

**BBVA** Bancomer

**2018**  
Annual Report



**Creating Opportunities**

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# Presentation of the 2018 Annual Report

## Transparency and commitment

This is the **twelfth annual report** of BBVA Bancomer on the subject of **sustainability and corporate responsibility**. In 2008 it published its first **Annual Sustainability Report** based on the **GRI methodology**, and a year later in 2009 it conducted its **first materiality and stakeholder analysis**. In this report, the Bank hopes to share and explain its engagement with each of its stakeholders and to show how they can all contribute to forging a sustainable future.

# About this report

GRI 102-46, 102-49, 102-50 and 102-54

The 2018 Annual Report sets out the initiatives, activities and results of Grupo Financiero BBVA Bancomer, S.A. de C.V. The information we report covers the period running from January 1 through to December 31, 2018. The information addresses economic, social and environmental issues in line with BBVA Bancomer's Responsible Banking strategy. The report is available for consultation on the BBVA Bancomer website (<https://investors.bancomer.com/>).

## Coverage

Unless otherwise stated, the Annual Report covers the following companies that make up Grupo Financiero BBVA Bancomer, S.A. de C.V.:

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

## Contents

When compiling and consolidating the information for 2018 and targets for 2019 and following years, the Bank conducted interviews and polled the heads of each division and area in order to collect the most relevant data.

The Investor Relations Department and the Corporate Responsibility and Reputation Department are tasked with preparing the Annual Report.

## Standards used to draw up the report

### Global Reporting Initiative

This is the eleventh Annual Report to follow the framework of the Global Reporting Initiative (GRI). This report has been drawn up in accordance with the Comprehensive option of the GRI Standards.

The 2018 Annual Report was prepared in accordance with the following GRI reporting principles:

### Principles for defining report content



**Integrated Reporting <IR>**

As a further show of BBVA Bancomer's commitment to continuously improving its reporting actions, it decided for the first time in 2018 to draw up this report under the Integrated Reporting guidelines. The Annual Report presents BBVA Bancomer's strategy under the name "Responsible Banking". This model seeks to create value in the short, medium and long run in social, environmental and economic aspects, generating sustainable growth for the organization and the communities in which it operates.

BBVA Bancomer is strongly committed to the Sustainable Development Goals (SDGs) and to the 10 Principles enshrined in the United Nations Global Compact, presenting this Annual Report as an advanced Communication on Progress (CoP).

**Sustainable Development Goals and Global Compact of the United Nations**

**AA1000 Standards**

The AA1000 Standards of the Institute for Social and Ethical Accountability were used to ensure that the report upholds the principles of inclusiveness, materiality and responsiveness.

The BBVA Bancomer 2018 Annual Report was **independently audited by KPMG**. It also relied on the GRI Content Index service, which is there to ensure that the GRI Content Index is in line with the GRI Standards.

**Independent assurance**



# Letter from the Chairman of the Board of Directors

GRI 102-14 and 102-15

Dear **shareholders,**

Being the leading bank in our country is no easy feat. We must stay on our toes year after year if our business is to remain successful and if we are to fulfill the responsibilities we have assumed with our customers and shareholders. We must also play our part in building a sustainable future that will allow us to overcome the new social, economic and environmental challenges in a timely and effective manner. Once again we faced a year of daunting challenges and major achievements in 2018; a year of change and of new realities for the country, for the financial system and for BBVA Bancomer.

The banking system continued to expand: total lending within the system was up 9.3% at year-end, similar to the growth reported in 2017, although by credit components we saw a mixed bag of results. Household financing revealed a slight slowdown with respect to the previous year, in line with the lower growth in consumer lending (6.8% vs. 8.5% in 2017), albeit offset by greater growth in mortgage lending (9.9% vs. 8.4%). Portfolio delinquency remained low across both segments, at 4.4% and 2.6%, respectively. Last but not least, growth in lending to businesses and government bodies was on par with the previous year (9.9%), with an equally stable NPL portfolio rate of 1.3%.

BBVA Bancomer **increased its dynamism, growing at a rate of 7.9%**, higher than in 2017 with 5.7%.

BBVA Bancomer's own performance was particularly noteworthy, because while the system grew at the same rate as in the previous year, the Bank impressed by outperforming its own growth in 2017 (7.9% vs. 5.7%). Moreover, and unlike the wider system, BBVA Bancomer either maintained or improved its performance across all its credit components while reporting a reduction in non-performing loan ratios.



A prime example of this was lending to households, which closed the year with growth of 6.4%, up on the 5.7% observed in 2017, and with an NPL ratio of 3.1%, an improvement on the 3.6% reported within the system. Lending to businesses and government bodies performed even better, climbing from 5.6% growth at the end of 2017 to 9.1% in 2018 and with an NPL portfolio rate of 1.2%. At BBVA Bancomer our risk assessment mechanisms are among the best in the world, allowing us to achieve these healthy growth rates in our loan portfolio.

Our strong performance in 2018—all the more remarkable given the complicated political and economic backdrop both at home and abroad—will ultimately make the Bank more able to implement the changes that society and the economic environment will surely demand in the years to come.

BBVA Bancomer has adopted a model of Responsible Banking, an innovative approach to attaining our purpose of “Bringing the age of opportunity to everyone”. This is to be achieved through the following six pillars, all designed to responsibly manage the impact our activities have on society: enhancing the customer’s unique experience, championing sustainable financing mechanisms, committing to programs that have a positive impact on the community (focusing on financial inclusion), improving reputation by strengthening relations with our stakeholders, generating a responsible commitment to our employees and embracing the strategy of different initiatives to cement our position as a leading company within the sector.

BBVA Bancomer **has adopted a model of Responsible Banking**, an innovative approach to attaining our purpose of **“Bringing the age of opportunity to everyone”**.

We believe that banking plays an important role in promoting sustainable development and in combating climate change by mobilizing resources to provide innovative solutions that contribute to a greener and more efficient economy. One of the challenges we have set ourselves on a global scale is to mobilize 1 billion euros by 2025 to combat climate change and to help fulfil the Sustainable Development Goals of the United Nations. Meanwhile, BBVA has continued to implement its third Global Eco-efficiency Plan, which aims to make the Bank one of the world’s most eco-friendly companies by 2020. Targets here include a 5% reduction in electricity consumption and an 8% reduction in CO<sub>2</sub> emissions, as well as similar reductions in the consumption of water and paper and waste generation. Please be sure to learn more about BBVA’s actions, our progress in 2018 and the targets set for 2019 as we all contribute towards the UN Sustainable Development Goals.

In Mexico, where BBVA Bancomer has become a benchmark for its commitment to sustainability—adhering to the UN Global Compact in 2003 and earning the Socially Responsible Company Award on 18 separate occasions—in 2018 we successfully placed the first Green Bond to be issued by a private bank in Mexico, for a total of seven billion pesos.

In 2018 we successfully placed **the first Green Bond to be issued by a private bank in Mexico**, for a total of 7 billion pesos.

In the wake of the 2017 earthquakes, we embarked on a school reconstruction campaign alongside our allies, allowing us to deliver nine schools in 2018 to benefit a total of four thousand students. Looking ahead to 2019, our goal is to deliver 25 rebuilt schools, ultimately benefitting more than sixteen thousand pupils.

BBVA Bancomer has channeled upwards of four billion, eight hundred million pesos into promoting education and culture within the country. Since 2002, the BBVA Bancomer Foundation has awarded 278,000 grants for secondary, high school and university students to support the development of young Mexican talent.

Meanwhile, the BBVA Bancomer Financial Education program has been working for 10 years to help people better understand and use financial products and services to improve their quality of life. This takes the form of a completely free service, which in 2018 aided more than 30,000 people through face-to-face workshops; more than 20,000 beneficiaries of federal social programs that include financial education modules; more than 17,000 people via the social service available to young students through agreements with their universities; half a million children between the ages of four and 12 through recreational activities; and through the digitization strategy we integrated value propositions into 64 unique products such as apps and digital products.

Last but not least, and as a further show of our tireless commitment to the country, I am proud to announce that from 2019 Bancomer will double its contribution to the BBVA Bancomer Foundation, which will allow us to make an even greater contribution to the country’s inclusive development.

Despite the prevailing uncertainty surrounding the global economy, growing competition across the financial markets and an increasingly demanding and participative society, I am convinced that the strengths that have made us the country’s leading bank are the same strengths that will keep us at the top and allow us to climb even higher by increasing our value proposition across all segments, for the ultimate benefit of our customers, shareholders and the country.

Sincerely yours,  
**Jaime Serra Puche**  
 Chairman of the Board of Directors  
 BBVA Bancomer Financial Group

# Letter from the Deputy Chairman of the Board of Directors and CEO

GRI 102-14, 102-15 and 413-1

## Business in 2018

We came up against many challenges in 2018, with both domestic and external events generating episodes of volatility within the country.

Against this backdrop, Grupo Financiero BBVA Bancomer S.A. de C.V. (GFBB) showed just how committed it is to Mexico by fostering investment, job creation and the well-being of Mexican families and championing savings and credit. It achieved remarkable results, reporting significant growth across all lines of business.

The outstanding loan portfolio ended the year with a balance in excess of 1.1 trillion pesos, up 85,000 million pesos on 2017 and outgrowing the entire market in the process. This effectively reaffirmed the Group's leadership by bringing its market share to 22.4%, according to public information released by the National Banking and Securities Commission (CNBV).

Within this portfolio, financing to productive segments (Corporate, Companies and SMEs) reached 658,507 million pesos. Lending to businesses was the most dynamic component in the year, with annual growth of 10%.

**Lending to businesses was the most dynamic component in the year, with annual growth of 10%.**

Financing to individuals and households in Mexico, in the form of consumer loans (credit cards, personal, payroll, auto) and mortgage loans, climbed to 483,667 million pesos, up 7% on the previous year. Notably, a total of 32,000 mortgage loans were awarded in 2018, for a total amount of 40,000 million pesos, making it a record placement for the Bank.

Lending growth has also been accompanied by sturdy risk quality indicators. The NPL ratio stood at 2.0% at year-end 2018 and the risk premium improved by falling from 3.2% in December 2017 to 2.9% in December 2018. Meanwhile, the coverage ratio ended the year at 137.0%.





Customer funds managed by the Bank came to 1.6 trillion pesos, including demand deposits, term deposits, credit securities issued, global non-movement deposits account and assets managed in mutual funds.

Fostering savings among the population is a key priority for BBVA Bancomer and this is shown by the growth reported in term deposits, which were up 11% on 2017. Meanwhile, assets managed in mutual funds ended 2018 in excess of 400,000 million pesos, maintaining BBVA Bancomer's status as one of the largest fund managers operating in the Mexican market with a share of 19%, according to data released by the Mexican Association of Stock Market Intermediaries (AMIB).

Increased levels of lending and fund gathering activity allowed the Bank to report a financial margin of 132,650 million pesos, revealing annual growth of 8.2%.

Level of investment was a particular highlight within the Bank's results, growing 10% on the previous year to climb past 5,000 million pesos. This investment was used mainly for technological renovation and upgrades and to maintain the largest infrastructure to be found within the banking system.

However, GFBB has continued to grow its business activity while maintaining high levels of investment, making it most efficient institution operating within the Mexican financial system, with a cost-to-income ratio of 37.2%.

GFBB maintains its position as **the most efficient institution operating within the Mexican financial system**, with a cost-to-income ratio of 37.2%.

The product of this was net profit of 52,638 million pesos, which meant an annual variation of 15.4%. This result has been achieved with a solid capital base and a set of indicators comfortably clear of the minimum regulatory requirements (capitalization index of 15.3%). Aside from the excellent financial performance, 2018 was a year of major milestones in terms of the Group's strategy.

For some years now, GFBB has made it a strategic priority to offer the best customer experience. In 2018, it continued to progress further along this path by making customer interaction with the bank more efficient across all points of contact.

The customer service model was transformed at the Bank's branches, with priority given to advisory services; the voice portal and 'First Contact Solution' were implemented within the IVR to deal with charges and debits not recognized by customers; and the browsing experience was redesigned and new functionalities added to the self-direction facility (ATMs and *Practicajas*), such as the option to deposit checks. These changes in the physical range of products and services is enhanced and supplemented by an innovative range of digital products and services and the Group is now spearheading the digital transformation of the banking sector by literally putting the bank in the hands of its customers.

More and more customers are relying on digital/mobile banking and all it has to offer. In 2018, GFBB's digital customers climbed to 7.2 million, 36% more than in 2017, while customers using the mobile banking service were up 49% on the previous year to reach 6.5 million.

In 2018, GFBB's **digital customers climbed to 7.2 million**, 36% more than in previous year.

Customers perceive these changes and once again they ranked the Bank as the leading institution, according to the Net Promoter Score (NPS). Meanwhile, the Bank has been working hard to increase its appeal to new customers and its efforts have paid off, because when it comes to payroll portability requests 64 out of every 100 payroll holders who decide to change banks choose GFBB.

With these results, GFBB has cemented its leadership in one of the country's key sectors and has assumed, through a raft of concrete actions, a huge role in shaping Mexico's growth and development. Acting through the BBVA Bancomer Foundation, it views education as the best way to support Mexico; from 2002 to 2018 it awarded 278,000 grants for a grand total of 4,800 million pesos, helping some 108,000 beneficiaries complete their secondary, preparatory and university studies.

In the wake of the 2017 earthquakes, the Bank rapidly joined the emergency response to support affected schools, providing seed capital of 180 million pesos and inviting GFBB's own ecosystem (customers, employees and allies) to join in, effectively raising the total amount to 350 million pesos. These funds will be used to build/renovate 25 schools, benefitting over 16,000 pupils by providing safer and better equipped facilities.

Grupo Financiero BBVA Bancomer is convinced that there is still much to be done and that is why it has decided to raise its annual donation to the Foundation from 2019 onward, which will climb from 400 million pesos to 1 billion pesos a year, the aim being to enhance the grants and scholarship program and continue rehabilitating those schools in need of attention. This will allow the Foundation to generate a positive impact over the coming five years that is similar in scale to the impact it has managed to achieve over past 16 years. GFBB is seeking to become the country's main ally in making an inclusive Mexico; the best Mexico for everyone.

Before I finish, I would like to thank the fantastic team of collaborators of the BBVA Bancomer Financial Group for all their hard work and dedication in helping to build this Bank. They really are what sets us apart from the crowd. Thanks also to our customers for their loyalty and trust. We will certainly continue in our tireless search to improve their experience. Last but not least, thanks to the members of our Board of Directors, who have brought their experience and sound judgment to bear to continue strengthening our Bank. 2018 was a great year, but I am sure that the best years are yet to come.

BBVA Bancomer, Creating Opportunities

**Eduardo Osuna Osuna**

**Deputy Chairman of the Board of Directors  
and CEO of BBVA Bancomer**

# Group Profile

## Driver of opportunities

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

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

# Group Profile

GRI 102-1, 102-2, 102-5, 102-6, 102-7, 102-16 and 102-45

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

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

BBVA Bancomer is the **leading bank within the Mexican financial system.**

## Calling, purpose and values

### Our calling

Building stronger customer relations.

- Helping our customers to reach the best financial decisions by providing relevant advice.
- Providing the best solutions that build trust: they must be clear, simple, transparent and fair.
- Providing an easy and convenient experience: autonomously (DIY), through digital channels or human interaction.

Redefining our value proposition focused on our customers' real needs.

### Our goal

"Bringing the age of opportunity to everyone", as summarized in the motto "Creating opportunities". We want to help our customers achieve their goals in life. We want to be more than just a bank and to become a vehicle for opportunities with a positive impact on the lives of people and on the business of companies.

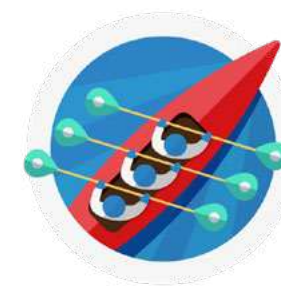
### Our values



The customer comes first



We think big



We are one team

## Strategic priorities

 The best customer experience	 Driving digital sales	 New business methods	 Optimizing capital allocation
 Becoming more efficient	 Creating a first-class workforce	 Social responsibility	

# Responsible Banking

BBVA Bancomer, through its Responsible Banking strategy, is playing its part in responding to the sustainability challenges facing the financial sector on a global scale.

Under the six Principles for Responsible Banking of the United Nations Environment Programme - Finance Initiative (UNEP/FI), BBVA Bancomer has developed six strategic pillars that will help the Bank play its role in forging a sustainable future.



The Annual Report is structured around these six strategic pillars.

## Commitments of BBVA Bancomer



### To our customers

- › Placing our customers at the center of our actions.
- › Generating better decisions and improving people's financial health through Transparent, Clear and Responsible Communication (TCR) and our financial prowess and expertise.
- › Developing products and services with a high social and environmental impact.
- › Fostering financial inclusion.



### Other commitments

- › With our investors.
- › With our employees.
- › Transparency.
- › With human rights.



### To our employees

- › Respecting diversity and fostering equal opportunities.
- › Promoting a healthy work-life balance.
- › Guaranteeing health and safety.
- › Championing a culture of social commitment.



### To society

- › Supporting the development of communities through social programs.
- › Defining and implementing a climate change and sustainable development strategy.
- › Taking part in initiatives that promote best practices.

<sup>1</sup> Click here to find out more about the six Principles for Responsible Banking of the UNEP/FI: <http://www.unepfi.org/banking/bankingprinciples/>



# Our business model: “Wow experience!”

Grupo Financiero BBVA Bancomer (GFBB) is a world-class group that offers a wide range of products and services, ranging from plain-vanilla loans to structured products with an international dimension.

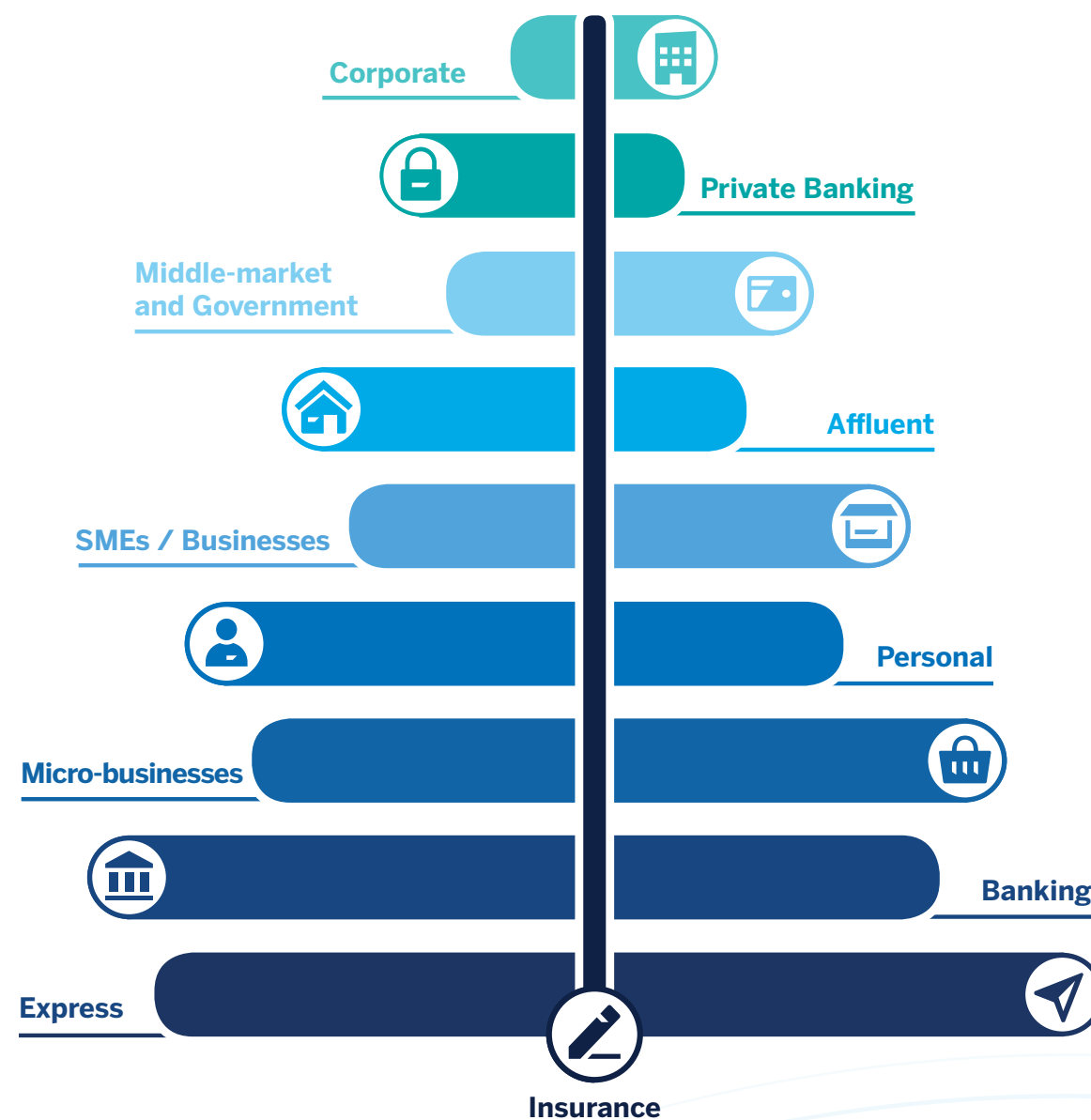
GFBB’s main subsidiary is the Bank (BBVA Bancomer), a universal bank serving customers through its own unique approach and range of specialized products and services. The Bank is aware that much of its success as a financial institution is a product of customer satisfaction. That is why it is constantly changing in order to offer the best banking services in Mexico and maintain long-term relationships with customers.

**BBVA Bancomer’s business model** allows it to create opportunities and consolidate its leadership in Mexico.

The business model is based on serving each customer segment in a special and customized way, through networks of specialized executives to be able to offer a high quality service. The model is also based on an efficient distribution network with an extensive coverage, which is key for providing easy and secure access to financial services. Lastly, it is a business model that is firmly committed to technology and major investments in transformation and innovation projects.

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

As a result, BBVA Bancomer has consolidated its leadership in Mexico and is in an ideal position for future growth.



## Business Units

BBVA Bancomer is a bank in constant transformation, focused every day on evolving and improving the customer experience and its range of products and services. One of the main lines of the business model is customer segmentation, enabling the Bank to tailor its services to each customer segment. The Business Units are structured as follows:

**Retail Network:** serves all retail segments via the Group's branch network. Business Development includes the insurance business—which spans the entire Commercial Network—and has helped BBVA Bancomer remain at the forefront of the banking sector.

**Government and Business Banking:** serves medium-sized companies, government bodies, housing developers and distributors in the automobile market.

