakeholders: Society

Large financial institutions should increase their participation in sectors that have not been their natural purpose, in order to extend their credit and to promote financial inclusion in excluded groups, especially in rural and marginalized areas, and in productive sectors.

### **4. Customer Service**

### Impacted stakeholders: Customers, competitors and employees

Customer service in Mexican banking has many areas of opportunity-from the quality of care provided by the branch office executives to the efficiency of complaints and claims mechanisms.

### Menú





### **Materiality and Dialogue with Stakeholders**

### **5. Support for Entrepreneurs**

Impacted stakeholders: Customers, suppliers, regulators and society

Entrepreneurs are part of a growing sector that is gaining popularity and recognition by stakeholders, who are expecting further support from financial institutions.

### 6. Education

#### Impacted stakeholders: Society

Education is the most important social problem according to most stakeholders; they agree that financial institutions, like other business sectors, should be involved in improving education as a solution to other challenges the country is now facing.

### 7. Relationship with stakeholders

Impacted stakeholders: Customers, competitors, employees, suppliers, regulators and society

Stakeholders have increasing influence in companies who need to increase their efforts to involve them in their sustainability initiatives.

### 8. Environmental Standards

Impacted stakeholders: Customers, competitors, employees, suppliers, regulators and society

Environmental challenges require a greater commitment from the financial sector. Stakeholders expect financial institutions to adopt policies and standards ensuring better environmental performance as well as greater efforts to involve more groups.

### Menú





## **Materiality and Dialogue with Stakeholders**

### 9. Financing to sustainable companies

### Impacted stakeholders: Customers, suppliers and society

The application of environmental criteria for financing companies is still very low. Financial institutions could support those companies who are offering innovative products and services within the environmental field such as renewable energy.

### **10. Respect for Human Rights**

### Impacted stakeholders: Customers, employees, suppliers and society

In general, being treated with respect is a requirement from stakeholders to financial institutions. Particularly, there is an emphasis on the issue of gender equality and non-discrimination in the treatment given primarily to employees and customers, and in their relationship with suppliers.

These ten issues are considered relevant to all entities making up the BBVA Bancomer Financial Group. They are exhaustively recorded throughout the Report, detailing why each aspect is considered material, how BBVA Bancomer is managing this and what the results are.

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## **Impact on Society**

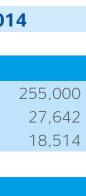
Indicato	ors of Impact on Socie	ty	
	2012	2013	201
	Customers		
Number of SMEs financed	110,069	127,360	
Number of homes financed	32,911	25,889	
Number of microloans granted	32,122	18,386	
	Employees		
Number of net jobs created	3,294	729	
Percentage of new recruits under 30 years	Not available	70	
	Suppliers		
Number of BBVA Bancomer suppliers	364	5,240	
Amount paid to suppliers (MXN)	Not available	\$30,667'052,217	\$53,772
	Society		
Fiscal contribution (million pesos)	42,969	9,265	
Volume for social programs (MXN)	\$245'642,829	\$284'231,939	\$336
Attributable profit after tax dedicated to social action programs (%)	1%	1%	
Number of beneficiary children with scholarship programs	19,910	21,965	
Number of participants in the financial education program	225,875	229,056	

### Menú









495 71.5

472 72'813,835

30,124 36'415,636 1% 27,010 312,540



### **Economic Value**

The aim of the BBVA Bancomer Corporate Social Responsibility policy is to define and promote behaviors that allow generating value for all our stakeholders (customers, employees, shareholders, suppliers and society). A value that – together with and according to the methodology established by GRI for the EC1 indicator – we can measure and specify as an Economic Value generated, distributed and retained by the BBVA Bancomer Group.

### **Tax Contribution**

The BBVA Bancomer Group makes an important contribution to public administration through the taxes we pay, from the tax collection of third parties generated by the development of our economic activity and the tax collection of third parties in the field of our role as a collaborating entity of the tax administration.

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The economic value table can be found in "Relevant Information" in the financial section of this document.

(Millions of pesos)	2014
Own taxes	15,589
Third-party taxes	14,535
Total tax contribution	30,124

63



Responsible Banking BBVA Bancomer

# **TCR Communication**

G4-DMA, G4-PR3, G4-PR6, FS15

### In BBVA Bancomer we understand that communicating in a transparent, clear, and responsible language helps customers making the best choice; this is a key point to restore and maintain their confidence.

### **TCR Communication**

#### **Relevant Issue**

A financial institution planning to make responsible business must necessarily start by clearly explaining its products to facilitate an informed decision making.

BBVA Bancomer's 2013-2015 responsible banking strategy has integrated TCR (Transparent, Clear and Responsible) Communication as one of its main axes, which consists in defining the basic performance criteria and the necessary guidelines to implement greatest possible simplicity to the entire communication of its products and services, and at all points of contact with customers and with its stakeholders.

The area responsible for integrating these criteria is the Transformation Department who, together with the TCR Committee, undertook a process to identify reading guidelines that customers consider that comply with the purpose, and to integrate them into the company products and services cards. As part of the process, clear language workshops, working roundtables, preparation of the TCR Communication Manual and focus groups were carried out.

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# **TCR Communication**

TCR Communication		
Transparency	<ul> <li>It must be honest, stick to the facts and always based on truth, avoiding any information t be misleading and resulting in unwanted decision making.</li> </ul>	
Clarity	<ul> <li>Direct: The characteristics of the product or service are set forth in a fast and precise way.</li> <li>Complete: Suitable and sufficient for a correct and responsible decision-making, indicating risk and benefits of the product or service.</li> </ul>	
Responsibility	<ul> <li>Honest: Always oriented to the client's interests.</li> <li>Committed: Led by the removal of any exclusion, promoting financial education and deve of the communities where it operates.</li> </ul>	

#### **2014 Developments**

- This year, the Transformation Department began the coordination and management of the TCR Communication focusing on the creation of products and services cards, for which it formed the TCR Committee.
- As a result, the creation, validation and publication of 14 product cards were achieved under the TCR standards, plus 12 draft cards. They represent over 80% of the top-selling products of the BBVA Bancomer commercial network and 5% of the existing products on all of our sale shelves.
- We designed a communication strategy to position TCR among all the bank staff with each of its initiatives, as well as among the network staff in order to position the tools. This strategy was made up by weekly clips published in Bancomer TV and canteens' TV screens, by news in the weekly Breves newsletter, in the Conecta-T magazine, and for the commercial network, articles in Red al Día, postcards and advertisements.

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### **Financial Education**

**G4-DMA, FS16** 

### **Financial Education**

### **Relevant Issue**

According to the OECD, financial education is defined as the process by which consumers and financial investors improve their understanding of financial products, concepts and risks. Through information, training and/or objective advice, they develop skills and confidence to become more aware of financial risks and opportunities, to make informed decisions, to know what to do for help, and to exercise any effective action to improve their economic well-being.

Its importance is that it can empower people by enabling them to better manage their family resources and finances. This can be applied both to the growing middle class – that could need to better manage their finances in the long term – and to low-income individuals or sectors that are financially excluded.

Financial education promotes the necessary skills to make informed and appropriate decisions and provides tools for people to have the ability to defend their rights as financial consumers. Moreover, financially literate citizens will have a greater ability to understand Mexican economic and social policies.

In Mexico there is little knowledge of financial savings, investment, insurance and credit. According to information from the Bureau of Financial Institutions (BFF, in Spanish), from the 45 banks operating throughout the country only five promote education programs. 

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### **Financial Education**

### Adelante con tu futuro (Get Ahead on Your Future)

In BBVA Bancomer, we have been seven years working on our Adelante con tu futuro (Get Ahead on Your Future) financial education program, which aims to support the generation of a solvent demand of financial services, helping people getting tools to gain a better understanding of the financial concepts, products and services; thus they can develop the necessary skills to make informed decisions and improve their quality of life.

This task is undertaken by the Global Department of Financial Education, which has developed contents aimed at 3 segments:

- 1) *Finanzas para la vida* (Finance for Life): aimed at adults over 17 years. The contents are aligned to their life cycle, with the purpose of accompanying them at different stages with the tools needed to better manage their finances; making available 10 free workshops: savings, retirement savings, credit card, credit health, mortgage, life insurance, mutual funds, electronic banking, stock education and economy & banking.
- 2) *Finanzas para emprender y crecer* (Enterprising and Growing Finance): aimed at entrepreneurs, business owners and decision makers within companies so that they can materialize their projects and make them grow in a sustainable manner with 3 workshops: Business Lending to SMEs, Cash Flow and Credit Coverage.
- 3) Valores de futuro (Future Values): Aimed at children and young people between 6 and 15 years of age, this program was designed with an aim to develop skills in children of elementary and junior high school that could strengthen values, and that these values can support the responsible use of money, through workshops aligned to the educational curriculum. Thus, this could achieve learning in different subjects in the curriculum of basic education in Mexico, besides being to the PISA test, an OECD initiative to assess students in financial education.

### Menú



### **Financial Education**

Valores de futuro is taught across 5 platforms:

- "Exhibition-Workshop" in the Museo Interactivo de Economía (Interactive Economy Museum) (MIDE, in Spanish) in Mexico City. "Exhibition-Workshop" based on the Valores de futuro program, a space designed with the purpose that children and youngsters – through various interactive activities and in a fun way - learn the role of money as an economic aspect within a context of securities.
- In line through the RED-ILCE of Instituto Latinoamericano de la Comunicación Educativa (Latin American Institute of Educational Communication) (ILCE, in Spanish). Reaching 25,000 schools with a media room (computer room with Internet access). This network includes discussion forums, spaces of active participation and repositories, as well as an accompaniment made in Facebook; stimulating a sense of responsibility, participation, teamwork and helps with various information, training, teaching and sharing functions, delivering financial education content during the teaching of classes due to the curricular alignment program.
- Onsite with Schools. A didactic guide was developed containing both the teacher and the student material. The workshops are applicable to the formal curriculum of basic education within school hours. They comply with the Reforma Integral de Educación Básica (Basic Education Comprehensive Reform) (RIEB, in Spanish), plus being explicitly linked to aspects of the PISA test and developing financial skills in students.
- Corporate Volunteering. With the support of employees of the bank who spend their time and effort in various causes of corporate social responsibility. In this case, the Valores de futuro program has a notebook of 6 workshops which are delivered in 2 distinct Saturday sessions with the support of volunteers, trained by BBVA Bancomer Financial Education instructors in the program contents and in managing groups of children and youngsters who are benefited by the Becas de integración "Por los que se guedan" ("For Those Who Are Left Behind") program from the BBVA Bancomer Foundation.
- Special Events. Events in which several public and private organizations related to education and finance take part. Participation of this program in union activities, such as the National Financial Education Week

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### **Financial Education**

and the National Entrepreneurship Week, demonstrates the commitment of BBVA Bancomer with people, customers and non-customers, as well as the financial system as a whole. Similarly, BBVA Group strategic alliances to aim the program to children and young football players of the BBVA Bancomer League (MX U-13, U-15 and U-17) have been a benefit.

Currently, Adelante con tu futuro has an infrastructure that allows offering free workshops on personal finance and SMEs in the 20 fixed classrooms located in the main 14 cities nationwide, in 15 mobile classrooms and in 15 mobile equipment, or either online on the website www.adelantecontufuturo.com.mx.

Also, through the traditional teaching method, the "Savings and Credit" and "Mortgages" workshops are taught to people without the skills and knowledge to manage electronic technology, a very dynamic method that can be performed at any space.

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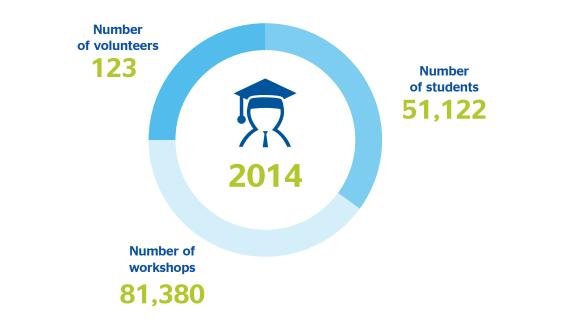
## **Financial Education**

**2014 Developments** 

Participation in the Adelante con tu futuro Program			
	2012	2013	2014
Participants	225,875	229,056	<b>312,540</b> <sup>(1)</sup>
Workshops Conducted	656,339	824,497	905,871

(1) (1) Includes participants of Valores de futuro.











Responsible Banking BBVA Bancomer

## **Financial Education**



**Our financial** adult education program won the 2014 Excellence in Financial Literacy Education Awards hosted by the Institute for Financial Education. USA.

- The workshop that more participants had was the Savings and Credit, and the most frequently used method was "traditional teaching".
- In 2014, 55.4% of participants were women, 78.2% were between 17 and 24 years of age and 35.6% belonged to the State of Mexico.
- 7 new collaboration agreements were entered into with universities, among which is Universidad de Insurgentes (Insurgentes University).
- We launched the new stock education workshop together with the Mexican Stock Exchange with over 20,000 workshops taught in the first year of operation.
- Development and inauguration of the platform of Valores de futuro delivery in conjunction with the MIDE, OECD, and ILCE with over 70,000 workshops given.
- We took part in the 77th Banking Convention.
- We have over 160,000 followers on social networks with a monthly reach of 6 million hits.
- We participated in the National Entrepreneurship Week with over 5,500 people attending workshops, conferences and financial education activities to undertake and grow.
- We took part in the National Financial Education Week with 50,823 attendees.
- This year we increased our productivity: The number of workshops increased threefold between 2010 and 2014, with virtually the same resources. Also, the quality of the workshops has improved, which is perceived positively by users.
- Studies show that the workshops have positive effect on knowledge generation and on the financial behavior transformation of people being better savers and borrowers.

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Responsible Banking BBVA Bancomer

## **Products with High Social Impact**

**G4-DMA**, **FS13**, **FS14** 

### **Financial Inclusion**

### **Relevant Issue**

Inclusive financial systems play a crucial role in promoting economic growth of a country, besides being suitable mechanisms to attain that families of different socioeconomic profiles may have appropriate alternatives to save, borrow and foresee financial aspects and thus improve the welfare of the population.

According to the National Survey of Financial Inclusion, in Mexico 36% of the adult population has at least one formal financial product. While there has been progress in recent years, there is still a large part of the population who lacks access to basic financial services. Most of this population is located in rural and semi-urban municipalities with fewer than 50,000 inhabitants, characterized by an uncertain economic and demographic outlook.

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

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

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## **Products with High Social Impact**

The main areas responsible for developing this range of products and services are the Digital Banking Department and the Commercial Banking Department. The two lines of new products and services alternative to bank branches that have been already launched are:

- **1.** *Caja BBVA Bancomer Express* (BBVA Bancomer Express Checkout): Checkouts of commercial establishments or services where our customers can conduct banking operations throughout the year and when branches are not open;
- 2. Bancomer móvil (Bancomer Mobile): Allows carrying out cell phone banking transactions without having a bank card or a bank account.

