

# SUPPLEMENTARY INFORMATION TO THE CORPORATE RESPONSIBILITY REPORT 2007

This report supplements the Corporate Responsibility Report 2007 (referred to hereafter as CRR). It contains additional information of interest to BBVA stakeholders and is available at <http://rrc.bbva.com>

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## 1. STAKEHOLDER ENGAGEMENT

### A) STAKEHOLDER CONSULTATION PROCESS 2007

This document contains the main conclusions of the Stakeholder Consultation Process 2007, a work done by Responsables Consulting, S.L. for BBVA Group. The conclusions of such a process were first published in 2005. Over 280 people representing the various BBVA stakeholder groups from seven countries participated in the Consultation Process.

This process enables BBVA to get to know and integrate the views and opinions held by environmental and social organisations, consumer associations, trade unions, customers, shareholders, workers and the media from the countries where the Group operates.

#### *a) The consultation procedure*

This third edition of the BBVA Annual Consultation Process was held between September 2007 and January 2008. Since the 2006 report, the process has followed the main content of the "Sustainability Reporting Guidelines" by the Global Reporting Initiative (GRI-G3) as well as the AccountAbility Standard AA1000AS, which provides continuity to the line of work undertaken by BBVA to improve the quality of its annual RC reports.

With this purpose in mind, the Stakeholder Consultation Process seeks to learn the opinions and demands of the stakeholders of BBVA regarding the following issues:

- a. The information issued regarding the performance of the Group in the sphere of sustainability<sup>1</sup>.
- b. The activities that may have a bearing (positive or negative) on the contribution of the organisation to sustainability, detecting those specific issues that are of greater significance for the stakeholders of BBVA.

In addition to these two main objectives, we have added the blanket objective of linking the entire consultation process to the Reputation Institute's Reptrak® model for measuring the reputation of companies. This has allowed us to observe how each of the relevant CR issues identified impact on the reputation of BBVA. More information on this model can be found in the chapter titled "Supplementary Information".

To achieve these objectives we followed a similar methodology to that applied in our second Consultation Process in 2006, providing continuity to the same. The main steps taken were:

**a.1. Direct consultation of stakeholders.** New this year, we held a workshop with the executives in charge of communication at the different international headquarters in Spain, Peru and Venezuela, and held in-depth interviews with key informants in Spain and Latin America (Peru, Venezuela, Chile, Colombia, Mexico and Argentina).

In order to improve on the Consultation Process 2006, where the weight of direct consultation of key informants in Spain was noticeably greater, this year we have increased the participation of informants from Latin America.

(1) The analysis included the executive summary of the Group's Corporate Responsibility Report 2006, and the reports released by BBVA Banco Provincial (Venezuela) and BBVA Banco Continental (Peru) for the same year.

**Distribution of participants in the Consultation Process 2007, by stakeholder group**

	Total	The Américas		Spain	
		Nº	Percentage	Nº	Percentage
Employees	40	27	36	13	31
Customers	8	5	7	3	7
Suppliers	9	6	8	3	7
Shareholders	5	1	1	4	10
Experts	22	15	20	7	17
Environ. NGOs	11	7	9	4	10
Social NGOs	12	9	12	3	7
Cultural NGOs	2	0	0	2	5
Media	9	6	8	3	7
<b>TOTAL</b>	<b>118</b>	<b>76</b>	<b>100</b>	<b>42</b>	<b>100</b>

**Distribution of participants in the Consultation Process 2007, by country**

Countries	Total	Percentage
Venezuela	13	11.0
Peru	16	13.5
Mexico	11	9.3
Chile	9	7.6
Colombia	11	9.3
Argentina	8	6.7
Paraguay	1	0.8
Uruguay	1	0.8
Panama	2	1.6
Puerto Rico	2	1.6
United States	2	1.6
<b>Total The Americas</b>	<b>76</b>	<b>64.4</b>
<b>Spain</b>	<b>42</b>	<b>35.5</b>
<b>Sample total</b>	<b>118</b>	

The Consultation 2007 allowed us to assess the quality of the information contained in the executive summary of the CR Report 2006 for Spain, BBVA Banco Continental (Peru) and BBVA Banco Provincial (Venezuela), and to detect those issues relating to corporate responsibility and sustainability there are most relevant for the BBVA Group stakeholders.

a.2. Having identified the issues deemed to be of greater significance by our stakeholders, we performed a comparability analysis (alignment with the issues defined by the international financial sector) and a relevance analysis (alignment with the major subjects that define the global context for Corporate Responsibility).

To perform the comparability analysis we examined the CR reports from the leading companies in the financial industry in Spain and the rest of the world. For the relevance analysis, we analysed the main international corporate responsibility initiatives to which the BBVA Group has adhered (United Nations Global Compact, Equator Principles, etc.) and we carried out an analysis of the main requirements of international rating agencies for sustainability.

The relevance analysis also took account of the press coverage of BBVA (particularly regarding its CR and sustainability policy) in 2007, reviewing the financial media, media organisations specialising in CR, and general media in Spain, the rest of Europe, and the Americas.

The results provide us with an image of the expectations of stakeholders and allow us to identify those issues that are of material interest to them regarding corporate responsibility.

## *b) Main results: identification of significant issues*

The findings of previous Consultation Processes have allowed us to consolidate a list of issues that are relevant to the BBVA stakeholders. This list was used as the starting point for our Consultation Process 2007 and as the foundation for a consistent and structured panel of issues that the stakeholders, to date, consider as of greater significance regarding the sustainability of the organisation, and as the most important due to their positive or negative impact.

Nonetheless, the identification of relevant issues in no way stops at that point. To the contrary, the list was used as a point of reference for identifying new emerging issues that could help define future policies and to provide consistency and continuity over time to the issues on which BBVA should report an develop policies.

The first step in the identification and assessment of relevant issues, in November, was the organisation of a workshop with 31 BBVA executives, from seven different countries, with responsibility for CR issues and Group communication, in which they analysed how the interpretation and assessment of the issues vary within the context of each country. This was to provide the basis for direct consultation of the stakeholders regarding how they understand each of the issues and how they feel about it<sup>2</sup>.

Practices such as Corporate Responsibility, which is still somewhat ambiguous and lacking homogeneity, may be approached in many different ways depending on the region of the world and, therefore, may present highly diverse interpretations.

However, the need to establish a common denominator for the Consultation Process allows us to refer to a certain degree of concurrence in the priorities expressed in the Latin American countries in which the Group operates, and to a wide difference between those priorities and the results obtained in Spain. Accordingly, the results are shown separately in the accompanying table.

There follow the issues identified as the most relevant for BBVA stakeholders; they are presented in order of importance as ranked by stakeholders. Despite the aforementioned significant divergence in priorities, the degree of concurrence on a list of the top 10 for Spain and the Americas is very high. Nonetheless, 4 issues have been formatted in red to highlight the differences between the results obtained in Spain and The Americas.

The appearance in The Americas of concerns known as Impact on local development and Transparency in reporting are strongly tied to the foreign origin (Spain) of the ownership (BBVA Group) of the local banks.

### **RANKING OF THE ISSUES CONSIDERED AS RELEVANT IN SPAIN**

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1. Instruments for ethical management
  2. Fair treatment and protection of customers
  3. Environmental management and policies
  4. Financial products that promote CR
  5. Accessibility to financial products
  6. Management, planning and monitoring of CR strategies
  7. Direct and indirect social and environmental impact of financial activity
  8. Community support
  9. Corporate governance system
  10. Development of responsible human resource policies
- 

(2) One example is Community Involvement. In most of Europe and in the United States, Corporate Responsibility is evolving towards an understanding of Community Involvement as one of the many facets of business management. In Latin America, however, there is a strong link between Community Involvement and CR, and the words are in some cases even used interchangeably. This is because the international standards and references do not have the same level of implantation; above all, it is due to the fact that the existing social needs and the perception of the relationship between business and society is very different in the two regions.

## RANKING OF THE ISSUES CONSIDERED AS RELEVANT IN THE AMERICAS

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1. Community support
  2. Management, planning and monitoring of CR strategies
  3. Impact on local development
  4. Development of responsible human resource policies
  5. Transparency in reporting
  6. Fair treatment and protection of customers
  7. Accessibility to financial products
  8. Environmental management and policies
  9. Instruments for ethical management
  10. Financial products that promote CR
- 

The next section shows the specific aspects into which each of the issues described translates and the interpretation given to them by the stakeholders consulted. The issues are provided in random order.

### *b.1 Fair treatment and protection of customers*

#### ASPECTS MENTIONED:

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- Customer satisfaction
  - Management of complaints
  - Internet security
  - Personal data protection
  - The fine print
  - Overindebtedness
- 

The continuity of any business depends on its capacity to attract and retain customers. Accordingly, the manner in which customer satisfaction and complaints are managed, as well as the measures implemented to guarantee personal data protection and to fight and prevent phishing, comprise a framework that facilitates the relationship with customers and guarantees the business over the long term.

Customer protection is seen differently by the informants in Spain and those in Latin America. While in Spain the concerns are more focused on service quality, in Latin America informants focus more on the search for extra legal guarantees that protect customer rights, since cases of abuse and unprotection are more frequent (especially for certain customer segments).