**Corporate and Investment Banking (CIB)** is the Group-wide business unit that brings together the wholesale businesses of the BBVA Group. This unit serves global customers such as institutional and large corporate investors, offering them a wide range of investment products. The unit also includes the Global Markets area, which together with the Brokerage House offers sophisticated products to individuals and businesses alike.

Business Units benefit from the assistance of Staff Units, which enable recurrent business results and integrated management, while also generating synergies to fuel further growth.

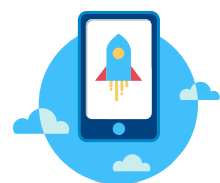
At year-end 2018, the Retail Network had **1,796 branches, offering services to over 17 million customers.**



### Retail Network

This department manages the entire Branch Network, which offers services to the individual segments, ranging from ultra-high net worth (UHNW) banking, private banking, high net worth banking, personal banking, and down to the normal banking and express segments. The branch network also serves micro and small companies.

At the end of 2018, the Retail Network had 1,796 branches, offering service to over 17 customers (individuals). BBVA Bancomer has also redesigned the structure of its branches, with larger self-direction spaces, so as to improve the customer experience in the following ways: to improve flow within branches; to encourage the use of self-direction facilities for low-value transactions; increase productivity within branches so that our customers can use the new ATMs and *practicajas* and with a simple click obtain consumer loans or make cash deposits or payments. This not only drives sales, but ultimately provides customers with a better service. The result is shown in the Net Promoter Score, which puts us in the number one spot in the open market.



## Business Development

This is the transversal area of the Branch Network, and has been designed to develop new businesses, technologies and channels to guarantee that BBVA Bancomer will continue to be the market leader, stay at the cutting edge, and be a model bank. The Insurance Business, which is an integral part of the loan portfolio sales circuit, has been placed within this division.

One of the main objectives of this unit is to increase the value of the customer by building stronger engagement, which will also be reflected in greater customer loyalty. We believe that the best yardstick is the paycheck accounts. In terms of portability, BBVA Bancomer has realized that not only is it viewed positively by customers, but also that it has become an attractive bank for new customers. In 2018, 64% of the people who decided to change their paycheck from one bank to another did so to BBVA Bancomer, and, more importantly, 69% did so digitally.

Our focus on digital channels has paid off, allowing us to drive sales; it has also been a great support in post-sales. We closed the year with 7.2 million digital customers, up 36% year on year, while mobile customers totaled 6.5 million at 31 December 2018, up 46% on 2017.

In 2018, **64% of the people who decided to change their paycheck from one bank to another chose BBVA Bancomer;** as their new bank and 69% did so digitally.



## Government & Business Banking

BBVA Bancomer offers services to the business segment through a network of 102 branches.

At December 31, 2018, the corporate loan portfolio amounted to 258,825 million pesos, accounting for roughly 39% of the total commercial loans portfolio. We have managed to maintain the quality of this portfolio, and at December 31, 2018 the NPL ratio stood at 1.5%.

Clients in the business segment are also an important source of deposits, as they mainly use savings and cash management products. BBVA Bancomer offers a broad range of products tailor made to meet customers' requirements in terms of cash management and collection solutions. Some of the most popular products are: the Integral Bancomer Treasury, which makes it easier and quicker for customers to carry out their financial transactions by installing high-tech software through our website, and Multipayments, a software which has optimized the collection process.

At December 31, 2018, **the corporate loan portfolio totaled 258,825 million pesos, accounting for roughly 39%** of the total commercial loans portfolio.



## Housing developers

This segment largely covers the granting of bridge loans for construction purposes. At of December 31, 2018, the housing developer loan portfolio came to 17,453 million, revealing annual growth of 5.5%. In 2018, BBVA Bancomer granted loans to fund the construction of 22,379 housing projects.



## Consumer Finance

The Consumer Finance unit, which was created exclusively to serve the auto segment and its life cycle, including loans for vehicle distribution and acquisition, is part of Wholesale and Investment Banking. Through this unit, BBVA Bancomer can also meet all the requirements and financial needs of auto dealers (agencies).

In terms of end consumers, auto loans totaled 47,914 million pesos at year-end 2018, showing annual growth of 9.9%. During the year, a total of 124,643 auto loans were granted.



## Government entities

BBVA Bancomer has 31 specialized branches to serve this segment, offering specialized services and products to the Federal Government, the States and Municipalities of Mexico and all government bodies.

The wide range of products for this segment includes paycheck services for government employees, checking accounts and tax collection services for States and municipalities. We also offer products such as “Multi Payments” and “CIE on line” for tax collection. At December 31, 2018, the government loan portfolio amounted to 80,928 million pesos, accounting for 12% of the total commercial loans portfolio.



## Corporate & Investment Banking

BBVA Bancomer offers corporate and institutional customers loan products and services, mergers and acquisitions, market transactions (equity and fixed income), cash management, online banking and investment products.

**Lending to the Corporate Banking segment** represents 20% of the total portfolio; and the segment accounts for 16% of banking deposits.

BBVA Bancomer has a customer base of over 460 Groups made up of multinationals located in Mexico and institutional clients. Credit to this segment now represents 20% of the total portfolio; and the segment accounts for 16% of banking deposits.

The unit works hard every day to ensure that clients receive the best possible service by developing new products tailored to their needs. By way of example, two of the products that BBVA Bancomer offers to this customer segment are:



### Bancomer Net Cash

A secure and easily accessible global online banking solution that allows users to perform on-line bank transactions anywhere, anytime.



### Bancomer Web Trader

A straightforward system which allows investors to carry out their own on-line trading transactions in real time. It also provides market information, analysis, news and technical tools, which can be customized, to help our customers to make their decisions.



## Global Markets

The Global Markets unit, in conjunction with the Casa de Bolsa (Brokerage), offers more sophisticated products and services to both individuals and businesses, such as debt, capital placements and issues, and structured financing.

BBVA Bancomer has topped the SHCP and Banco de México Market Makers ranking since July of 2012. As a market maker, BBVA Bancomer is committed to playing an active role in the fixed rate government securities market; and also bids at competitive prices in primary auctions for these securities, listing buy and sell prices on the secondary market to provide liquidity at competitive prices for our customers and the foreign exchange market.

BBVA Bancomer relies on its Global Markets area to provide clients with services related to origination, structuring, distribution and risk management of market products.



**Interest rates and foreign currency (FX):** Bancomer is a leader within the interest rates and FX markets. We offer 24-hour service in all major currencies, both spot and derivatives, in emerging markets, the Americas, Europe and Asia. In FX, BBVA Bancomer ranks first, with 25% of the business among domestic counterparties, in a market that generates about 3.1 trillion dollars each year. It also comes top when it comes to international counterparties, in a market that reported 3.8 trillion dollars in trade in 2018 alone, with a market share of 21%.



**Equity:** Primary and secondary placements, derivatives and structured products —where the return or yield may be pegged to stock markets or stock prices— private placements, portfolio trading and block transactions.



**Credit:** Integrated servicers for the sale, intermediation, analysis and origination to issuers in the main international currencies, in cash and derivatives.



## Staff Units

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

The Support Units aid the Business Units in **performing to their potential and reporting sustainable business results and integrated management**, on the path to continuous growth.



### Internal Audit

This area is responsible for maintaining integrity, which is our distinguishing feature as a financial institution, with continuous support in Internal Control matters. This business unit continuously carries out monitoring, follow-up and prevention activities to ensure an adequate business performance in terms of customer processes and internal procedures.



### Legal Services

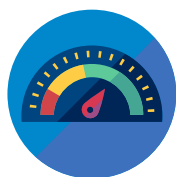
In 2018, the Legal Services area provided support in order to maintain transparency and guarantee that the constant changes in banking regulations are clearly understood and strictly complied with. It also acts as the point of contact for customers' complaints and demands to the bank so that both parties can have the best options and be mutually satisfied.



### Finance

This area is responsible for various functions, such as monitoring the institution's financial performance, relations with investors, analysts and shareholders, cost control, capital management and liquidity, and many more. At BBVA Bancomer we have kept our capital ratios above the minimum levels required by Mexican laws, and have also maintained comfortable liquidity levels to drive growth. Our total capital ratio stood at 15.3% at year-end, while the CCL (Local LCR) (the new short-term liquidity indicator implemented through the new Basel III requirements) was 145.90%.

The bank also achieved a rock-solid income statement in 2018 based on recurrent revenue, cost control and adequate risk management.



## Risks

Our healthy and stable credit quality indicators are the result of adequate risk management. BBVA Bancomer is famed for being a cautious bank, which has a forward-looking approach to risks. This can be seen in the improvement to the NPL ratio, which shed 11 basis points (bps) to fall from 2.1% in December 2017 to 2.0% in December 2018. Meanwhile, the risk premium has improved from 3.2% in December 2017 to 2.9% in December of this year. The coverage ratio came to 137.0% at year-end 2018.



## Engineering

The Engineering area provides support in the systems and technological platforms for all the bank's operations, which form part of customer services. It plays a key role in maintaining BBVA Bancomer's position as the leader in Digital Banking in Mexico. We ended the year with 7.2 million digital customers, 36% more than the previous year, while mobile customers rose 46% over the year to reach 6.5 million customers.



## Talent & Culture

BBVA Bancomer's exceptional results are only possible because of its magnificent team of skilled and motivated employees. In the Talent and Culture area, we are always on the lookout to try and draw, develop and retain employees. Our corporate culture is based on values and on a total balance between professional and personal development.

These achievements have also generated extraordinary quality of life and an excellent work environment. In 2017, we changed our metric to measure employee feedback and started to use Gallup survey instead of Great Place to Work.

Meanwhile, BBVA Bancomer received for the second year the Wellness Award 2018 from WWPC, for its continuing efforts to improve health and well-being. This year, it climbed further up the table when compared with its standing in 2017.

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



## Experiencia Única (Unique Experience)

Satisfying the needs of customers is an essential pillar in the ongoing evolution of BBVA Bancomer.

In a bid to align customers' needs with the Group's own values, the Unique Experience area was turned into a general department in 2018 to help make the new transformation of the Customer Experience a reality.

During the same year, more than 30 Unique Experience models were implemented across different areas and departments of the Bank, resulting in greater levels of engagement among collaborators and generating extraordinary services that provide **better brand perception and more satisfied customers; making BBVA Bancomer a leader when it comes to customer service. The Bank ranked first on the Net Promoter Score index**, which is used to gauge customer satisfaction.

Our Unique Experience mission entails:



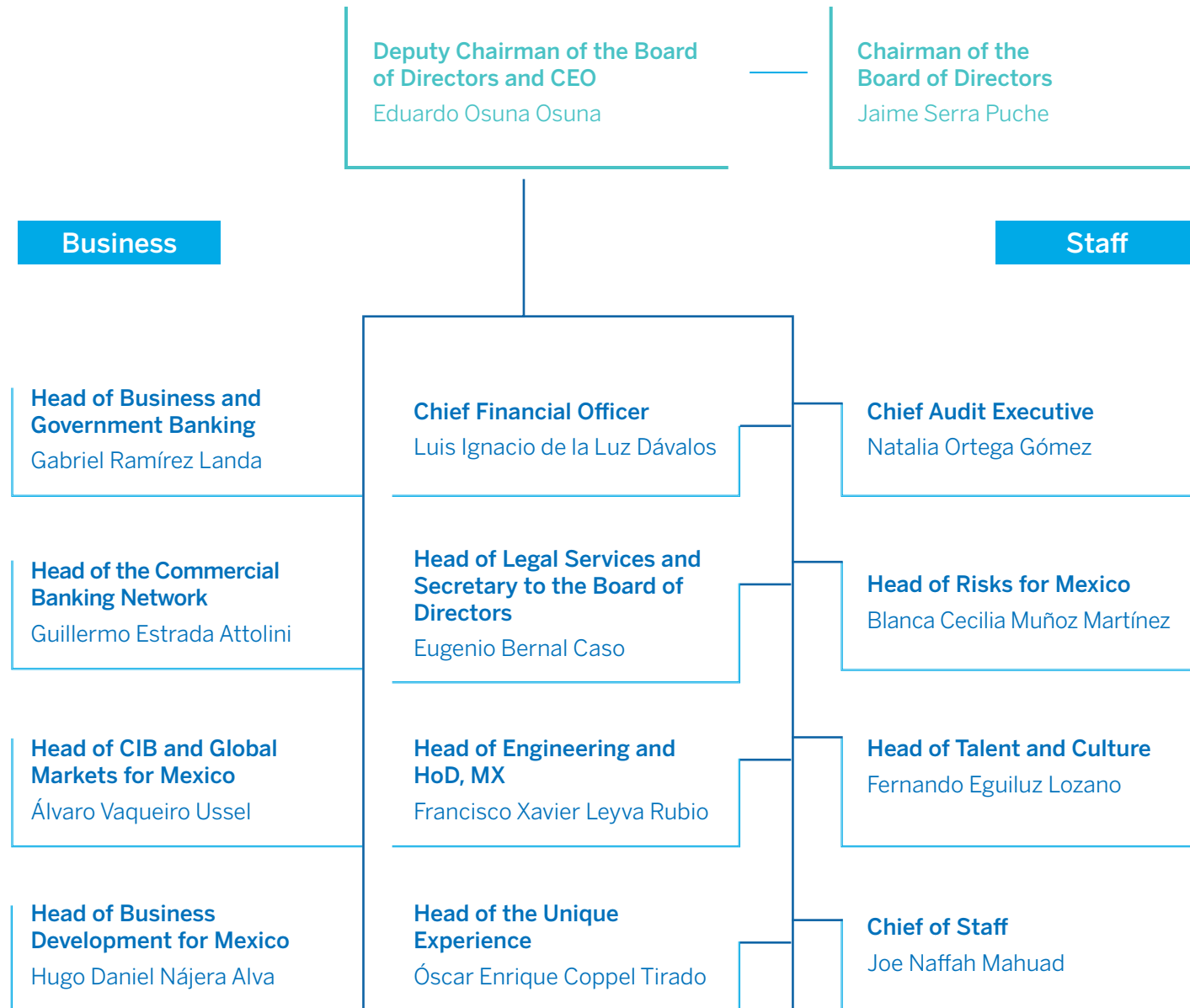
Unique Experience means achieving excellent customer service and constantly exceeding their expectations. This is how BBVA Bancomer partners and employees develop products and services, which enable the customer experience: We are the Unique Experience and we make it what it is.



# Management Structure

GRI 102-18

## Management Committee



# Composition of the Board of Directors

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

\*Independent directors

Secretary: Eugenio Bernal Caso  
 Deputy secretary: Alfredo Aguirre Cárdenas  
 Statutory examiner: José Manuel Canal Hernando  
 Alternate examiner: Alejandro de Alba Mora

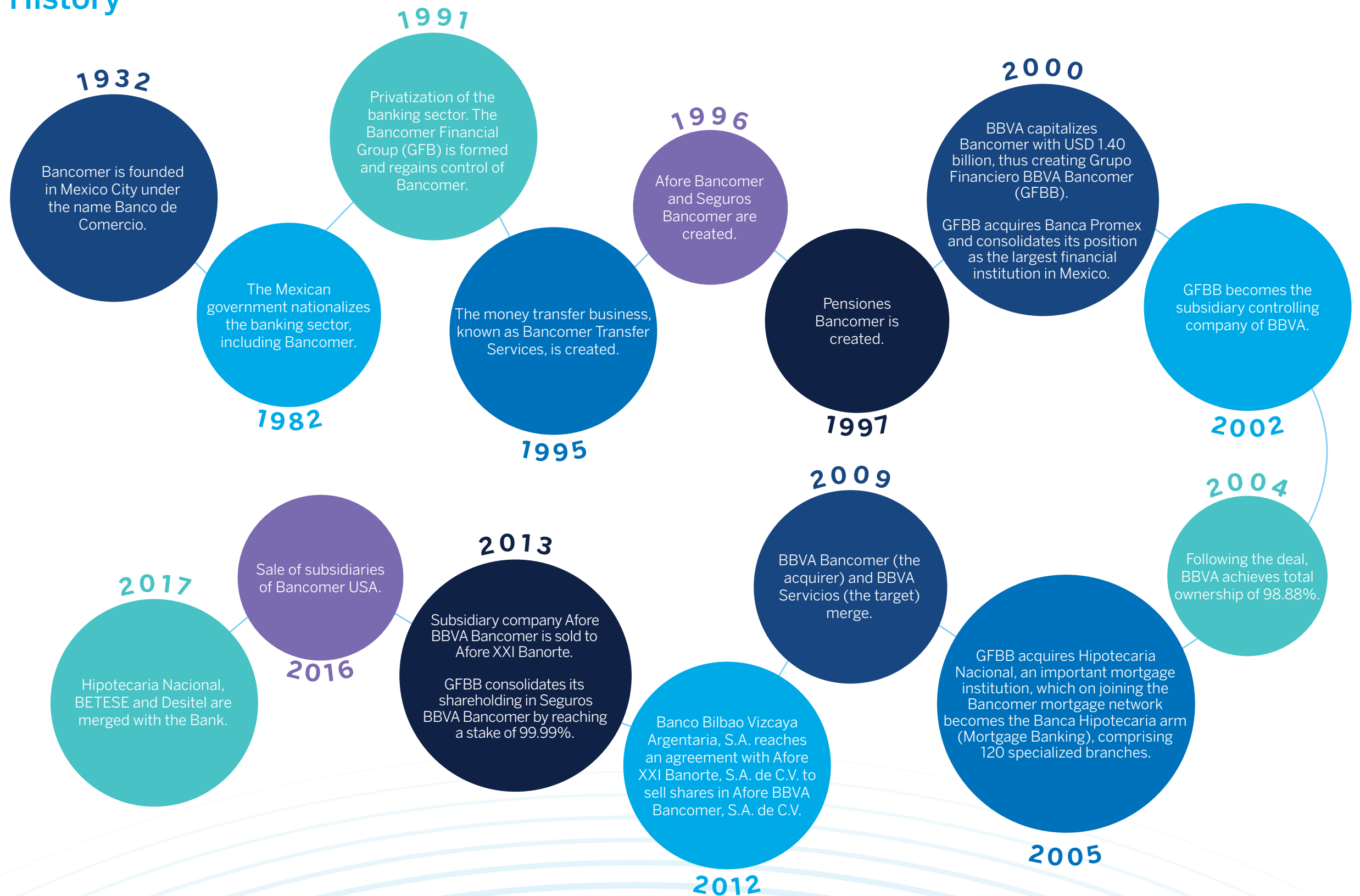
Board membership at December 31, 2018.

# Corporate Structure

At December 31, 2018.

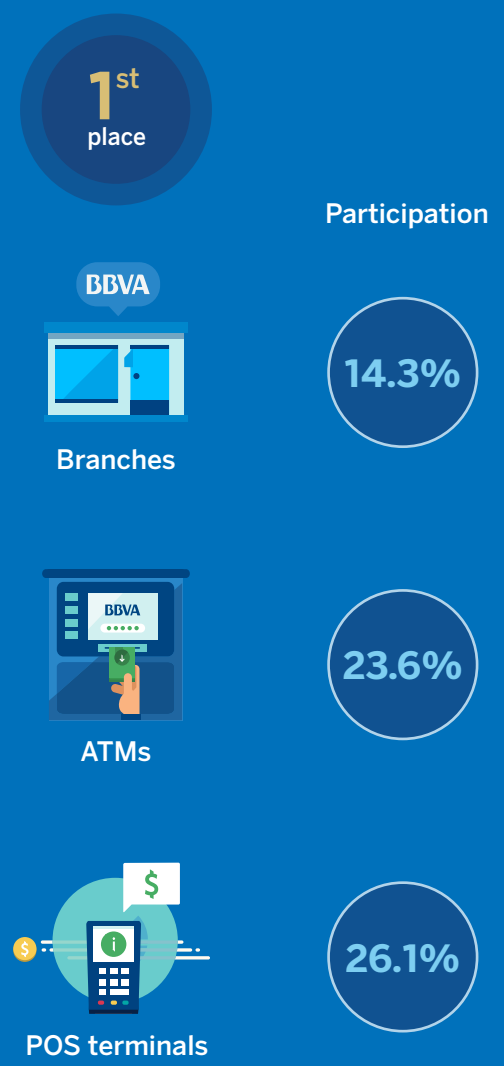


# History

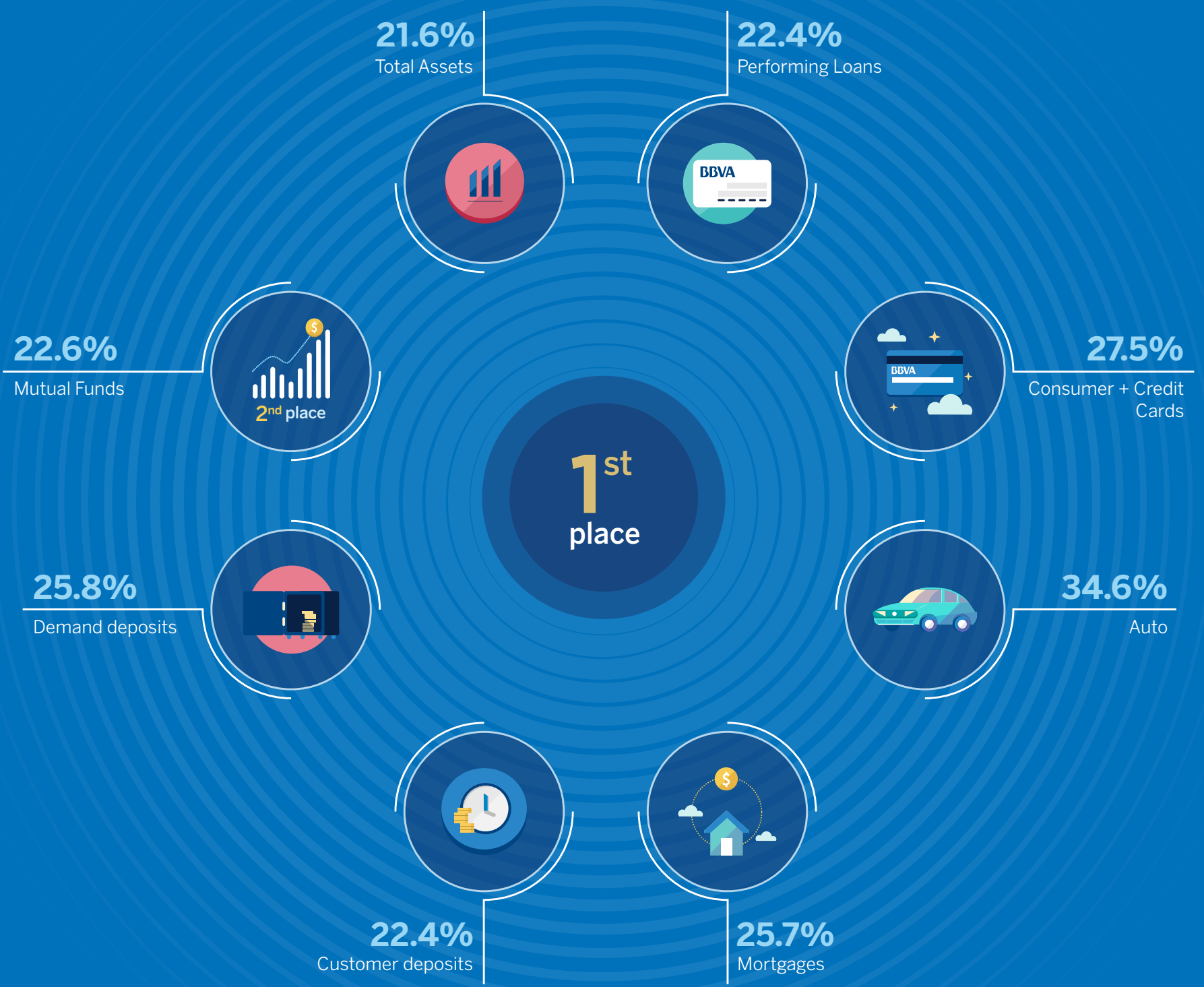


# Leadership

## Infrastructure



## Commercial activity



Sources: CNBV, AMIB.  
 CNBV information: Bank with sofoam.  
 Mutual funds: assets managed at investment firms without duplication.  
 Information at December 2018.