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### Responsible Banking BBVA Bancomer

## **Products with High Social Impact**

### **2014 Developments**

23.8 million transactions processed by BTS, in account to U.S.-Mexico remittances.

- Currently Caja BBVA Bancomer Express has 24,504 service points to make payments, deposits and withdrawals quickly and safely.
- With the Express Account, which allows customers to use their cell phone to open a low-cost, easy-to-use, and secure bank account immediately, we have reached 463,546 new accounts this year, totaling: 1,486,360 accounts.
- As for U.S.-Mexico remittances, BTS (Bancomer Transfer Services) processed 23.8 million transactions in the amount of USD\$6.9 billion.
- Among the new initiatives that we have are:
  - Celularízate: Developing a platform with small businesses in partnership with Coca-Cola FEMSA aimed at reducing the use of cash with its associated benefits in terms of safety and reduction of transaction costs.
  - Dinero móvil masivo (Massive Mobile Money): This is a new feature for mass payments to individuals by generating unique passwords to send money via SMS to each beneficiary, which are redeemed at BBVA Bancomer ATMs for withdrawal of such resources.
  - ATM Remittances: It is a platform of Bancomer Transfer Services, Inc. which generates unique passwords to be sent via SMS to mobile phones of beneficiaries residing in Mexico, which are redeemed at BBVA Bancomer ATMs.
  - Cash & Vault: Now, our commercial customers are who provide ATMs with cash from their daily sales. ATMs use this cash to meet the withdrawal demand thus providing a secure solution to businesses in their cash management transactions.

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## **Products with High Social Impact**

### **SMEs Support**

### **Entrepreneurship**

### **Relevant Issue**

In many economies, entrepreneurship has become the main driver of growth as it generates jobs, increases technological innovation, productivity and, thus, social development.

According to The Global Entrepreneurship Monitor 2014 Global Report, entrepreneurial activity in Mexico grew 4% over the previous year. However, it still faces major challenges: From a thousand entrepreneurs that start a business each day, half of them close in the first year and only 10% survive more than five years.

Large firms have much to contribute to promote the generation and growth of this important sector. BBVA Bancomer, through the SMEs Department, has developed several tools to support entrepreneurs and SMEs.

Through the Financial Education Department, BBVA Bancomer offers workshops to strengthen entrepreneurship and to support the consolidation of ongoing projects through free courses aimed at entrepreneurs and small businesses. This program is called Finanzas para emprender y crecer (Enterprising and Growing Finance); and it has 3 workshops: Business Lending to SMEs, Cash Flow and Credit Coverage.

Finally, through the Corporate Responsibility and Reputation Department, we have created an ecosystem to support social entrepreneurs through training, strategic advice, visibility, and the opportunity to access a loan on preferential terms.

Being aware that capital is not everything a SME needs to grow, but training and advice for each stage of the business. we have created Yosoypyme.net, a digital community that seeks to bring SMEs and entrepreneurs together by offering high-value content.

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## **Products with High Social Impact**

### **2014 Developments**

- Today, we have over 80,000 views per month and over 50 renowned partners such as Impuestum, SAP, PayPal, coaches and mentors.
- BBVA Bancomer has an active participation in the National Institute of Entrepreneurship (INADEM, in Spanish)'s program. In 2014 we funded 197 projects totaling \$51 million pesos.
- Besides funding, we have the experience of an entrepreneurs' consultant, a bank's retiree with extensive knowledge in credit, who advises entrepreneurs throughout the end-to-end process until obtaining funding.
- We participated in the 2014 Entrepreneurship Week where we held Valores de futuro workshops aimed at children and youngsters and SME workshops for over 500 entrepreneurs, as well as two keynote speeches and briefings on financing options.
- For the 6<sup>th</sup> consecutive year INADEM awarded us in the 2014 Entrepreneurship Week as the bank that grant more loans to entrepreneurs, which is a sign of our commitment to the program.
- So far the *Finanzas para emprender y crecer* program has taught more than 50,000 workshops.

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## **Products with High Social Impact**

### **Momentum Project**

Momentum **Project Mexico** supports social entrepreneurship with training, strategic support, visibility and the opportunity to access a loan at preferential conditions.

Momentum Project is an initiative created by BBVA. Spain has organized 4 editions; Mexico 2; and Peru 1.

In Mexico, BBVA Bancomer, EGADE Business School of Tecnológico de Monterrey (Monterrey Institute of Technology) and New Ventures Mexico form a tripartite partnership that supports social entrepreneurship. It has the valuable collaboration of PricewaterhouseCoopers Mexico. Its mission is to contribute to the development of social entrepreneurship in Mexico, implementing a program and an ecosystem of support so that the most promising social enterprises can be consolidated, grow and escalate their impact.

Momentum Project supports innovative initiatives, promoting and extending the activity and the impact of enterprises which priority is to create social and environmental value, but that also achieve to generate economic value.

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### Responsible Banking BBVA Bancomer

# **Products with High Social Impact**

### **2014 Developments**

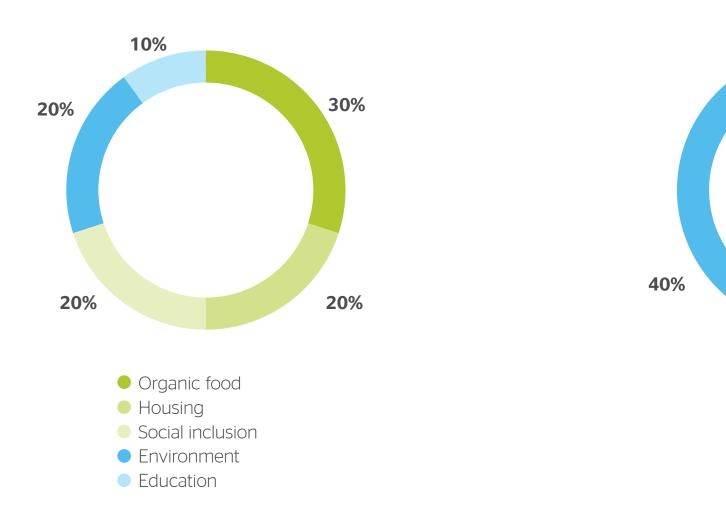
### **First edition Mexico**

- 10 participating companies
- 6 retired employees
- 5 accessed to credit at preferential conditions

### Second edition Mexico

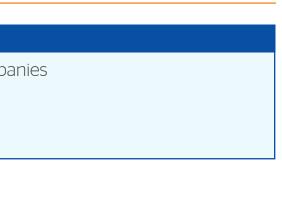
- 10 participating companies
- 11 retired employees

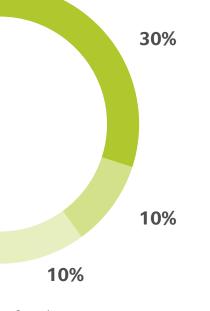
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Organic food
Biotechnology
Social inclusion
Environment

Health



### Responsible Banking BBVA Bancomer

## **Products with High Social Impact**

- During the 2014 call 167 projects were registered in the following areas: water and clean technologies, organic food, community development, biotechnology, energy, products and services, social inclusion, health and environment.
- Participating companies in this second edition:
  - Amrit. Organic Food
  - Aventones (carpooling): Environmental Impact
  - Campo vivo: Organic Food and Community Development
  - Coco chavita: Biotechnology
  - Cummins: Social Inclusion
  - Deltarec: Environment and Community Development
  - Gericare: Health
  - Isla Urbana: Clean Technologies
  - Natgas: Energy
  - Yolcan: Organic Food



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### **BBVA Celler de Can Roca Tour**

As part of the BBVA entrepreneurship program together with the Celler de Can Roca restaurant – considered one of the best restaurants in the world – with the purpose of supporting young gastronomy talents, this year the BBVA Celler de Can Roca Tour was held in Mexico.

During the tour, the Roca brothers visited universities such as ITAB and Claustro de Sor Juana to select four young students standing out in Mexican cuisine, who will be receive a BBVA Bancomer scholarship to study four months in the Celler de Can Roca in 2015.

Through this program, BBVA Bancomer is also supporting small Mexican farmers to promote their products as part of the national ingredients to be incorporated in the Spanish restaurant—mezcal and local corn.







## **Products with High Social Impact**

### **Support for Individuals with Special Needs**

BBVA Bancomer is committed to find the appropriate solutions for the public with special needs in sensitive situations. One of the programs that emerged from the previous strategic CRR plan is the comprehensive rescue model: Mutual Improvement. This model is applied in housing developments where BBVA Bancomer has mortgages which now are badly damaged and that, to achieve recovery, it is necessary to be intervened by applying a comprehensive rescue in three parallel sections:

	Comprehensive Rescue
Financial Rescue	Through solution products for mortgages.
Social Rescue	• Through the neighborhood organization, by neighborhood promoters working directly community and, additionally, by involving local authorities such as the municipality, water a universities, etc., thus reconstructing the social fabric.
<b>Physical Rescue</b>	• Through investment in physical improvements requested by the community and condition full payment (mortgage, water, property taxes and maintenance fees).

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## **Products with High Social Impact**

### **2014 Developments**

• The pilot program conducted in El Laurel development, in Tijuana, Baja California, Mexico was successfully concluded. In April BBVA Bancomer organized an event called "Before and After" in order to deliver 30 refurbished private housing areas to their inhabitants, with the participation of municipal authorities. The following was achieved:

### Financial Rescue

- Significant decrease in nonperforming loans.
- Decrease in reserves.
- Curbing financial deterioration.
- Higher speed on private housing sales.

### Social Rescue

- Constitution of 30 neighborhood committees registered before the municipality.
- Rebuilding the social fabric.
- Delivery of 200 adult financial education workshops.
- Delivery of 280 Valores de futuro children workshops.

### Physical Rescue

- BBVA Bancomer investment in physical improvements to the housing development consisting of fencing, painting, park rehabilitation, gate fixing, etc.
- Refurbishment by the municipality of Tijuana of public services such as lighting, paving, reforestation, etc.

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## **Products with High Social Impact**

### **Responsible Investment**

### **Responsible B+Educa Fund**

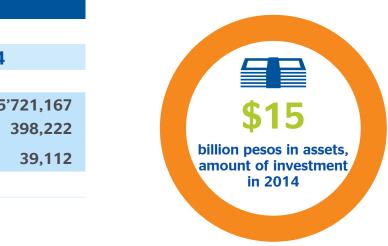
Our philanthropic investment fund, the *B+Educa* Fund, is the first of its kind in Mexico. It allows investors to earn high returns while also having the opportunity to contribute to education in Mexico.

Through the *B+Educa* Fund, investors donate 25% of their monthly returns to provide scholarships for young people with high levels of academic achievement through the Por los que se quedan (For those left behind) Scholarship Program, an initiative of the BBVA Bancomer Foundation. This program seeks to support formal education aimed at the development of communities, origin of migrants. It consists of an economic and supporting scholarship allowing the student and family to ensure continuation of junior high school and contributing to the comprehensive development of the scholarship recipient towards education and personal success.

2014 Developments						
B+Educa Fund						
	2012	2013	2014			
Total donations (millions of pesos)	66'739,063	81'084,090	75"			
Transactions	233,496	326,568				
Investors	27,439	28,202				

Source: BBVA Bancomer

- The total amount of donations, from the beginning of the fund to 2014, amounts to \$287'099,433 pesos.
- The amount of donations in 2014 decreased 9.3% compared to the previous year.





## **Responsible Customer Management**

### We are aware that innovation should be an ongoing task to keep the high quality of service our clients deserve. Therefore, we have created the *"Experiencia única"* (Unique Experience) strategy.

### **Responsible Customer Management**

### **Relevant Issue**

Part of our vision is to put the customer at the center of business. Our main purpose is knowing customers, as well as providing them with the appropriate products and building long-term and trusting relationships.

Under the leadership of the Quality and Customer Experience Department, *Experiencia única* is the model that integrates the key components for managing of the branch network under an approved system that includes customer service and the offices' administration and commercial operation. The foregoing with the goal of standardizing their daily operations and provide a customer experience lined up with the more than 1,700 BBVA Bancomer branches nationwide.

Through different tools and protocols, *Experiencia única* has not only allowed our customers and users service improvement from the very moment they come to any branch, but has also boosted the results of the branch network, developing a scheme synchronizing their coordination and focus, and also generating a better satisfaction of our employees.

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## **Responsible Customer Management**

As part of the transformation of BBVA Bancomer, Experiencia única also includes improved tools through which branch equipment operates every day. This effort includes their optimization and standardization as well as the development of new schemes that facilitate the work of our branches.

Finally, their execution is certified continuously throughout the country with a rigorous and comprehensive assessment program that evaluates not only the internal model components, but also how its service premises are adhered through mystery shoppers who observe the experience of our customers.

Thus Experiencia única complements and strengthens the development of our branch network under a holistic model that enhances the operation of its equipment, offers better tools and standardizes its commercial action to thereby improve the service we provide to our more than 20 million customers throughout Mexico.

### Menú

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**G4-PR5** 

Responsible Banking BBVA Bancomer

## **Responsible Customer Management**

### **Know Your Customer**

In keeping with our mission, BBVA Bancomer puts the customer at the center of business, as we aim to be the reference banking group in terms of customer experience. That is why we listen and analyze the voice of the customers so that we can have a complete view of their interaction with us at every point of contact.

We work to know and understand our customers through different qualitative and quantitative mechanisms that allow us to obtain:

- Indices of net recommendation of our products, networks, channels, segments and services;
- Understanding the satisfaction of different customer segments;
- The attributes of service and the degree of importance that customers give to this;
- The design of quality plans and the alignment of improvement actions raised internally with customer needs;
- The identification of areas for improvement and opportunities for our competitors.

### **2014 Developments**

• Incorporate our customer voice in the transformation of our processes has paid off, as we have improved their quality perception and their intention to recommend our products and services in about 5% in 2014.







## **Responsible Customer Management**

### G4-PR1 Complaints and Claims Management

Customer complaints and claims are an outstanding starting point to improve our processes, since they point out accurately which parts of the processes should be modified to make our customer life easier.

Besides working to provide customers with a quick solution to their complaints, we work on the analysis of root causes in order to detect what is generating the complaint and then correct it. We have a complaints assessing committee that meets regularly and, after analyzing the cases, it proposes solutions to eliminate or, if not possible, to reduce complaints arising from such causes.

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

Our customers can file these complaints or claims by a letter, telephone, e-mail or in person through our state representatives.