### *b.2 Financial products that promote Corporate Responsibility*

#### ASPECTS MENTIONED:

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- Socially responsible investment (SRI)
  - Mutual funds with CR criteria
  - Financing of projects that improve sustainability
- 

One of the most relevant examples of the importance that CR has for financial institutions is the way in which this perspective has been integrated into the development of their core business. Thus, the question consists in knowing their range of financial products and services and whether their search for profit is accompanied by social and environmental criteria.

Thus, socially responsible investment (SRI), ethical funds and more specific products such as the *Plan Familias BBVA* (BBVA Families Plan) reveal an implicit ethical commitment integrated in the core business strategy.

This is ranked differently in the priority scale as expressed by informants in Latin America and by those in Spain. While in Spain most participants considered it as relevant, in Latin America only CR experts see it as one of the most important issues. This may be related, on the one hand, to the existence of other priorities in the field of CR, and, on the other, to the lower degree of dissemination of information on such products in Latin America.

### *b.3 Accessibility to financial products*

#### ASPECTS MENTIONED:

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- Microfinance
  - Spread of banking services among underprivileged groups
- 

The development of microfinance products and the efforts undertaken to spread banking culture are increasingly important elements in the economical and social progress of emerging countries.

Consequently, informants feel that it is crucial that financial institutions take advantage of their social and financial position in the communities in which they operate in order to facilitate access to the financial system for segments that are potentially or effectively excluded.

Moreover, this also represents an opportunity that is in the best interest of the institutions themselves and can, in combination with other factors, help strengthen and further the interest the banks have in this issue over the long term.

In this year's Consultation, there was widespread consensus on the relevance of accessibility to financial products both in Latin America and in Spain. The results of the Consultation in Latin America show that it is an important issue among stakeholders, especially among employees, suppliers and CR experts. In Spain, meanwhile, it was also considered very important and ranked fifth in the priority scale.

### *b.4 Management, planning and monitoring of Corporate Reputation and Responsibility strategies (CRR)*

#### ASPECTS MENTIONED:

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- Existence of management structures
  - Consistent and measurable objectives, strategies and schemes
- 

The establishment of initial objectives, the existence of management structures and the monitoring of the objectives set are the elements that define and provide a framework for the organisation's actions in Corporate Reputation and Responsibility.

This is an important issue for stakeholders, particularly for specialists in Corporate Responsibility. Planning, management and monitoring of CRR strategy allow stakeholders to know the progress made by the company in this field and compare it both year-on-year and with other entities.

Clearly, the stakeholder groups feel that this should be a priority issue within BBVA's strategy, ranking third in Latin America and sixth in Spain. If we consider the two regions jointly, this issue is placed first.

### *b.5 Development of responsible human resource policies*

#### ASPECTS MENTIONED:

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- Health and safety
  - Improvements in working conditions
  - Fundamental rights of workers
  - Equal opportunities
  - Respect for diversity
  - Collective negotiation
- 

In Spain, most of the concerns focused on labour improvements linked to equal opportunities, the reconciliation of work and family life and improvements in training. However, in Latin America, despite the labour status in the banking industry, in general terms, labour legislation and collective negotiation (collective bargaining agreements) do not have the strength that they have in Europe. Accordingly, one of the basic commitments of the companies, especially if they are foreign organisations, must be to draw responsible policies for their workers, just as they do in their home country. The goal is, to the greatest possible extent, to standardise criteria across all Group companies.

This is the reason why this issue appears as more relevant in The Americas, ranking among the top five, than it is among the informants in Spain.

### *b.6 Community support*

#### ASPECTS MENTIONED:

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- Philanthropy
  - Sponsorship
  - Corporate volunteer work
  - Other community investment
- 

Stakeholder groups in some American countries feel that the sharp social differences and the lack of a “state” that provides essential services universally to the population require that companies, especially foreign-owned ones, provide the conditions necessary for development by contributing to social causes.

The support to the communities in which BBVA operates through Community Investment is one of the core aspects of CR for many of the informants in the Americas. This comes as no surprise since community support occupies the top slot amongst the priorities defined by Latin American stakeholders

As mentioned earlier in this report, Community Investment and Corporate Responsibility are two concepts that are frequently mixed up in Latin America. Following the in-depth interviews and the focus groups meetings, it became quite clear that the assessment of BBVA’s contribution to sustainability is based, to a large extent, on the initiatives the Group implements in communities, offering, in all cases, very positive results for the entity.

### *b.7 Instruments for ethical management*

#### ASPECTS MENTIONED:

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- Existence of declarations of principles and values
  - Codes of Conduct
  - Measures against money laundering
  - Measures against corruption and bribery
-

Stakeholder groups consider that exposure to risk such as money laundering and the financing of illegal activities must particularly be kept in mind given that, in addition to the direct negative impact of these activities, there is an important reputational risk that particularly affects direct stakeholder groups.

Consequently, the existence of instruments such as codes of conduct, declarations of principles and values, specific measures and policies are all key to minimising such potential risk.

This was mentioned as one of the most important priorities by BBVA stakeholders; in addition, they see these instruments as a guarantee of transparency and honesty, which contributes to improving the credibility of BBVA for these groups.

### *b.8 Direct and indirect social and environmental impact of financial activities*

#### **ASPECTS MENTIONED:**

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- Proper identification and classification of financial risk
  - Financing of activities with environmental and human-rights risk
- 

Despite the core nature of this issue throughout the three years in which Consultation has been carried out, concern for the impact of financial activities does not appear as a priority. This is possibly due to the fact that financial activities tend to be assessed separately rather than as a central part of economic systems. Also, initiatives intended to control the impact of financial activity are relatively recent in the regulatory environment and that which do exist are basically tied to sustainability (Equator Principles, UNEP FI)

### *b.9 Impact on local development*

#### **ASPECTS MENTIONED:**

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- Creation of direct and indirect employment
  - Development of the local economic fabric
  - Redistribution of wealth
- 

This is a particularly important issue for stakeholder groups in the Americas, one that is very closely associated, just as Community support, with the obligations attributed to foreign companies in socio-economically vulnerable contexts.

This view derives from other circumstances such as the loss of purchasing power of the population in recent years or the penetration of foreign capital in local companies with a high symbolic value. As a consequence, on a local scale, such companies are expected to contribute to the creation of well-paid employment, the payment of taxes, and collaboration in the redistribution of wealth.

### *b.10 Corporate governance system*

#### **ASPECTS MENTIONED:**

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- Transparency of the governing bodies
  - Board members' remuneration
  - Measures protecting small shareholders
- 

The method of governing a company and the degree of transparency in reporting to stakeholders are essential aspects for the survival of any organisation.

Stakeholders assigned a high level of importance to these aspects, particularly Spanish stakeholder groups for three reasons. Firstly, and most evident, most of the Group's shareholders are resident in Spain. Secondly,

it is considered as an element that is independent from sustainability. Lastly, it should be noted that this issue can be considered as rather “sophisticated” and therefore difficult to tackle and discuss with informants with prior opinions on the issue (the group of experts is the one that rated this issue as a top priority, which proves that less specialised audiences are not very familiar with it).

### *b.11 Transparency in reporting*

#### **ASPECTS MENTIONED:**

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- Information on the international activities of the Group
  - Assessment of CRR policies and reports by third parties
  - Comparability, accessibility and dissemination of information
  - Truthfulness of information on products and services
- 

In the opinion of stakeholders, transparency in reporting is a basic requirement of Corporate Responsibility policies. This transparency should not be seen solely as a mechanical response to a series of standards, but should rather generate clear information in response to each event that has a bearing on the performance of the entity.

In addition, transparency is understood not only as the volume of information provided but also as the facility provided to reach a reasonable and formed opinion on the organisation. To this end, it is necessary, in many cases, to provide supplementary information that helps to achieve a true understanding of the messages to the stakeholder groups.

This is considered as one of the priorities among Latin American stakeholders’ due to the recently growing demand for information on the activities of companies in general and foreign companies in particular. But above all because the issue of transparency is seen from the consumer’s viewpoint since it is very closely linked to responsible marketing of products and services.

The complexity of financial language usually converts the products offered by banks into very complex goods calling for proper explanations. Accordingly, in order to avoid problems of understanding by target audiences, advertised terms and conditions must coincide with those actually offered.

### *c. Main results: assessment of CR information issued by the Group*

For the third year running the Consultation has including the objective of assessing the quality of the information in the annual corporate responsibility report of the Group, although this year the Consultation reviewed the executive summary 2006 since it was the first time that such document had been issued. Additionally, the Stakeholder Consultation Process 2007 included the assessment of the corporate responsibility report 2006 of BBVA Banco Continental (Peru) and the corporate Responsibility report 2006 of BBVA Banco Provincial (Venezuela), the two Group companies that released this type of report for 2006.

The main conclusions of this assessment were as follows:

#### *c.1 Executive summary of the corporate responsibility report 2006 of the BBVA Group*

BBVA took into consideration the opinions expressed by stakeholders in previous years regarding the excessive volume of the Report and the uselessness of some of the information included and, for the first time, issued an executive summary of its annual CR Report. This summary was distributed more widely than the report itself, thereby reaching a much larger audience.

The publication of an executive summary was positively valued by a large majority of the informants consulted given that it was much more manageable than the full report. Nonetheless, some comments also stated that the information contained in the summary was not sufficient to illustrate what the bank was doing in the sphere of corporate responsibility and therefore insufficient for reaching an opinion regarding the contri-

bution of the company to sustainable development. The solution proposed is to post supplementary information to the executive summary on the Group's website, where it will be available to anyone needing more details.