# Responsible Banking

First place on the list of most socially responsible companies in Mexico in 2018, according to news magazine Expansión.

18 years of being a Socially Responsible Company (SRC).

Since 2002, the Bank has awarded grants worth over 4.8 million pesos.

More than 5 billion pesos invested in projects that uphold the Equator Principles.

Reduction of nearly 28,000 tons of CO<sub>2</sub> equivalent, thanks to the use of clean energies in 2018.

Lowering the average claim resolution time to eight days.

BBVA Bancomer remained Mexico's number one bank for customer satisfaction.

BBVA Bancomer is the first bank in Mexico to embrace AI through WhatsApp.

Green bond issue worth 7 billion pesos.

9,900 trees planted in eight states across the country.

17 volunteering actions carried out across Mexico.

Institutional campaign: #hazlocorrecto (#dotheightthing)

15% reduction in the number of claims and grievances.

32,546 participants received training in Anti-Money Laundering

231 million pesos invested in employee training.

1,890,425 training hours delivered to employees.

- Responsible Customer Experience
- Sustainable finance
- Investment in the community
- Managing reputation
- Responsible commitment to employees

# Presence

GRI 102-4, 102-6 and 102-7

States	Total branches	Total ATMs
Aguascalientes	20	161
Baja California	59	424
Baja California Sur	21	138
Campeche	13	113
Chiapas	36	252
Chihuahua	62	443
Mexico City	286	2,027
Coahuila	39	359
Colima	13	74
Durango	20	145
State of Mexico	178	1,382
Guanajuato	85	495
Guerrero	36	208
Hidalgo	34	245
Jalisco	196	1,062
Michoacán	87	475
Morelos	29	182
Nayarit	22	140
Nuevo León	101	641
Oaxaca	25	192
Puebla	67	440
Querétaro	31	248
Quintana Roo	26	249
San Luis Potosí	32	190
Sinaloa	39	258
Sonora	51	380
Tabasco	33	227
Tamaulipas	47	344
Tlaxcala	11	87
Veracruz	83	589
Yucatán	27	177
Zacatecas	23	130
<b>Total</b>	<b>1,832</b>	<b>12,610</b>
Agencies	1	
<b>Total - Bank</b>	<b>1,833</b>	



Figures in thousands of pesos.  
Grupo Financiero BBVA Bancomer.  
Figures at December 2018.



# Corporate governance

GRI 102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-26, 102-28, 102-29, 102-30, 102-31, 102-35 and 102-36

**The corporate governance system of BBVA Bancomer, S.A., Institución de Banca Múltiple, BBVA Bancomer Financial Group, serves as the linchpin to its corporate integrity and the organization's ethical and efficient functioning. It comprises a set of principles, standards and elements that regulate and frame relations between the company, the Bank's management, shareholders and other stakeholders.**

The governance system is rooted into the following principles, in accordance with the Corporate Governance System of BBVA:

1. A suitable composition and structuring of governance bodies.
2. A clear distribution of functions between the Board of Directors and its committees, and between these and Senior Management.
3. A solid decision-making process and a robust reporting model.
4. Complete monitoring, oversight and control of the Bank's management.

The Board of Directors is the body entrusted with overseeing the institution. Its members are designated at the Annual General Meeting of Shareholders.

The Annual General Meeting is entrusted with assessing the Board's performance by approving the Board's Annual Report and financial statements, as well as ratifying each director's membership of the Board.

The Board is responsible for approving objectives, guidelines and policies with regard to the origination and management of lending activity, all of which must be coherent and compatible with, as well as complementary to, those established for Integrated Risk Management.

The Board delegates authority to committees and, if applicable, to officers of the institution to design the aforementioned objectives, guidelines and policies. The Board hears and, as the case may be, approves a report from the Audit Committee on the objectives of the Internal Control System and guidelines for its implementation.

## Composition of the Board of Directors

The Annual General Meeting of Shareholders of BBVA Bancomer is the governance body authorized to designate the individuals who are to sit on the Bank's Board of Directors.

Meanwhile, Board members are authorized, in accordance with applicable law and the Bylaws of BBVA Bancomer, to designate the individuals who are to sit on its various committees.

The process for selecting and appointing members of the Board of Directors is set out in applicable law and in the bylaws of BBVA Bancomer.



## Profile of Proprietary Directors

### Jaime Serra Puche\* Chairman

Age: 68  
**Length of service on the Board:** 11 years.  
 • Founding Partner and Director of SAI Consultores, S.C.  
 • PhD in Economics from Yale University

### Eduardo Osuna Osuna Deputy Chairman

Age: 49  
**Length of service on the Board:** 3 years.  
 • Managing Director of Grupo Financiero BBVA Bancomer, S.A. de C.V.  
 • MBA from the IPADE Business School

### Francisco González Rodríguez

Age: 75  
**Length of service on the Board:** 18 years.  
 • Independent consultant  
 • CEO of Banco Bilbao Vizcaya Argentaria, S.A.  
 • PhD in Economic Sciences from the Complutense University of Madrid

### Carlos Torres Vila

Age: 52  
**Length of service on the Board:** 2 years.  
 • Group Executive Chairman of Banco Bilbao Vizcaya Argentaria, S.A.  
 • Master's Degree in Business Administration from the MIT

### Vicente María Rodero Rodero

Edad: 61  
**Length of service on the Board:** 6 years.  
 • Independent consultant  
 • Qualified Industrial Engineer from the Superior Technical School of Industrial Engineering of Bilbao

### Carlos Vicente Salazar Lomelin\*

Age: 67  
**Length of service on the Board:** 13 years.  
 • Independent consultant  
 • Chairman of the Mexico Business Coordinating Council (CCE)  
 • MBA from the ITESM business school, post-graduate studies from the IPADE business school and from various foreign institutions

### Alberto Bailleres González

Age: 87  
**Length of service on the Board:** 27 years.  
 • Executive Group Chairman and Chairman of the Board of Directors  
 • Degree in Economics from the ITAM Business School

### Ricardo Guajardo Touché\*

Age: 70  
**Length of service on the Board:** 27 years.  
 • Independent consultant  
 • MBA from the University of California, Berkeley

### Jorge Saenz-Azcunaga Carranza

Age: 48  
**Length of service on the Board:** 2 years.  
 • Country Monitoring at Banco Bilbao Vizcaya Argentaria, S.A.  
 • Degree in Economic and Business Sciences from the University of Deusto

Board membership at December 31, 2018  
 \*Independent directors

## Alternate Directors

### Andrés Alejandro Aymes Blanchet\*

Age: 78  
**Length of service on the Board:** 18 years.  
 • Independent Consultant  
 • Founding Partner of Aymes y Asociados  
 • MBA from the IPADE business school

### Fernando Gerardo Chico Pardo

Age: 66  
**Length of service on the Board:** 9 years.  
 • Chairman and Managing Director of PROMECAP, S.C.  
 • MBA from the Northwestern University in Chicago

### Arturo Manuel Fernández Pérez\*

Age: 65  
**Length of service on the Board:** 24 years.  
 • Chancellor of Instituto Tecnológico Autónomo de México  
 • PhD in Economics from Chicago University

### Fernando Gutiérrez Junquera

Age: 62  
**Length of service on the Board:** 5 years.  
 • Independent consultant  
 • Doctor in Economic and Business Sciences from the Complutense University of Madrid

### Eduardo Javier Garza Fernández

Age: 70  
**Length of service on the Board:** less than 1 year.  
 • Chairman of the Board of Directors of the Frisa Group  
 • Civil Engineer at the Monterrey Institute of Technology and Higher Education

### Armando Garza Sada

Age: 61  
**Length of service on the Board:** less than 1 year.  
 • Chairman of the Alfa Group and Nemark  
 • MBA from Stanford University

### Alejandro Ramírez Magaña

Age: 48  
**Length of service on the Board:** 5 years.  
 • Managing Director of Cinépolis de México, S.A. de C.V.  
 • Master's Degrees in Business, in Economic Development and in Business Administration from Harvard and Oxford

### José Francisco Gil Díaz\*

Age: 75  
**Length of service on the Board:** 8 years.  
 • Chairman of the Avanzia Group  
 • PhD in Economics from Chicago University

Board membership at December 31, 2018  
 \*Independent directors

## Board meetings

The Board meets at least once a quarter and also whenever convened by the Chairman or by the Secretary or Deputy Secretary, or by at least one quarter of Board members, or by one of the Bank's examiners. For a meeting to be legally convened, at least 51% of Board members must be in attendance, one of whom must be independent.

The Board of Directors of BBVA Bancomer met on five occasions in 2018, on the following dates:

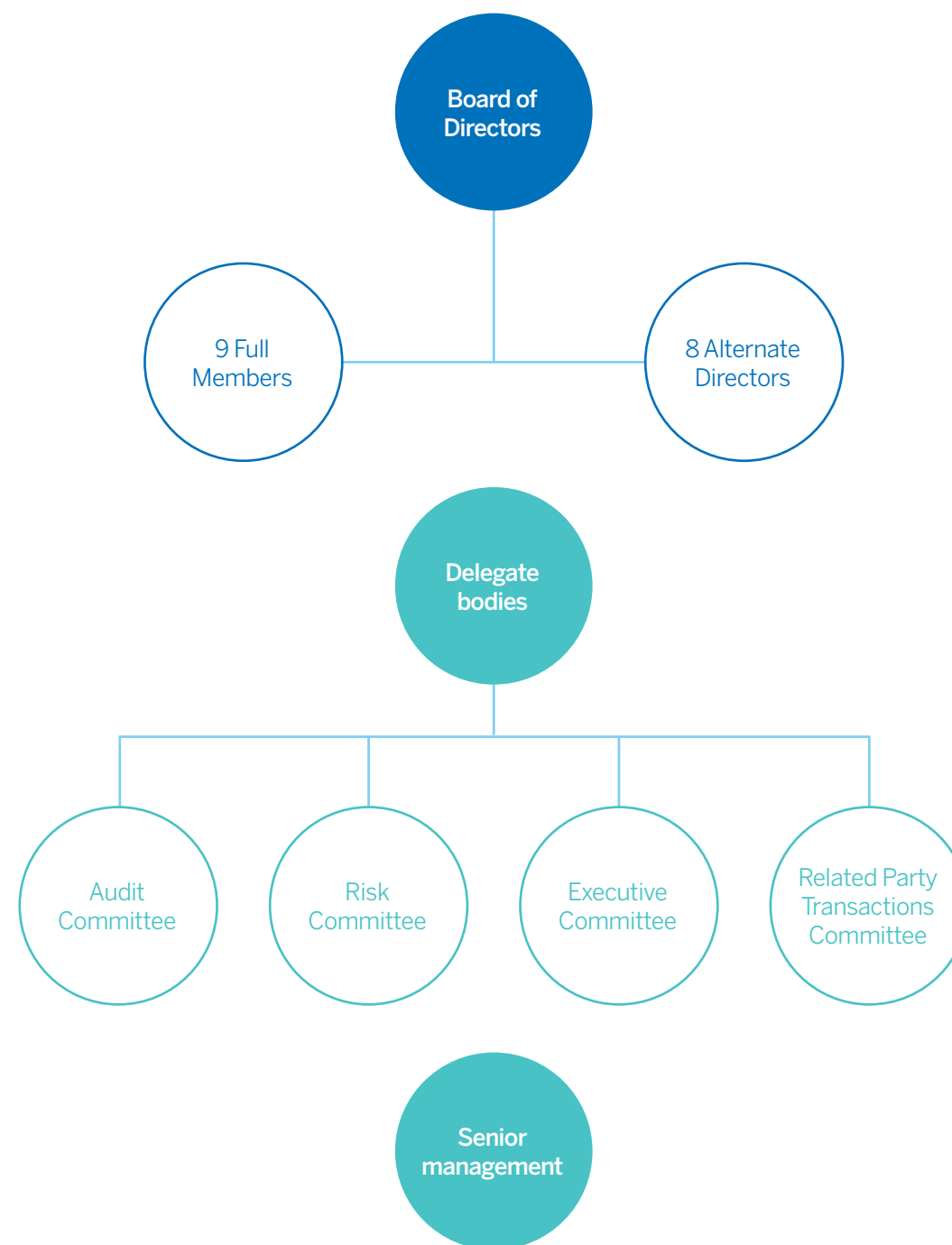


## Remuneration

As remuneration for the performance of their duties and for attending each meeting of the Board of Directors of BBVA Bancomer, the Company's directors receive an amount equivalent to the price of two 50 peso gold bullion coins (known as *Centenarios*) multiplied by 1.53846.



## Corporate governance structure at BBVA Bancomer, S.A.



## Senior management corporate responsibility and reputation monitoring sessions

The CEO is directly involved in assessing and monitoring progress and strategies under the corporate responsibility initiatives and reputation activities in place both within and outside the Bank. These assessments conducted by senior management and the Chairman's Office help Grupo Financiero BBVA Bancomer identify and manage any economic, environmental and social risks that may emerge.

Some of the projects and activities to have been reviewed in 2018 were as follows:

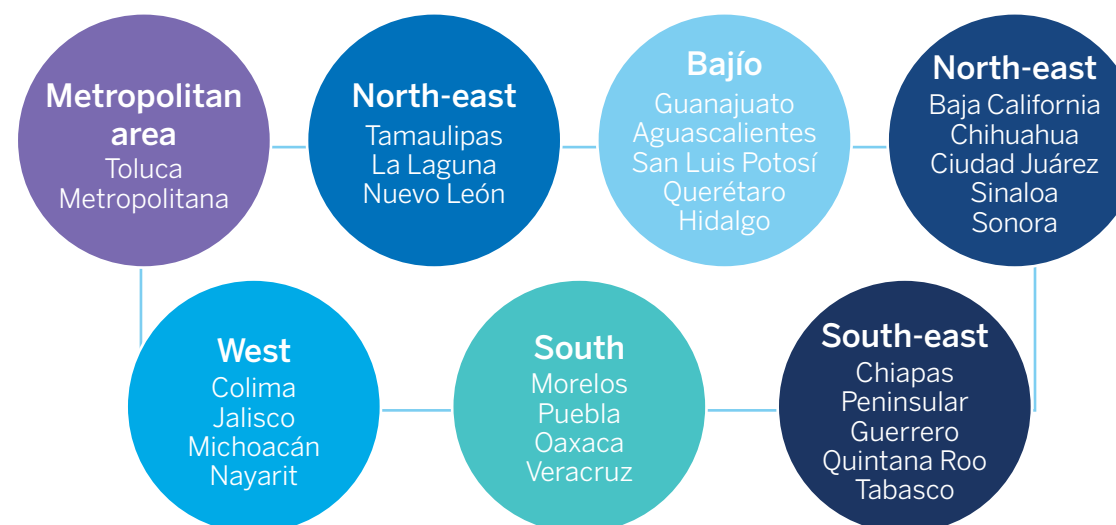
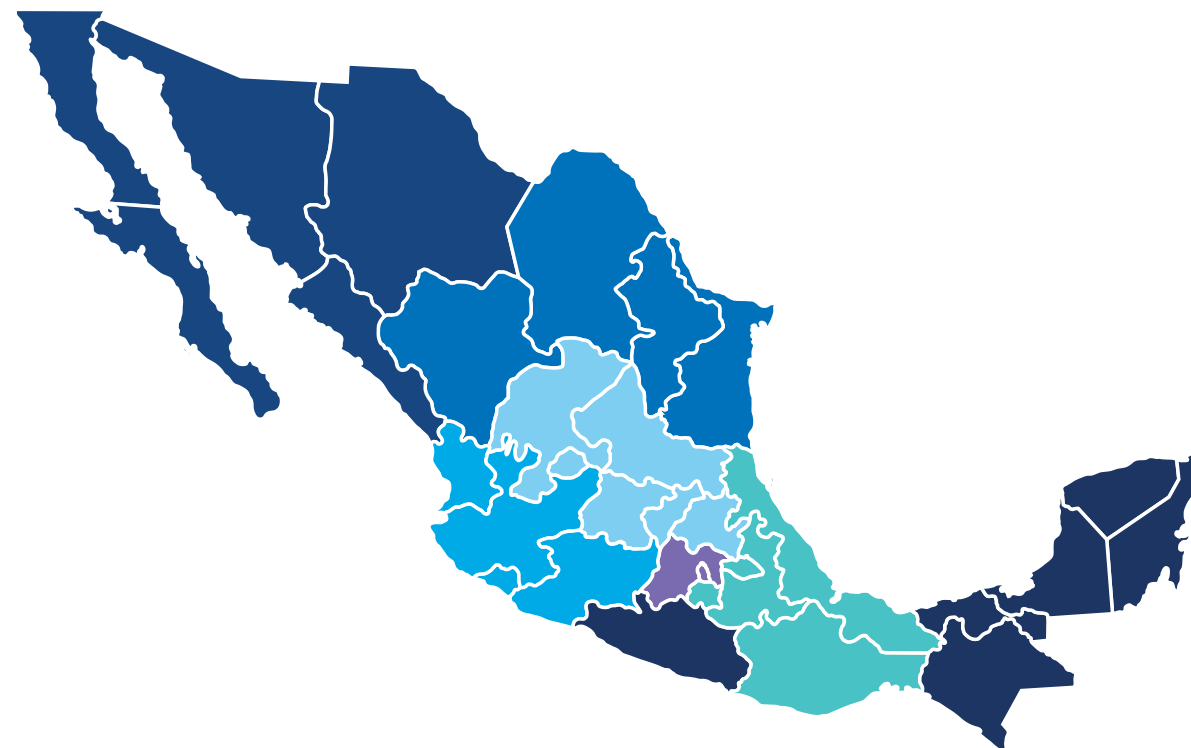
- BBVA Momentum Project
- Reforestation programs
- Corporate volunteer work/community service
- Urban improvement

More information can be found in the **Investment in the community** chapter of this Annual Report.



## Regional boards

Since their inception, the Regional Boards have been one of the main pillars underpinning the development of the BBVA Bancomer Financial Group. This is because they comprise businessmen of strong moral fiber and with leadership qualities in each region, who are charged with actively promoting the Bank's interests over time.



One of the main purposes of the Regional Boards is to serve as forums for:

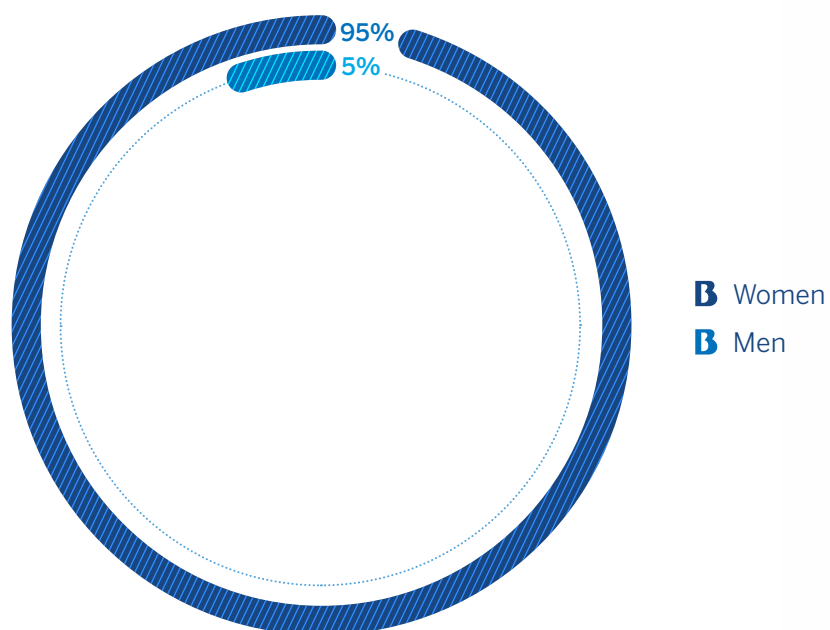
- Feedback on banking activity and service levels.
- Business referencing.
- Providing a link for BBVA Bancomer officials with the community and local authorities.
- Feedback on local business culture.
- Providing a link to and actively working with BBVA Bancomer Foundation.

Likewise, each board is structured as follows:

- They comprise a minimum of 10 members and a maximum of 25, depending on the size of the region.
- The Secretary or Coordinator of the Board is the BBVA Bancomer official designated to coordinate the Board for each region.
- The Honorary title will only be granted to chairmen and vice-chairmen when they turn 70 years of age.

**578 regional board members** in total.

Composition of regional committees, by gender



Calendar of regional board members - 2018

Meetings of chairmen

- February 1
- May 2
- September 5

Local board meetings

- From February 6 to March 9
- From September 10 to October 12

Regional board meetings

- South
- South-east
- North-east
- Metropolitan area
- Bajío
- West

# Economic Impact

GRI 103-1, 103-2, 103-3 and 201-1

BBVA Bancomer Financial Group is a key driver of Mexico’s economic development. For many years GFBB has demonstrated its commitment to supporting Mexican savers, by building customer deposits in a secure and efficient manner and driving their growth, while ensuring that their savings are subject to appropriate oversight. The Bank also offers personalized financing options and solutions to individuals and businesses that seek different forms of funding.

This section contains figures that demonstrate the recurrent nature of BBVA Bancomer’s results and the Bank’s robustness. This has been guaranteed via outstanding performance, shaped by a well-established philosophy of risk control and sustained long-term profitability.

GFBB recognizes the importance of providing access to financial services. Which is why underlying these financial results is a strategy based on the use of digital channels to furnish people with financial products and services that are specially designed to create opportunities and support the well-being of the population.