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## **Responsible Customer Management**

As we understand that our customers are the core of our business, information of each case received by the UNE is addressed to internal areas that are directly responsible for the resolution or execution. With the above we seek to generate two immediate benefits:

- 1) Allowing the areas by analyzing and solving each case to identify immediate improvements to processes in order to improve customer experience.
- 2) After the statistical information is compiled by the UNE, it is shared with the involved Business and Operation areas in order to coordinate actions to impact favorably on security and information of products and services we offer our clients.

### Menú

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# **Responsible Customer Management**

**2014 Developments** 

Claims Submitted to the UNE					
	2012	2013	2014		
Resolved fully in favor of the customer	16,934	15,207	19,793		
Resolved in favor of the bank	15,193	23,453	30,141		
Total claims submitted (UNE)	32,127	38,660	72,406		
Internal claims (SAC)	29,274	27,354	34,725		
Average number of days in resolving a claim	10.34	11.39	ND		
Number of claims submitted to banking authorities	28,897	36,071	37,681		

Source: BBVA Bancomer

### Menú

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### **Multiple Channels**

BBVA Bancomer has worked, in recent years, in the configuration of a multi-channel distribution model, with greater importance of non-physical channels, mainly digital channels. In this way we respond to the customer demand, in a more digital way, as well as to the new technological possibilities. This has allowed us to be pioneers in establishing new relationship models with their customers, taking advantage of all channels of interaction.

### **2014 Developments**

- We installed dual ATMs that can supply cash and receive payments; they also have a bar code reader for payment of services.
- We enabled the alert service hiring.
- We are offering consumer credits, immediate cash, insurance and increase of lines of credit through the One Click system.
- We changed the image of the website.



## **Responsible Customer Management**

### **Customer Protection**

As insecurity and crime have become very important issues in Mexico, the Department of Institutional Security is working on several fronts to protect the safety of customers and users when using our services.

Our security strategy includes measures to prevent situations such as bankcard fraud and cybercrime, and to strengthen security at branch offices and the protection of personal information.

Every year we implement security measures at a level above the SHCP's Credit Institutions Act requires throughout our branch network, such as:

- Bullet resistant glass in cash desks
- Sluice doors
- Electronic lock system
- Video surveillance with backup and communication to the monitoring center

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

### **2014 Developments**

• Within the framework of the International Computer Security Day, we launched the "Que no muera tu información" (Let Your Information Live) initiative, a site created in order that BBVA Bancomer employees may be aware of the potential risks involved in the use of technology-information theft, cyber fraud, phishing, etc., and how to prevent it.



## Social, Environmental and Reputational Risk

### **Reputational Risk Management Model**

### FS2

### Social, Environmental and Reputational Risk Management Committee

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

In our risk management system we include the "ESG" variables along with the other aspects traditionally managed. The SAR Committee is chaired by the Group's Director of Risks and made up by the Directors of the Departments of Legal Services, Audit and Compliance, Communication and Brand, Technical Secretariat of Risk, Corporate Risk Management, Operational Risk and Internal Control, Risk Portfolio Management, Corporate & Investment Banking (CIB), Regulatory Compliance, CIB Strategy and Coordination, Global Retail & Business Banking, Strategy & Coordination and Corporate Responsibility & Reputation.

### **Responsible Lending**

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

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**Ecorating** 

significant factors. Its objectives are:



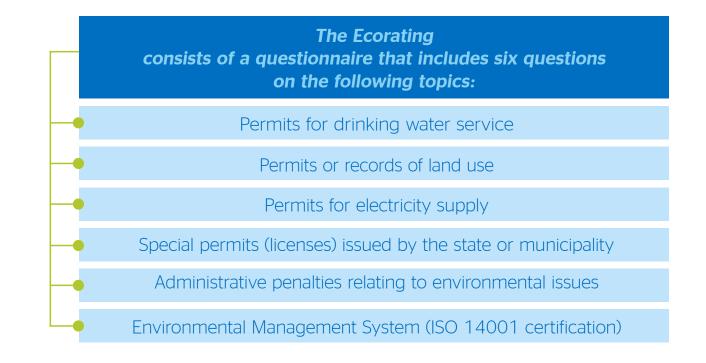
### Responsible Banking BBVA Bancomer

## Social, Environmental and Reputational Risk

### FS3, FS5, FS9

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

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





## Social, Environmental and Reputational Risk

**G4-DMA**, **FS1**, **FS4**, FS6, FS7, FS8, **FS10**, **FS11** 

### **Equator Principles**

### **Relevant Issue**

The global problems of environmental degradation have led business sectors around the world to take action to reverse their deterioration. In the case of financial institutions, processes of credit authorization have been developed where the environmental risk is incorporated into the credit analysis; that is, environmental criteria are becoming an integral part of the final decision to grant a loan or to perform an investment.

In Mexico, as a guild we have assumed our responsibility to support funding processes where profitability plays an important role in the equation, but not less that the social and environmental impact of projects to be funded.

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

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

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# Social, Environmental and Reputational Risk

EP analysis is included in our internal project structuring and approval processes. This process includes social and environmental due diligence, which begins with assignment to one of three categories (A, B, or C), which, based on the IFC categorization criteria, reflect the level of environmental and social risk of the project. To approve any project financing, in addition to preliminary categorization, the file must include an EP compliance report, reviewed by the unit responsible for approval.

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# Social, Environmental and Reputational Risk

### **2014 Developments**

### **Operations Financed Pursuant to the Equator Principles in Mexico, 2014**

Category <sup>(1)</sup>	Number of Operations	Total Amount Financed B Bancomer (in millions of pesos) (
A	<ul> <li>New Mexico City Airport</li> <li>Mexico-Toluca Highway</li> <li>F-1859 Modular Marine Drilling Equipment</li> <li>Ramones Sur Gas Pipeline</li> </ul>	\$3,255 \$1,500 \$1,177 \$1,449
C Total	- 4	\$7,381

(1) Category A: Projects with a significant negative impact that may affect an area greater than that which the project occupies. Category B: Projects with a minor negative impact on human populations or in areas of environmental importance. Category C: Projects with very little or no environmental impact.

(2) Exchange rate considered to express the amounts financed in pesos: 13.02047 pesos per dollar. Source: BBVA Bancomer

- With the purpose of improving the competence of staff responsible for implementing social and environmental policies and procedures to business lines, last year the Analysis of Environmental and Social Risks (abbreviated to ARAS in Spanish) course was taught to seven officers.
- It is envisaged to include as part of the training plans a training workshop on the Ecorating tool for users of this tool.

### Menú

operations financed pursuant to the **Equator Principles in** Mexico, in 2014

### by **BBVA**

### (MXN)

55'117.500 000,000'00 7'050,488

19'570,552

1,738,540

billion pesos, total amount financed by **BBVA Bancomer in** 2014

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Responsible Banking BBVA Bancomer

# Social, Environmental and Reputational Risk

### **Preventing Money Laundering and Terrorism Financing**

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

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

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

- An organizational structure that has the necessary resources to manage this function and a clear allocation of responsibilities for each entity.
- A regulatory body that determines the obligations and cautions in this field; of particular importance are those relating to the Know Your Customer (KYC) measures.
- The implementation of customer monitoring measures, designed to identify potential suspicious activities and ensure their reporting to the competent authorities.
- The implementation of employees' communication and training plans. These plans are designed according to the level of exposure of each group to the risk of money laundering and its purpose is to maintain an appropriate level of awareness and to provide the necessary capabilities to comply with applicable regulations.
- The ongoing communication between the head office and all branches and subsidiaries of the BBVA Group, so that continuous monitoring and supervision in this area may be ensure.
- Finally, the need for an independent review, in order to independently verify and confirm the implementation and effectiveness of other elements of the model.



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### Responsible Banking BBVA Bancomer

## Social, Environmental and Reputational Risk

### **2014 Developments**

Preventing Money Laundering and Terrorie	sm Financing	
	2012	2013
Participants in training activities on prevention of money laundering	30,350	31,625
People specialized in prevention of money laundering and terrorism financing	48	59(1)

(1) Includes 12 people hired as temporary.

Source: BBVA Bancomer

- This year we adapted the systems according to the new provisions in force concerning money laundering, and implemented controls derived from them such as controls for cashier's checks.
- We made progress in the lobbying process for authorizing the exchange of information with foreign entities.
- Staff assigned to the Money Laundering Prevention Department has been increased, hoping to reach 128 people. Also, this area is being restructured in order to improve processes.

100% increase in the number of specialists in prevention of money laundering and terrorism financing with regard to 2013.

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### Responsible Banking BBVA Bancomer

Staff

**G4-10** 

38,273

employees

throughout the Mexican Republic.

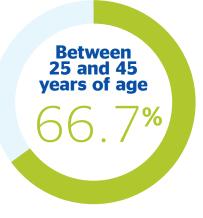
### **Staff Profile**

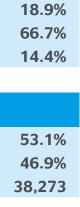
	Staff by Age	and Gender	
	2012	2013	2014
Age		Percentage of employees	
< 25	17.5%	14.8%	
25-45	69.2%	71%	
< 45	13.2%	14.2%	

Gender	Percentage of employees			
Women	54.5%	53.5%		
Men	45.5%	46.5%		
Total employees	38,868	38,114		

Source: BBVA Bancomer Group





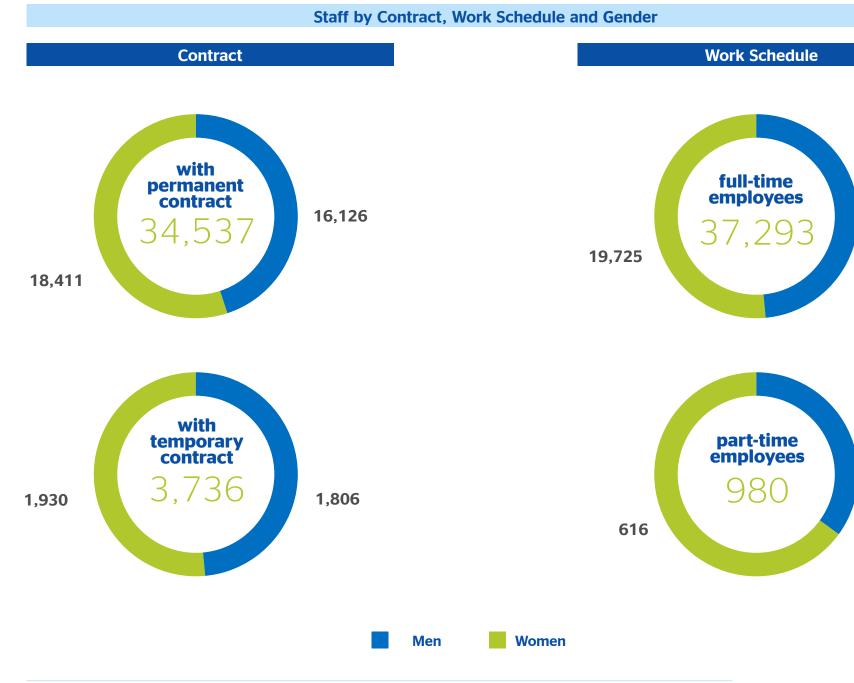






Responsible Banking BBVA Bancomer

## Staff



Source: BBVA Bancomer Group

### Menú

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17,568

364



Responsible Banking BBVA Bancomer

## Staff

## 210

### Hiring, Training, and Development

BBVA Bancomer won the 7<sup>th</sup> place in the Great Place to Work ranking in the financial sector (Mexico 2014), and the 11<sup>th</sup> place in the category of companies with more than 5,000 employees in Mexico. We have a development model focused on building the best place to work by promoting the growth of our employees with responsibilities shared with the institution. This model consists of three steps, each with tools that allow employees' growth:

Developm	ent Model
Conócete (Know Yourself)	<ul><li>DNA employee's dossier</li><li>Personal assessment</li><li>Result assessment</li></ul>
Prepárate (Prepare Yourself)	<ul><li>BBVA University</li><li>Training</li><li>Self-development plan</li></ul>
Participa (Contribute)	<ul> <li><i>Apúntate</i> (Sign up)</li> <li><i>Carreras de avance</i> (Careers)</li> <li><i>A punto</i> (Tune up)</li> </ul>



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## Staff

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

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

Last year we created the *Universidad BBVA* (BBVA University), which provide an opportunity for our employees to study high school, undergraduate education and postgraduate education in partnership with prestigious institutions such as the *Universidad Tecmilenio* (Tecmilenio University), part of the system of the Institute of *Instituto Tecnológico y de Estudios Superiores de Monterrey* (ITESM in Spanish) (Monterrey Institute of Technology and Higher Education) and the *Colegio Nacional de Matemáticas* (CONAMAT in Spanish) (National College of Mathematics).

		Employe	e Hires			
Number of employees <sup>(1)</sup>	2012	2	201	3	20	)14
	W	М	W	М	W	
< 25	4,075	3,154	3,557	3,327	2,248	
25-45	4,217	3,374	3,333	3,271	2,024	
< 45	443	341	241	280	63	
Total	15,60	3	14,00	09	9,1	195

### **2014 Developments**

(1) Actual hires are reported.

Source: BBVA Bancomer Group

### Menú

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R 9,195 employee hires in 2014

M 2,090 2,583 187



# Staff

		Employee Te	rminations			
Number of employees <sup>(1)</sup>	201	2	201	3	20	014
Humber of employees	201	-	201	5	20	, 14
	W	Μ	W	М	W	
Under 25 years	2,578	2,030	2,845	2,692	1,381	
25 to 45 years	3,457	3,095	3,543	3,295	2,649	
Over 45 years	392	511	547	648	341	
Total	12,00	63	13,5	70	8,9	976

(1) Actual terminations are reported.

Source: BBVA Bancomer Group

Turnover by Age and Gender					
	2012	2013	2014		
Men	32.8%	37.6%			
Women	31.6%	33.9%			
0 to 25 years	52.2%	66.8%			
25 to 45 years	27.6%	27.9%			
Over 45 years	18.4%	22.6%			

Source: BBVA Bancomer Group





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1,342
2,672
591

26.0%
21.7%
42.8%
20.7%
16.1%



Responsible Banking BBVA Bancomer

# Staff

Absenteeism Rate			
	2012	2013	201
Employees	8,345	36,794(1)	
Days	100,792	200,667	

(1) In 2013 and 2014 the number of records is reported, unlike 2012 in which the number of employees was the reported item. Source: BBVA Bancomer Group

Training Training Hours per Channel			
	2012	2013	201
On-site training (hours)	1'190,694	1'396,290	1'
Training through e-campus (hours)	1'241,729	914,665	1'
Total	2'432,423	2'310,955	3'
Percentage of employees trained	91%	98.30%	
Total investment in training (pesos)	134'473,392	135'567,552	136'
Investment in training per employee (pesos)	3,683	3,619	
Hours of training per employee	65	61.7	
Evaluation of satisfaction of the training	8.6	9	
Employees that have received training	36,515	37,456	

30.5% increase in hours of training for employees with regard to 2013.