Apart from publishing an executive summary of the full report, and beyond the assessment made on very specific aspects, there is a broad consensus that BBVA publishes one of the best CR reports in Spain, highly valuing the effort undertaken by the company to offer transparency to society in general.

Among the specific valuations, one of the most notable aspects perceived by the informants consulted was the progress made on previous years, for example by including more information on the initiatives carried out by the Group in Latin America, which is more consistent with the image of an international group that it tries to project.

Among the main criticisms received regarding the executive summary, one of the most noticeable was that BBVA still does not reflect its efforts with a sufficient degree of self-criticism. In other words, the report continues to highlight more positive aspects than negative ones. Nonetheless, this opinion was shared by fewer informants than the previous year thanks, in part, to the self-assessment made by the company regarding the degree of progress in its main lines of work in 2006.

However still, as recommended by some of the participants, the credibility of the executive summary would improve if the bank included the main problems it was faced with during the year and how they were addressed and solved.

With an eye on improving credibility, some stakeholders also suggested the possibility of having the information targeted at each stakeholder group verified by the groups themselves. This would be a way of increasing the involvement and participation of the stakeholder groups in the management of the bank's CR activities.

As regards the clarity of the information provided, it appears that the executive summary, in general, is sufficiently clear, although it would improve if some results and explanations on the variations produced from one year to the next were provided. Again, with an eye on improving clarity, stakeholders also indicated the need for a clearer presentation of the objectives that BBVA sets at the beginning of the year and the progress made towards achieving them throughout the year, although they do perceive the effort made by the company in the executive summary in this sense.

Lastly, as regards the communications channel for releasing this type of information, and despite the progress made in the release of the executive summary, one of the demands is for specific communication channels to be used in accordance with the particular stakeholder group, especially individual customers.

## *c.2 Corporate responsibility report 2006 of BBVA Banco Continental (Peru)*

The general assessment of the CR report produced by BBVA Banco Continental by stakeholders in Peru is that the document, in general, has little to do with the reality of the country. In this sense, the bank should make an effort in the future to identify and understand the demands of the Peruvian society and reflect the issues that truly interest them in the report. Another proposal for improving the report in the future is for the bank to show more humility, which would greatly improve the credibility of the document.

The report is exhaustive and the level of detail of the information is more than sufficient. Some of the informants indicated the need for more in-depth information on certain subjects that they consider relevant and less information on other aspects they regard as less important. In this regard, the consultation process itself was valued as a good tool for identifying the subjects the bank should report on.

In addition, stakeholders widely stated that the company should inform on the advances made year after year in comparison with the initially established targets, making it easier for readers to assess the real efforts of the organisation in CR. This would avoid the comments made by some of the informants stating that the report was targeted exclusively at CR experts and not at the public in general.

As regards formal aspects, there is a general consensus that the photographs included in the document do not appropriately reflect the contents of the text and are simple adornments, conveying a feeling of frivolity, which is just the opposite of what was intended.

Lastly, many of the informants indicate the need for the report, or a shorter version thereof, to be made available to customers at all the bank's branches. This would greatly contribute to bringing the company's CR activities closer to the people of Peru.

### *c.3 Corporate responsibility report 2006 of BBVA Banco Provincial (Venezuela)*

This was the first edition of a CR report issued by BBVA Banco Provincial on its commitment and initiatives in the field of CR. Broadly speaking, the opinion of the participants in the Consultation 2007 regarding the report is positive, although all agree that there is much room for improvement.

Nonetheless, one of the most important criticisms expressed regarding this first document was a lack of balance between the positive and negative aspects of the company's management in Venezuela. In other words, the bank highlighted its achievements in 2006, but left out its weaknesses, problems and challenges. Most of the informants agreed that this lack of balance translates into a lack of credibility.

Another of the conclusions of the Consultation is that, through this report, the bank is able to transmit its commitment to sustainability and Corporate Responsibility, which adds value to its image; an image that in itself already showcases the leadership of the organisation.

Nonetheless, most of the informants indicate that the document does not impart the future vision of the entity, nor where its efforts in sustainability are heading to. Accordingly, another of the conclusions drawn is that BBVA Banco Provincial must pay special attention to the balance between reporting on past events and the expression of a clear vision of the future.

The Consultation also identified the information relevant for the stakeholder groups that must be further developed. The most important example would be environmental management by BBVA Banco Provincial. The report barely provides information on this subject, which raises doubts regarding whether the information exists or is such that the bank is not willing to release it. Conversely, the respondents highly valued the breakdown of information on corporate governance which showed how decisions are made within the organisation.

Lastly, another major conclusion is that the channel used is not the most appropriate for reaching the general public in Venezuela. Informants recommend that the information be segmented according to the particular stakeholder group in accordance with their specific interests. Thus each group would readily and easily know what the bank is doing regarding the subjects that are of most concern to them. Another suggestion is for the release of more CR-related information through the media, thereby reaching a wider audience.

## Appendix 1: Summary of the main conclusions

### IDENTIFICATION OF RELEVANT ISSUES IN CR

List of relevant issues in Spain	List of relevant issues in Latin America
1. Instruments for ethical management	1. Community support
2. Fair treatment and protection of customers	2. Management, planning and monitoring of CRR strategy
3. Environmental management and policies	3. Impact on local development
4. Financial products that promote CR	4. Development of responsible human resources policies
5. Accessibility to financial products	5. Transparency in reporting
6. Management, planning and monitoring of CRR strategies	6. Fair treatment and protection of customers
7. Direct and indirect impact of financial activities	7. Accessibility to financial products
8. Community support	8. Environmental management and policies
9. Corporate governance system	9. Instruments for ethical management
10. Development of responsible human resources policies	10. Financial products that promote CR

### ASSESSMENT OF THE CR REPORT 2006

#### Evaluation of the BBVA Group CR Report 2006

- In general, the release of the executive summary of the annual CR Report was viewed very positively
- Seen as an improvement over previous years regarding the balance of information between that referring to Spain and that referring to Latin America
- The Report is generally clear, although some specific information was not understood due to the absence of explanation of the data.
- Regarding improvements, the respondents highlighted the need for a clear presentation of the CR objectives and the progress made towards their achievement, although they appreciated the improvements over the previous year's report
- Although they perceive the advances made by the company in this report overall, they still perceive a self-pleasing tone and lack of self-criticism
- The credibility of the report would improve if information were included on the main problems that have arisen regarding CR and how they were resolved
- Credibility would also increase if stakeholder groups participated in the configuration by "verifying" the information that bears on each specific group

#### Assessment of the BBVA Banco Continental (Peru) CR Report 2006

- The efforts made by the company towards transparency through the publication of this document for the second consecutive year were positively perceived
- Nonetheless, respondents demanded greater approximation to the real demands of the Peruvian stakeholder groups and a more faithful reflection of the "Peruvian reality" in future reports
- General perception of a lack of self-criticism, which impairs the credibility of the document. To resolve this, respondents proposed expressing specific objectives so that they can verify progress made on previous years
- They propose distribution through more channels, basically by providing lighter brochures through the bank's branch network.

#### Assessment of the BBVA Banco Provincial (Venezuela) CR Report 2006

- The overall assessment was positive, although stakeholders criticised the lack of balance between the positive and negative aspects of CR management by the company.
- They do not perceive any future vision regarding the policies and actions of the bank in CR, and propose that long-term objectives of the company be expressed more clearly
- They demand more in-depth information regarding specific aspects of the core CR policy and complain of an excess of information regarding a number of initiatives
- As regards the communication channels deemed as most appropriate for disseminating this information, they propose others such as radio and television given that this would contribute to getting the message across to a much wider public, especially among certain segments of the population who do not have access to this kind of document

**Appendix 2: In this consultation procedure, people belonging to the following organisations participated as well as executives of Image and Communication, and Corporate Responsibility and Reputation within the main banks of the Group.**

GROUP	COUNTRY	ORGANISATION	
SHAREHOLDERS	Spain	AERI Large Individual Shareholder Unit Shareholder Services Compañía de Jesús	
		Argentina	Shareholder
EMPLOYEES	Spain	CCOO-COMFIA Trade union Human Resources, Corporate Culture and Development UGT Trade union	
		Mexico	BBVA Union
		Argentina	BBVA-Banco Francés Agricultural Department
	Chile	BBVA Unified Trade union	
	Colombia	BBVA Colombia	
	Venezuela	BBVA Banco Provincial BBVA Banco Provincial	
		SUPPLIERS	Spain
Mexico	Media expert		
Argentina	Paradigma		
Chile	Sofofa		
Colombia	Thomas Greg & Sons Ltd.		
Peru	ASBANC		
Venezuela	CONSECOMERCIO		
CUSTOMERS	Spain	CECU -Consumer Association CEOE Fundación ONCE	
		Colombia	Biotoscana Farma, S.A.
		Peru	ASBANC AUSBANC
	Venezuela		AUSBANC COINDUSTRIA
	CR EXPERTS	Spain	AIS AECA Instituto de Empresa Economistas sin Fronteras PSOE CIU The Institute of Social Innovation, ESADE
México			Pipoli & Asociados CEMEFI
			Argentina
Chile			Acción RSE Forum Empresa Forum Empresa
			Colombia
Peru			