GFBB helps people make optimal financial decisions and thus generate a positive impact on society. It aims to become a tool that can be harnessed to achieve goals, so people no longer view us as just a bank.

**GFBB helps people make optimal financial decisions** and thus generate a positive impact on society.

## Analysis and Discussion of Business Development

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

### Trend in Commercial Activity

At the end of December 2018, performing loans amounted to 1,142,173 million pesos, revealing annual growth of 8.0%. This positive development has not only allowed BBVA Bancomer to ground its status as a market leader with a share of 22% at the end of December 2018, but also —according to public information released by the National Banking and Securities Commission (CNBV)— it allowed the bank to report the largest increase in the loan portfolio over the last twelve months.

### Performing Loans



Source: GFBB financial statements.

**+8.0%**  
(billion pesos and annual change %)

Commercial credit was up 8.9% in the year to reach 658,507 million pesos. Commercial and industrial loans posted the strongest performance within this portfolio (these include lending to corporations, medium-sized enterprises, real estate developers and SMEs), with an increase of 10.1% over the last twelve months.

### Commercial loans\*



\* Includes bridge loans.  
Source: GFBB financial statements.

**+8.9%**  
(billion pesos and annual change %)



Additional revenues were recorded at the year-end linked to extraordinary payments, such as bonus earnings. This is reflected in the performance of the consumer lending and credit card portfolio, which was up 6.1% in the year to reach 275,090 million pesos. The largest growth in this portfolio came from consumer finance, which includes payroll, personal and auto loans, to close the year with a balance of 167,997 million pesos, 9.0% higher than the previous year. The credit card portfolio amounted to 107,093 million pesos at year-end 2018, up 1.7% year-on-year.

### Consumer Loans + Credit Cards



**+6.1%**  
(billion pesos and annual change %)

Source: GFBB financial statements.

Mortgages were up 7.6% at the end of December 2018, totaling 208,577 million pesos. BBVA Bancomer is still the leading bank in mortgage loans; according to the CNBV it grants one out of every four new mortgages in the private sector.

Bank deposits (demand and time) rose 3.3% over the year. If we include issued credit securities and the global non-movement deposits account, traditional deposits climbed to 1,195,889 million pesos, revealing an annual increase of 3.2%. Demand deposits were up 3.5% in the year to close December 2018 at 864,477 million pesos. Meanwhile, public time deposits reported growth of 11.4% compared to the end of December 2017, allowing BBVA Bancomer to maintain a profitable funding mix, with a greater relative weight of demand deposits.

Assets managed in mutual funds stood at 400,342 million pesos at the end of December 2018, up 3.0% in the year. Thus, BBVA Bancomer Gestión, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, BBVA Bancomer Financial Group remains one of the largest mutual fund managers operating within the market, with a market share of 19% according to information released by the Mexican Association of Stock Market Intermediaries as (AMIB) at December 2018. Meanwhile, total deposits amounted to 1.6 trillion pesos, equivalent to annual growth of 3.2%.

### Bank deposits (demand + time\*)



**+5.0%**  
(billion pesos and annual change %)

\* Public term deposits in general.  
Source: GFBB financial statements.



## Earnings

Net interest income totaled 132,650 million pesos in 2018, equivalent to annual growth of 8.2%. This growth was driven by higher volumes of loans and deposits. Loan-loss provisions were down 2.7% due to the healthy performance of the loan portfolio. As a result, net interest income adjusted for credit risks was 100,340 million pesos in December 2018, up 12.2% on the figure reported a year earlier.

This performance has seen GFBB maintain high profitability indicators, with a net interest margin (NIM) of 6.0% at December 2018, while the NIM adjusted for credit risk stood at 4.9%.

Fees and commissions saw an annual increase of 8.8%, totaling 27,010 million pesos at the end of December 2018. The outperformers were fees and commissions from management, and trading volume of mutual funds, followed by banking fees. Credit and debit card fees were up 6% year on year, following an increase in the number of transactions carried out with these products.

This **performance** has seen GFBB **maintain high profitability indicators** at December 2018.

### Net interest income



Source: GFBB financial statements.

**+8.2%**  
(billion pesos and annual change %)

Trading income was down 15.7% in the year compared to December 2018, impacted by trading in financial derivative instruments and due to the result of investments in securities for sale.

Other income (expense) from transactions compared favorably with December 2017, mainly due to the capital gain obtained from the sale of a real estate asset in the second quarter of 2018.

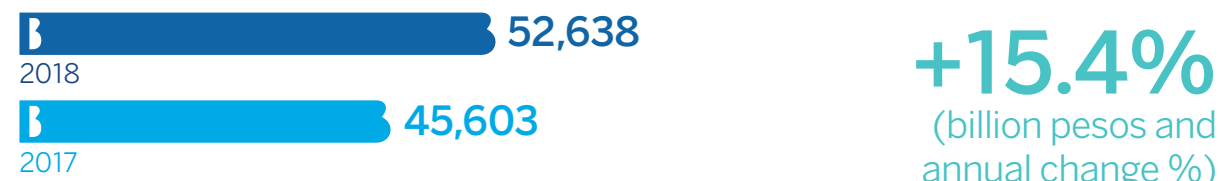
Expenses were up 6.5% in the year, largely because of a higher wage cost following the inflation adjustment made to staff salaries.

Meanwhile, continuous investment activity helped generate a stronger banking infrastructure. At the end of December 2018, BBVA Bancomer had a total of 1,833 branches and 12,610 ATMs to serve its entire customer base.

However, proper management of income allows GFBB to position itself as one of the most efficient institutions in the financial system, with an efficiency ratio - measured as an expense-to-income ratio - of 37.2% at the end of December 2018.

Net profit totaled 52,638 million pesos at year-end 2018, up 15.4% (+7,035 million pesos).

### Net Profit



Source: GFBB financial statements.

Ratios (%)	GFBB	Market*
Return on Equity (ROE)	25.4	16.1
Net Interest Margin (NIM)	6.0	5.1
Cost-to-Income Ratio	37.2	49.8
NPL Ratio	2.0	2.1

\* Market comprising five groups at December 2018 (Citibanamex, Santander, Banorte, HSBC and Scotiabank).  
Source: Financial Groups Quarterly Report.

## Key information

### General multiple banking indicators in Mexico

Million pesos	Dec-16	Dec-17	Dec-18
Total multiple banking institutions	47	48	50
Branches	12,522	12,744	12,755
Employees	230,319	240,667	254,880
Total banking assets (million pesos)	8,667,759	9,023,185	9,566,513
Constant GDP (million pesos)	18,476,233	18,749,848	18,389,170
% of GDP	46.9%	48.1%	52.0%
Aggregate gross banking portfolio (million pesos)	4,339,096	4,745,891	5,185,153
% of GDP	23.5%	25.3%	28.2%
Traditional deposits (million pesos)	4,526,559	5,005,013	5,367,203

Source: CNBV, Bank of Mexico.

### Importance of BBVA Bancomer Financial Group to the Mexican economy

	Dec-16	Dec-17	Dec-18
Total assets (million pesos)	2,075,106	2,168,837	2,267,466
Share of total assets	23.9%	24.0%	23.7%
Traditional deposits (million pesos)	1,031,407	1,158,700	1,195,889
Traditional deposits / Total assets	49.7%	53.4%	52.7%

Traditional deposits: demand, term, credit instruments issued and global non-movement deposits account.  
Source: BBVA Bancomer Financial Group.

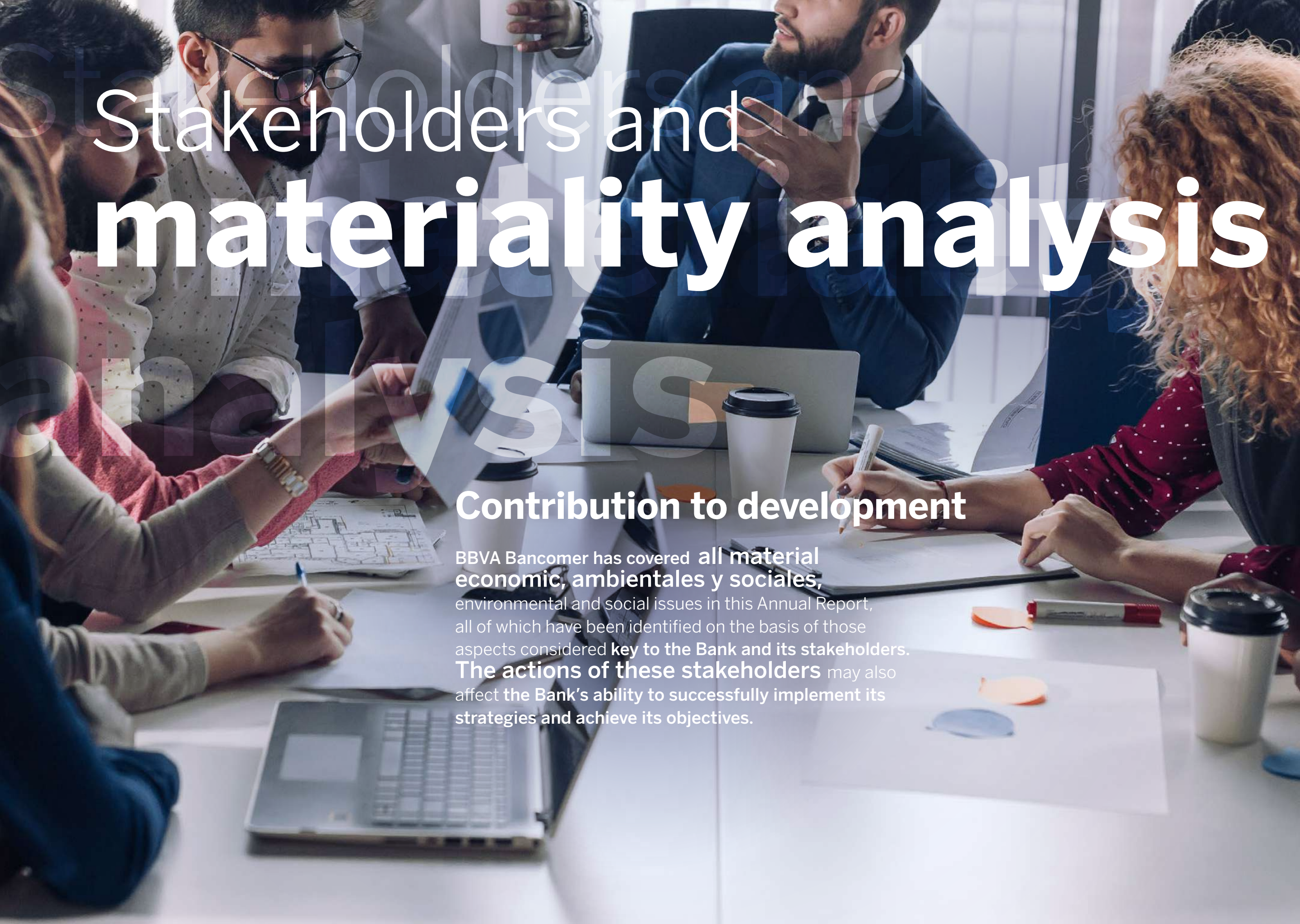
### Breakdown of Economic Value Added (EVA) by stakeholder

	Dec-16	Dec-17	Dec-18
Personnel expenses	21,201	22,080	23,835
Interest expenses	34,633	54,361	64,745
Administration and operating expenses	15,622	16,078	16,983
Taxes	13,572	16,568	20,243
Contribution to the community: funds allocated	85,028	109,087	125,806

### Economic value generated and distributed

	Dec-16	Dec-17	Dec-18
Economic value generated	141,841	154,775	167,523
Net interest income	113,335	122,627	132,650
Net fees and commissions	22,666	24,826	27,010
Other ordinary income <sup>(1)</sup>	5,840	7,322	7,863
Economic value distributed (EVD)	88,399	104,883	109,537
Dividend	23,531	34,586	31,922
General and administrative expenses <sup>(2)</sup>	30,095	31,649	33,537
Taxes	13,572	16,568	20,243
Personnel expenses	21,201	22,080	23,835
Economic Value Retained	53,442	49,892	57,986
Preventive estimates for credit risk	32,434	33,207	32,310
Reserves	21,008	16,685	25,676

Source: BBVA Bancomer Financial Group.



# Stakeholders and materiality analysis

## Contribution to development

BBVA Bancomer has covered all material economic, ambientales y sociales, environmental and social issues in this Annual Report, all of which have been identified on the basis of those aspects considered key to the Bank and its stakeholders. The actions of these stakeholders may also affect the Bank's ability to successfully implement its strategies and achieve its objectives.

# Stakeholders and channels of dialog







GRI 102-40, 102-41, 102-42, 102-43, 102-44 and 102-47

## Stakeholders

BBVA Bancomer has identified its stakeholders in accordance with the AA1000 Stakeholder Engagement Standard<sup>(2)</sup>:

- Inclusiveness
- Materiality
- Responsiveness

BBVA Bancomer works constantly with the following stakeholders:

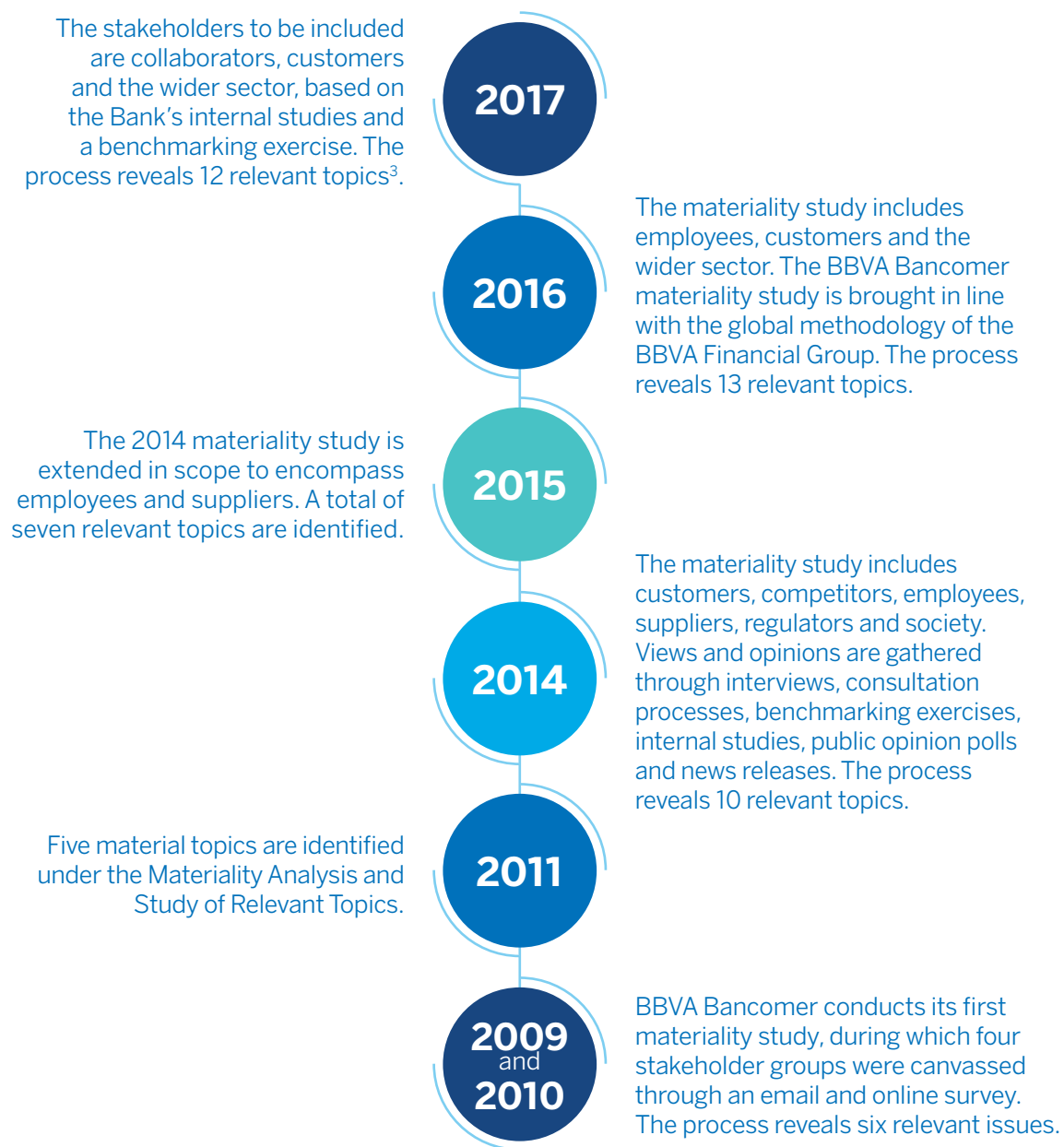
Stakeholder	Dialog channel	Area responsible	Frequency
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>■ Annual General Meeting</li> <li>■ Annual report</li> <li>■ Quarterly Financial Information</li> </ul>	<ul style="list-style-type: none"> <li>• Investor information (<a href="https://www.bancomer.com/nuestrom/informacion-inversionistas.jsp">https://www.bancomer.com/nuestrom/informacion-inversionistas.jsp</a>)</li> </ul>	
 <b>Customers</b>	<ul style="list-style-type: none"> <li>■ Branches</li> <li>■ Línea Bancomer (<a href="https://www.bancomer.com/personas/linea-bancomer.jsp">https://www.bancomer.com/personas/linea-bancomer.jsp</a>)</li> <li>■ Website (<a href="http://www.bancomer.com">www.bancomer.com</a>)</li> <li>■ Press channels (newspapers, magazines, flyers, direct mails, TV and radio, and others)</li> <li>■ Satisfaction survey</li> <li>■ Social media</li> <li>■ Opinion studies</li> </ul>	<ul style="list-style-type: none"> <li>• Wholesale and Investment Banking</li> <li>• Business Development</li> <li>• Commercial Network</li> </ul>	<div style="background-color: #0056b3; color: white; text-align: center; padding: 2px;">Daily</div> <div style="background-color: #0099cc; color: white; text-align: center; padding: 2px;">Weekly</div> <div style="background-color: #ff9933; color: white; text-align: center; padding: 2px;">Monthly</div> <div style="background-color: #66aa66; color: white; text-align: center; padding: 2px;">Quarterly</div> <div style="background-color: #4db6ac; color: white; text-align: center; padding: 2px;">Annual</div> <div style="background-color: #d97e33; color: white; text-align: center; padding: 2px;">Every two years</div> <div style="background-color: #673ab7; color: white; text-align: center; padding: 2px;">Periodic</div>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>■ We are BBVA Bancomer</li> <li>■ Email (employee whistle-blower channel)</li> <li>■ Work Climate Survey</li> <li>■ Internal reputation study</li> </ul>	<ul style="list-style-type: none"> <li>• Talent &amp; Culture</li> <li>• Corporate responsibility and reputation</li> </ul>	
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>■ Adquira website (<a href="http://www.suppliers.bbva.com">www.suppliers.bbva.com</a>)</li> <li>■ Grievances and suggestions mailbox (<a href="mailto:noconformidadesproveedoresmexico.mx@bbva.com">noconformidadesproveedoresmexico.mx@bbva.com</a>)</li> <li>■ E-mail address</li> <li>■ Satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Purchasing</li> </ul>	
 <b>Regulators</b>	<ul style="list-style-type: none"> <li>■ Committees</li> <li>■ TD Support</li> <li>■ Meetings</li> <li>■ Messages</li> </ul>	<ul style="list-style-type: none"> <li>• Talent &amp; Culture</li> <li>• Corporate responsibility and reputation</li> <li>• Risks</li> <li>• Compliance</li> </ul>	
 <b>Company</b>	<ul style="list-style-type: none"> <li>■ BBVA Bancomer Foundation website <a href="http://www.fundacionbbvabancomer.org">www.fundacionbbvabancomer.org</a></li> <li>■ Social media</li> <li>■ Opinion studies</li> </ul>	<ul style="list-style-type: none"> <li>• BBVA Bancomer Foundation</li> <li>• Quality</li> <li>• Corporate responsibility and reputation</li> </ul>	

<sup>2</sup> See **glosary**. For further information on the stakeholder selection process, please see **Bancomer's Annual Report for 2009** and the **2010 Annual Report**.

# Materiality

Materiality is a tool that helps prioritize and facilitate decision-making, focusing on relevant topics to improve and identify useful information for the business and its stakeholders. As part of the continuous improvement process, BBVA Bancomer is constantly seeking to update materiality.