G4-LA9

Source: BBVA Bancomer Group

### Menú

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14

1'340,572 1'676,177 3'016,749

100% 6'800,610 3,511 77.43 9 38,961



Responsible Banking BBVA Bancomer

# Staff

1,172 employees enrolled to the **BBVA University**.

- In 2014, 25,777 BBVA Bancomer employees took a performance evaluation.
- 1,172 employees enrolled to the BBVA University. The first two groups of high school graduated. Also, the second call for graduate and post-graduate studies was launched with a higher-than-expected demand.
- We supported 338 employees to complete their studies and continuing training courses.
- We are still supporting continuous quality improvement of the Experiencia única (Unique Experience) model, a classroom program for staff of the branch network.
- The Campus training tool was created to monitor the courses schedule to be taken by all employees for their own development according to their experience and profile.

### Menú

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Responsible Banking BBVA Bancomer

Staff

### G4-LA12

### **Diversity and Balance**

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

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

	Lines of action
1. Maternity	<ul> <li>Prevent maternity leave from being an impediment to the development of w the company.</li> </ul>
2. Promotion and Development	• Encourage the promotion of talented women.
3. Awareness	<ul> <li>Raise awareness about the need for the best people occupying the best people occupy</li></ul>

Furthermore, BBVA Bancomer has the Inclusion of People with Disabilities program, through which we are working on creating a culture of inclusion, through 4 steps: infrastructure and accessibility, HR processes, inclusion and awareness.

### Menú

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women at positions,



Responsible Banking BBVA Bancomer

## Staff

2014 Developments

Category of	Employees	by Gender

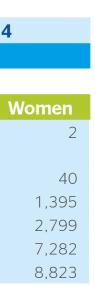
2012	2013	2014
Number of employees		

Position	Men	Women	Men	Women	Men
Board of Directors and Corporate	60	5	62	4	61
Directors					
Directors	249	35	232	37	244
Middle Management	2,216	1,140	2,369	1,294	2,483
Specialists	2,999	2,820	3,329	2,947	3,109
Sales	7,378	8,601	6,997	7,650	7,110
Entry-level Positions	4,770	8,564	4,714	8,479	4,925

Source: BBVA Bancomer Group

## Menú

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## Staff

#### Levels of Reinstatement Following Maternity Leave

	2013	2014
Maternity Leaves (1)	1,118	
Number of leaves covered	566	
Number of women reinstated	628	

(1) "Leaves" mean women who were absent on account of maternity.

We established the Local Disability Committee comprised the areas of Real Estate, Shopping and RRC, among others. with the aim of promoting inclusion of people with disabilities.

- With the aim of sensitizing employees on the issue of diversity, two training activities were conducted in which 5,026 employees were enrolled: 335 on "Talento por igual" (Equal Talent) and 4,691 on "Todos diversos, todos iquales" (All Different, All Equal).
- We continue conducting motherhood interviews to those mothers returning after maternity so that they can report how they are feeling. Also, we provided the leaders with the Maternity and Tutoring Guidelines to support this important stage of reincorporation and not waste talent.
- As part of the ongoing communication we keep with our employees regarding gender equality in our internal channels, this year we published awareness articles to support professional women, working mothers and encouraging men to be incorporated into family activities.
- We conducted awareness sessions aimed at the Foundation and Courier teams, where two people with intellectual disabilities joined, in addition to the 38 employees with disabilities nationwide, from which 13 joined through the Group's Inclusion of People with Disabilities program.
- We performed the accessibility diagnosis for disabilities in the three buildings of the new offices in order to have full accessibility and achieve the Accessible Company certification.
- Together with the Real Estate Department, we selected 12 branches nationwide that will be fully accessible both for employees and customers.

972
662
767



# Staff

## **Health and Safety**

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

2014 Developments			
	Absentee	eism Rate	
	2012	2013	2014
Employees	8,345	36,794(1)	
Days	100,792	200,667	

(1) In 2013 and 2014 the number of records is reported, unlike 2012 in which the number of employees was the reported item.

Source: BBVA Bancomer Group









still disseminating

behavior changes.

information to generate healthy

### Responsible Banking BBVA Bancomer

# Staff

Through our Reto vitalidad (Vitality Challenge) program, we are

- The Department of Institutional Security gave the "Normas para la autoprotección de personas" (Standards for Self-Protection of People) talk to BBVA Bancomer employees.
- We carried out the evacuation drill; organizing briefings with the brigades of each workspace.
- Civil defense staff visited each workspace and gave a talk on this subject.
- The 4<sup>th</sup> Wellness and Health Fair was held to promote healthy living and disease prevention among employees and their families.
- As part of the Preventive Medicine program, a nutrition workshop for employees and family was taught, which consisted of seven healthy diet talks (one per month).

## Menú

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Responsible Banking BBVA Bancomer

Staff

G4-EC5, G4-LA2, G4-LA13

## **Benefits and Pay**

In BBVA Bancomer we have a compensation policy that incorporates — in addition to applicable legal rules — standards and principles of the best generally accepted national and international practices in respect of remuneration and of good governance of companies at any time.

Remuneration is made up of two clearly differentiated parts		
1. Fixed compensation	Which is established by taking into consideration the level of responsib professional career of the employee, setting a benchmark salary for each func-	
2. Variable compensation	• Which compensates value creation within the Group, remunerating is contributions, those of the teams and the aggregate of all of them. Variable compains to recompense achievement at the individual, group and organization measured through customer, financial and other indicators.	

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

## Menú

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individual npensation onal level,



Responsible Banking BBVA Bancomer

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

- Personal loans for clothing and footwear, consumption, automobiles, mortgages, personal items and business loans.
- Agreements with companies and memberships in discount and hotel programs, vacation incentives, and seniority recognition.
- Athletic, social and cultural activities to promote integration and family wellbeing.

## Menú

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G4-11

Responsible Banking BBVA Bancomer

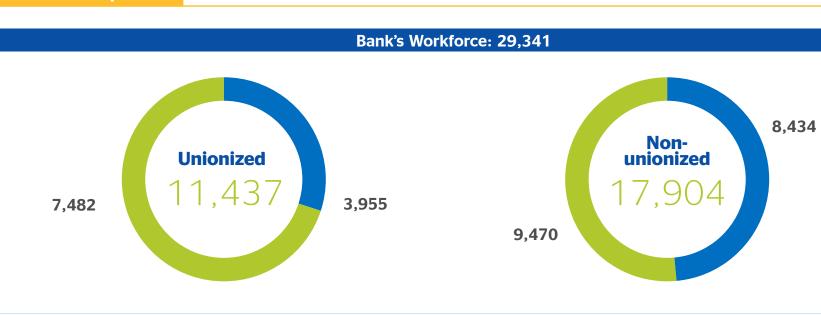
## Staff

## **Working Conditions**

BBVA Bancomer has the most comprehensive collective labor agreement in the financial sector, which defines labor relations with 30.1% 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 continue the development of actions and projects; always relying on a well-paid and attractive human capital, which leads us to keep a firm 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.



#### 2014 Developments

Source: Bank employees only.

## Menú

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# Staff

- This year, the Group's results enabled us to achieve a healthy and mature wage negotiation setting a 4.0% wage increase in the union tabulator. Also, the re-tabulation of some posts in the Vaults, Canteens and Central Operation areas was included within the agreement, achieving additional improvements in the income of employees of these groups.
- The labor reform in Mexico caused that, in 2014, the labor authorities begin a review process of 111 offices throughout the country regarding safety, health and working environment. This involved inspection visits to workplaces with the support of departmental union delegates to attest the reports that labor inspectors conducted.

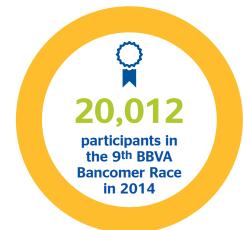
## **Volunteering and Social Engagement**

Last year we created the BBVA Bancomer Corporate Volunteering Program, which aims to relate the bank's corporate social responsibility programs to the genuine interest of our employees who wish to volunteer for their community.

#### **2014 Developments**

- The Corporate Volunteering Committee was created, which is composed of different departments. A tool for employees was developed that publishes the different volunteering offers to be released next year along with the volunteering strategy.
- In July 2014, in partnership with Pronatura México, we implemented the second phase of the "Bosque BBVA" Bancomer" (BBVA Bancomer Forest) program. This program aims to support the ecological restoration of 50 acres on the lands of the San Miguel and Santo Tomás Ajusco communities, one of the main lung spaces in Mexico City while encouraging, within the BBVA Bancomer family, environmental values for conservation of natural resources. This time 900 people participated-employees and their families.
- The 9<sup>th</sup> BBVA Bancomer Race was held, with the participation of 20,012 runners—employees, family and friends. \$1,229,140 pesos were raised for the BBVA Bancomer Foundation.
- Employees were invited to donate to various causes such as the Red Cross, the victims of Hurricane Odile and the Hogar y Futuro Foundation.

The Corporate Volunteering Committee was created. which is composed of different departments.





## **Suppliers**

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

#### G4-12

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

### **Supply Chain**

Our supply chain is made up of a catalog of suppliers we classified according to their billing in A, B, C1 and C2; the most important being the first three representing almost 70% of billing.

Providers are subject to an approval process that involves validating annually that they adhere to the guidelines set by the BBVA Bancomer Group, in terms of our business relationship. We analyze administrative, financial, operational, regulatory and legal aspects, among others, with the aim of ensuring permanence and continuity to the synergy of business built over time.

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

With the aim of measuring the degree of its suppliers' satisfaction, the BBVA Group conducts a biennial survey.

### **Responsible Purchasing**

In 2012, the BBVA Group Responsible Purchasing Policy was approved. Its purpose is to integrate social and environmental factors in all procurement processes.



### Responsible Banking BBVA Bancomer

## **Suppliers**

**2014 Developments** 

93% of our suppliers are approved.

Certification of Suppliers			
	2012	2013	201
Number of suppliers	364(1)	197(2)	
Number of authorized suppliers	250	381	
Percentage of purchases made with suppliers that have participated in the certification process	72.16%	85.76%	
Number of suppliers that have not undergone the certification process	80	50	
Number of electronic negotiations	3,773	4,574	

(1) This number corresponds to the total number of suppliers participating in the 2012 certification program, thus the change from previous years where the total number of suppliers was used.

(2) This number corresponds to 67.7% of all suppliers, who are considered as key suppliers.

Source: BBVA Bancomer

- In 2014, 75,705 invoices were issued in the amount of \$53,772'813,835 pesos.
- 95% of our major suppliers are local. The remaining 5% is from the United States, Spain, UK and Belgium.
- The 2014 supplier satisfaction survey showed a satisfaction rate of 80 /100 points.
- Among the actions made by the Purchasing, Properties and Services Department to improve procurement processes is the implementation of UDAS short circuit to improve efficiency.





## **Suppliers**

- The Global Procurement System (GPS) platform was enabled for the BBVA Bancomer Group's procurement process, as well as the Adquira Marketplace supplier portal, which allows online interaction between Group companies and their suppliers within a collaborative environment.
- A preferred hotel program was implemented. As a condition of participation, they must be certified as clean and socially responsible companies.
- The printing of flyers and posters is made on recycled paper from sustainable forests.

## Menú

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Responsible Banking BBVA Bancomer

## **Society**

### **BBVA Bancomer Foundation**

### **Education**

#### **Relevant Issue**

One of the major social challenges Mexico is facing is education. Education plays a fundamental role that determines how a person will live adulthood. Having a higher level of education means higher income, better health and a longer life.

Those who are more educated contribute to have more sustainable economies and more democratic societies. They are also less dependent on public aid and less vulnerable to economic downturns. Finally, while reducing school failure benefits for society and individuals are obtained, contributing to economic growth and social development.

The situation of education in Mexico is discouraging: children and youngsters are hampered in their personal development to the extent that the education system is exclusionary and of low quality. School life expectancy is 8.6 years and –according to a study conducted by the *Mexicanos Primero* initiative– only half of Mexicans can hope studying high school at the age of 15.

BBVA Bancomer ratifies its commitment to society through the BBVA Bancomer Foundation, a non-profit organization created in 2000. The BBVA Bancomer Foundation is committed to education and transforms lives through: educational scholarships in order to enable young people to continue their studies; entrepreneurship scholarships with the purpose that vulnerable people may diversify their income strategies; and finally cultural scholarships to contribute to the cultural development of Mexico.

#### G4-DMA





## **Society**

To perform this important task, the Foundation is organized into five strategic areas (Social Development Projects, Bancomer in Education, Cultural Promotion, Bancomer Educational & Production Centers and Social Action) and is supervised by the Department of Institutional Relations and Social Responsibility of BBVA Bancomer.

#### **2014 Developments**

Over 27.000 people benefited by **BBVA** Bancomer Foundation in 2014.

In 2014, the BBVA Bancomer Foundation allocated \$336'415,636 to its programs – 18% more than the previous year – benefiting, directly and indirectly, more than 27,000 people, with the help of both internal and external volunteers.

#### 2014 BBVA Bancomer Foundation Executed Spending

<b>Total Contribution (in pesos)</b>
\$204'
\$ 23
\$13
\$10'
\$39'
\$44,5
\$336'

### Menú

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## million pesos, 2014 BBVA Bancomer Foundation Executed Spending

#### 5)

1'433,399 3'743,795 3'722,669 083,288 9'886,262 ,546,223 5<sup>°</sup>415,636



G4-SO1

Responsible Banking BBVA Bancomer

**Society** 

#### **Social Development Projects**

#### "Por los que se quedan" Scholarships

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

#### **2014 Developments**

- 790 godmothers and godfathers participated actively in the program, providing support for 17,815 active junior high school recipients.
- Currently, the program is active in 20 states and 159 municipalities in the country, and since 2006 has benefited 43,400 young people.
- 6,000 new scholarships for first-grade junior high school students were granted.

Other complementary projects:

- In partnership with the "Ver Bien para Aprender Mejor" (See Well to Learn Better) Foundation, 301 students with visual weakness problems – recipients from "Por los que se quedan" schools – received eyeglasses appropriate for their needs.
- The Valores de futuro (Future Values) program —where volunteering BBVA Bancomer employees taught financial education workshops addressed to "Por los que se quedan" scholarship recipients- was attended by 131 volunteers and 1,391 youngsters were trained.
- With the "Jaque Mate, lee y aprende mate" ("Checkmate, Read & Learn Mate") program in partnership with LectoSystems, which seeks to improve reading comprehension, fluency and mathematical reasoning, 60 students benefited—30 from the municipality of Ixtlahuaca and 30 from Atlacomulco, State of Mexico.