GROUP	COUNTRY	ORGANISATION
CR EXPERTS	Venezuela	FEDECAMARAS Pizzolante
MEDIA	Spain	Servimedia Media Responsable Ser Responsables
	Mexico	El Economista
	Colombia	Revista Dinero
	Venezuela	El Universal Diario El Mundo
	Peru	Radio Programas del Peru Diario El Comercio
ENVIRONMENTAL PROTECTION ASSOCIATIONS	Spain	Asociación GAIA Greencross Spain Fundación Entorno SEO Birdlife
	Mexico	Pronatura Greenpeace México
	Argentina	FARN
	Chile	CIPMA
	Colombia	Fondo Acción Ambiental
	Peru	Te quiero verde CONAM
COMMUNITY SUPPORT ORGANIZATIONS	Spain	FAD FEAPS Entreculturas
	Mexico	CEMEFI Fondo para la Paz
	Argentina	Cáritas Argentina
	Venezuela	Fundación Polar Fundación IESA
	Peru	Instituto Estudios Peruanos Cáritas Peru
	Colombia	ABC Prodein
	Chile	Hogar del Cristo
CULTURAL ORGANIZATIONS	Spain	Fundación Albéniz Fundación Miró

## B) CHANNELS OF CONSULTATION AND DIALOGUE WITH STAKEHOLDERS

The following table lists the main stakeholder groups and subgroups and the major channels of dialogue opened up with them:

### SHAREHOLDERS: Major shareholders, medium shareholders, small shareholders, staff shareholders, institutional investors, investment analysts and rating agencies.

#### Shareholders

- |   |  |
|---|--|
| - Questionnaire for sounding out shareholder expectations           | - <i>Ábaco</i> magazine  |
| - Linea 900 Help line   | - Regular meetings and road shows  |
| - Shareholder consultation on corporate responsibility information  | - Individual Shareholder Management Department (Shareholders' Helpdesk). |
| - System for monitoring reputation amongst shareholders             | - Travelling Office  |
| - Two suggestions boxes (major shareholders and other shareholders) |  |

#### Institutional investors, analysts and rating agencies

- |  |                                    |
|--|------------------------------------|
| - Investor satisfaction studies/rankings | - Investor Day                     |
| - Electronic mailbox                     | - Department of Investor Relations |
| - Reporting significant events           | - Bancomer Area of Major Investors |
| - Meetings with investors and road shows |                                    |

#### All

- |  |              |
|--|--------------|
| - Annual report  | - AGM        |
| - Quarterly reports  | - BBVA IP TV |
| - <a href="http://inversores.bbva.com">inversores.bbva.com</a> website |              |

The scope of these shareholder channels is the BBVA Group, except for the following:

- "*Questionnaire for sounding out shareholder expectations*" and the "*System for monitoring reputation amongst shareholders*" apply to Spain only.
- The "*Shareholder consultation on corporate responsibility information*" applies to Spain, Argentina, Colombia, Mexico and Peru.

**CUSTOMERS: retail (customers of personal banking, young people, migrants, small businesses and all remaining retail segments), businesses (the self-employed and small businesses, large companies and major corporations, family businesses and global businesses) and institutions (public administrations, international organisations and companies and their dependent national, regional and local bodies, and private institutions: NGOs/foundations and business associations).**

#### Retail

- BBVA Help line
- Satisfaction surveys
- Regular meetings with customers to uncover their expectations/requirements (specific to certain segments)
- Mail shots, telemarketing, SMS
- System for monitoring reputation amongst customers
- Customer consultation on corporate responsibility information
- www.bluebbva.com and the Blue joven magazine (young people)
- www.bbvadinerexpress.com (migrants)

#### Businesses and institutions

- Positioning studies
- Studies on service quality. Customer Voice
- Focus groups/workshops with customers to gauge their opinion on specific issues
- *Manual del Alcalde* (Mayor's Handbook)
- Website

#### All

- Customer Care Service, Complaints Management (SAC) There is a bespoke system for migrants
- Customer ombudsman
- Advertising/media
- Transactional websites
- Each unit's own channels: commercial networks (branch offices, advisers, managers, agents and ATMs) including a specific network for migrants in Spain, *Dinero Express*
- BBVA IP TV

The scope of these customer channels is the BBVA Group, except for the following:

- the "*System for monitoring reputation amongst customers*", which applies to Spain, Mexico, Argentina, Chile, Peru and Venezuela.
- the "*Customer consultation on corporate responsibility information*", which applies to Spain, Mexico, Argentina, Chile, Colombia and Peru.
- the websites "www.bluebbva.com" (young people) and "www.bbvadinerexpress.com" (migrants) and the "Blue joven" magazine, which are specific to Spain and are being copied in other countries
- Most of these channels have specific features for each country

## EMPLOYEES: management, other employees, trade union associations with delegates in BBVA.

### All employees and trade unions

- Employee Care Service (Spain)/staff administration (rest of Group)
- Satisfaction surveys
- Employee consultation on corporate responsibility information
- Questionnaire on CR policy, included in 2006 within the course "Corporate responsibility: basic notions"
- System for monitoring internal reputation
- *adelante* magazine
- Daily newsletter *Buenos Días* (Good morning)
- Global corporate intranet
- Local intranet (e-space) and employee portal
- E-mail and Info mail
- Television channel and other audiovisual media
- Internal Communication department
- Interviews involving goal-setting, competencies and feedback
- HR managers
- Department of Industrial relations/Stipulated mechanisms for dealings with trade union associations
- Health & Safety committees
- Works Council and European Works Council

### Management

- Management portal
- Annual global management meeting
- Meetings for presenting results
- Management School
- BBVA IP TV

The scope of these employee channels is the BBVA Group, except for the following:

- the "European Works Council": BBVA Group in Europe
- the "Health & Safety committees": in those countries as required by local legislation
- the "Questionnaire on CR policy", included in the course on "Corporate Responsibility": in Spain
- the "Employee consultation on corporate responsibility information": in Spain, Argentina, Colombia, Mexico, Peru, Chile and Venezuela.

## SUPPLIERS: Endorsed recurrent suppliers, unendorsed recurrent suppliers, occasional suppliers

- Satisfaction surveys
- Endorsement questionnaires
- Electronic mailbox for procurements
- Supplier consultation on corporate responsibility information
- Regular meetings
- Online tool for negotiation and procurement
- Procurements department

The scope/location of these supplier channels is the BBVA Group, except for the following:

- "Supplier consultation on corporate responsibility information": Spain, Argentina, Colombia, Mexico, Peru, Chile and Venezuela.
- "Electronic mailbox for procurements": Spain.
- and "Satisfaction surveys": Spain and Peru.

## REGULATORS: Sector regulators, privacy/data protection regulators, regulators for preventing money laundering, antitrust regulators, stock market regulators, other regulators within local, regional, national and supranational spheres that have a bearing on the bank's operations.

- Legal monitoring
- General Secretariat
- Legal Services
- Chairman's Area (duties of accounting and compliance).
- Institutional Relations
- Chairman's Office
- Internal Control
- Risk

The names of the departments that oversee the dealings with regulators correspond to Spain, in all other Group countries these departments may be referred to in a different manner, although each role is similar and is coordinated at corporate level.

## **SOCIETY: Citizens and groups in civil society (NGOs, media, foundations, consumer associations, centres of learning and research, leaders of opinion).**

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- CRR electronic mailbox
  - Consultation of social and environmental NGOs on corporate responsibility information
  - Public opinion survey on corporate responsibility information.
  - System for monitoring corporate reputation amongst public opinion
  - Tracking of corporate responsibility
  - Studies on the monitoring of positioning amongst public opinion
  - Other studies: MERCO, MERCO-Marca, barometer of trends
  - Assessments by sustainability analysts
  - Media
  - Annual CR Report
  - Involvement in CRR events and fora
  - Corporate Responsibility and Reputation department
  - CRR coordinators in individual countries
  - Corporate Communication department
  - Foundations
  - Research department
  - Direct dialogue with NGOs, media, experts, centres of learning and research
- 

The scope of these social channels is the BBVA Group, except for the following:

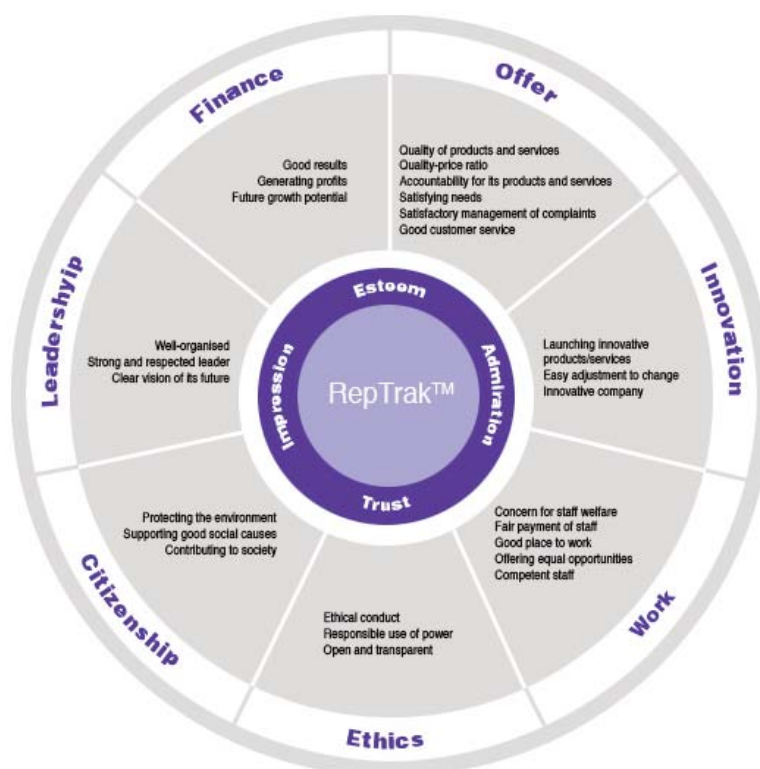
- the *"Public opinion survey on corporate responsibility information"*, the *"Tracking of corporate responsibility"* and other studies such as *"MERCO"*, *"MERCO-Marca"* and the *"Barometer of trends"*, which are exclusive to Spain.
- the *"Consultation of social and environmental NGOs on corporate responsibility information"*: Spain, Argentina, Colombia, Mexico and Peru.
- the *"System for monitoring corporate reputation amongst public opinion"* and the *"Studies on the monitoring of positioning amongst public opinion"*: Spain, Mexico, Argentina, Chile, Colombia and Peru.
- and the *"Foundations"*: Spain, Mexico, Argentina, Peru and Venezuela.