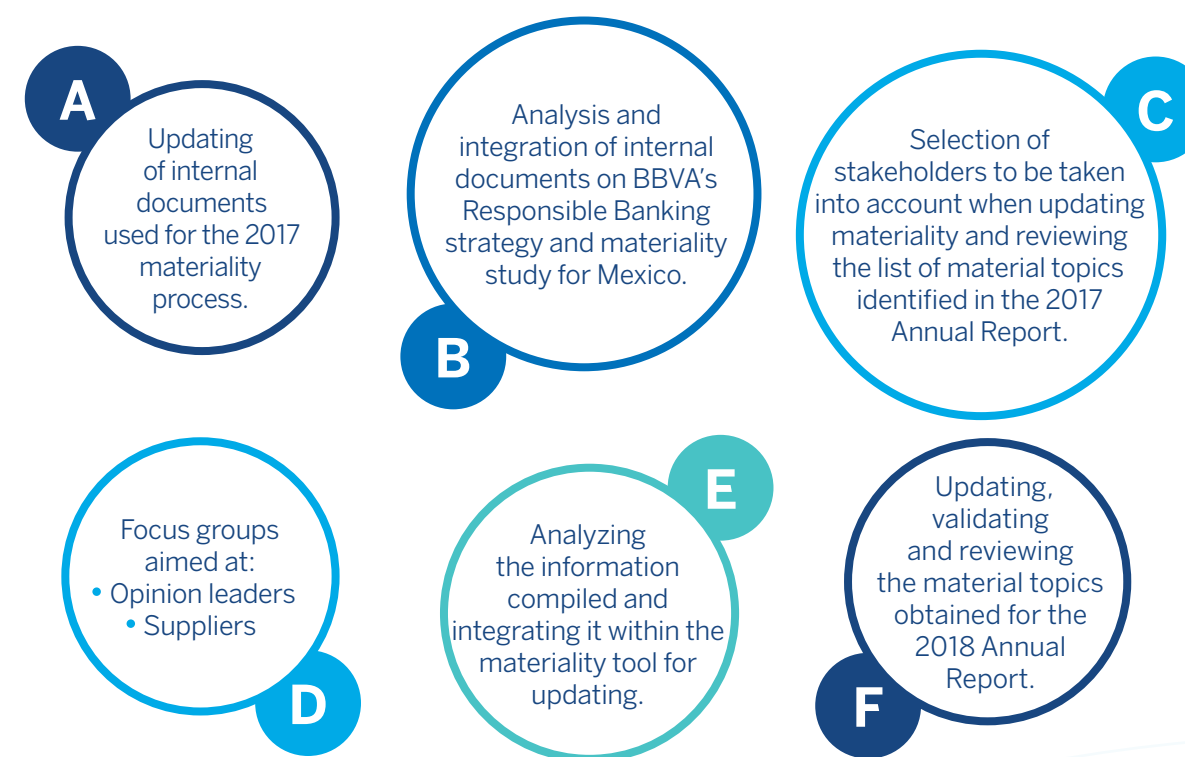
## Time line / Bank's track record in materiality



## Methodology

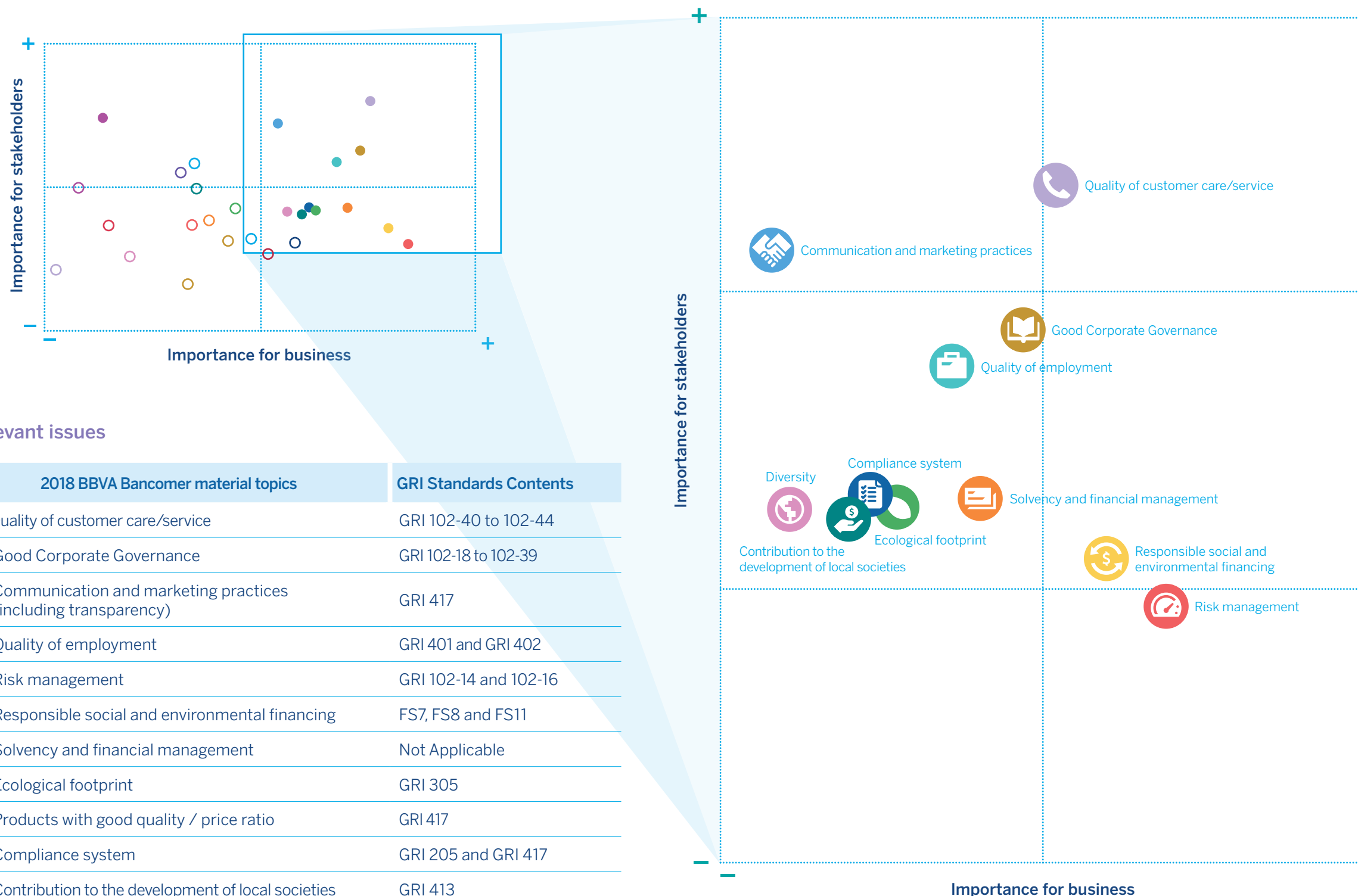
Employees, customers and the wider sector are included in the 2017 materiality exercise to obtain the material topics. For 2018, BBVA Bancomer decided to approach other stakeholders (suppliers and opinion leaders) in a bid to strengthen its communication with them.

BBVA Bancomer materiality issues were updated pursuant to the following methodology:



<sup>3</sup>To read about materiality in 2017 and the associated methodology, please see [https://portal.bancomer.com/bancainversiones/informe\\_2017.html](https://portal.bancomer.com/bancainversiones/informe_2017.html).

## Materiality Matrix



### Top 12 relevant issues

No.	2018 BBVA Bancomer material topics	GRI Standards Contents
1	Quality of customer care/service	GRI 102-40 to 102-44
2	Good Corporate Governance	GRI 102-18 to 102-39
3	Communication and marketing practices (including transparency)	GRI 417
4	Quality of employment	GRI 401 and GRI 402
5	Risk management	GRI 102-14 and 102-16
6	Responsible social and environmental financing	FS7, FS8 and FS11
7	Solvency and financial management	Not Applicable
8	Ecological footprint	GRI 305
9	Products with good quality / price ratio	GRI 417
10	Compliance system	GRI 205 and GRI 417
11	Contribution to the development of local societies	GRI 413
12	Diversity	GRI 405

## Global Compact and Sustainable Development Goals

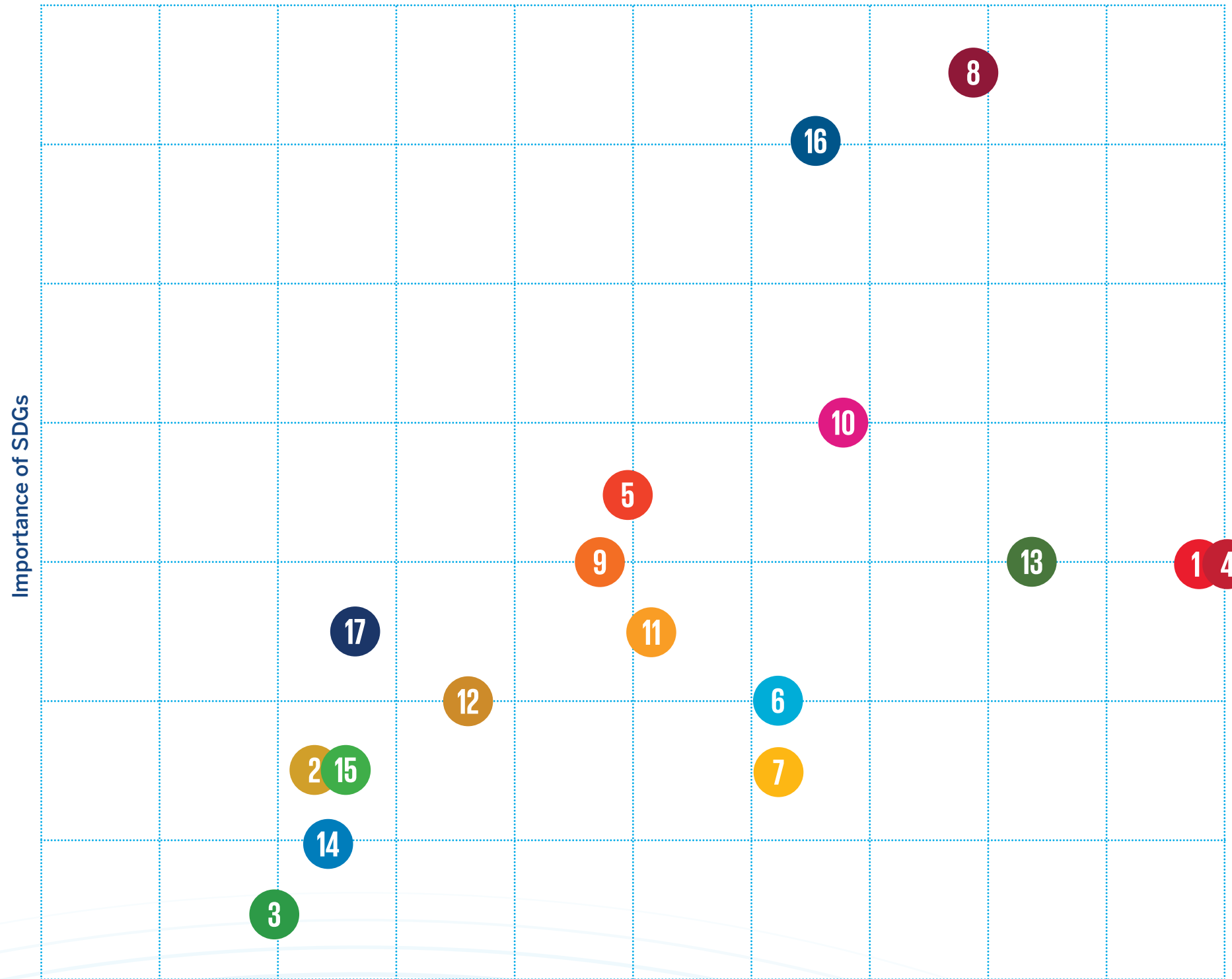
The Sustainable Development Goals (SDGs) were established to address the universal challenges facing humanity, to protect the environment and to overcome social and economic problems. The SDGs comprise 17 goals and 169 specific targets to be met before the end of the 2030 agenda.

BBVA Bancomer is firmly committed to the Sustainable Development Goals and has been adhered to the UN Global Compact since 2004, while also pursuing the best way to link the SDGs with its own material topics and business strategy. As a result, in 2018 the institution carried out its first identification, importance and maturity exercise for its business activities on the path to achieving the goals by 2030.

In 2018, **BBVA Bancomer identified its contribution** to attaining the **UN Sustainable Development Goals.**



The following matrix shows the importance of the SDGs to BBVA Bancomer and how the Bank's activities influence compliance with the SDGs.



Impact of BBVA Bancomer on SDGs



# Responsible Customer Experience

## Wow experience!

BBVA Bancomer is firmly committed to creating **special moments and a unique experience** for its clients. It this by generating **the best financial solutions, excellence in service and effective attention** to their needs.

# Responsible customer experience

BBVA Bancomer seeks to offer its customers the best banking solutions, while helping them make the right financial decisions and having a positive impact on their lives.

**This means offering customers an experience which stands out for its simplicity, transparency and swiftness, in turn empowering our customers and bring them personalized advice.**

In a bid to reach that objective, the Bank has been working hard to strengthen its customer service processes, remodel branches and promote financial literacy, while safeguarding data security, privacy and protection at all times, along with data integrity.



## Experiencia Única (Unique Experience)

Satisfying the needs of customers is an essential pillar in the ongoing evolution of BBVA Bancomer.

In a bid to align customers' needs with the Group's own values, the Unique Experience area was turned into a general department in 2018 to help make the new transformation of the Customer Experience a reality.

During the same year, more than 30 Unique Experience Models were implemented across different areas and departments of the Bank, resulting in greater commitment among collaborators and generating extraordinary services that provide better brand perception and more satisfied customers; making BBVA Bancomer a leader when it comes to customer service. The Bank ranks first on the Net Promoter Score index, which is used to gauge customer satisfaction.

Our Unique Experience mission entails:



Placing the client at the heart of everything the Bank does.



Setting a new standard for the customer experience and employee experience.



Being a core element of the constant transformation at BBVA Bancomer.

**Unique Experience means achieving excellent customer service and constantly exceeding their expectations.** This is how BBVA Bancomer partners and employees develop products and services that enable the customer experience: **We are the Unique Experience and we make it what it is.**

# Agile

BBVA Bancomer adopted the Agile methodology in 2015 to further enhance the customer's Unique Experience, to respond to new challenges and remain at the forefront of the banking world. The methodology allows teams to work and organize themselves by identifying milestones on the path to achieving their objectives. Not only does it allow the Bank to develop new quality products and services tailored to the needs of customers—whose priorities are changing at an ever-increasing speed—but it has also been adopted across all areas of the Bank, thus making us more agile and results-oriented in our daily activities.

We work hard on various fronts to, **disseminate and champion the Agile methodology across all areas of the Bank.**

## Agile Centre of Excellence (ACE)

To ensure the sustainability of the Agile methodology within the Bank, the ACE helped set up two squads: "Unique Experience" and "Sowing Agile", where coaches discuss improvements and arrange workshops, forums and courses for Bank employees. The result was as follows:

- New coaching clinics, at which employees can consult the coaches on how best to implement and entrench the new approach to work.
- Simulations: Learning from Scrums or Kanban through interactive dynamics.
- Challenge your coach: constructive talks with coaches to brainstorm innovative ideas.
- Community of practice: employees attend this forum to share their knowledge or the tools they use at work.
- Workshops on effective communication, Kanban and programs, among other topics.

In 2018, the Maturity Model was created from the SHU (learn) - HA (grow) - RI (transcend) method, based on a Japanese martial art that describes the stages of learning. The ACE created policies tailored to BBVA Bancomer for each level of team maturity and these policies can be used to measure the adoption and understanding of the framework.

The Agile methodology at BBVA Bancomer comprises the following elements

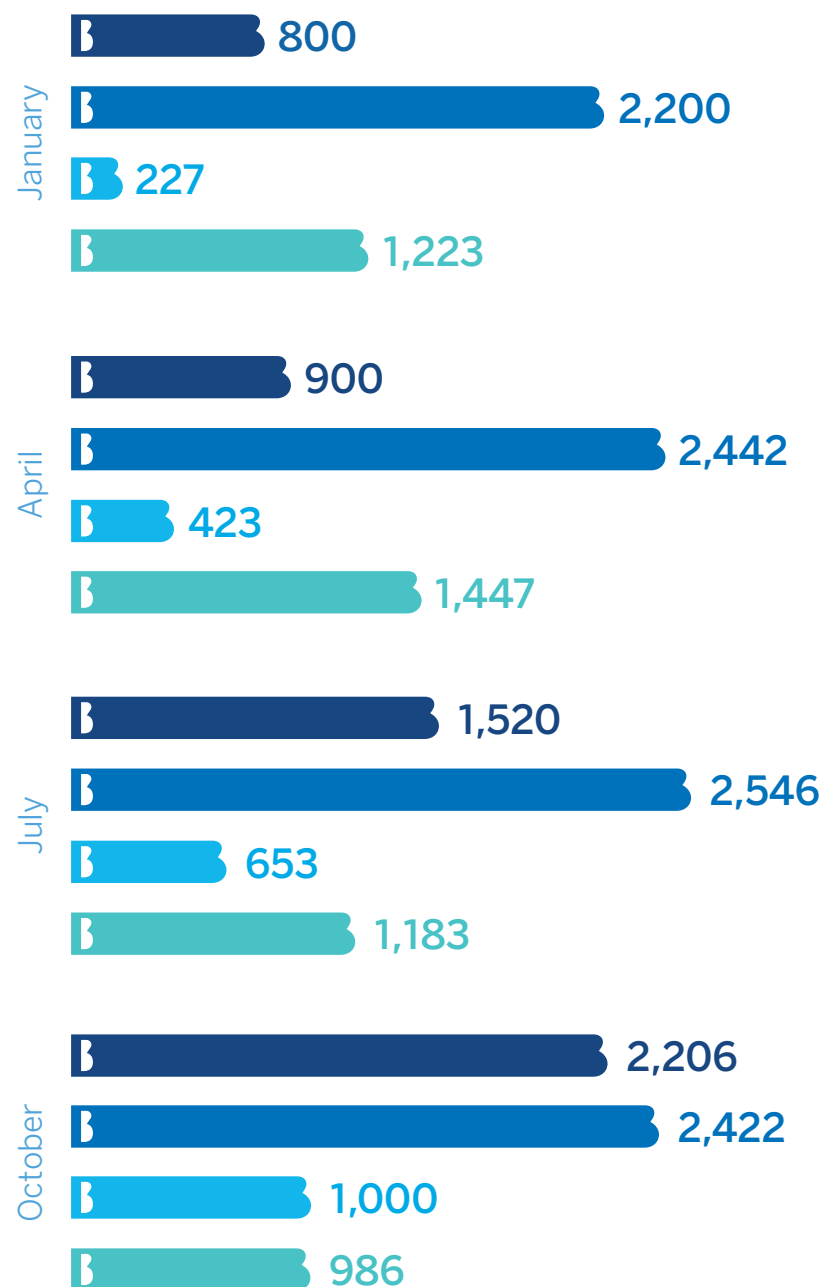
- SQUAD
- SCRUM
- PROGRAM
- PORTFOLIO



## PI

Program Increments (PIs) are three-month periods in which the Agile teams develop their projects and generate and deliver value. The following table shows total participants in each PI developed:

### PI comparison



#### Participants

- 2017
- 2018

#### Developed projects

- 2017
- 2018

One of the success stories of 2018 was the deployment of internal coaches at each General Department (GD) to support the implementation of the Agile methodology throughout all the different processes of the organization. The following DGs are already part this process: Business Development, Finances, T&C, Audit and Business and Government Banking.

Our coaches were also certified under the Kanban framework in early 2018, thus further strengthening communication and awareness of the methodology within the Bank.

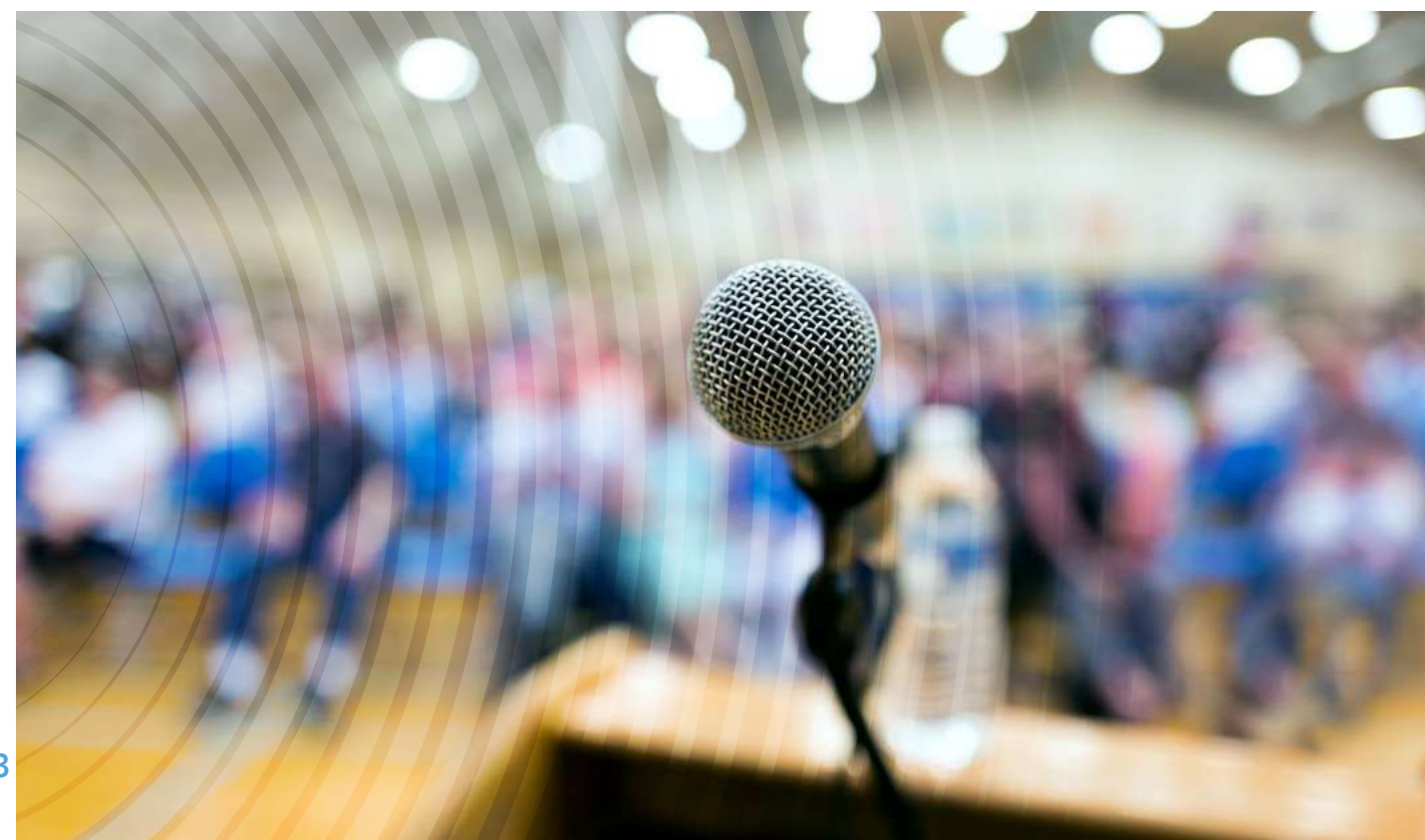
### Ágiles México event

The *Ágiles México* event was held in October 2018, in which BBVA was the main sponsor. The Bank's collaborators and employees steered talks based on experience, improvements in approaches to work and innovation proposals for the Agile community.

Be sure to visit the following site to learn more about the Agile methodology at BBVA Bancomer: <https://www.bbva.com/es/metodologia-agile-la-revolucion-las-formas-trabajo/>

### Goals for 2019

- Making the operating areas of BBVA Bancomer more efficient by implementing Kanban.
- Implementing communities of practice as a mechanism for collaboration between the different areas.



## Quality and customer service





BBVA Bancomer’s business is focused on the customer and on offering products and services that generate a Unique Experience. The Bank’s objective is to differentiate itself from all its competitors and to become a leader in customer satisfaction.

Based on its own core values, and fusing these with the Unique Experience model, the Agile methodology and the ongoing Digital Transformation, BBVA Bancomer has a clear strategy in place: putting the customer at the heart of everything the Bank does and having a positive impact on the lives of people and companies. In other words: “Bringing the age of opportunity to everyone”.

### Net Promoter Score - open market

Part of the Bank’s strategy is to conduct brand awareness studies and thus achieve better service, products and services for its customers. The result of the Bank’s entire strategy is reflected in its positioning in the open market net promoter score. In 2018, BBVA Bancomer continued to rank as the number one bank in Mexico, standing 4.2 points clear of its nearest competitor based on the results of the polls and surveys on BBVA Bancomer and its main competitors. The Bank also leads the market when it comes to transparency and clarity of information.