5,000 "Por los que se quedan" ("For Those Who Are Left Behind") beneficiaries of the 2011-2014 **Class graduated** from junior high school with a national GPA of 9.23 (out of 10).



## Programa Becas de Integración Por los que **se quedan**

Fundación BBVA Bancomer





#### Responsible Banking BBVA Bancomer

## **Society**

• The "Llegar antes a la escuela" (Arriving at School Earlier) project, in partnership with the Human Resources and Transformation Department of the BBVA Bancomer Group – which gives bicycles to children so that they can have a means of transportation to get easier and faster to school – benefited 548 students from 12 states within Mexico.

### **Bancomer in Education**

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

#### **2014 Developments**

- With our environmental education programs we achieved the following results: 7,000 students and teachers went to the Parque Ecológico de la Ciudad de México Ajusco Medio (Mexico City Mid-Ajusco Ecological Park) and took workshops and guided tours around the natural protected area under Pronatura's care; 5,000 students, from 42 public junior high schools, received a free day of environmental education in the Viveros de Coyoacán (Coyoacán Park Nursery); as well as an awareness, guidance and information to 477,912 Chapultepec Forest visitors with Ciceana: and 5.733 students. from 25 schools, with Peasma.
- Together with Pronatura and the BBVA Bancomer Human Resources Department, we conducted the second phase of reforestation of the "BBVA Bancomer Forest," a program created last year to plant trees along 500,000 square meters (5 million square feet), retrieving the Parque Nacional del Ajusco (Ajusco National Park), one of the most important lung spaces in Mexico City. This time 900 people joined us – employees and their families to plant 10,000 trees.

This year, through the "Olimpiada del Conocimiento Infantil" (Children's Knowledge Olympics), we provided 4,000 students with scholarships, with the support of 990 "godfathers" and "godmothers" (sponsors)managers of BBVA Bancomer branch offices who serve as mentors.







## **Society**

- We continue to support communities affected by Hurricanes Ingrid and Manuel, with the refurbishment of affected schools. In partnership with various foundations and state and federal governments, in 2014 we built a new school in the La Pintada community, at Atoyac-preschool, elementary and junior high school. The school has 12 classrooms, a laboratory, full-time school canteen, library and media room with internet. At the opening we had the presence of President Enrique Peña Nieto.
- 24 schools were re-equipped in the state of Sinaloa, after being affected by Hurricane Manuel during 2013. The students and teachers number of the retrofitted schools amounts to 3.928 students and 165 teachers.
- This year, there were 12 Mexican youths in the BBVA 2014 XXIX Quetzal Route, who together with other expeditionaries from other countries toured Peru to discover the banks of the Amazon River as well as the history and ways of life of the Colca Canyon.

## **Cultural Promotion**

A commitment to promote innovative artistic and cultural projects with the firm objective to enrich the cultural heritage of Mexico. It is characterized by planning and promoting training programs that directly affect the professionalization of artists, scholars and cultural managers.

#### **2014 Developments**

- As a result of the 3rd edition of the Bancomer/MACG program, we inaugurated La Voluntad de la Piedra (The Stone's Will) exhibition in the Carrillo Gil Art Museum, curated by Catalina Lozano. Later it was shown at the Sonora Art Museum (MUSAS) and at Amparo Museum in Puebla, Puebla.
- We launched the 4th call of the Bancomer/MACG program, an initiative that invests in the comprehensive training of young visual artists under 35 years of age. This edition had the highest number of applicants to date: 226 people from 23 states of Mexico. The 10 selected artists will be accompanied during two years by curators Mónica Amieva and Willy Kautz, and will be responsible to define the contents of the various meetings, the design of individualized programs and the educational and curatorial agenda for this fourth edition.

We launched the 4th call of the Bancomer/ MACG program, an initiative that invests in the comprehensive training of young visual artists under 35 years of age.

### Menú

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Responsible Banking BBVA Bancomer

## **Society**

• With the aim of developing new audiences, the itinerant exhibition "Paralelismos plásticos en México, cuatro décadas en la colección BBVA Bancomer (1960-1990)" [Plastic Parallelisms in Mexico, Four Decades of the BBVA Bancomer Collection (1960-1990)]) was presented at prestigious international venues such as the Arocena Museum in Torreón, Coahuila; at the Cabañas Institute in Guadalajara, Jalisco and at the Arts Center in Monterrey, Nuevo León.

There are currently 22 active centers across Mexico.

### **Educational and Productive Centers**

Their objective is offering support and advice to entrepreneurs, so they can carry out productive projects, which at the same time generate jobs and promote growth in their communities.

#### **2014 Developments**

2,739 people were served in the four comprehensive centers.

- In the 17 BBVA Bancomer-Social Incubator educational and productive centers, established throughout Mexico in partnership with the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM in Spanish) (Monterrey Institute of Technology and Higher Education) to offer support and advice to entrepreneurs to enable them to carry out productive projects, this year 16,649 people were served with the support of 1,411 ITESM studentstutors and 639 microenterprises were incubated.
- With the support of several institutions such as the Cadavieco Foundation, the INEA (National Institute for the Education of Adults), the Proempleo Foundation and the Manpower Foundation, in the Magdalena Contreras' Educational and Productive Center the comprehensive educational model was strengthened and an additional classroom was enabled for Fonabec high school courses, serving 4,266 people with the support of 70 volunteers.
- During 2014, in the four comprehensive centers located in Mazatlán, Ciudad Juárez, Tapachula and Tuxpan, 2,739 people were served with the support of 42 volunteers.



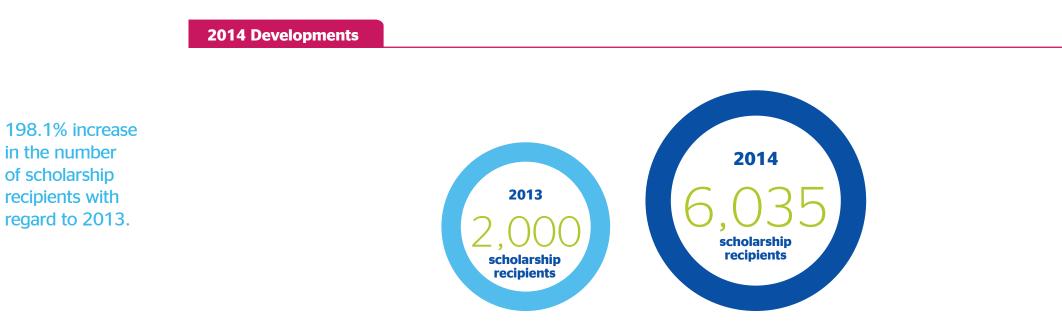
## **Society**

## **Social Action**

#### "Por los que se quedan" (For Those Who Are Left Behind) Adelante Scholarships

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

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



• The overall GPA to join high school of the second generation of students of the Adelante Scholarships program is 9.05; thus they are very well-performing students.



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#### Fundación BBVA Bancomer

Number of municipalities (2013 and 2014)

**Number of states** (2013 and 2014)



## **Society**

#### PROMIS (Programa de mejoramiento integral de secundarias) (Junior High School **Comprehensive Improvement Program**)

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

#### **2014 Developments**

• This year, 2,184 students from the state of Michoacán were benefited through a pilot project that seeks to have a medium-term effect on public policies with a high impact on the quality of education nationwide.

### Menú

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Responsible Banking BBVA Bancomer

## Environment **S**

G4-DMA

### **Environment**

#### **Relevant Issue**

Today we face major environmental challenges, the main one being the enormous threat of climate change.

In recent years, Mexico has experienced worst natural disasters such as Storms Ingrid and Manuel and Hurricane Odile. While it is difficult to determine how much this phenomenon was caused by human activities, we consider that acting in this regard is an essential task.

The National Climate Change Strategy estimates that the economic damage related to these events in the period from 2000 to 2012 were 21.95 billion annually. According to its diagnosis, in the coming decades there will be climate events that will represent a disaster risk to 1,385 municipalities and 27 million people throughout the country. This not only will affect human health and the primary activities of agriculture but also the social and economic strategic infrastructure such as housing, medical facilities, schools, and roads.

This scenario threatens not only the economic activities of our company but the social welfare of our stakeholders. As a financial institution, BBVA Bancomer has the great task of being an agent of change promotion for the environmental conservation, both inside and outside the company.

Our commitment to the environment is reflected in the Environmental Policy.

In addition to complying with environmental laws, we have adhered to various voluntary initiatives: the Financial Initiative of the United Nations Environment Programme (UNED-FI), the Equator Principles, the Principles for Responsible Investment (PRI), the United National Global Compact and the Carbon Disclosure Project.

## Menú

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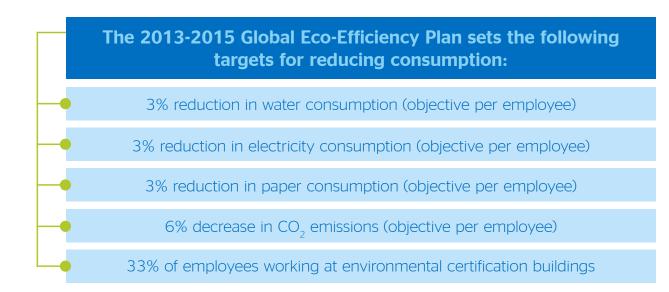


## Environment **S**

We have established a Global Eco-efficiency Plan (GEP) managed by the Purchasing, Properties and Services Department and supervised by the Eco-efficiency and Responsible Purchasing Committee. The main objective of the GEP is to reduce our environmental footprint and the goal for the period 2013-2015 is to reduce our  $CO_2$  emissions by 6%.

Since staff transportation is one of our major environmental impacts, we are investing in sustainable transportation systems such as bus sharing, *Aventones* (carpooling), bike-parking and construction of a pedestrian and cycle track.

## **Global Eco-efficiency Plan**

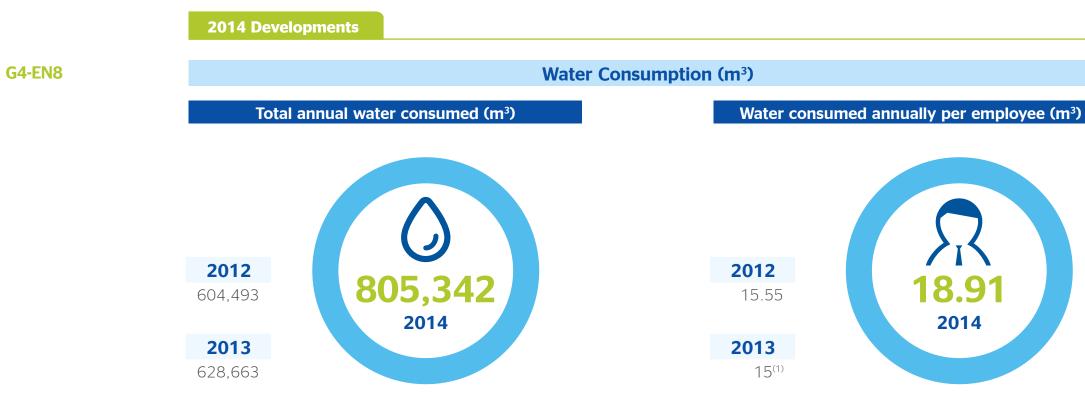


## Menú

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## Environment **S**



(1) From 2013 the number of employees is considered as the sum of employees of the BBVA Bancomer Group plus the number of external employees of the bank buildings and branches. (2) The average number of employees in 2014 was 37,429 and the number of external employees was 5,150, with a total of 42,579 occupants. (3) (m<sup>3</sup>) = cubic meters

2014 Scope: BBVA Bancomer Group

• 870 8lt.-capacity toilets were replaced by 4.8lt.-capacity toilets in 290 branches, which means a saving of 40% per flush.



## Environment M

G4-	EN3

#### **Electricity and Fuel Consumption**

		2012	2013	20
	Total electricity consumed	225,668.68 MWh (812,407.25 GJ)	214,146.19 MWh (770,926.28 GJ)	221,78 MW (798,41
$\mathbf{R}$	Total electricity consumed per employee	5.83 MWh	5.11 MWh <sup>(1)</sup>	5.20 N
٩	Total LPG (Liquefied petroleum gas) consumed	112,900 l (2,706.97 GJ)	103,935 l (2,492.02 GJ)	96,7 (2,320
	Total diesel consumed (gas oil)	425,450 l (15,510.10 GJ)	563,966 l (20,559.80 GJ)	768,5 (28,019.

(1) From 2013 the number of employees is considered as the sum of employees of the BBVA Bancomer Group plus the number of external employees of the bank buildings and branches. (2) The average number of employees in 2014 was 37,429 and the number of external employees was 5,150, with a total of 42,579 occupants.

(3) In 2013, some of the units of measurement used were changed; therefore, the data of last year were converted into these new measures to make them equivalent.

(4) MWh=Megawatt hour

(5) GJ=Gigajoule

(6) I=Liter

2014 Scope: BBVA Bancomer Group

- 3,415 R22 refrigerant air-conditioning systems were replaced by ecological refrigerant R404A systems in 683 branches, mitigating the damage to the environment by  $CO_2$  emissions in addition to the energy consumption.
- While the use of diesel in emergency plants is something that cannot be voluntarily reduced, as we depend on the good supply of the Federal Electricity Commission (CFE) to avoid its use, we have begun using low sulfur diesel, which has levels of 15 ppm versus 500 ppm.

## Menú

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781.63 Wh 14 GJ)

MWh

749 20 GJ)

590 I 9.52 GJ)



Responsible Banking BBVA Bancomer

## Environment M

G4-EN30

**Kilometers Traveled by Plane and Car:** 

Km traveled by plane <sup>(1)</sup>



	2012	2013
Trips less than 500 km	2,133,374	
Trips from 500 to 1600 km	12,048,691	13
Trips greater than 1600 km	36,465,861	39

(1) From 2013, airplane trips (km) changed from 452 (in previous years) to 500 trips, hence some disparities are reflected in the reported figures. 2014 Scope: Airplane trips in kilometers: BBVA Bancomer Group.

### Menú

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652,469 3,573,319 9,502,394

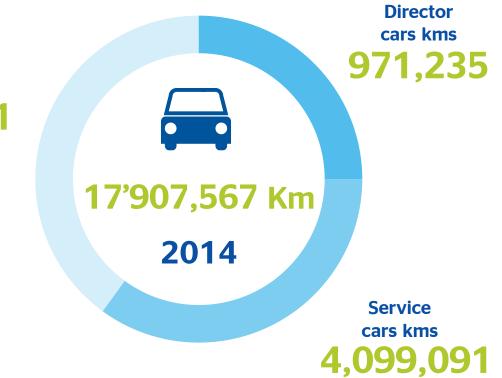


## Environment **N**



Suppliers who will operate the Bus Sharing Transportation program with environmentally friendly vehicles were selected. Such vehicles will transport personnel among corporate buildings.