### C) REPTRAK: MODEL FOR MEASURING AND MANAGING REPUTATION

As noted in the CRR, BBVA has a model for measuring and managing reputation that is closely linked to the management of responsibility and geared towards the creation of value for the Group, being directly supervised by the CRR department.

The main tool this model uses goes by the name of Reptrak, which saw the light in 2005 as a result of the joint work undertaken between the Corporate Reputation Foundation (of which BBVA is a founding member) and the Reputation Institute, and has become an international benchmark standard.

Reptrak measures reputation as an index that includes the perception, estimation, admiration and trust of stakeholders regarding business organisations. The model breaks this index down into a series of specific attributes, grouping them into seven dimensions (offer, work, citizenry, ethics, innovation, leadership and finances), whose analysis allows for the management and improvement of general reputation as regards each stakeholder group.



The seven dimensions that make up reputation reflect the BBVA Group's seven corporate principles, which implements in all Group operations and conveys to its stakeholders through its channels and means of communication and dialogue.

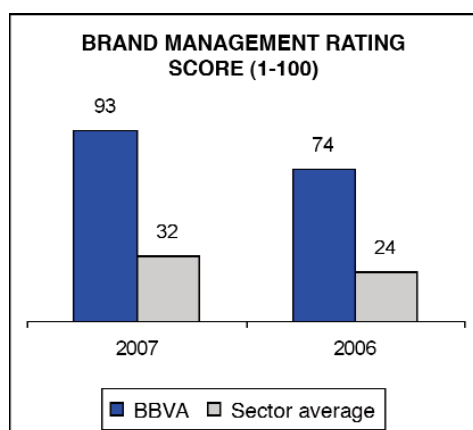
This measurement model enables BBVA:

1. To know the perception held of the entity by each one of the stakeholders analysed, and specifically the strong and weak points both in absolute terms and regarding other companies within and without the sector.
2. To understand the level of relevance and priority of each aspect for each stakeholder group, thereby allowing for greater efficiency in focusing efforts to integrate each group's expectations within management.
3. To facilitate the mainstream engagement of the Group's different areas in the execution of action plans reinforcing corporate responsibility and reputation.

## 2. BRAND MANAGEMENT

The brand management undertaken at BBVA is based on the premise that a brand with a good reputation requires consistency between the pledge (what BBVA says) and experience (what we do as employees of BBVA). Accordingly, brand management at BBVA is wholly linked to its values and to the performance of its staff. This way of understanding the brand was introduced in 2003 and is called the *BBVA Experience* and has been highly rated by analysts in 2007.

More information on the *BBVA Experience* is available at [www.bbva.com](http://www.bbva.com)



Source: SAM.

### *Brand awareness and reputation. Trend in 2007*

BBVA continues to be the most widely known financial institution in both Spain and Mexico. 74% of people in Spain and 91% in Mexico know of BBVA. This is a key strength, as awareness is an essential requirement for consumers to consider a brand as a possible provider.

The reputation of the BBVA brand held by its customers remains stable or has improved in all our operating countries.

Regarding society (customers and non-customers), our reputation is improving significantly in South America, above all in Argentina, Peru and Colombia and only records a slight downturn in Spain.

#### Awareness and reputation development of BBVA<sup>(1)</sup>

(Scale 0-100)	Spain		Mexico		Argentina		Chile		Peru		Colombia	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006 <sup>(2)</sup>
Awareness	74.0	73.0	91.0	94.0	67.0 <sup>(4)</sup>	66.0	ND	34.0	88.0 <sup>(4)</sup>	65.0	40.0	31.0
Rep. in customers	77.0	76.2	68.3	69.2	75.8	72.1	71.2	71.2	74.3	73.5	73.5	71.0
Rep. in society	70.3	71.3	65.8	64.1	71.2	67.5	66.6	66.2 <sup>(3)</sup>	72.0	68.5	72.3	70.8

(1) A variation between two years is only statistically significant when it is equal to or over 1 point.

(2) The data for Colombia in 2006 correspond to the Sept-Dec aggregate, which is when the survey began.

(3) The Corporate Responsibility Report 2006 featured an error in the reputation data for Chile. The correct figure is 66.2 instead of 62.2.

(4) The awareness data for Argentina and Peru are up to November 2007. The awareness data for 2006 have been adjusted to cover the entire year.

### 3. CUSTOMER FOCUS

#### CUSTOMER OMBUDSMAN: DETAIL OF COMPLAINTS

Customer ombudsman in Spain. Rating of briefs according to outcome (1)			
	2007	2006	2005
Total submitted	1,780	1,441	1,297
Rejected for statutory reasons	74	45	91
Concluded	1,670	1,352	1,206
Amicable solution	830	493	278
Rejected	658	651	736
Formal resolution (in favour of the claimant)	168	196	189
Failure to reply (request for further documentation )	14	12	3
Pending resolution at 31/12/07	36	44	0

(1) The decrease in the number of complaints is primarily due to the 2004 approval of the BBVA's Customer Ombudsman Regulations for Spain, which state that all formal complaints must first be addressed by the Customer Care Service.

Scope: Spain.

Complaints (causes thereof) in Spain			
(Percentage)	2007	2006	2005
Charges and costs in accounts and deposits	17.6	19.6	17.2
Services (direct debit, ATM operations, etc.)	17.2	17.6	18.2
Insurances (1)	16.7	n/a	n/a
Commercial lending products (terms, repayments...)	15.6	14.9	16.4
Information and response to customers	14.5	11.6	15.2
Payment channels (credit cards)	8.9	8.8	7.3
Financial and social welfare products (guidance and profitability)	6.3	8.0	6.2
Others	3.2	19.5	19.5

(1) Inclusion has been made in 2007 of the Insurance category, which in prior years was included under the heading "others".

Scope: Spain.

#### CORPORATE QUALITY: BEST PRACTICES

##### *Aclaraciones (Clarifications) Programme (BBVA Bancomer)*

Within the framework of the customer project, implementation was made of this programme that consists of three lines of action: evolution of problems, complaints and clarifications, and delivery of statements and all kinds of cards. The aim of all these lines is to improve the quality of customer service.

In addition, a specialist Customer Care Unit was set up as an appeal channel in the event of a customer being dissatisfied with the response to a prior complaint.

### *CAR (BBVA Colombia)*

The Quality area introduced the Centro de Atención de Reclamos (CAR), a software solution that will provide the bank with detailed monitoring of problems and complaints lodged by customers.

### *Quality Committees and instruments for internal measurement (BBVA Banco Provincial)*

In 2007, the Quality area launched three internal campaigns amongst employees of BBVA Banco Provincial to improve the Quality Service indicator.

Sixty-four Quality Committees were set up nationwide in Area Management and 22 visits were paid to branch offices to identify process weaknesses and the specific needs of branches that impede them from providing our customers with a quality service.

Application was made of internal ratings that helped to identify key operating points:

- Appraisal of Telephone Service
- Internal Customer Survey
- Customer Voice: Inclusion was made of new indicators for consideration, such as telephone service and the branch-office administration system (SADO).

Customer care catered for 780 cases involving problems and complaints. In addition, frequent visits have been made to those branches that register service problems and complaints with a view to mitigating their occurrence.

The Quality area has been responsible for one of the enhancement groups set up in 2006. This group was assigned the task of assessing and mitigating the complaints that the bank often receives regarding queues at cash counters. This led to the design of a queue management model that seeks to attend to customer demand at peak times through a fixed and variable presence of cashiers; this project is called *Plantilla (Staff) Part Time and Hour Time*. The aim is to reduce waiting times and improve the productivity of cashiers.

## 4. RESPONSIBLE FINANCE

### OPERATIONS OF ACCOUNTING & COMPLIANCE

Following the guidelines of the Basel Committee, the BBVA Group considers auditing to be a duty that is ongoing, independent, impartial and objective for overseeing and assessing the organisation's systems of internal control and risk management.