A total of 11,135 surveys were conducted, broken down as follows:

Channel	Number of surveys	Points above nearest rival
 Telephone banking	3,584	2.5
 Online banking	2,208	4.3
 Mobile Banking	2,208	6.4
 ATMs	3,135	9.9

BBVA Bancomer outclassed its competitors across all channels in 2018.

### Net Promoter Score

This index aims to measure customers’ perception of BBVA Bancomer and the service they receive. Said reading is secured via telephone surveys, electronic surveys and organic surveys (surveys built into applications). It is used to identify the Bank’s strengths and opportunities for future improvement in the following areas:



Channels








Networks and segments



Products and services

After scrutinizing the results, the Bank works with the departments and areas involved to establish action plans and improvements. In 2018, a specific action plan was devised for 90% of the areas of opportunity to have been identified.






### Volume of surveys conducted on Bancomer customers

Digital	Number of surveys	Change December 2018 vs. December 2017
 Commercial Network	586,872	Up 2 points
 Wealth management and private banking	10,934	Up 5 points
 Business and government banking	4,187	Up 8 points
 Mortgage business	6,018	Score unchanged
 Consumer finance	5,771	Score unchanged

## Employee Net Promoter Score

Just as customers evaluate the bank, BBVA Bancomer likewise evaluates its employees. The assessment consists of surveys delivered by email to gauge how the Commercial Networks perceive the service they receive from their internal suppliers when providing service to customers.

Some 18,000 surveys were conducted in 2018, broken down as follows:

Digital	Number of surveys	Change December 2018 vs. December 2017
 Commercial Network	15,235	Up 3 points
 Wealth management and private banking	679	Down 5.8 points
 Business and government banking	1,298	Score unchanged
 Mortgage business	553	Up 9 points
 Consumer finance	201	Up 10 points

### Goals for 2019

- Continue to top the open market net promoter score index.
- Exceed the average of its closest two rivals.



## Specialized Customer Service Unit

GRI 417-2, 417-3 and 418-1

The Specialized Customer Service Unit (UNE) works on an ongoing basis to improve service quality, with the overriding objective of safeguarding the well-being of customers. The Unit has introduced a new management and quality model to ensure that all complaints are addressed at the earliest opportunity, tackling the root of the problem identified by the customer. Customer complaints and claims provide essential information to drive continuous improvement at BBVA Bancomer, helping it identify areas of opportunity, improve the customer experience, and shore up customers' preference for the Bank. BBVA Bancomer fully intends to ramp up its efforts to address any claims, complaints, and dissatisfaction reported by customers.

Customers may submit claims and complaints via:



Branches



Línea Bancomer



Website: claims and complaints section

Once the claim has been processed, the customer will be notified of the decision reached by the Bank's clarifications unit. If the customer remains unsatisfied with the response, they may ask the UNE to re-open the case and review its previous decision. The request can be made in person at the Bank's central offices, or delivered by e-mail or by contacting the Call Center.

UNE contact details:



Website: <https://www.bancomer.com/serviciocliente/quejas-reclamos.jsp>



E-mail: [une@bbva.bancomer.com](mailto:une@bbva.bancomer.com)



Call center: 1998 8039  
Within Mexico: 01 800 112 2610



Corporate offices: 2 in Mexico City and 1 in Guadalajara

### Direct customer complaints made to the UNE



**+0.28%**  
annual

### Complaints made to CONDUSEF



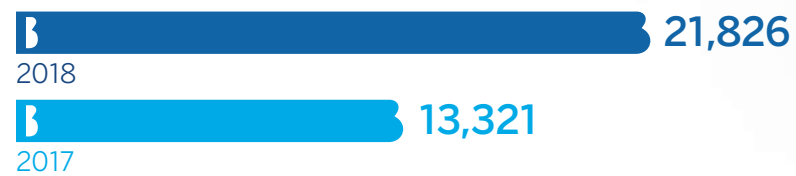
**-0.64%**  
annual

### Total complaints presented



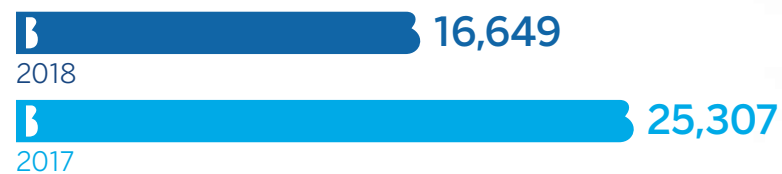
**-0.26%**  
annual

### Complaints resolved in the customer's favor



**+38.97%**  
annual

### Complaints resolved in the Bank's favor



**-52.00%**  
annual

### Average number of days to address a complaint



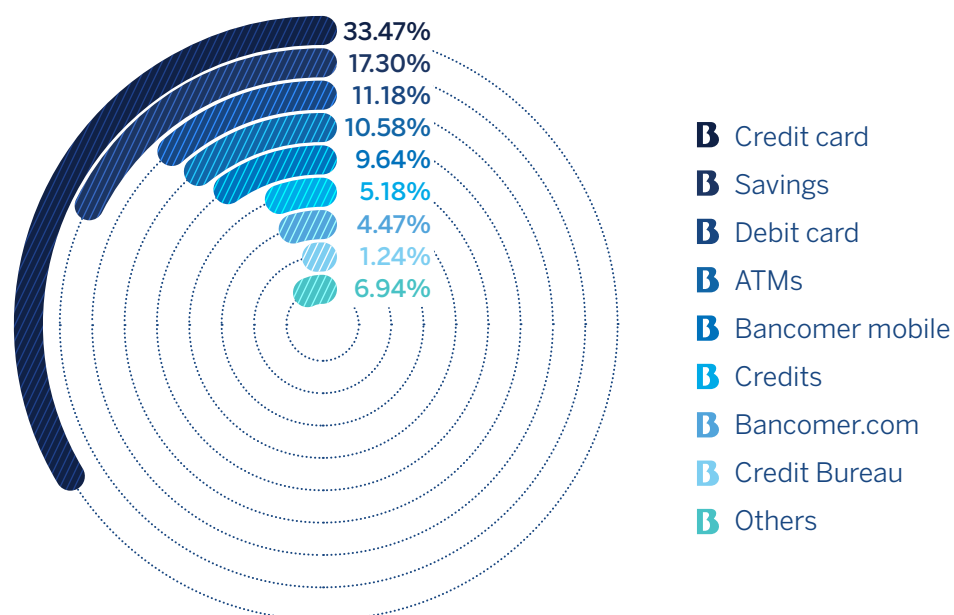
**-12.50%**  
annual

In 2018, BBVA Bancomer reported its **best ever result** under the **User Service Performance Rating (known as IDATU)\***, earning a cumulative **score of 8.26**, to close out the third quarter of 2018 in **first place** under G4.




BBVA Bancomer obtained its **best ever score for IDATU Insurance**, with a rating of **8.51**, placing the Bank in **third place** in the ranking of **insurers** with more than 1,000 claim folios per year.

\* See glossary.



### Total claims by service and by product in 2018



Other highlights in 2018 that further strengthen the customer experience included:

-  The creation of a specialized desk to review cases.
-  Setting up the First Contact Resolution (FCR) program, which effectively reduced the number of incidents passed on to other areas or departments, thus helping to resolve more cases on the customer's first contact with the Bank.
-  A new corporate office dedicated to customer service and support was opened in the city of Guadalajara. The office also receives cases that have been escalated from the branch network and stages conciliation proceedings to encourage customers to drop their case. The following table provides key figures for each office:

Office/branch	Number of contacts
Polanco	1,795
Torre BBVA Bancomer	832
Guadalajara	625

-  Toughening and standardizing rules and criteria for analyzing and reviewing cases.
-  Creating an engagement area with other internal fronts to improve customer service.

Developing the **“CONDUSEF telephone support cell”**: a team of specially trained individuals adept at **tracking and monitoring the claims that reach CONDUSEF**, requiring them to maintain constant communication between the Bank and the customer.

**Target 2019**  
Improve our position in the IDATU for Banking and Insurance.



# Digital transformation

Relying on the Unique Experience model, the digital transformation area embraces new challenges and seizes opportunities to help BBVA Bancomer remain the best digital bank within the country. Relying on Agile methodology, the Bank continually develops new initiatives to launch digital applications and solutions that will improve the lives of its customers.

To discover a whole world of opportunities with BBVA Bancomer's free mobile apps, please visit the following page: <https://www.bancomer.com/personas/apps.html>

## Progress made with the apps launched in 2016 and 2017

### BBVA Plan

A BBVA Bancomer app that helps customers regularly save without even realizing, providing a fully customizable tool that allows them to comfortably reach their goals. Users also receive a saving tip to help them reach the goal they have set themselves. This makes saving more dynamic and exciting.



142,000 targets reported\*



852 million pesos saved \*



Average of 5,992 pesos saved per target\*.

These figures reveal growth of 111% in the total amount saved and of 41% in the number of targets for 2018 when compared with the previous year.

Cumulative figures since the launch of the app in December 2016:



243,000 targets.



1,255 million pesos saved.



Average of 5,157 pesos saved per target.

### Apartados

A new Bcom and Bmóvil functionality that the Bank's customers can use to control their expenses. The Apartados app allows customers who receive their pay check through the Bank to manage their income in a simple and effective way. Customers can customize their "electronic payslips" as they wish, whether to pay off their credit cards or cover school fees, rent or other services by splitting up their income to cover payments as and when needed. And if the customer wishes to take out their money, no matter the time, date, or location, they can immediately return the money they have set aside to their available balance to cover any amounts they may owe by simply clicking on "Withdraw".



Money put aside through the app on 1.7 million occasions\*.



8,930 million pesos set aside\*.

These figures reveal fivefold growth in the number of times money has been put aside and sixfold growth in the amount put aside compared with 2017.

## Financial Health (CheckUp)

A Bmóvil feature that allows users to analyze their financial health. The Bank is currently working to make “Why Health” tips and explanations part of the BBVA app to advise customers on how to improve their financial health by using credit products, savings solutions, investments and insurance to overcome possible liquidity or debt problems.

The customer can view the following four statements to obtain a clearer overview of their finances:



**Excelent**



**Healthy**



**Stable**



**Critical**

In 2018 **the CheckUp feature** feature was consulted 4.8 million times and **since its launch it has been viewed over 8 million times.**

## Digital Mortgage

App available through Bcom whereby customers can obtain quotes, calculate their credit capacity and get a credit certificate for their mortgage.

The Bank is working on the new Global Home Experience solution with Valora, to provide a price estimate for the house the customer is looking to purchase.



A total of **822 digital mortgages** were arranged in 2018.

## New apps launched in 2018

### Global Home Experience

A tool that helps customers search for a house in their chosen area with two search options: using a map or by entering a specific address.

### S.O.S. app Seguros Bancomer

A new feature that lets customers arrange care insurance through the mobile banking app in under three minutes.



### AI Chatbot

In 2018, the Bank implemented its virtual assistant using artificial intelligence (AI). BBVA Bancomer is the first bank in Mexico to embrace AI through WhatsApp. The assistant makes it easier for customers and users to interact with the Bank by answering questions regarding branch location, resolving doubts about account opening and offering suggestions on how best to use the Bank’s digital solutions.

Tel: +52 1 55 5226 2663

### Link Card

An account designed for young people under the age of 18. Features include BBVA Send, making it easy for the parents to send money.

## Payroll portability

Payroll portability is a right of all payroll recipients to choose the bank at which they would like their receive their salary.

BBVA Bancomer remains the number one bank when it comes to payroll portability, having now earned the achievement for the third year in a row in 2018, ending the year with 385,000 completed portability requests.

Digital results were outstanding, providing a further illustration of BBVA Bancomer’s commitment to digital transformation, with 70% of portability requests completed via digital channels, almost double the figure reported a year earlier.

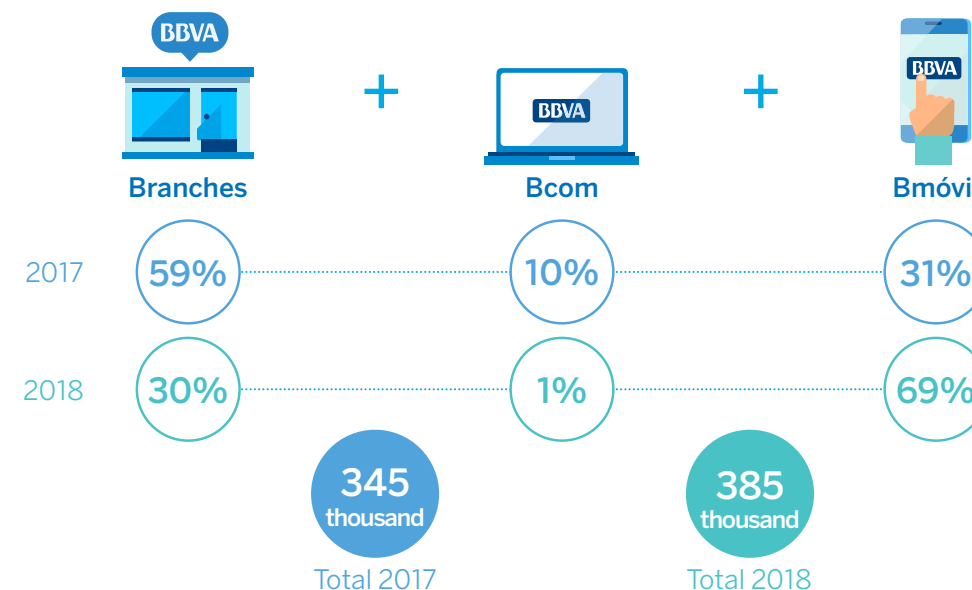
People choose BBVA Bancomer to receive their payroll thanks to the numerous benefits it offers, notably:

- Having the most extensive network of ATMs and branches close at hand.
- The sheer convenience of being able to manage their wages 24 hours a day via Bancomer Mobile/BBVA Mexico app, BBVA Wallet, BBVA Send and BBVA Plan.
- Special access to lower rates on loans and credit.
- Free life insurance for accidental death.

At year-end 2018, BBVA Bancomer accounted for 64% of the approved portability market. Despite being slightly down on the previous year, the Bank’s results remain strong when compared with its competitors.

	2017	2018
Portability requests accepted	76%	64%

### New payroll accounts in 2018



In 2018, the Bank earned a **net promoter score of 90 for portability, 8 points above** its score in 2017.

### Payroll portability campaigns

BBVA Bancomer launches regular campaigns to inform customers and non-customers alike of their right to choose the bank at which they would like to receive their payroll deposit.

With its customers firmly in mind, BBVA Bancomer has researched and found that people interested in moving their payroll have natural doubts and fears about the process; knowing this, it relies on communication to stress just how safe and reliable payroll portability is.

#### Target 2019

- Increasing the percentage of digital portability requests completed via digital channels.
- Maintaining BBVA Bancomer’s status as the nation’s favorite bank for receiving their payroll.
- Increasing the number of new customers through payroll portability by unlocking the value of innovation when arranging accounts.



## Social media

As part of the Unique Experience vision, social networks are an important channel of communication between BBVA Bancomer, customers and the community. The Bank can use the social networks to create a customer experience that sets it aside from its competitors as it focuses on financial literacy. Last year was no exception in terms of the Bank's accomplishments via the social networks, notably:

- Account set up on Instagram to generate more personalized and unique engagement with customers. By being able to generate "stories" on Instagram, the Bank has taken the letters "BBVA" as its four main pillars in sharing the unique experiences of its employees and customers:
  - › Behind the scenes
  - › Beyond success
  - › Life and style
  - › Architecture
- Being the first bank to have a certified WhatsApp account. This new initiative offers customers and non-customers alike a virtual assistant to:
  - › Provide immediate advice on products and services via WhatsApp (55 5226 2663) or Facebook Messenger ([www.facebook.com/BBVABancomer](http://www.facebook.com/BBVABancomer)), available 24 hours a day, seven days a week.
  - › Help find the nearest branch or ATM.
  - › Publicize offers and promotions in nearby stores.
- In 2018, the level of service rose to 98%, meaning 98 out of every 100 users received a response in under 15 minutes. The average response time was eight minutes.

There is complete security in the processing of data. Users can head to "View contact" in WhatsApp to see that the security certificate shows a green tick. BBVA Bancomer NEVER requests personal or banking information via this app.

### Total followers, broken down by social network



**Facebook**  
1,441,356 Fans



**Twitter**  
184,741 Followers



**LinkedIn**  
82,188 Followers



**YouTube**  
44,431 Subscribers



**Instagram**  
9,763 Followers

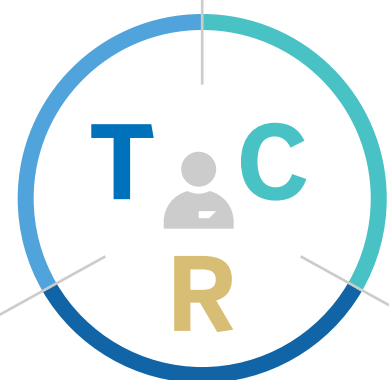
Information at January 2, 2019.

# Transparent, Clear and Responsible (TCR) Communication

GRI 417-1, 417-2, 417-3, 103-1, 103-2 and 103-3

**BBVA Bancomer has defined a set of guidelines to help generate strong ties with its customers. These come into play during various points of contact with the customer, including: Commercial Documents, Public Website, Apps and Customer Service.**

The TCR project was launched in 2014 to foster transparent, clear and responsible relations between BBVA Bancomer and its customers. The aim is to get customers to view BBVA Bancomer as a transparent bank that looks after their interests and helps them make informed decisions, thus creating a relationship of trust while also attracting new customers.



## Transparency

- 01** Provide customers with all the relevant information.
- 02** Give the same visual relevance to advantages/benefits as you do to risks/costs/obligations.
- 03** Ensure that the main message is valid for most of the audience.
- 04** Remember that the relevant information will vary, depending on the customer profile, the step in the process and the product.
- 05** Use the appropriate channel, so that the relevant information can be given.



## Clarity

- 06** Use a good structure and visual images to facilitate understanding and navigation.
- 07** Ensure that the graphic elements provide a realistic and intuitive image.
- 08** Use clear language that is easy to understand.
- 09** Keep the use of small print to a bare minimum (if it must be used, make sure it is clear).
- 10** Foster accessibility. For audiovisual productions, use subtitles and include only what actually matters.

## Responsibility

- 11** Look after the customer's interests in the short, medium and long term.
- 12** Support the customer.
- 13** Champion financial health.
- 14** Give customers control over their relationship with the bank.
- 15** Use customers' personal information responsibly.



## TCR product leaflets

These documents are available to the Commercial Banking network and provide a brief and clear description of all products and services offered by the Bank. Information is presented with the reader's best interests at heart. The aim is to provide them with all the information needed to make the right decisions. To help create a Unique Experience and to facilitate the digital transformation, TCR and the Financial Literacy department have joined forces to publish data sheets on the Bank's website that are essentially the same as the product data sheets. Clear language must be used at all times and the information must be structured so as to enable the customer to understand the benefits and costs of each product. Good financial information and reporting has been incorporated into this new initiative:

<https://www.bancomer.com/personas/productos/tarjetas-de-credito/platinum.html>

At year-end, a total of 83 data sheets had been published for the main products and services marketed and sold by the Commercial Banking division.

## TCR contracts

This initiative involves reworking current customer contracts and structuring them more intuitively with language that is easy to understand.

BBVA Bancomer has now incorporated TCR principles into a contract intended for customers.

## TCR indicators

TCR indicators measure the customer's perception of the transparency and clarity of the products and services offered by BBVA Bancomer when compared with those offered by its competitors.

Among the best rated banks, **BBVA Bancomer** ranked first for customer satisfaction.

### Target 2019

Ensure that customers continue to view us as the most Transparent, Clear and Responsible bank.

# Personal data protection

## Personal data protection is of paramount importance to BBVA Bancomer.

To guarantee the security and confidentiality of the data entrusted to it, the Bank integrates new technologies and trains all its employees in how to process data.

BBVA Bancomer has set up a Personal Data Protection (PDP) department to enforce compliance with ARCO rights, to evaluate services and products and to deliver training courses to employees.

## ARCO Rights

A data subject has four rights relating to the use of their personal data:

1. **Access:** Knowing what data BBVA Bancomer has on file in relation to their person.
2. **Rectification:** The data subject is entitled to update the personal data that BBVA Bancomer has on file in relation to their person (applies only in the case of customers).
3. **Erasure:** Where the data subject wishes to erase their personal data (does not apply to active customers of BBVA Bancomer).
4. **Objection:** Where the data subject suspends (blocks) the use of their personal data for purposes beyond those agreed upon when arranging the product. This might include offering new products or sending advertising.

For further information, please visit <https://www.bancomer.com/personas/derechos-arco.html#presenta-tus-documentos>

## Internal personal data manuals

The Bank has now started work on updating the Personal Data Protection Regulations following the enactment of the new European Regulation (GDPR).

## Training course

Work began in the last quarter of 2018 to update and improve the course on personal data protection. The work is still in progress with the Training and Discipline department.

The improvements to the course will be gradually implemented starting in the second half of 2019.

## Awareness-raising campaigns

In 2018, two data protection campaigns were launched in a bid to raise awareness of the importance of the subject throughout BBVA Bancomer:

1. International Personal Data Protection Day 2018. Second personal data awareness campaign 2018 at BBVA Bancomer. The main focus of the campaign was to emphasize the importance of personal data to customers, users, candidates and employees.

## Postcards

The Bank constantly seeks to reinforce and entrench its message in relation to the areas of opportunity it identifies by sending out postcards bearing specific messages to Commercial Banking and HNWI Banking.

In 2018, articles and other announcements were regularly published across all digital channels used by the branch network (Commercial Banking and HNWI Banking), such as: *Banca al Día*, *Red al Día*, Wiki Network and CUC, in order to keep all branch staff updated and trained, seeing as though they are the face of the Bank with its customers.

## Personal Data Protection (PDP) Mailbox

The PDP mailbox addresses all manner of complaints, comments and/or reports relating to data protection, seeking to provide guidance to customers, users and employees: [protecciondedatospersonales.mx@bbva.com](mailto:protecciondedatospersonales.mx@bbva.com).

To view the Privacy Statement of BBVA Bancomer, please see <https://www.bancomer.com/personas/aviso-de-privacidad.html>

To exercise your ARCO rights and to find out how to do so: <https://www.bancomer.com/personas/derechos-arco.html#presenta-tus-documentos>



# Customer security, **privacy and protection**

GRI 103-1, 103-2 and 103-3

Customer security is a key priority and an area where BBVA Bancomer makes constant efforts to guarantee the protection and peace of mind which our customers deserve. Customer security was further strengthened in 2018 through tools and personnel to monitor and prevent events related to security, privacy and customer protection. The Bank continued to implement the following programs and initiatives:



## Branch controls

Biometric technology was installed at the branches. Staff now use their digital fingerprint to log in and authorize transactions. While this initiative was not mandatory for BBVA Bancomer customers in 2018, it is expected to become a regulatory requirement in 2019. BBVA Bancomer is therefore prepped and has all the tools needed to comply with applicable law and regulations in this regard.