Employee cars kms 12,837,241



	2012	2013
Director cars kms	838,365	
Service cars kms	3,578,047	4
Employee cars kms	9,960,431	11

Km traveled by car: Bank

### Menú

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951,308 4,352,687 1,844,888



## Environment **N**

Audiovisuals			
	2012	2013	201
Videoconferences	2,851	3,278	
Rooms equipped for videoconferencing	99	106(1)	
Audioconferences	32,449	33,896	
Telepresence	169	171	

(1) Accumulated figures.

Source: Central buildings and bank offices

Paper Consumption			
	2012	2013	2014
Total paper consumed (kg)	1,821,902	1,959,519	1,92
Total paper consumed per employee (kg)	46	47 <sup>(1)</sup>	

(1) From 2013 the number of employees is considered as the sum of employees of the BBVA Bancomer Group plus the number of external employees of the bank buildings and branches.

(2) The average number of employees in 2014 was 37,429 and the number of external employees was 5,150, with a total of 42,579 occupants.

(3) (kg)=kilogram

2014 Scope: Bank

- We installed the first MFDs that save time, energy and paper.
- We continue promoting a paperless culture among our staff through a campaign with five actions: print on both sides of the paper, print and copy only the necessary, scan files, write only on recycled paper and using digital media.

#### **G4-EN1**

### Menú



#### Audiovisuals (2014)





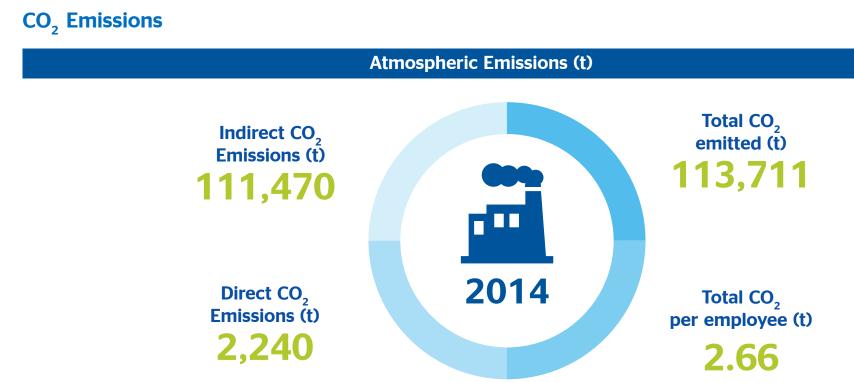






## **Environment**





	2012	2013
Total $CO_2$ emitted (t)	132,666	
Total $CO_2$ per employee (t)	3.41	
Direct CO <sub>2</sub> Emissions (t)	2,892	
Indirect CO <sub>2</sub> Emissions (t)	129,772	

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

(2) From 2013 the number of employees is considered as the sum of employees of the BBVA Bancomer Group plus the number of external employees of the bank buildings and branches.

(3) The average number of employees in 2014 was 37,429 and the number of external employees was 5,150, with a total of 42,579 occupants.

(4) In order to standardize the calculation of CO<sub>2</sub> locally with the BBVA Group globally, unlike previous years, for calculating direct emissions of CO<sub>2</sub>, and therefore the total CO<sub>2</sub> emitted in 2014, the kms traveled by car were not considered.

(5) (t) = metric tons

Source: BBVA Bancomer Group

## Menú

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113,100 2.69(2) 3,988 109,112



## **Environment**

#### **New Corporate Headquarters**

These headquarters will have the LEED (Leadership in Energy and Environmental Design) certification, ISO14001 and the FSC (Forest Stewardship Council), which imply considerable savings in energy, water, recycling, and resource management, while also ensuring that our employees are working in a healthy environment.

In 2010, we began construction for our new corporate headquarters, which will be completed in the mid 2015. There will be three buildings that will accommodate 9,955 BBVA Bancomer employees in Mexico City, who were previously dispersed in seven buildings.

#### LEED Certification Commitments



• The three buildings that make up our new corporate headquarters – the BBVA Reforma Tower, the BBVA Bancomer Polanco Tower and the Data Processing Center – have a 70% overall construction progress.

## Menú

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## Environment **N**

### **Waste Management**



- In addition to electrical appliances that were sent to the distributor, 4,314 kg of equipment were reused and 729 equipments were donated.
- 75% of waste from construction of new corporate headquarters has been recycled; also, recycled-content materials, mainly concrete and steel, have been used.
- Containers to separate waste, by shape and color, were relabeled, making its classification easier.
- We started the "Clean House" program, a process of purification and cleansing as a first initiative for the move to new corporate headquarters. This first phase consisted in promoting the certification of the office areas so that they were free of boxes, paintings and decoration; and then encouraging reuse, recycling and donation of waste by achieving the collection of 138 tons of garbage and paper and treating 9,616 assets as part of the move and cleaning of seven buildings.

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## **Environment**

### **Environmental Training and Awareness**

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

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

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

#### **2014 Developments**

- The pilot was launched and the Aventones (carpooling) system was implemented.
- The Culture and the Pasión por las personas (Passion for People) Departments created the BBVA Bancomer Environmental Responsibility Program to sensitize staff regarding the current problems of the environment, promoting changes in habits and behaviors that contribute to reducing the environmental impact in the work and family field.
- On July 5 we conducted the second reforestation visit to the BBVA Bancomer Forest in the communities of San Miguel and Santo Tomás Ajusco, with participation of 900 people between employees and their families.
- As every year, on March 29 we joined the international "Global Earth Hour" initiative, which consists of promoting that, within and outside our facilities, staff turns off lights and unplugs other appliances during one hour.
- Furthermore, the Subdirectorate of Maintenance of Corporate Buildings performed the non-critical load shutdown-specifically the power and lighting systems that are not essential to the operation and safety of the relevant properties. Energy savings recorded in each of the relevant buildings totaled 322.8 kWh.



## Appendix

## **1. Reporting Criteria**

This is the fifth year in a row that BBVA Bancomer publishes the financial information jointly with the responsible banking information in its 2014 Annual Report. This integration process is the natural result of the growing importance that sustainability has reached at the core of the business.

G4-13, G4-17, G4-22, G4-23,	Ámbitos de cobertura
G4-28, G4-29,	The information of responsible banking of the Annual Report presents the results of the activities conducte
G4-30	S.A. de C.V., which is comprised of the following companies:



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cted by Grupo Financiero BBVA Bancomer



## Appendix

After a review with the audit firm on the scope of the information reported in previous years, this year it was decided to expand the coverage of the report: from only the banking institution to the entire financial group; this would not have to represent a significant change compared to previous reports.

The information presented herein corresponds to the activities conducted by BBVA Bancomer from January 1 to December 31, 2014.

Where possible, information is included from the most recent two annual reports (2013 and 2012) as a comparative reference.

This year, in the BBVA Group, we began using a new software for the collection and quantification of information, which can be seen reflected in some variations in the criteria used over previous years. This in turn may represent significant changes in some of the main figures.

#### **Basic References and International Standards**

As with our past reports, the most widely recognized standards have been followed in preparing this report: GRI, AA1000 and the Global Compact. Our reporting is in accordance with the guidelines from the Global Reporting Initiative, both in terms of the principles of content and clarity, as well as the core indicators and the supplementary financial sector indicators. For the first time, we are using the GRI-G4 version, which implies greater depth in the material aspects.

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

We have made a deeper implementation of the ISO 26000 standard on Social Responsibility, which we reflect in this report covering the seven fundamental topics of the standard through the GRI indicators.

Lastly, we have worked together with the Global Compact in presenting this report as a Communication on Progress (COP) at an advanced level, representing a new way to measure progress with an approach based on managing the ten principles from the Global Compact.

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## **Appendix**

#### Materiality Analysis and Consulting Stakeholders

Based on the AccountAbility's AA1000SES standard, on GRI and on the Corporate Guidelines for Support of BBVA Group Stakeholder Consultation Processes, we have developed an internal methodology referred to as "Analysis of Materiality and Relevant Issues," which we use as the basis for defining the content of our report. This methodology is made up of several elements:

- A gualitative review to understand the opinion and expectations of our main stakeholders;
- Analysis of secondary sources that allow us to understand the ideas, concepts and best practices in the financial sector and domestic and international sustainability;
- Opinion surveys and trends on issues related to the company.

The information obtained from these sources is used to determine the relevant issues, which we include in the management of responsible banking at BBVA Bancomer, and the results of which we report in the report.

#### **Rigorousness and Verification** G4-32, G4-33

The Corporate Responsibility and Reputation area is responsible for compiling the information presented in this report. The content included in the report is provided by the company areas directly involved in the management of the corresponding information. These areas are reviewed, verified and audited both internally and externally.

As with the five prior reports, the BBVA Bancomer 2014 Annual Report has undergone third-party verification, in this case by Deloitte. It is prepared in accordance with the GRI-G4 Guidelines in its comprehensive version, and it has the GRI's materiality disclosures service.



### **2. Global Compact and Millennium Development Goals**

The BBVA Group (since 2002) and BBVA Bancomer (since 2004) are signatories to the Global Compact, the international initiative of the United Nations promoting social responsibility in companies around the world, through implementation of ten principles, which the signatory companies promise to uphold.

These ten principles are part of the Millennium Development Goals (MDG), which establish 2015 as a deadline for achieving significant improvements in reducing the poverty and inequality that affect millions of people around the world.

In addition, in 2008 the BBVA Group joined a United Nations Global Compact initiative in recognition of the 60th Anniversary of the Universal Declaration on Human Rights. Its objective is to strengthen the commitment of all social and economic sectors to the principles of the Declaration. The signatories to said initiative, regardless of their country of origin and the type of activities they perform, recognize the importance of respecting human rights in their business.

#### **BBVA Bancomer and the Global Compact**

BBVA Bancomer is fully committed to the ten principles from the Global Compact, using them as a basis for developing its programs and projects in the area of Corporate Responsibility and Reputation (CRR).

	Global Compact of the United Nations Principles	G4 GRI Guid
Principle 1.	Businesses should support and respect the protection of internationally proclaimed human rights	Subcategory: Human Rights <ul> <li>All aspects</li> <li>Subcategory: Society</li> <li>Local Communities</li> </ul>
Principle 2.	Businesses should ensure of not being an accomplice in abusing human rights	Subcategory: Human Rights <ul> <li>All aspects</li> </ul>

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	Global Compact of the United Nations Principles	G4 GRI Guidelines
Principle 3.	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul> <li>G4-11</li> <li>Subcategory: Labor Practices and Decent Work</li> <li>Employees-Management Relations</li> <li>Subcategory: Human Rights</li> <li>Freedom of Association and Collective Bargaining</li> </ul>
Principle 4.	Businesses should eliminate all forms of forced and compulsory labor	Subcategory: Human Rights <ul> <li>Forced Labor</li> </ul>
Principle 5.	Businesses should uphold the effective abolition of child labor	Subcategory: Human Rights <ul> <li>Child labor</li> </ul>
Principle 6.	Businesses should uphold the elimination of discrimination in respect of employment and occupation	G4-10 Subcategory: Labor Practices and Decent Work • All aspects Subcategory: Human Rights • Non-discrimination
Principle 7.	Businesses should support a precautionary approach to environmental challenges	Category: Environment • All aspects
Principle 8.	Businesses should undertake initiatives to promote greater environmental responsibility	Category: Environment • All aspects
Principle 9.	Businesses should encourage the development and dissemination of environmentally friendly technologies	Category: Environment • All aspects
Principle 10	<ul> <li>Businesses should work against corruption in any form, including bribery and extortion</li> </ul>	<ul><li>Subcategory: Society</li><li>Combating Corruption</li><li>Public Policy</li></ul>

In addition, as part of the commitment of BBVA Bancomer to the Global Compact, this is the fourth year that we are including our COP (Communication on Progress) at an advanced level, placing us at the forefront of Mexican enterprise.



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Responsible Banking BBVA Bancomer

# Appendix

## 3. Advanced COP

Advanced GC Criteria	Best Practices Implemented
<ol> <li>The COP describes the discussions of the President/CEO and Management of the company regarding strategic aspects for implementation of the GC.</li> </ol>	<ul> <li>Broadest impact of sustainability trends, from a long-term perspective and as relates to the financial performance of the organization</li> <li>The main risks and opportunities for sustainability over the short and medium term (3 to 5 years)</li> <li>Social and environmental impact of organization activities</li> <li>Overall strategy for handling the impacts of sustainability, risks and opportunities over the short and medium term (3 to 5 years)</li> <li>Key performance indicators to measure progress</li> <li>Main successes and failures during the period</li> </ul>
<b>2.</b> The COP describes an effective process of decision-making and the systems of governance for corporate sustainability.	<ul> <li>Participation and accountability of management and Directors in corporate sustainability strategy and implementation, in keeping with the principles of the Global Compact</li> <li>Corporate governance structure (Board of Directors or equivalent) and its role in supervision of corporate sustainability, in keeping with the principles of the Global Compact Compact</li> </ul>
<b>3.</b> The COP describes the commitment maintained with all important stakeholders.	<ul> <li>List of stakeholders to whom the company is committed</li> <li>Process for identification and involvement of stakeholders</li> <li>Results of involvement of stakeholders</li> <li>Process of incorporating contributions from stakeholders in corporate strategy and company decision-making</li> </ul>

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#### Chapter of the Report

- Report from the Chairman of the Board
   of Directors
- Report from the CEO
- Responsible Business Plan
- 2014 Progress and 2014 Objectives
- Key Corporate Responsibility Indicators
- Responsible Business Governance
- Responsible Business Strategy
- Stakeholders
- Listening and Dialogue Tools
- Materiality Analysis
- Relevant Issues



Advanced GC Criteria	Best Practices Implemented	
<b>4.</b> The COP describes the actions taken in support of the broadest objectives and issues of the United Nations.	<ul> <li>Adoption or modification of business strategy and operational procedures to maximize contribution toward the objectives and issues of the United Nations</li> <li>Development of products, services and business models that contribute to the objectives and issues of the United Nations</li> <li>Public support for the importance of one or more objectives and issues of the UN</li> <li>Collaboration and collective actions in support of the objectives and issues of the United Nations</li> </ul>	<ul> <li>F</li> <li>F</li> <li>F</li> <li>C</li> <li>L</li> </ul>
5. The COP describes firm commitments, strategies or policies in the area of Human Rights.	<ul> <li>Reference to the appropriate international agreements and other international documents (for example, the Universal Declaration of Human Rights)</li> <li>Reflection on the importance of Human Rights for the company</li> <li>Company policy on Human Rights, in writing (for example, in the Code of Conduct)</li> <li>Assigning of responsibilities and accountability within the organization</li> <li>Specific commitments and goals for the specified years</li> </ul>	• ( • F
<b>6.</b> The COP describes effective management systems to incorporate the principles of Human Rights.	<ul> <li>Risk and impact assessment in the area of Human Rights</li> <li>Regular consultation of stakeholders regarding Human Rights</li> <li>Awareness and internal training on Human Rights for management and employees</li> <li>Mechanisms for complaints, channels of communication and other procedures (for example, whistleblower policies) to report concerns or request assistance</li> <li>Inclusion of minimum human rights standards in contracts with vendors and other relevant commercial partners</li> <li>Auditing or other actions to monitor and improve the performance of the companies across the supply chain on issues of human rights</li> </ul>	• ( • F • S