The lines of improvement in 2007 have focused on:

- Consolidation of the new governance structure for Accounting & Compliance: BBVA seeks to provide more effective and efficient coverage for the demands arising from new regulations and the organisation's needs. Accordingly, it has implemented a more advanced Risk Assessment model, as a process for identifying, assessing and prioritising the main business risks. This process allows for reinforcing the preventive role of auditing and compliance and for focusing resources on an assessment of the Group's more significant areas.

- New Training Plan in Auditing & Compliance: Framed within the objective of improving the quality and efficiency of the services the Group provides.

- Progress in the implementation of global corporate tools: *Audigestión* and *Módulo de Seguimiento de Recomendaciones* (Recommendations Monitoring Module) adapt to the department's new organisational structure and to the Group's multi-language requirements. So, too, has the introduction begun of a management information tool, *Datamart*, which will make it easier and more flexible to gather the necessary data for monitoring and reporting auditing and compliance operations in the BBVA Group.

- The beginning of an Accounting & Compliance Integration plan for Compass Bank.

Compliance and auditing operations						
	2007(1)				2006	
	Spain and Portugal	Mexico	USA	South América	Spain and Portugal	Domestic Internal Audits(2)
On-site auditing of the branch network	324	798	49	468	634	1,186
Anti-fraud and other controls carried out in the branch network	159	37	17	387	99	383
Off-site audits: alerts, fraud prevention and internal control	4,456	15,945	0	12,979	6,176	27,343
Financial information audits and global businesses	1,996	231	783	3,713	2,117	4,027
Systems audits	36	62	25	125	44	188

(1) Classification in line with the new governance structure for Auditing, adapting to the Group's internal control structure and strategy.  
(2) Domestic internal audits are those held in the Group's different operating countries; as per the governance structure in place in each year.

## 5. RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES

### STAFF PROFILE

Employees by countries			
	2007	2006	2005
Spain	31,106	30,582	31,154
The Americas	78,805	66,146	61,604
Argentina	7,483	7,215	6,851
Chile	4,431	4,068	3,630
Colombia	5,969	6,408	6,849
United States	13,082	3,646	2,066
Mexico	35,200	32,847	31,146
Panama	285	266	245
Paraguay	139	108	99
Peru	4,874	4,191	3,377
Puerto Rico	999	1,044	1,120
Uruguay	158	151	145
Venezuela	5,822	5,749	5,653
Rest of the Americas	363	453	423
Other countries	2,002	1,825	1,923
Andorra	0	0	238
Portugal	925	953	891
Switzerland	111	110	88
Others	966	762	706
<b>TOTAL</b>	<b>111,913</b>	<b>98,553</b>	<b>94,681</b>

Scope: BBVA Group.

Training schemes			
(Percentage)	2007	2006	2005
<b>Dedicated Hours</b>			
Customer care	65	68	73
Skills	17	17	13
Languages	10	10	7
Technology	8	5	7

Scope: BBVA (excl.Compass).

Average length of service of workforce			
	2007	2006	2005
Spain	17.7	17.5	18.5
The Americas	8.25	9.4	9.8
<b>Group Average</b>	<b>11.15</b>	<b>12.3</b>	<b>13.2</b>

Scope: BBVA Group (excl.Compass).

Employees by professional categories		
(Percentage)	2007	2006
Steering Committee and Corporate Managers	0.30	0.33
Senior Management	1.46	1.69
Middle Management	7.33	6.40
Specialists	22.19	21.49
Sales Force	32.40	36.52
Branch Staff	36.32	33.56

Scope: BBVA Group.

## INTERNAL REPORTING

### Fora for reporting and developing corporate culture (CDCC)

	2007		2006		2005	
	Sessions	Participants	Sessions	Participants	Sessions	Participants
Management School	43	600	60	595	32	1,338
Breakfasts with Senior Management	21	168	15	120	22	166
<b>TOTAL</b>	<b>64</b>	<b>768</b>	<b>75</b>	<b>715</b>	<b>54</b>	<b>1,504</b>

Scope: Spain.

### Quality survey on employee care service (SAE) (level of satisfaction)

(Scale 1-10)	2007		2006	
	Active	In early retirement or retired	Active	In early retirement or retired
Treatment received	6.95	8.17	7.07	8.01
Quality of response	6.61	7.90	6.59	7.70
Speed of response	6.92	8.05	7.11	7.76
<b>Overall rating</b>	<b>6.85</b>	<b>8.08</b>	<b>6.86</b>	<b>7.90</b>

Scope: Spain.

## WORK CLIMATE

### Climate survey (1)

(Percentage)	Participation		Satisfaction		Motivation		Image	
	2005	2003	2005	2003	2005	2003	2005	2003
BBVA Spain(2)	47.1	47.5	61.1	60.4	70.4	70.7	76.2	73.7
BBVA Bancomer (Mexico)	60.7	73.2	76.0	74.4	84.9	84.3	86.7	84.6
BBVA Banco Francés (Argentina)	65.4	61.6	65.2	62.1	74.7	71.3	75.1	66.1
BBVA Chile	55.5	64.1	59.0	61.9	69.1	73.1	63.4	67.3
BBVA Banco Continental (Peru)	75.3	82.8	66.9	66.2	79.9	80.6	84.6	82.8
BBVA Banco Provincial (Venezuela)	50.3	69.4	75.4	70.9	85.9	81.7	86.3	85.2
BBVA Colombia	74.8	73.5	72.0	72.5	81.8	82.7	85.0	81.9
BBVA Uruguay	72.8	75.3	64.5	61.2	73.8	73.0	62.8	62.9
BBVA Panama	76.4	77.7	63.4	68.2	78.5	81.0	74.2	75.7
BBVA Puerto Rico	47.3	76.1	71.9	68.2	85.4	82.6	76.6	73.3
AFJP Consolidar (Argentina)	69.8	71.8	64.9	66.6	74.3	75.0	77.7	80.1
AFP Horizonte (Peru)	81.2	96.9	72.8	70.5	82.6	80.5	84.6	83.5
AFP Horizonte (Colombia)	99.9	96.9	80.7	80.0	89.1	89.6	86.5	85.6
AFP Previsión (Bolivia)	58.3	77.6	67.0	71.2	75.7	83.4	76.4	87.0

(1) The work climate survey (biennial) has been postponed until 2008, due to the introduction of improvements.

(2) Including BBVA Portugal

Scope: BBVA Group

## NON-DISCRIMINATION, EQUAL OPPORTUNITIES AND RECONCILIATION OF WORK AND FAMILY LIFE

<b>Women in managerial positions with children in their car</b>			
(Percentage)	2007	2006	2005
<b>Spain</b>			
Steering Committee and Company Directors	95.83	91.67	76.92
Senior Management	54.49	54.05	54.01
<b>The Americas</b>			
Steering Committee and Company Directors	80.00	75.00	0.00
Senior Management	62.79	37.98	25.00
<b>Group average</b>			
Steering Committee and Company Directors	93.10	89.29	76.92
Senior Management	58.25	46.57	55.83

Scope: BBVA Group (excl.Compass).

## 6. ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE

### BUILDING OF NEW HEADQUARTERS IN MADRID AND MEXICO CITY

BBVA has an ambitious plan for the coming four years that involves the building of two new head-offices in Madrid and Mexico City, referred to as the *ARTE* and *AURORA* Projects, respectively. In Madrid, this involves a single site, furnished with several buildings that will form a financial campus. In Mexico, the decision has been taken to have two sites, albeit with a similar collective approach.

The main aim was to put an end to the scattering of buildings around these capital cities, thereby providing greater efficiency in terms of premises, with an estimated saving of 35% in operating costs. The design of the projects has considered other criteria with a more long-term approach:

- Technological innovation
- Introduction of new ways of working
- Efficiency
- Prime focus: Sustainability criteria

In both cases, the banking complexes are to be built according to LEED certification, which places BBVA in pole position globally in terms of concern for the environment. This means that the entire building process will be undertaken according to strict environmental criteria, considering all facets of sustainability:

- Mobility plans dovetailing with public transport
- Use of renewable energies
- Ecological water management
- Energy efficiency
- Restrictive criteria in the demand for natural resources
- Reduction or removal of atmospheric emissions
- Use of ecological local materials in the building process

The development of these projects will be overseen by myriad working parties, both external and internal, which will control the entire building process through a mainstream approach. Dozens of aspects will be managed, given the complexity of the quality and sustainability functions and requirements involved in these buildings and their extension in time throughout the different stages of development for these new head-offices.

It will also mean that these banking complexes will subsequently be managed according to cutting-edge sustainability criteria, applying the latest technologies in terms of the environment and the generation of renewable energies.

GOAL: TO OPERATE IN EFFICIENT SETTINGS OF THE UTMOST QUALITY, REDUCING OR REMOVING ALL NEGATIVE IMPACTS ON THE ENVIRONMENT AND HELPING TO COMBAT CLIMATE CHANGE.

## 7. INNOVATION: GROUND-BREAKING PROJECTS

### INNOVATION AND TRANSFORMATION PLAN

In May 2007, BBVA launched its Strategic Innovation and Transformation Plan. Under the banner “*Algo nuevo cada día*” (Something new every day), the aim is for the BBVA Group to make a difference spurred on by innovation. The idea is that BBVA will become a major services company committed to making life easier for people through new and better solutions, with an ultimate goal, namely, value creation.

BBVA seeks to widen its vision, be more ambitious and not simply deal with financial issues, but instead consider customers as a whole, anticipating their needs, understanding motivations in the medium term and developing more satisfactory technologies and methodologies.