## Digital channels

A campaign was launched to promote and encourage the use of the Wallet app. Customers are advised to use the digital card for online purchases and to avoid any action that might diminish or impair their wealth.



## ATMs

The Bank continued with its ATM protection strategy in 2018 in order to safeguard the Bank's remote ATMs and the wealth and property of its customers. For those ATMs flagged as posing a significant risk, a PIN number is no longer enough. Users are also asked to enter their date of birth to help prevent unauthorized people from using customers' cards.



# Environment: sustainable finances and environmental performance

## Committed to the environment

Climate change is a significant and complex challenge that can be tackled only through cooperation between individuals, companies and nations. BBVA Bancomer plays a crucial role here. It does so by financing sustainable projects and championing a low-carbon economy that helps communities develop and flourish while protecting the environment.

# Environment: sustainable finances and environmental performance

GRI 103-1, 103-2 and 103-3

Mexico and BBVA Bancomer have shown their commitment by launching various initiatives, and making a great effort to meet the Sustainable Development Goals (SDGs) by 2030. Highlights here include:

- 

**7 AFFORDABLE AND CLEAN ENERGY**

Ensuring access to affordable, secure, sustainable and modern energy for all.
- 

**8 DECENT WORK AND ECONOMIC GROWTH**

Promoting inclusive and sustainable economic growth, full and productive employment and decent work for all.
- 

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Building resilient infrastructure, promoting sustainable industrialization and fostering innovation.
- 

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

Ensuring sustainable forms of consumption and production.

The Bank acknowledges the impact it has on the environment both directly and indirectly through its operations and the products and services it offers. In response, it has implemented measurement, control and resolution strategies to reduce its environmental footprint and even to generate a positive impact through financial instruments, aligning itself with global initiatives such as:

- The United Nations Environment Program Finance Initiative (UNEP FI).
- Equator Principles.
- Principles for Responsible Investment (PRI).
- Global Compact of the United Nations (UN Global Compact).
- Carbon Disclosure Project.

## Social, environmental and reputational risks

### Equator Principles

GRI 102-11; FS7, FS8, FS11

The Equator Principles (EP) is a reference framework launched in 2003, allowing financial institutions to determine, assess and manage social and environmental risks in their projects. It is a set of standards endorsed by the World Bank for determining, assessing and managing social and environmental risks when funding projects and supporting responsible decision-making that applies globally across all sectors and industries.

**“The Equator Principles** is a benchmark in the financial sector for **determining, assessing and managing the environmental and social risks** of projects”.

For instance, the energy, transportation and social services infrastructure that drives economic development and creates jobs can certainly impact both the environment and society. BBVA is committed to managing the financing of these projects in order to prevent or otherwise reduce the ensuing negative impacts and boost their economic, social and environmental value.

All the decisions on project finance are based on the criterion of return adjusted to principles. Placing people at the core of the business implies dealing with stakeholder expectations and the social demand to fight against climate change and respect human rights.

In line with this commitment, BBVA adhered to the Equator Principles (EP) in 2004. Based on the International Finance Corporation’s (IFC) Policy and Performance Standards on Social and Environmental Sustainability and the World Bank’s Environmental, Health and Safety guidelines, the Equator Principles are a set of standards for managing the environmental and social risks in project finance. These principles have set the benchmark for responsible finance.

In 2018, BBVA aided with their further development and dissemination as a member of various working groups. BBVA was one of the 11 signatories of the letter sent to the Equator Principles Association, urging that measures be taken to reinforce environmental and social due diligence requirements in project finance. The decision was therefore reached at the annual meeting of the EPs to start work on the fourth version of the Principles so as to bring them in line them with the Paris Agreement, to address and resolve certain difficulties when implementing consultation and informed participation processes, and to reconcile inconsistencies in the standards used to assess environmental and social risks in projects.

The Corporate & Investment Banking (CIB) Sustainable Finance and Reputational Risk team is responsible for analyzing the projects, representing the Bank as before its stakeholders, reporting and rendering accounts to senior management, and designing and implementing the management system by lobbying for the adoption of best practices and aiding with training and communication on all matters related to the Equator Principles.

During risk analysis and decision-making processes, BBVA assesses and takes into consideration not only financial aspects, but also social, environmental and reputational factors. Project analysis involves subjecting each transaction to a process of environmental and social due diligence that starts with assigning a category (A, B or C) to reflect the project's level of risk.

The documentation submitted by the customer and the independent advisors is reviewed, allowing the level of compliance with the requirements established in the EP to be graded in accordance with the project category. Finance agreements incorporate the customer's environmental and social obligations, which a specialist CIB team monitors.

To guarantee integrity in BBVA's application of the EP, their management has been integrated within in-house transaction structuring, admission and monitoring processes and is subject to regular checks by the Internal Audit Department.

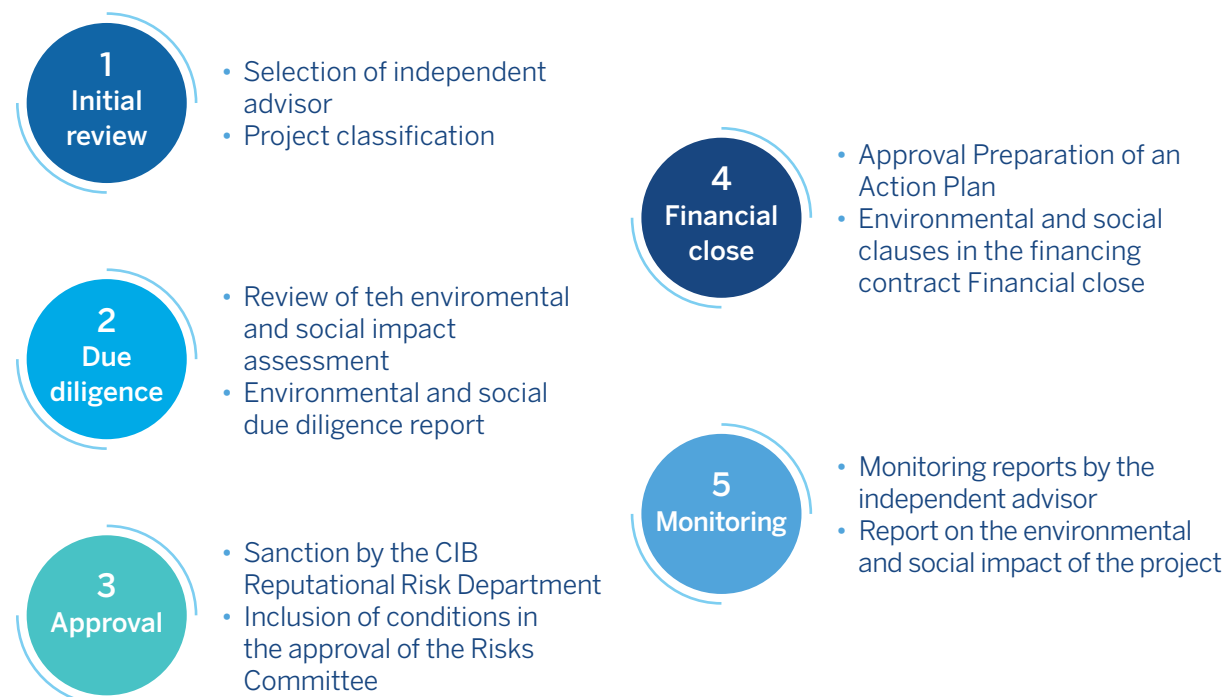
For BBVA Bancomer, the EP is the basis for applying best practices and provides the ideal framework for dialog with customers and stakeholders in relation to all the projects it finances.

The Group releases public information (<http://bancaresponsable.com/financiacion-responsable-proyectos/>) on the environmental and social management of the projects for which BBVA provides funding and/or advice.

### Transactions financed under the Equator Principles in Mexico and signed in 2018

Category	Sector of operations	Amount funded* by BBVA Bancomer (millions of pesos, MXN)
B	Real estate assets	1,308.32
C	Real estate assets	803.46
B	Oil and gas	481
B	Renewable energies (4 operations)	1,888.21
B	Infrastructure-transport (2 operations, of which 1 related to a bond issue)	502.26
B	Industry	870.05
<b>Total</b>	<b>10</b>	<b>5,853.3</b>

\*With a USD/MXN exchange rate of \$19.24 and a EUR/MXN rate of \$22.7



## Green bonds

GRI FS8

### “BBVA Bancomer’s green bond issuance heralds a new milestone

for the Mexican securities market”.

- Jaime Ruiz Sacristán, Chairman of the

Board of Directors of the Mexican Stock Exchange (BMV)

As part of BBVA Bancomer’s Responsible Banking strategy aligned with the SDGs, financial instruments may be used to support the integral management of risks and opportunities relating to climate change.

A key aspect of the Bank’s strategy is to support projects that foster global sustainability, providing customers with innovative solutions and financing initiatives that generate positive environmental and social impacts.

The aim is to promote sustainable financing, assess its strategic impact and drive management transformation initiatives that best respond to the challenges relating to climate change and other pressing social issues.

In April 2018, BBVA Holding released a framework for bond issues under the SDGs, whether in the form of green, social or sustainability bonds.

Under this new scheme, bonds issues by BBVA Bancomer are intended to finance companies or projects in five eligible areas:



**Energy efficiency**  
(including buildings to have earned environmental certification, such as LEED or BREEAM)



**Renewable energy**



**Sustainable transport**



**Waste management**



**Water**

If you would like to find out more about the framework governing BBVA bond issues under the SDGs, please visit [https://shareholdersandinvestors.bbva.com/wp-content/uploads/2018/04/BBVA\\_Sustainable\\_Bonds\\_Framework-Presentation-25042018-1.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2018/04/BBVA_Sustainable_Bonds_Framework-Presentation-25042018-1.pdf)

**BBVA is the first private bank** in Mexico to have successfully placed a **green bond**.

In 2018, BBVA Bancomer announced the successful placement of its first green bond with ticker symbol BANCOMER 18V, worth 3.5 billion pesos. It then issued a further placement for the same amount under ticker symbol BANCOMER 18, thus bringing the total to 7 billion pesos. It was agreed that 55% would be allocated to energy efficiency projects, and the remaining 45% to renewable energies (two wind farms and one solar farm) within the country.

If you would like more information on the green bond issue of BBVA Bancomer, please visit the following pages:

- <https://www.bbva.com/es/bbva-bancomer-el-primer-banco-privado-en-mexico-en-emitir-exitosamente-un-bono-verde/>
- <https://www.bbva.com/es/bbva-bancomer-apoya-el-crecimiento-y-desarrollo-del-mercado-de-bonos-verdes-en-mexico/>

BBVA Bancomer arranged the services of Sustainalytics to review the green bond nominated projects and to issue an opinion on their alignment with the bond issuing framework of the BBVA Group and the Green Bond Principles (GBP).

To see the letter sent by Sustainalytics, please click on the following link: [https://www.sustainalytics.com/wp-content/uploads/2018/09/Green-Bond-SPO-BBVA-Bancomer\\_FINAL.pdf](https://www.sustainalytics.com/wp-content/uploads/2018/09/Green-Bond-SPO-BBVA-Bancomer_FINAL.pdf)

### Target 2019

Report on the progress made under the projects and levels of performance.



# Global Eco-Efficiency Plan

GRI 103-1, 103-2, 103-3, 301-1, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 and 305-7

The Bank has been working towards its Global Eco-efficiency Plan (GEP) since 2016 in order to reduce the environmental footprint of BBVA Bancomer. The plan establishes a set of global objectives to be accomplished over the 2016-2020 horizon, aiming to make BBVA Bancomer a world leader in eco-efficiency. Each of the objectives established in the GEP comes with its own strategy on how best to meet the objective and contribute towards different SDGs.

For further information, click here: <https://shareholdersandinvestors.bbva.com/microsites/bbvain2017/asuntos-relevantes/finanzas-sostenibles/>



Ensuring access to and sustainable management of water and sanitation for all.



Ensuring access to affordable, secure, sustainable and modern energy for all.



Ensuring sustainable forms of consumption and production.



Taking urgent action to combat climate change and its impacts.

You can view BBVA's environmental policy by clicking here: <https://accionistaseinversores.bbva.com/wp-content/uploads/2018/03/Compromiso-Medioambiental-BBVA.pdf>

## Environmental management and sustainable construction

As an integral part of BBVA Bancomer's environmental innovation, the Bank's facilities and installations have been modernized and adapted in order to reduce their environmental impact, resulting in numerous certifications. These actions aim to combat climate change while helping to fulfil the GEP.

The objective for 2018 in this regard was to certify the corporate headquarters by earning ISO 14001:2015 assurance and LEED certification. The following table shows the facilities of BBVA Bancomer and their progress and achievements in relation to certification.

	Building	ISO 14001:2015 certified buildings	LEED certified buildings	Number of occupants per building
1	Torre BBVA Bancomer	✓	✓	5,018
2	Parques BBVA Bancomer	✓	✓	4,105
3	Data Center	✓		538
4	TecnoParque	✓		548
5	Murano Tower		✓	3
6	Torre Danos (Toreo)		✓	3
	<b>Total</b>	<b>4</b>	<b>4</b>	<b>10,215</b>

### Target 2020

29% of occupants in environmentally certified buildings.

## Energy and climate change

GRI 302-1, 302-2, 302-3, 302-4 and 302-5

Climate change is a significant and complex challenge which can only be addressed through cooperation between individuals, companies and nations. The financial sector has an important role to play in assisting in the transition toward a low carbon economy which is environmentally and socially sustainable.

### Goals for 2020

- 3% reduction in electricity consumption per occupant.
- 65% of energy to come from renewable sources.
- 56% reduction in CO<sub>2</sub> emissions per occupant.



## Energy

The energy sources consumed by BBVA Bancomer at its facilities and as a result of its operations are divided into electricity (which is supplied by CFE and by a private company that supplies us with renewable wind energy), LP gas, natural gas and diesel.

	2016	2017	2018	Unit
Total electrical power consumption	261,238	239,917	202,189	MWh
	940,456	863,701	727,880	GJ
Electrical power consumed per occupant	5.78	5.40	4.44	MWh/employee
Total LP gas use	156,722	146,673	164,155	Liters
	3,758	3,805	4,284	GJ
Total natural gas use	63,892	67,083	68,148	m <sup>3</sup>
	2,690	2,753	2,820	GJ
Total diesel use	331,810	200,451	279,990	Liters
		7,086	10,631	GJ

Scope: BBVA Bancomer Financial Group.

1. Total number of employees means the average number of employees of the BBVA Bancomer Financial Group, plus the average number of external personnel present in the Bank's buildings and branches in 2018.
2. In 2018, the average number of employees totaled 37,177, plus an average of 8,355 external employees, making a total of 45,532.
3. Figures at close of 2018.
4. Total electricity consumption at BBVA Bancomer's buildings does not take into account certain locations that fall outside the centralized collection agreement with CFE. Energy consumption at these buildings remains unknown, partly because the cost is included within the rent for the building.
5. At year-end, BBVA Bancomer had a total of 2,172 real estate assets. However, it had only 2,093 electrical power services arrangements. As there is no supporting documentation/information with which to estimate consumption at the remaining facilities, the Bank has provided an estimate of their energy consumption.

During 2018, the Bank continued with the "Enel Green Power" program to provide wind energy to our network of branches and corporate headquarters. Results for 2018 were as follows:

Project	2017	2018	Units
Electricity use from renewable sources	14,321	54,074	MWh
		194,666.4	GJ

\*Figures for 2017 on electricity consumption from renewable sources are from the month of September onward.

The **reduction in electricity consumption in 2018** when compared with 2017 is equivalent to the **average amount of electricity consumed by 5,000 Mexican families** over a whole year.

**Emissions reduction of more than 28,000 tons of CO<sub>2</sub>** equivalent thanks to the use of clean energies in 2018.

## Energy efficiency initiatives



### Corporate buildings

- **Energy View system:** Es a tele-management monitoring system enabling efficient electricity and air conditioning use. The system monitors the temperature and controls air conditioning by remotely switching the system on and off. Its purpose is to save energy and maintain an appropriate temperature through a monitoring and management system applied to control Air Conditioning (HVAC) and Lighting.

Energy View	Quantity	Unit
2018 Developments	30	Branches
Monetary saving	17,498,533	MXN
Energy saving	5,744,660	kWh

Includes savings in demand.

In 2018, the **Energy View project achieved an atmospheric emissions reduction of over 3,000 tons of CO<sub>2</sub> equivalent.**



- **Light control:** Torre BBVA Bancomer and Parques Bancomer have smart lighting systems capable of dimming or brightening the lights in response to levels of natural sunlight. The lights are switched on at 06:00 and are gradually dimmed by up to 80% as the day progresses. All the floors in both buildings are programmed to switch off at 21:00 if no presence is detected for five minutes within an area of 50 m<sup>2</sup>.



### Branches

- **PACOM:** Automatic system for switching off lights inside branches by relying on a security alarm system. When the branch is closed, and the alarm system is turned on, the PACOM system begins to work, switching off all lights which are not essential.

PACOM	2017	2018	Units
Technological	194	16	Branches
Monetary saving	\$3,196,341	\$8,639,318	MXN
Energy saving	2,239,893	5,598,086	kWh

En 2018, the **PACOM project achieved an atmospheric emissions reduction of nearly 3,000 tons of CO<sub>2</sub> equivalent.**

### Progress

- Implementation of PACOM at 16 branches.
- Implementation of the Energy View system at 30 branches, yielding the following results:
  - › Monetary saving: 17,498,533 pesos
  - › Energy saving: 5,782,262.5 kWh
  - › Emissions saving: 3,047 tons of CO<sub>2</sub>e

The objectives for 2018 were to expand PACOM to 1,107 branches and to implement Energy View at 300 branches.

### Emissions

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

Due to the effects of climate change and the impact this can have on the operations of BBVA Bancomer and on local communities, the Bank has set itself the lofty objective of reducing its emissions by up to 56% of tons of CO<sub>2</sub> per occupant by 2020, to be achieved through local and global strategies.

## Total emissions generated

	2016	2017	2018	Units
Total CO <sub>2</sub> emitted	128,855	122,703	112,144	Tons
Direct emissions of CO <sub>2</sub> eq (scope 1)	1,314	881	1,161	Tons
Indirect emissions of CO <sub>2</sub> (scope 2)	117,838	111,223	94,547	Tons
Indirect emissions of CO <sub>2</sub> (scope 3)	9,686.15	10,599	16,436	Tons
Total CO <sub>2</sub> per employee	2.87	2.76	2.46	Tons/ occupant

\*Total CO<sub>2</sub> emissions are calculated by adding scope 1 (fossil fuels), scope 2 (electricity) and scope 3 (air travel) emissions.  
 \*\*The conversion factors of the International Energy Agency (IEA) were used to calculate scope 2 emissions, while those of the Department of Environment, Food and Rural Affairs (DEFRA) were used to calculate scope 1 and 3 emissions.

Scope: BBVA Bancomer Financial Group.

1. Total number of employees means the average number of employees of the BBVA Bancomer Financial Group, plus the average number of external personnel present in the Bank's buildings and branches in 2018.
2. In 2018, the average number of employees totaled 37,177, plus an average of 8,355 external employees, making a total of 45,532.
3. Figures at close of 2018.
4. Volume of emissions verified by KPMG Spain.

## Km. traveled by plane:

	2016	2017	2018	Unit
Journeys less than 500 km	4,591,489	947,602	6,522,604	km
Journeys between 500 and 1600 km	22,056,761	16,826,091	26,068,301	km
Journeys exceeding 1600 km	24,483,086	39,067,562	25,159,809	km
<b>Total</b>	<b>51,131,336</b>	<b>56,841,255</b>	<b>57,750,714</b>	<b>km</b>

The total amount of air travel does not include trips made outside the agreement with the supplier.

## Audiovisual media

Audiovisual media is a valuable resource that lets us hold meetings and conferences remotely, thus helping to cut costs and eliminating the impact and emissions that would be generated on having to attend the event in person. These tools are making an increasingly important contribution to reducing the Bank's environmental footprint.

WEBEX	2018		
Sessions held			64,265
Connections made			389,483

	2016	2017	2018
Video conferences	16,558	17,889	12,103
Rooms equipped with video-conferencing equipment	178	165	175
Audio conferences	21,552	20,656	14,575
Telepresence	0	12	74

Scope: Bank headquarters and central offices.



# Water

GRI 303-1 and 303-3

Water is without doubt one of our most precious resources. Water resources are a critical concern for the future and for the planet's very survival, as the availability of drinking water is directly threatened by the consequences of climate change.

BBVA is fully aware of this reality and is strongly committed to the comprehensive and sustainable management of water at all its facilities. Along these lines, it has implemented various programs and management measures to optimize and reduce consumption. Meanwhile, the Bank has implemented mechanisms to ensure that the discharge of water generated at its facilities meets the quality standards required by law.

**Goals for 2020**

- 3% reduction in water consumption per person.
- 11% of people located in buildings with alternative water supply sources.



	2016	2017	2018	Unit
Total water consumption	624,359	731,840	471,435	m <sup>3</sup>
Water consumption per employee	13.81	16.44	10.35	m <sup>3</sup> /employee

Scope: BBVA Bancomer Financial Group.

1. Total number of employees means the average number of employees of the BBVA Bancomer Financial Group, plus the average number of external personnel present in the Bank's buildings and branches in 2018.
2. In 2018, the average number of employees totaled 37,177, plus an average of 8,355 external employees, making a total of 45,532.
3. Figures at close of 2018.
4. The figure for year-end 2018 includes estimated consumption for November and December due to the fact that at the date of the verification we were still receiving consumption statements as the information was provided every two months.
5. Annual water consumption at BBVA Bancomer's buildings and facilities does not take into account certain locations with unknown levels of water consumption, partly because the cost is included in the rent for the building. At year-end 2018, BBVA Bancomer had a total of 2,172 real estate assets. However, of this total number, 136 accounts include water consumption as part of the general maintenance fee while 205 are paid directly by the owner of the property, meaning a certain percentage of total water consumption cannot be reliably quantified or estimated.
6. Migrate the calculation methodology from the one set out in the 2017 Annual Report so as to bring it in line with the guidelines of BBVA Global.

The total saving in water consumption in 2018 versus 2017 was **enough to fill over 100 Olympic-size swimming pools.**

## Water consumption initiatives

### Corporate buildings

The corporate headquarters (Torre Bancomer, Parques Bancomer and the Data Center (DC)) are capable of recycling both rainwater and waste water.