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### Chapter of the Report

Report from the Chairman of the Board of Directors Report from the CEO Responsible Business Strategy Responsible Business Governance Global Compact and Millennium Development Goals International Undertakings

Code of Conduct Respect for human rights

Code of Conduct Respect for human rights Suppliers



Advanced GC Criteria	Best Practices Implemented	
<b>7.</b> The COP describes effective mechanisms for monitoring and evaluating integration of Human Rights.	<ul> <li>System for monitoring and measurement of performance, based on standardized indicators</li> <li>Review, on the part of management, of monitoring and of improvements in results</li> <li>Process for handling of any incidents</li> <li>Dissemination of main incidents involving the company</li> </ul>	•
8. The COP includes standardized performance indicators (including the GRI) regarding Human Rights.	<ul> <li>The results of risk and impact assessments</li> <li>The results of efforts made regarding awareness and internal training for management and employees</li> <li>The results of the mechanisms to report concerns or request assistance</li> <li>Percentage of contracts with commercial partners that guarantee minimum standards for human rights</li> <li>Results from audits or other measures to monitor and improve performance along the supply chain</li> </ul>	•
<b>9.</b> The COP describes firm commitments, strategies or policies regarding labor.	<ul> <li>Reference to the appropriate international agreements and other international documents (for example, the Fundamentals of the ILO)</li> <li>Reflection on the importance of Labor Principles for the company</li> <li>Company policy on Labor Principles, in writing (for example, in the Code of Conduct)</li> <li>Assigning of responsibilities and accountability within the organization</li> <li>Specific commitments and goals for the specified years</li> </ul>	•

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### Chapter of the Report

 Code of Conduct • Respect for human rights

 Code of Conduct • Respect for human rights Suppliers

 Code of Conduct Staff • 2014 Progress and 2015 Objectives

### **BBVA** Bancomer Annual Report 2014



Advanced GC Criteria	Best Practices Implemented
<b>10.</b> The COP describes effective management systems to incorporate Labor Principles.	<ul> <li>Risk and impact assessment regarding Labor</li> <li>Regular consultation of stakeholders regarding labor issues</li> <li>Awareness and internal training on Labor Principles for management and employees</li> <li>Mechanisms for complaints, channels of communication and other procedures (for example, whistleblower policies) to report concerns or request assistance</li> <li>Inclusion of minimum labor standards in contracts with vendors and other relevant commercial partners</li> <li>Auditing or other actions to monitor and improve the performance of the companies across the supply chain on labor issues</li> </ul>
<b>11.</b> The COP describes effective mechanisms for monitoring and evaluating integration of Labor Principles.	<ul> <li>System for monitoring and measurement of performance, based on standardized indicators</li> <li>Review, on the part of management, of monitoring and of improvements in results</li> <li>Process for handling of any incidents</li> <li>Dissemination of main incidents involving the company</li> </ul>
<b>12.</b> The COP includes standardized performance indicators (including the GRI) regarding Labor Principles.	<ul> <li>The results of risk and impact assessments</li> <li>The results of efforts made regarding awareness and internal training for management and employees</li> <li>The results of the mechanisms to report concerns or request assistance</li> <li>Percentage of contracts with commercial partners that guarantee minimum labor standards</li> <li>Results from audits or other measures to monitor and improve performance along the supply chain</li> </ul>

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### Chapter of the Report

 Code of Conduct • Staff: Hiring, Training, and Development Suppliers

 Code of Conduct • Staff: Hiring, Training, and Development

 Code of Conduct Staff Suppliers



Advanced GC Criteria	Best Practices Implemented	
<b>13.</b> The COP describes firm commitments, strategies or policies in the area of environmental management.	<ul> <li>Reference to the appropriate international agreements and other international documents (for example, the Rio Declaration on Environment and Development)</li> <li>Reflection on the importance of environmental management for the company</li> <li>Company policy on environmental management, in writing (for example, in the Code of Conduct)</li> <li>Assigning of responsibilities and accountability within the organization</li> <li>Specific commitments and goals for the specified years</li> </ul>	
<b>14.</b> The COP describes the effective management systems to incorporate Environmental Principles.	<ul> <li>Assessment of environmental risk and impact</li> <li>Regular consultation of stakeholders regarding environmental impact</li> <li>Awareness and internal training on Environmental Management for management and employees</li> <li>Mechanisms for complaints, channels of communication and other procedures (for example, whistleblower policies) to report concerns or request assistance regarding environmental impact</li> <li>Auditing or other actions to monitor and improve the environmental performance of the companies across the supply chain</li> </ul>	
<b>15.</b> The COP describes effective mechanisms for monitoring and evaluating integration of environmental management.	<ul> <li>System for monitoring and measurement of performance, based on standardized indicators</li> <li>Review, on the part of management, of monitoring and of improvements in results</li> <li>Process for handling of any incidents</li> <li>Dissemination of main incidents involving the company</li> </ul>	

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### Chapter of the Report

 Environment • Global Eco-efficiency Plan • 2014 Progress and 2015 Objectives

• Global Eco-efficiency Plan Waste Generated • Environmental Training and Awareness Suppliers Code of Conduct

 Global Eco-efficiency Plan Responsible Business Governance Legal Compliance • 2014 Progress and 2015 Objectives

### **BBVA** Bancomer Annual Report 2014



Advanced GC Criteria	Best Practices Implemented	
<b>16.</b> The COP includes standardized performance indicators (including the GRI) regarding Environmental Management.	<ul> <li>Results of risk and impact assessments and measurement of environmental footprint</li> <li>The results of efforts made regarding awareness and internal training for management and employees</li> <li>The results of the mechanisms to report concerns or request assistance</li> <li>Percentage of contracts with commercial partners that guarantee minimum environmental standards</li> <li>Results from audits or other measures to monitor and improve performance along the supply chain</li> </ul>	
<b>17.</b> The COP describes firm commitments, strategies or policies regarding corruption.	<ul> <li>Reference to the appropriate international agreements and other international documents (for example, the United Nations Convention Against Corruption)</li> <li>Reflection on the importance of combating corruption for the company</li> <li>Company policy regarding corruption, in writing (for example, in the Code of Conduct)</li> <li>Assigning of responsibilities and accountability within the organization regarding issues of corruption</li> <li>Specific commitments and goals for the specified years</li> </ul>	•
<b>18.</b> The COP describes effective management systems to incorporate Anti-Corruption Principles.	<ul> <li>Risk and impact assessment regarding corruption</li> <li>Regular consultation of stakeholders regarding corruption</li> <li>Awareness and internal training on corruption for management and employees</li> <li>Mechanisms for complaints, channels of communication and other procedures (for example, whistleblower policies) to report concerns or request assistance regarding issues of corruption</li> <li>Inclusion of minimum anti-corruption standards in contracts with vendors and other relevant commercial partners</li> <li>Auditing or other actions to monitor corruption and improve the performance of the companies across the supply chain</li> </ul>	

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### Chapter of the Report

• Environment Global Eco-efficiency Plan • Environmental Training and Awareness • Suppliers

 Code of Conduct International Undertakings • 2014 Progress and 2015 Objectives

 Code of Conduct • Listening and Dialogue Tools • Materiality Analysis • Suppliers



Advanced GC Criteria	Best Practices Implemented
<b>19.</b> The COP describes effective mechanisms for monitoring and evaluating integration of Anti-Corruption Principles.	<ul> <li>System for monitoring and measurement of performance regarding corruption based on standardized indicators</li> <li>Review, on the part of management, of monitoring and of improvements in results</li> <li>Process for handling of any incidents</li> <li>Dissemination of main incidents involving the company</li> </ul>
<b>20.</b> The COP includes standardized performance indicators (including the GRI) regarding corruption.	<ul> <li>The results of risk and impact assessments</li> <li>The results of efforts made regarding awareness and internal training for management and employees</li> <li>The results of the mechanisms to report concerns or request assistance</li> <li>Percentage of contracts with commercial partners that guarantee minimum anti-corruption standards</li> <li>Results from audits or other measures to monitor and improve performance along the supply chain</li> </ul>
<b>21.</b> The COP describes implementation of the Principles of the Global Compact across the value chain.	<ul> <li>Description of raw materials and finished products used, by country or region of origin</li> <li>Description of the main suppliers, subcontractors and other commercial partners that participate in the value chain</li> <li>Risk assessment for the value chain to identify potential problems with suppliers and other commercial partners</li> <li>Policies regarding the value chain, including a policy for suppliers and subcontractors</li> <li>Notification of suppliers and other company partners regarding pertinent policies, codes, situations or concerns</li> <li>Compliance audits / evaluations across the value chain</li> <li>Assigning of responsibilities across the value chain and procedures to resolve any violations</li> </ul>

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### Chapter of the Report

 Code of Conduct • Preventing Money Laundering and Terrorism Financing

 Code of Conduct • Preventing Money Laundering and Terrorism Financing Suppliers

Suppliers



Advanced GC Criteria	Best Practices Implemented	
<b>22.</b> The COP includes information on the company profile and the context in which it operates.	<ul> <li>Legal structure, including any group structure and ownership</li> <li>Countries in which the company operates, either with significant operations or operations that are of specific importance for sustainability</li> <li>Markets served (including geographic breakdown, sectors served and types of clients / beneficiaries)</li> <li>Main brands, products and/or services</li> <li>Direct and indirect economic value generated by various stakeholders (employees, owners, government, lenders, etc.)</li> </ul>	• • •
<b>23.</b> The COP includes a high level of transparency and dissemination.	<ul> <li>The COP uses the sustainability reporting guidelines from the Global Reporting Initiative (GRI)</li> <li>The COP includes comparison of key performance indicators with similar companies</li> </ul>	•
<b>24.</b> The COP is verified independently by a third party.	<ul> <li>Independent verification with respect to a standard of assurance (for example, AA1000 Assurance Standard, ISAE 3000)</li> <li>Verification by independent auditors</li> <li>The content of the COP is verified independently with respect to content standards</li> </ul>	• •

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### Chapter of the Report

• Business Model Structure Leadership Presence Relevant Information

 Responsible Business Strategy • Materiality Analysis Reporting Criteria • GRI Content Index

 Reporting Criteria GRI Content Index • Independent Review Report (Deloitte)



# **Appendix**

## 4. Key Corporate Responsibility Indicators

	Indicator	2014 Performance
	Economic:	
	Independent Board Members (%)	40
	Economic Value Added (EVA) (in millions of pesos)	115,171
	Social:	
**	Hours of training per employee	77.43
Π'n.	Resources allocated to commitments to society	\$336'415,636
	Environmental:	
M	CO <sub>2</sub> emitted per employee (tons)	2.66
	Paper consumed per employee (kg)	45.18

Source: BBVA Bancomer Group





# Appendix

## **5. GRI Content Index**

G4-32

	GRI Content Index for the comprehensive option "in accordance" with the G4 Guid	lelines
Indicator	Cross-reference/Direct Answer	Omi
	General Standard Disclosures	

	Strategy	and Analysis	
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Report from the Chairman of the Board of Directors p.10 Report from the CEO p.13	×
G4-2	Provide a description of key impacts, risks, and opportunities.	Report from the Chairman of the Board of Directors p.10 Report from the CEO p.13	×
	Organiza	tional Profile	
<b>G4-3</b>	Report the name of the organization.	Business Model p.5	×
G4-4	Report the primary brands, products, and services.	Business Model p.5	×
G4-5	Report the location of the organization's headquarters.	Av Universidad 1200, Xoco, Benito Juárez, 03330 Ciudad de México, D.F.	×
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Presence p.19	×
G4-7	Report the nature of ownership and legal form.	Corporate Structure p.6	×
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers an beneficiaries).	Leadership p. 18 Presence p. 19	×
G4-9	Report the name of the organization.	Leadership p. 18 Presence p. 19	×



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**External Assurance** 



Indicator		Cross-reference/Direct Answer	Omissions	External Assurance
G4-10	Report the total number of employees by employment contract and gender.	Staff Profile p.99		✓ p.163-165
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Working Conditions p.113		✓ p.163-165
G4-12	Describe the organization's supply chain.	Supply Chain p.115		×
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Appendix 1. Reporting Criteria p.137		×
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Analysis and discussion of results/ Allowance for credit risks p.35		×
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	International Undertakings p.49		×
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates.	International Undertakings p.49		×
	Material Aspects a	nd Aspect Boundaries		
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	Appendix 1. Reporting Criteria p.137		×
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	Materiality Analysis p.55		✓ p.163-165
G4-19	List all the material Aspects identified in the process for defining report content.	Relevant Issues p.58		✓ p.163-165
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	Relevant Issues p.58		×
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Relevant Issues p.58		×
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Appendix 1. Reporting Criteria p.137		×



Indicator		Cross-reference/Direct Answer	Omissions	External Assurance
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Appendix 1. Reporting Criteria p.137		×
	Stakeholde	r Inclusiveness		
G4-24	Provide a list of stakeholder groups engaged by the organization.	Stakeholders p.51		✓ p.163-165
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholders p.51		✓ p.163-165
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Listening and Dialogue Tools p.52		×
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Relevant Issues p.58		×
	Repo	rt Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Appendix 1. Reporting Criteria p.137		×
G4-29	Date of most recent previous report (if any).	Appendix 1. Reporting Criteria p.137		×
G4-30	Reporting cycle (such as annual, biennial).	Appendix 1. Reporting Criteria p.137		×
G4-31	Provide the contact point for questions regarding the report or its contents.	Financial Analysis and Communication: relainv@bbva.bancomer.com Corporate Responsibility and Reputation (CRR): respsocial@bbva.bancomer.com		×
G4-32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured.	Appendix 1. Reporting Criteria p.137 Appendix 3. GRI Content Index, p.151. Appendix 6. Independent Review Report, p. 163.		×