Innovation for BBVA means making solutions accessible through awareness of the customer by developing common ground, over and above financial considerations.

### SALE OF PRODUCTS AND SERVICES: FINANCIAL AND NON-FINANCIAL

There are a number of ground-breaking solutions of note in Spain in their response to the specific needs of certain segments:

- *PIDE Loan*: chosen by *Actualidad Económica* in 2007 as one of the “Year’s Best Ideas”, providing a response to financing requirements in an agile and immediate manner
- *Hipoteca Bienestar*: a reverse mortgage for those aged over 65, whereby they can receive an additional income during their lifetime without surrendering ownership of their home
- *Tarjeta 3 Oro*: the first MasterCard Premium in Europe with no issue fee and allowing for all payments to be spread over three months at zero interest
- *BBVA Soluciones*: a range of non-financial solutions tailored to suit SMEs, such as the comprehensive online management of accounts, taxation and the workforce, cash collections, prevention of industrial hazards, the management of human resources, support for setting up companies, and health and safety at work:

More information on *BBVA Soluciones* is available at [www.bbvasoluciones.com](http://www.bbvasoluciones.com)

- *PymesON*: SMEs can consult information on their companies via any PDA or Pocket PC.

### BBVA BLOGOSPHERE

This is a tool that encourages digital dialogue within the Group, giving voice to employees’ ideas through individual and group blogs. The technology will provide a setting for conversations that would otherwise be only two-way and remain private, thereby disclosing and digitalising the knowledge of those persons who unselfishly choose to share it.

A great deal of value is expected to be mined from this new ‘digital sociology’ in the guise of new proposals and ideas, the creation of contacts between experts in different fields and as a tool for detecting talent.

More information on the BBVA Blogosphere for staff is available at [www.bbvablogs.com](http://www.bbvablogs.com)

## BBVA IP TV

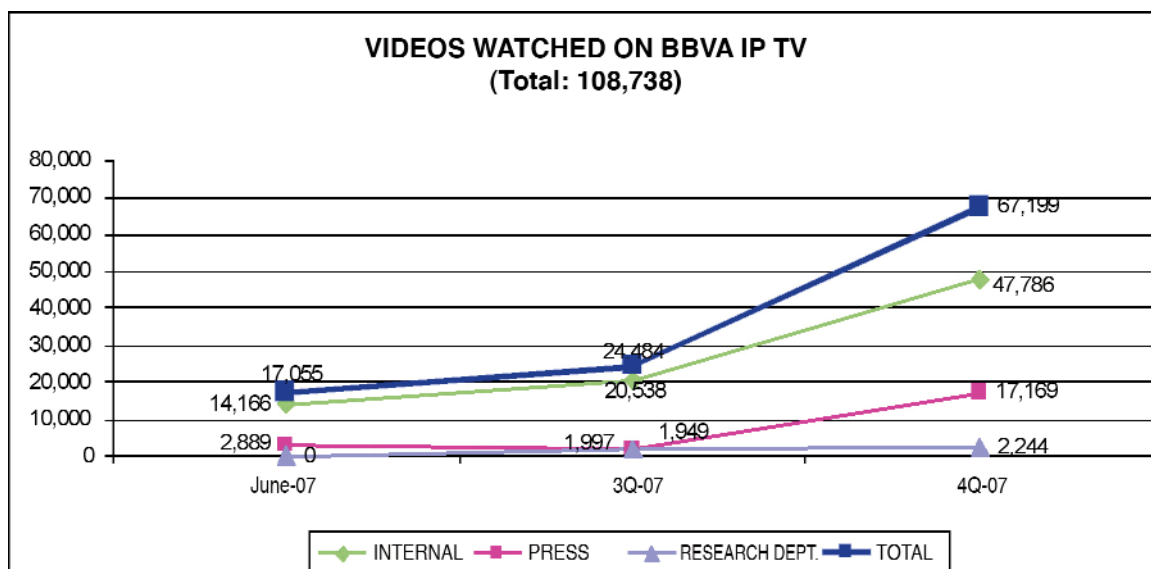
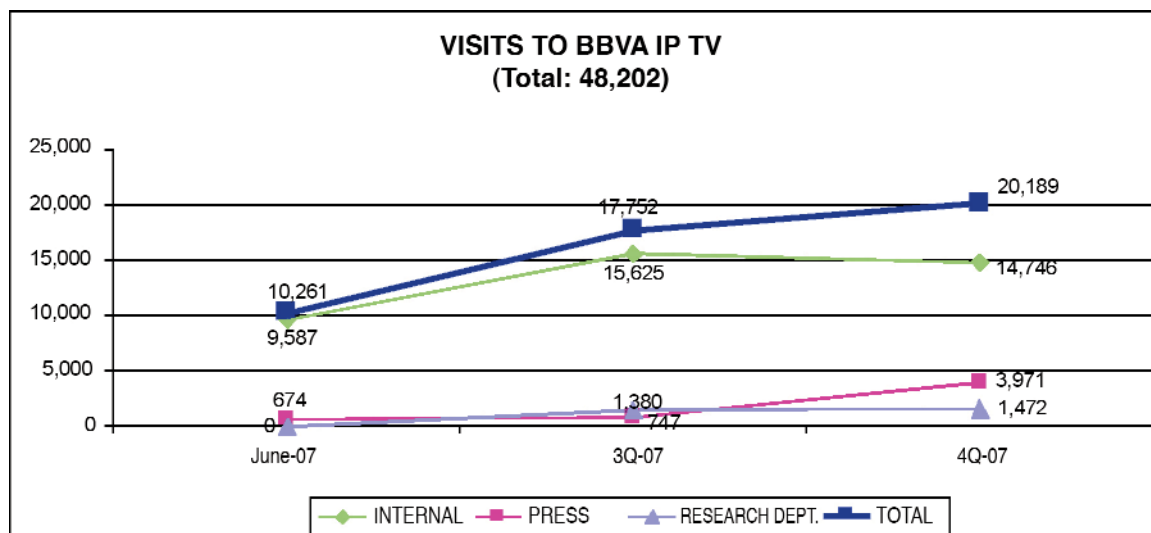
BBVA became the first financial institution in Europe to roll out Internet television as a channel of communication. The aim is to create a new revamped global corporate intranet that provides more effective and transparent communication.

At the time of its launch, BBVA IP TV was designed mainly for the Group's 111,000 staff all over the world. It was subsequently made available to the public at large for the broadcasting of special events.

The first open transmission coincided with the 47th edition of the International Data Processing, Multimedia and Communications Show (SIMO). The live broadcast presented a programme containing the sector's most innovative solutions, interviews and other Group activities. Likewise, it was the first time a global financial institution attended SIMO, Spain's foremost technology showcase.

More information on BBVA IP TV is available at [http://player.narrowstep.tv/skins/0018/nsp.aspx?player=BBVA\\_TV\\_Prensa07&void](http://player.narrowstep.tv/skins/0018/nsp.aspx?player=BBVA_TV_Prensa07&void)

*Data for the 7 months of BBVA IP TV broadcasts:*



## WEBZINE

This is a digital magazine designed for young people, with an attractive style and layout to cater for their tastes and their new way of interacting with the Internet. The magazine's content covers a wide range of subjects, but always focusing on matters of interest to this consumer group: travel, music, cinema, leisure...

## SHAREHOLDING IN MYSTRANDS

This is a leading company in the field of recommendation technologies in the digital world, with considerable experience in identifying individual and collective consumer patterns, and transforming this knowledge into intelligent recommendations of use to customers.

## GOOGLE SEARCH ENGINE PROJECT

This project was initiated in 2007 as part of the programme for the management of knowledge, and more specifically of Group information, with the aim being to identify, store and save information held by the Group, as well as facilitate its access and availability for both staff and all other stakeholder groups.

Google has been chosen for several reasons, all of which are of some considerable importance, such as the fact it has become the most visited website in Spain (98% of the market share for search engines) or our affinity with Google's mission "to organize the world's information and make it universally accessible and useful".

The search engine allows for performing searches in an extremely wide range of different spheres, such as all our documents classified as public, the Group's websites and the portals of BBVA's operating countries, as well as providing access to Group information for over 90,000 people in 35 countries, whereby it becomes more public and accessible for the rest of the world.


This is therefore the first time that access to Group information goes global: from the notion of "local users" to "global users". We have also placed this technology at the service of our customers, through the steady inclusion of the search engine on all the Group's websites.

## WIKILENGUA


This is a digital forum for knowledge on the Spanish language, launched by Fundéu BBVA in cooperation with Accenture, the Spanish Ministry of Trade and Industry and the Autónoma University in Madrid, which allows for sharing information, mainly of a practical nature, on common doubts expressed by Spanish speakers or students of that language. Fundéu BBVA, a non-profit organisation, is thus making headway on the path to achieving its main goal: to contribute to the proper use of the Spanish language.