Indicator		Cross-reference/Direct Answer	Omissions	External Assurance		
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Appendix 1. Reporting Criteria p.137 Appendix 6. Independent Review Report, p. 163.		×		
	Governance					
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance p.43		×		
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Responsible Business Governance p.41		×		
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Responsible Business Governance p.41		×		
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Responsible Business Governance p.41		×		
G4-38	Report the composition of the highest governance body and its committees.	Board of Directors p.9		×		
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Management Committee p.8		×		
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Corporate Governance p.43		×		
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Corporate Governance p.43		×		



Indicator		Cross-reference/Direct Answer	Omissions	External Assurance
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Social Responsibility Policy p.38		×
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Responsible Business Governance p.41		×
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	Responsible Business Governance p.41		×
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	Responsible Business Governance p.41		×
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Responsible Business Governance p.41		×
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Responsible Business Governance p.41		×
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Responsible Business Governance p.41		×
G4-49	Report the process for communicating critical concerns to the highest governance body.	Corporate Governance p.43		×
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Corporate Governance p.43		×
G4-51	Report the remuneration policies for the highest governance body and senior executives.	Corporate Governance p.43		×



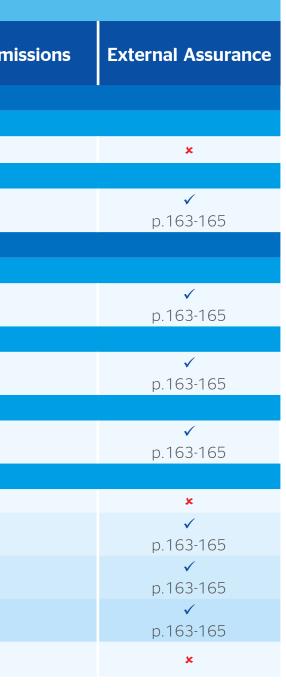
Indicator		Cross-reference/Direct Answer	Omissions	External Assurance
G4-52	Report the process for determining remuneration.	Corporate Governance p.43		×
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Corporate Governance p.43		×
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Corporate Governance p.43		×
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Corporate Governance p.43		×
	Ethics a	nd Integrity		_
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Mission and Vision p.4		×
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Standards of Conduct p.45		×
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Standards of Conduct p.45		×



# Appendix

	Specific Standard Disclosures				
Indicator and Management Approach		Cross-reference/Direct Answer			
	Catego	ry: Economy			
Aspect: Eco	nomic Performance				
G4-EC1	Direct economic value generated and distributed.	Relevant Information p.21			
Aspect: Mar	ket Presence				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Benefits and Pay p.111			
	Category	: Environment			
Aspect: Mat	erials				
G4-EN1	Materials used by weight or volume.	Paper Consumption p.132			
Aspect: Ene	rgy				
G4-EN3	Energy consumption within the organization.	Electricity and Fuel Consumption p.129			
Aspect: Wat	er				
G4-EN8	Total water withdrawal by source.	Water Consumption p.128			
Material Asp	pect: Emissions				
G4-DMA		Environment/Relevant Issue p.126			
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	$CO_2$ Emissions p.133			
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	CO <sub>2</sub> Emissions p.133			
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	$CO_2$ Emissions p.133			
G4-EN18	Greenhouse gas (GHG) emissions intensity	$CO_2$ Emissions p.133			

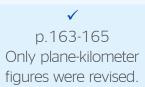
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Indicator and Management Approach		Cross-reference/Direct Answe	Omissions	External Assurance
G4-EN19	Reduction of greenhouse gas (GHG) emissions	$CO_2$ Emissions p.133		×
G4-EN20	Emissions of ozone-depleting substances (ODS)	In BBVA Bancomer buildings no substances with a relevant impact on the destruction of the ozone layer are used.		×
G4-EN21	NOX, SOX, and other significant air emissions	In BBVA Bancomer buildings no NOX, SOX or other significant air emissions are emmited.		×
Aspect: Efflu	ients and Waste			
G4-EN23	Total weight of waste by type and disposal method	Waste Management p.135		✓ p.163-165 Only figures for paper and cardboard sent for recycling and technological waste were reviewed.
Aspect: Reg	ulatory Compliance			
G4-DMA		Environment/Relevant Issue p.126		×
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Legal Compliance p.48		✓ p.163-165
Material Asp	pect: Transport			
G4-DMA		Environment/Relevant Issue p.126		×
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Kilometers Traveled by Plane and Car p.130		✓ p.163-165 Only plane-kilometer figures were revised.





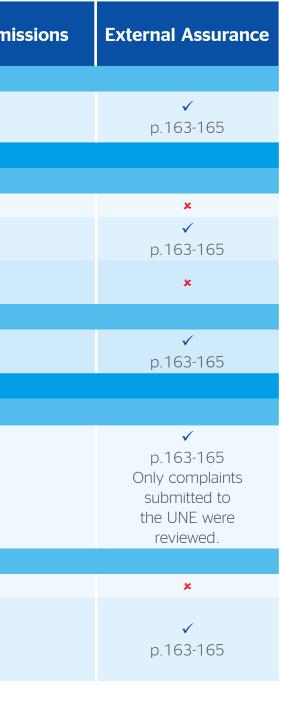


Indicator and Management Approach		Cross-reference/Direct Answe	Omissions	External Assurance
	Category: So	cial Performance		
Subcategory	y: Labor Practices and Decent Work			
Aspect: Emp	ployment			
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits and Pay p.111		✓ p.163-165
Aspect: Trai	ining and Education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Training p.104		✓ p.163-165
Material Asp	pect: Diversity and Equal Opportunity			
G4-DMA		Respect for human rights/Relevant Issue p.46		×
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Diversity and Balance p.106		×
Material Asp	pect: Equal Pay for Women and Men			
G4-DMA		Respect for human rights/Relevant Issue p.46		×
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Benefits and Pay p.111		✓ p.163-165
Subcategory	y: Human Rights			
Material Asp	pect: Non-discrimination			
G4-DMA		Respect for human rights/Relevant Issue p.46		×
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Main Typologies Reported 2014 vs 2013 p.48		✓ p.163-165



Indicator and Management Approach		Cross-reference/Direct Answe	Om
Aspect: Con	nplaint Mechanisms on Human Rights		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Legal Compliance p.48	
Subcategory	y: Society		
Material Asp	pect: Local Communities		
G4-DMA		Education/Relevant Issue p.118	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Social Development Projects p.120	
G4-SO2	Operations with significant actual and potential negative impacts on local Communities.	No incidents of this nature have been reported.	
Aspect: Con	nbating Corruption		
G4-SO5	Confirmed incidents of corruption and actions taken.	Governance Systems p. 47, 48	
Subcategory	y: Responsibility Regarding Products		
Aspect: Cust	tomer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Complaints and Claims Management p.87	
Material Asp	pect: Product and Service Labeling		
G4-DMA		TCR Communication/Relevant Issue p.64	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	TCR Communication/Relevant Issue p.64	

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Indicator and Management Approach		Cross-reference/Direct Answe	Omissions	External Assurance
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No incidents of this nature have been reported.		×
G4-PR5	Results of surveys measuring customer satisfaction.	KYC p.86		×
Aspect: Mar	keting Communications			
G4-PR6	Sale of banned or disputed products.	BBVA Bancomer does not sell this kind of products or services. Comunicación TCR Asunto relevante p.64		✓ p.163-165
	Financial Sec	ctor Supplement		
G4-DMA		Equator Principles/Relevant Issue p.94 Financial Education/Relevant Issue p.66 Financial Inclusion/Relevant Issue p.72		×
FS1	Policies with specific environmental and social components applied to business lines.	Equator Principles/Relevant Issue p.94		✓ p.163-165
FS2	Procedures for assessing and protecting business lines regarding environmental and social risks.	Social, Environmental and Reputational Risk Management Committee p.92		✓ p.163-165
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements and transactions.	Ecorating p.93		✓ p.163-165
FS4	Processes for improving the competence of staff when implementing social and environmental policies and procedures applicable to business lines.	Equator Principles/Relevant Issue p.94		✓ p.163-165
FS5	Interactions with customers, investors and partners regarding the risks and opportunities in social and environmental issues.	Ecorating p.93		✓ p.163-165
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Equator Principles/Relevant Issue p.94		×
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Equator Principles/Relevant Issue p.94		×



Indicator and Management Approach		Cross-reference/Direct Answe	Omissions	External Assurance
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Equator Principles/Relevant Issue p.94		×
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Ecorating p.93		×
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Equator Principles/Relevant Issue p.94		✓ p.163-165
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Equator Principles/Relevant Issue p.94		✓ p.163-165
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	There no policies of this sort.		×
FS13	Access points in low-populated or economically disadvantaged areas by type.	Financial Inclusion p.72		✓ p.163-165
FS14	Initiatives to improve access to financial services for disadvantaged people.	Financial Inclusion p.72		✓ p.163-165
FS15	Policies for the reasonable and fair design and sale of financial products and services.	TCR Communication/Relevant Issue p.64		×
FS16	Initiatives to foster financial know-how by beneficiary type.	Financial Education p.66		✓ p.163-165



## Appendix

## 6. Independent Review Report

G4-32, G4-33

## Deloitte.

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### Independent assurance report to Grupo Financiero BBVA Bancomer, S.A. de C.V. (BBVA Bancomer) on the Responsible Banking Annual Report 2014.

### Responsibilities of BBVA Bancomer and Independent Reviewer

The elaboration of the Responsible Banking Annual Report 2014 (RBAR), as well as its content is responsibility of BBVA Bancomer, who is also responsible for defining, adapting and maintaining the management systems and internal control from which information is obtained. 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 letter of agreement dated November 21st, 2014 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 RBAR under the following conditions and / or criteria:

- a) The adaptation of the contents of the RBAR to the Global Reporting Initiative (GRI) Guidelines version 4 (G4).
- b) The review of the sustainability performance indicators reported according to the option Comprehensive and specified in the GRI Index in the same report.
- c) The information provided regarding to the progress in the areas of work on Corporate Responsibility during 2014.
- d) That the information contained in the RBAR is consistent with supporting evidence provided by the management.

### Assurance standards and procedures

We have performed our work in accordance with the International Auditing Standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of 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) and sustainability performance indicators.

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# **Appendix**

### **Deloitte.**

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 RBAR 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.
- b) Analysis of the process to collect, validate and consolidate the data presented in the RBAR.
- c) Analysis of scope, relevance and integrity of the information included in the RBAR in terms of the understanding of BBVA Bancomer and of the requirements that stakeholders have identified as material aspects.
- d) Selected sample review from the evidence that supports the information included on the RBAR

The following table details the performance indicators on sustainability reviewed according to the GRI version 4:

G4-10	G4-EC5	G4-EN17	G4-LA13	G4-PR3	FS5
G4-11	G4-EN1	G4-EN23	G4-HR3	G4-PR6	FS10
G4-18	G4-EN3	G4-EN29	G4-HR12	FS1	FS11
G4-19	G4-EN8	G4-EN30	G4-SO1	FS2	FS13
G4-24	G4-EN15	G4-LA2	G4-SO5	FS3	FS14
G4-25	G4-EN16	G4-LA9	G4-PR1	FS4	FS16

### Conclusion

Based on the work performed and described in this report, nothing comes to our attention that could makes us believe that the RBAR contains significant errors or has not been prepared it in accordance with the Comprehensive Option established in the Sustainability Reporting Guidelines GRI G4 and according to the principles of inclusivity, materiality and responsiveness of the standard AA100APS.

Also, nothing comes to our attention that makes us believe that the information provided about the areas of work on Corporate Responsibility during 2014 contains significant errors.

### Recommendations

Additionally we presented our recommendations for strengthening future Responsible Banking Annual Reports, which do not modify the conclusions expressed in this report:

- Define, standardize, internally communicate and document the scope and procedure regarding to the staff costs, beneficiaries and volunteers of the social action programs.
- Identify and generate specific efforts and commitment to deepen and detail the performance advances
  according to the Financial Supplement indicators such as the results of the *Ecorating* tool
- Implement training activities to strengthen involvement of the people responsible that participate on the elaboration of the report. This will allow to identify and meet punctually the value of generating sustainability indicators for the daily business activities.



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### **BBVA** Bancomer Annual Report 2014



Responsible Banking BBVA Bancomer

# Appendix

### Deloitte.

• Define objectives in a quantifiable way, for example, using the SMART methodology (specific, measurable, achievable, realistic and time specific) as well as evaluating the risk associated to their fulfillment.

### Inclusivity

According to the materiality analysis, BBVA Bancomer considers the different stakeholders from the consultation of primary and secondary sources. It is recommended, to use the different communication mechanisms regularly with the stakeholders to integrate them in the definition, implementation and communication of the sustainability actions.

### Relevance

During 2014 BBVA Bancomer updated the relevant issues for the organization. Is recommended to identify the different sustainability aspects relevant to the stakeholders through the continuous communication exercises with the stakeholders. In this way, it is possible to use the resources already used to strengthen the sustainability strategy of BBVA Bancomer.

### Responsiveness

The Responsible Banking Annual Report allows stakeholders to know the organization performance on the financial and no financial aspects. However, is suggested to link the relevant subjects, results of the materiality analysis, with the information included within the report.

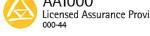
We have submitted a detailed report of recommendations to the Corporate Responsibility and Reputation Officer of BBVA Bancomer on regards of the areas of improvement in the sustainability strategy (specifically for the verified indicators) and the reporting process.

Galaz, Yamazaki, Ruíz Urquiza, S.C.

Member of Deloitte Touche Tohmatsu Limited -

AA1000 Licensed Assurance Provider 000-44

MBA Daniel Aguiñaga Gallegos April 16th, 2015







## 7. 2014 Awards and Certifications

Recognition	Issuing Insti
<ul> <li>Socially Responsible Company (ESR, in Spanish) certification to:</li> <li>BBVA Bancomer (14<sup>th</sup> consecutive year)</li> <li>Seguros Bancomer and Afore Bancomer (6th consecutive year)</li> </ul>	Mexican Philanthropy Center (CEMEFI) ar Responsibility in Mexico (ALIARSE)
Beyond Banking Award to the <i>B+Educa</i> Fund	Interamerican Development Bank (IDB)
Global Partner Awards for the reconstruction of the "La Pintada" community, in Guerrero	United Nations Institute for Training and R
Ranked 9 <sup>th</sup> of the 50 Most Responsible Companies	Mundo Ejecutivo
Ranked 31 <sup>sh</sup> of the 75 Responsible Companies	Expansión
7 <sup>th</sup> place in the Great Place to Work ranking in the Mexican financial sector	Great Place to Work Institute
11 <sup>th</sup> place among the Best Companies to Work in Mexico with more than 5,000 employees	Great Place to Work Institute
ISO 9001:2008 Certification for quality management processes in: Department of Institutional Security	International Organization for Standardizat

Source: BBVA Bancomer

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and the Alliance for Corporate Social

Research (UNITAR)

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