More information on Wikilengua is available at [www.wikilengua.org](http://www.wikilengua.org)

## 8. SUSTAINABILITY RATING: SAM 2007 AND 2006

SAM Benchmarking Report								08.09.2007
Corporate Sustainability Assessment								 creating sustainable value
2007								
BBVA								
Member of DJSI World & DJSI STOXX BNK Banks Spain								
Corporate Sustainability Assessment Results								
<p><b>Explanations:</b></p> <p>The scores reflect the company's performance across economic, environmental and social criteria compared to its industry average, best and worst performing company in the DJSI World and DJSI STOXX in the company's industry. The values for the total score, the dimension and the criteria scores are on a scale from 0 to 100% (the weighting in the total score is shown in the last column). The IJSDI Handbook on www.sustainability-index.com contain further information on the assessment methodology.</p>								
	Company Score (%)	Average Score (%)	Best Score (%)	Lowest Score DJSI World (%)	Lowest Score DJSI STOXX (%)	Lowest Score DJSI North America (%)	Weighting of Dimension or Criteria In Total Score (%)	
<b>Total Scores:</b>								
	Company Score (%)	Average Score (%)	Best Score (%)	Lowest Score DJSI World (%)	Lowest Score DJSI STOXX (%)	Lowest Score DJSI North America (%)		
Total Score	77	78	86	66	67	77	-	
<b>Dimension Scores:</b>								
	Company Score (%)	Average Score (%)	Best Score (%)	Lowest Score DJSI World (%)	Lowest Score DJSI STOXX (%)	Lowest Score DJSI North America (%)	Weighting In Total Score (%)	
Economic Dimension	90	87	95	77	79	59	38.5	
Environmental Dimension	68	32	81	49	54	21	27	
Social Dimension	78	46	87	62	66	63	36.0	
<b>Criteria Scores:</b>								
<b>Economic Dimension</b>								
	Company Score (%)	Average Score (%)	Best Score (%)	Lowest Score DJSI World (%)	Lowest Score DJSI STOXX (%)	Lowest Score DJSI North America (%)	Weighting In Total Score (%)	
Corporate Governance	73	77	94	69	71	74	8	
Risk & Crisis Management	99	77	100	81	94	70	6	
Codes of Conduct/Compliance/Corruption&Embery	84	62	92	68	63	66	9.9	
Customer Relationship Management (IS)	91	81	95	71	75	84	5.5	
Brand Management (IS)	93	37	97	33	45	2	4.5	
Stakeholder Engagement (IS)	100	94	100	71	71	62	4	
Anti-Crime Policy/Measures (IS)	95	63	95	75	79	55	5	
<b>Environmental Dimension</b>								
	Company Score (%)	Average Score (%)	Best Score (%)	Lowest Score DJSI World (%)	Lowest Score DJSI STOXX (%)	Lowest Score DJSI North America (%)	Weighting In Total Score (%)	
Environmental Performance (Eco-Efficiency)	63	30	100	29	28	0	7	
Environmental Reporting	95	49	100	53	79	49	3	
Environmental Policy/Management System (IS)	73	40	97	66	68	39	3.5	
Climate Change Governance (IS)	27	23	98	27	27	6	3	
Advanced Environmental Performance (IS)	42	18	71	19	22	6	3	
Business Risks Infrastructure / Project Finance (IS)	88	48	98	48	49	30	3	
Business Opportunities Financial Services/Products (IS)	37	18	71	9	9	6	4.0	
<b>Social Dimension</b>								
	Company Score (%)	Average Score (%)	Best Score (%)	Lowest Score DJSI World (%)	Lowest Score DJSI STOXX (%)	Lowest Score DJSI North America (%)	Weighting In Total Score (%)	
Labor Practice Indicators	97	85	97	70	71	84	5	
Human Capital Development	100	39	100	62	62	46	6.0	
Talent Attraction & Retention	81	48	93	58	58	48	5.5	
Corporate Citizenship/Philanthropy	87	30	100	26	30	48	3.5	
Social Reporting	100	58	100	72	80	69	3	
Occupational Health & Safety (IS)	70	36	100	23	30	39	4	
Standards for Suppliers (IS)	81	40	94	55	57	39	3	
Social Value Added Financial Inclusion/Capacity Building (IS)	75	38	100	37	37	17	3	
Code of Ethics in Investments/Financing (IS)	43	39	86	36	36	30	4	
* Criteria assessed based on publicly available information only								
** Not sufficient significant information available								
(IS) Industry specific criteria (does not apply for all industries)								

# ASSESSMENT BY THE RATING AGENCY – SAM 2006

SAM Benchmarking Report		septiembre-06-2006					
		Corporate Sustainability Assessment					
		2006					
		<b>Banco Bilbao Vizcaya Argentaria</b>					
		Member of DJSI World & DJSI STOXX					
		BNK Banks Spain					
<b>Corporate Sustainability Assessment Results</b>							
<b>Explanations:</b>	<b>Company Score (%)</b>	<b>Average Score (%)</b>	<b>Best Score (%)</b>	<b>Lowest Score DJSI World (%)</b>	<b>Lowest Score DJSI STOXX (%)</b>	<b>Lowest Score DJSI North America (%)</b>	<b>Weighting of Dimension or Criteria in Total Score (%)</b>
The scores reflect the company's performance across economic, environmental and social criteria compared to its industry average, best and worst performing company in the DJSI World and DJSI STOXX in the company's industry. The values for the total score, the dimension and the criteria scores are on a scale from 0 to 100%. Their weighting in the total score is shown in the last column. The DJSI Guidebooks on <a href="http://www.sustainability-index.com">www.sustainability-index.com</a> contain further information on the assessment methodology.	Is the actual score of the company	Is the industry group's average score	Is the highest score reached by a company in the specific industry	Is the lowest score of a DJSI World component in the specific industry	Is the lowest score of a DJSI STOXX component in the specific industry	Is the lowest score of a DJSI North America component in the specific industry	Is the weighting of the dimension/ respectively criteria to calculate the total score
<b>Total Scores:</b>							
	<b>Company Score (%)</b>	<b>Average Score (%)</b>	<b>Best Score (%)</b>	<b>Lowest Score DJSI World (%)</b>	<b>Lowest Score DJSI STOXX (%)</b>	<b>Lowest Score DJSI North America (%)</b>	
Total Score	70	76	81	63	63	71	-
<b>Dimension Scores:</b>							
	<b>Company Score (%)</b>	<b>Average Score (%)</b>	<b>Best Score (%)</b>	<b>Lowest Score DJSI World (%)</b>	<b>Lowest Score DJSI STOXX (%)</b>	<b>Lowest Score DJSI North America (%)</b>	<b>Weighting in Total Score (%)</b>
Economic Dimension	65	60	60	70	70	55	38,5
Environmental Dimension	67	34	77	43	47	77	27
Social Dimension	78	47	64	50	59	43	38,5
<b>Criteria Scores:</b>							
<b>Economic Dimension</b>							
<b>Criteria</b>	<b>Company Score (%)</b>	<b>Average Score (%)</b>	<b>Best Score (%)</b>	<b>Lowest Score DJSI World (%)</b>	<b>Lowest Score DJSI STOXX (%)</b>	<b>Lowest Score DJSI North America (%)</b>	<b>Weighting in Total Score (%)</b>
Corporate Governance	69	67	93	67	68	72	6
Risk & Crisis Management	68	65	69	77	77	51	6
Codes of Conduct/Compliance/Corruption& Bribery	79	58	92	58	62	61	9,6
Customer Relationship Management (IS)	91	57	96	66	66	79	9,5
Brand Management (IS)	75	34	67	78	33	0	4,5
Anti-Crime Policy/Measures (IS)	93	61	98	75	81	56	6
Stakeholder Engagement (IS)	91	61	100	66	66	66	1
<b>Environmental Dimension</b>							
<b>Criteria</b>	<b>Company Score (%)</b>	<b>Average Score (%)</b>	<b>Best Score (%)</b>	<b>Lowest Score DJSI World (%)</b>	<b>Lowest Score DJSI STOXX (%)</b>	<b>Lowest Score DJSI North America (%)</b>	<b>Weighting in Total Score (%)</b>
Environmental Performance (Eco-Efficiency)	70	33	63	10	26	5	7
Environmental Reporting	100	78	100	63	66	81	3
Environmental Policy/Management System (IS)	63	57	100	49	49	39	3
Advanced Environmental Performance (IS)	30	13	71	8	14	8	4,5
Business Opportunities / Financial Services/ Products (IS)	67	22	81	29	29	8	6
Business Risks: Infrastructure / Project Finance (IS)	64	43	63	49	49	44	4,5
<b>Social Dimension</b>							
<b>Criteria</b>	<b>Company Score (%)</b>	<b>Average Score (%)</b>	<b>Best Score (%)</b>	<b>Lowest Score DJSI World (%)</b>	<b>Lowest Score DJSI STOXX (%)</b>	<b>Lowest Score DJSI North America (%)</b>	<b>Weighting in Total Score (%)</b>
Labor Practice Indicators	97	61	97	68	68	69	6
Human Capital Development	100	36	100	76	76	26	6,6
Talent Attraction & Retention	80	43	60	57	57	35	5,5
Corporate Citizenship/Philanthropy	87	33	100	9	28	11	3,6
Social Reporting	98	99	100	82	82	69	3
Occupational Health & Safety (IS)	70	39	100	33	50	18	4
Standards for Suppliers (IS)	63	41	89	76	63	39	3
Code of Ethics in Investments/Financing (IS)	63	37	83	31	36	30	1
Social Value Added: Financial Inclusion/Capacity Building (IS)	75	37	100	0	0	34	3
* Criteria assessed based on publicly available information only							
** Not sufficient significant information available							
(IS) Industry specific criteria (does not apply for all industries)							