We use the treated water in: WCs, cooling towers, water mirrors and gardening.

We installed low consumption bathroom fittings and accessories, saving 20% in consumption of treated water.

In 2018, the Bank treated a **total of 44,507 m<sup>3</sup> of water.**

### Branches

#### Pure Water / Cero Garrafrones (Zero Water Bottles)

In all branches of BBVA Bancomer, it was decided to change water bottles with filters and help to bring down the use of plastic bottles. Potability tests are run each month and a total of 710 water filters were installed across the nation in 2018, bringing the total to 2,198 filters. The Bank is now no longer reliant on large plastic water bottles.

# Paper and waste

GRI 301-1 and 306-2

## Paper consumption

As part of its commitment to reducing its environmental footprint, the Bank has implemented strategies to reduce paper consumption and manage the resource more efficiently, such as printing only when strictly necessary and ensuring that all paper suppliers adopt good sustainability practices.

**Objectives to be met by 2020**

- 23% reduction in paper consumption per person.
- 29% of occupants of buildings to have sorted waste collection.

	2016	2017	2018	Unit
Total paper consumption	1,769,841	2,480,687	1,662,173	kg
Total paper consumption per employee	39.17	55.72	36.51	kg/employee

Scope: BBVA Bancomer Financial Group.

1. Total number of employees means the average number of employees of the BBVA Bancomer Financial Group, plus the average number of external personnel present in the Bank's buildings and branches in 2018.
2. In 2018, the average number of employees totaled 37,177, plus an average of 8,355 external employees, making a total of 45,532.
3. Figures at close of 2018.
4. The total paper reported is considered bond paper and paper used for bank marketing/advertising activities. It does not include other types of paper such as paper used for financial statements, credit card envelopes, or stickers (internal programs).

**The reduction in paper consumption in 2018** was enough to prevent the logging of some 90 adult trees.

## Waste

Proper waste management is of paramount importance to BBVA Bancomer. The Bank considers the separation, accounting, use and proper channeling of waste to be a key priority.

The main types of waste generated by the Bank are paper and electronic devices, which have a high potential for recycling and reuse. BBVA Bancomer seeks out strategic suppliers to improve its recycling options and thus lessen the Bank's environmental footprint.

## Waste managed

	2016	2017	2018	Unit
Non-hazardous waste	954,115	954,115	1,137,588	kg
Hazardous waste	6,085	6,085	16,202	kg

Scope: BBVA Bancomer Financial Group.

1. Figures at close of 2018.
2. The only hazardous waste is generated at the Bank's head offices in Torre Reforma, Parques Polanco, the Data Center and Tecnoparque.
3. Non-hazardous waste includes only non-organic, organic, paper, cardboard, PET, aluminum, glass, special and technology waste.

## Extended commitment

In 2018, the Bank launched various campaigns and relied on newsletters and communication channels to raise employee awareness of important issues such as recycling, waste management and the need to save water and energy, among others. Through these actions it is aiming to reduce its environmental footprint by not just upholding but extending its commitment to a more sustainable world.

**Target 2020**  
Generate awareness campaigns among employees and suppliers.

Aside from these awareness-raising campaigns, an online course was implemented through the BBVA Campus with the aim of informing and training all its employees on environmental issues, ISO 14001 and BBVA's environmental policy.



# Suppliers and responsible procurement

GRI 102-9

Extending sustainability and best practices through its value chain is fundamental to BBVA Bancomer as a means of generating decent work and economic growth. Its suppliers are not only a valued stakeholder, but also a key part of the Bank's business model.



Promoting inclusive and sustainable economic growth, full and productive employment and decent work for all.

Relations between BBVA Bancomer and its suppliers are governed by:

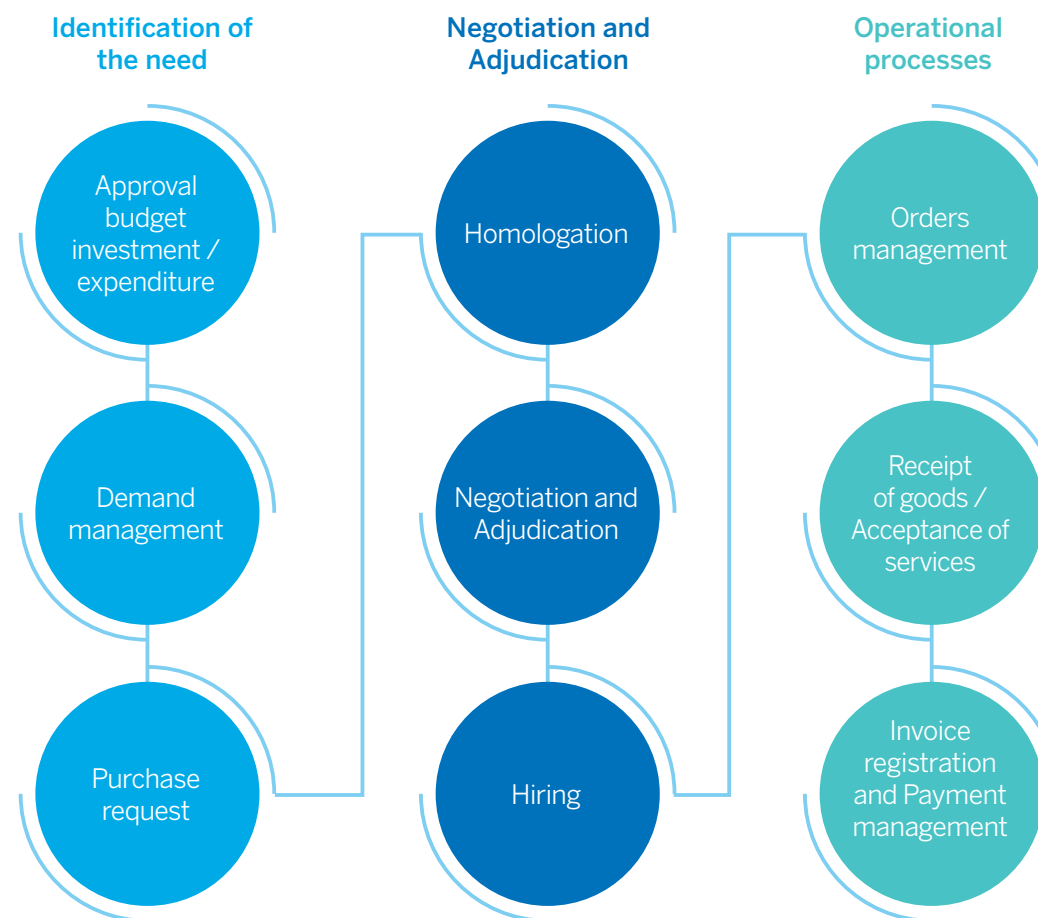
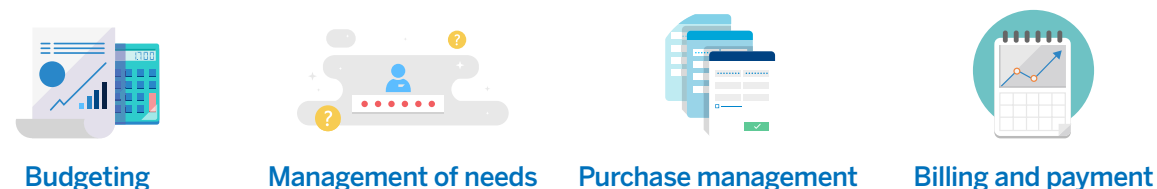
- The Code of Conduct approved in 2015.
- Code of Ethics for Suppliers.
- Responsible Procurement Policy.
- Corporate Rules for the Procurement of Goods and Contracting of Services.

BBVA Bancomer has drawn up a Code of Ethics for Suppliers, which sets out the principles and values governing relations between suppliers and any BBVA Group company or entity with which they interact.



## Procurement model

The BBVA Group is equipped with a common and homogeneous Global Procurement Processes Model which is applicable in all geographies where it operates. This model covers the end-to-end procurement circuit, from the time an approved annual budget is made until invoices are paid to suppliers. And it is supported by a common technology platform for all countries.



To find out more the Procurement Model, please visit <https://suppliers.bbva.com/como-compra-bbva/>.

Under the supplier approval section of the Procurement Model, suppliers are asked to complete a questionnaire on matters relating to social responsibility. The corporate methodology for addressing reputational issues was also strengthened in 2018, since this is a decisive factor when appraising suppliers.

**Of the total number of active suppliers in 2018, 96.74% were Mexican**, 1.28% were Spanish, 1.18% from the United States and 0.80% from other countries.

In keeping with current best industry practices, BBVA Financial Group has set up an electronic communication model with its suppliers to provide comprehensive management of the procurement cycle through the “Adquira” platform, which is integrated in the Global Procurement System (GPS) technology.

The use of this portal is key for BBVA to achieve improvements to internal control of expenses, streamlining traceability, operation transparency, flexibility and meeting Supplier payment deadlines.

The GPS supports every stage of the procurement process at the BBVA Group, from approval of the budget through to registration and accounting of invoices.

## Supplier approval

The supplier approval process is essentially a review, conducted in accordance with internal rules and regulations, that suppliers of goods and/or services to BBVA Bancomer must undergo, based on the following segmentation:

1. The supplier’s level of annual expense, using as a reference the billing with the supplier and/or the amount of contracts awarded or expected to be awarded.
2. The potential impact on the business of the services and/or products to be delivered by the supplier.
3. In new negotiations between suppliers and the Bank, where the relationship has already reached at least two years.

The following points are checked as part of this process:



Legal



Financial



Tax



Labor



Corporate Social Responsibility (CSR)



Reputational



Technical



Regulatory



Internal control

**Increase of 115%** in the number of **suppliers to have undergone the approval process** in comparison with 2017.

**Of total suppliers** that underwent the approval process in 2017, **97% were approved.**

In 2018, the Bank arranged the services of five certifying entities to carry out reviews of suppliers and to verify that they meet regulatory approval criteria.

Supplier approval	2015	2016	2017	2018
Number of suppliers to have undergone the approval process	627	658	849	1,829**
Number of approved suppliers	493	340	579	1,760
Percentage of purchases from suppliers who underwent the approval process	45%	44%	67%*	88%
Number of suppliers who failed the approval process	35	108	213	69
Number of suppliers who ended up without status during the approval process	N/A	N/A	57	N/A
Number of suppliers approved, but made subject to a remediation plan during the approval process	N/A	N/A	19	107
All active suppliers at BBVA Bancomer Group level			6,136*	6,722

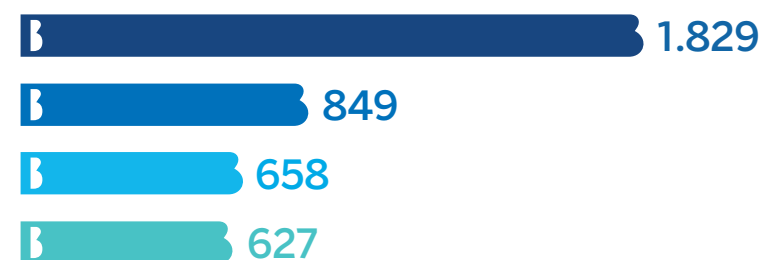
\*Figures at November 2017.

\*\*Includes the number of approved suppliers and the number of suppliers who failed the approval process.



### Supplier approval

Number of suppliers who have undergone the approval process



Number of approved suppliers



Number of suppliers who have failed the approval process



The number of **suppliers that failed the approval process was down 67%** in comparison with 2017.

**Increase of 204%** in number of **approved suppliers** versus 2017.

## Supplier quality survey

In 2018, we obtained the results of the supplier quality assessment conducted in 2017. This survey measures the degree of supplier satisfaction and is carried out at BBVA Group level.

The following conclusions could be drawn from the results:

- BBVA Bancomer presents high averages with respect to the Group and the 2015 assessment of BBVA Bancomer.
- Impressive results for the “General view of the BBVA Group” and “Communication and perception of the Procurement Department” segments.
- Focusing on “General view of the BBVA Group”, the score obtained under “BBVA Group has impressed me as a company” was a particular highlight.
- Under “Communication and perception of the Procurement Department”, positive scores were awarded in relation to professional respect.

## Supplier mailbox

The following mailbox has been set up to report any action or situation relating to BBVA that may violate applicable law or breach the standards set out in the Code of Ethics for Suppliers: [canaldenuncia@bbva.com](mailto:canaldenuncia@bbva.com)

### Goals for 2019

- Increase the number of suppliers to be reviewed and approved in comparison with 2018.
- Increase the number of certification bodies used for the reviews.

Suppliers Portal: <https://suppliers.bbva.com/compras-responsables/>  
Code of Conduct: <https://storage.googleapis.com/bbva-suppliers.appspot.com/Codigo-de-conducta.pdf>  
Code of Ethics for Suppliers: <https://storage.googleapis.com/bbva-suppliers.appspot.com/Codigo-etico-de-proveedores.pdf>  
Responsible Procurement Policy: <https://storage.googleapis.com/bbva-suppliers.appspot.com/Politica-compras-responsable.pdf>  
PPP Principles governing relations with suppliers: <https://storage.googleapis.com/bbva-suppliers.appspot.com/Principios-IPA-relacion-con-proveedores.pdf>



# Investment in the **community**

## **Our commitment to Mexico**

BBVA Bancomer Financial Group is aware that its position in society comes with opportunities and responsibilities. In other words, it must **do business** while **complying** with national laws and international standards, while also delivering on its values and strategic priorities.

# Investment in the community

The Bank carries out financing projects with a high social impact, creating products that aid and promote social programs, improve financial inclusion and generate a positive impact on the communities in which it operates. The aim is also to aid in the development of the financial skills that will allow people to make informed decisions, thus improving their financial well-being and making them more aware of the risks and opportunities that exist.

## Financial Inclusion

GRI FS13, FS14

The Bank is continuously improving its Financial Inclusion strategy to help Mexican society develop through financial literacy and other social education programs. They help users make informed decisions to improve their financial well-being and make them more aware of the risks and opportunities that exist, ultimately helping to achieve various SDGs:

1 NO POVERTY



End poverty in all its forms everywhere.

8 DECENT WORK AND ECONOMIC GROWTH



Promoting inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Building resilient infrastructure, promoting sustainable industrialization and fostering innovation.

10 REDUCED INEQUALITIES



Reduce inequality within and among countries.

BBVA Bancomer continues to strengthen its business model in order to promote financial inclusion, reaching out to over 5.9 million active low-income customers (Express segment), who account for roughly 30% of the Bank's active customer base.

The financial inclusion model is based on alternative schemes and set-ups to the traditional bank branch, such as digital technologies and banking correspondents. The aim is to offer these customers solutions and products that will help them manage their finances and improve their quality of life.

The model, as applied in Mexico, is based on:



Reducing the cost of using financial solutions.

- › BBVA Bancomer bears the cellular data cost of using its apps.
- › Reducing transfer costs for cash transactions by providing the broadest network of banking correspondents, who are now present in 1,437 municipalities, 2.5 times the 557 covered by its branch network. These banking correspondents are involved in 14% of total transactions relating to credit card payments, debit card payments and payment of services.
- › Expanding the scope of mobile telephony operations to cater to needs in relation to payments of services.
- › Allowing customers to remotely open digital accounts that do not charge commissions, thus boosting digital use.



Further exploring and meeting the needs of the financial inclusion segment, by:

- › Creating digital solutions that promote good savings and financial management habits among customers.
- › Using Big Data and alternative risk assessment methodologies.
- › Analyzing recurring payments as assessment parameters.



Expanding the support network of banking correspondents.

- › Greater number of branches.
- › Broadening the range of payment options for services.

**The financial inclusion model** of BBVA Bancomer allows, among other benefits, **the reduction of transfer costs in the case of cash transactions** through the broadest network of banking correspondents with a **presence in 1,437 municipalities**, 2.5 times the 557 covered by its branch network.



## Main initiatives

In pursuing the objectives for 2018, highlights included:

- In 2018, a total 1.02 billion pesos was awarded, mainly relating to consumer loans (33%) and mortgage lending (32%)<sup>4</sup>.
- At year-end 2018, clients had used the Apartados app to set aside money from their accounts on no less than 147,000 occasions, bringing the closing balance to 85 million pesos. This functionality aids with the development of lending products and fosters good savings habits<sup>5</sup>.
- Short-term loans known as “Salary advances”, which are arranged through ATMs and SMS messages, reached a monthly average of 65 thousand placements<sup>6</sup>.
- In relation to life insurance, which is also arranged through ATMs, a total of 165,000 policies had been taken out by year-end 2018<sup>7</sup>.
- The banking penetration of the beneficiaries of the 10 million-plus family remittances arranged through BBVA Bancomer continued to increase during the period. Remittances settled through payments into account climbed from 45% in 2017 to 51% in 2018<sup>8</sup>.

New methods were explored in 2018 to make future enhancements to the collection experience of beneficiaries of family remittances. The Bank also continued to work towards solutions that will afford our clients more options when recharging their cell phone, while providing loans and investment products that are better suited to their money management habits, and increasing the range of third-party service payments available through banking correspondents.

<sup>4</sup>Data compiled from campaign tables at December 2018.

<sup>5</sup>Information obtained from the Apartados table at December 2018.

<sup>6</sup>Information obtained from the Loans table at December 2018.

<sup>7</sup>Data compiled from insurance tables at December 2018.

<sup>8</sup>Figures obtained from BTS at October 2018.



## Financial literacy (FL)

Financial literacy (FL) is one of the strategic priorities of BBVA Bancomer’s Responsible Banking Plan. The Bank is using its Global Financial Literacy Plan to help people acquire financial knowledge and skills, thus contributing towards social development. The goal of financial literacy is to enable people to make informed decisions, thus improving their financial well-being and making them more aware of the risks and opportunities that exist.

The groups impacted by our Financial Literacy strategy are children, young people, adults, clients, non-clients and entrepreneurs, becoming more a part of the business side. We have a specific approach for each of them.

FL focuses on three main segments:



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



**Financial literacy for adults.**



**Training in finances and skills for SMEs.**

Through these three focal points, FL seeks to have a positive impact on business and on the development and economic future of the country’s business fabric.

FL is fully aligned with the institutional strategy aimed at digital transformation, and its work therefore focuses on developing digital products and content. To achieve this, the initiative has partnered up with the different business areas to help ensure that these initiatives also promote the use of the digital tools and products developed by the Bank.

As part of the Bank’s ongoing digital transformation, the FL department was restructured in 2018 to group its programs into four main categories:

- Face-to-face: sessions delivered by a facilitator or trainer.
- Digital: financial literacy through the Bank’s apps or digital products, or through the portal [www.educacionfinancierabancomer.com](http://www.educacionfinancierabancomer.com).
- Special programs: agreements with universities or institutions.
- Coaching: financial advice provided over the phone.

## Market

Following the new restructuring of the department, impact indicators will be used to track and monitor the performance of the programs, along with the progress made in transforming fixed classrooms into digital spaces to improve the experience of users (beneficiaries).

- **BBVA Bancomer Financial Literacy - Face-to-face and online:** In-person and remote workshops delivered by an instructor, whether via mobile classrooms, digital spaces, traditional classrooms or online.

For more information, please visit

<https://www.educacionfinancierabancomer.com/EspaciosDigitales>

<https://www.educacionfinancierabancomer.com/Movil>

<https://www.educacionfinancierabancomer.com/talleres>

- **BBVA Bancomer Financial Literacy – Coaching:** Financial guidance and coaching provided over the phone.

For more information, please visit

<https://www.educacionfinancierabancomer.com/CoachingFinanciero>

- **BBVA Bancomer Financial Literacy – Digital:** This aspect focuses on solutions for clients. It includes videos, infographs, tips, definitions, advice and support. The information is available on the various apps (such as BBVA Wallet and BMóvil) that BBVA Bancomer offers customers.

## Results

BBVA Bancomer Financial Literacy	Number of beneficiaries*	Number of participants**	Number of workshops delivered	Number of website visits
Face-to-face	30,126	52,930	2,949	1,030 face-to-face workshops 19,534 simulators 19,136 digital spaces
Online	1,990	3,943	3,943	11,665
Coaching	3,320	3,373	N / A	22,072

\*The beneficiary is the person who takes part in the activity being offered. For online activities, it means the person who completes the workshop.

\*\*Since a beneficiary can take part in more than one workshop, we count the total number of participants in the program. For instance, if a person took part in two workshops, one on savings and the other on borrowing, we count one beneficiary and two participants.

## Websites

In a bid to improve financial literacy, BBVA Bancomer has made the following two sites available to children, young people, adults and SMEs:

1. <https://www.bancomer.com/>  
 > Site included on the Bank's main portal, offering useful information on financial literacy.

**239,000 visits and 77 notes/ articles published** in 2018.

2. <https://www.educacionfinancierabancomer.com/>  
 > Site providing tips, articles, videos, calculators, simulators, free face-to-face or online workshops on savings, loans and other forms of borrowing, and much more.

**1,073,543 visits, 88 notes/articles published and 1,089 newsletter subscriptions** in 2018.

## Universities

In partnership with different universities across the country, the program allows young people pursuing a degree to complete their social service by giving workshops on financial literacy.

**17,483 beneficiaries and 988 face-to-face workshops held** in 2018.

## KidZania

Theme park at which children can have fun while pretending to be adults. The initiative gets kids to role-play different job positions, allowing them to build their skills and increasing their financial literacy in a fun and entertaining way.

**515,698 beneficiaries.**

Only children over three years of age are considered. Additionally, in order to quantify the total number of people, in Monterrey and Santa Fe, only the "check exchange" participation is considered, since for mechanics of the park, the majority of children must go to this activity. In Cuicuilco, the activity of "firefighters" is the one that has the most participation and by not having "check exchange" activity, it is the one that is considered to quantify the figures.

## Liga Bancomer Sub 13

The MX League and BBVA Bancomer have been promoting financial literacy in the under 13, under 15 and under 17 national teams, showing children and youngsters from all clubs the importance of financial training from an early age and providing them with the tools needed to become consistent savers, responsible borrowers and prudent investors.

**948** participants.

## National Financial Literacy Week

The event was held in October 2018, targeting young people aged 12 to 18. BBVA Bancomer was involved in the initiative and registered a total of 856 participants. The Bank's activities included:

- Stands featuring savings and credit card simulators displayed on digital screens.
- Digital boardgames for children, with questions on savings and targets.
- *Levanta & Aprende* ("Get Up & Learn") videowall on digital banking, credit cards and payment dates.

**856** participants.

## National Entrepreneurs Week - *Semana Nacional del Emprendedor (SNE)*

BBVA Bancomer took part in SNE, which is widely seen as Mexico's most important event for business and entrepreneurship. From September 10-14, 2018, the Bank organized various workshops, talks and information stands, attracting a total of 880 participants.

**880** participants.

## Game Jam

On October 12, 13 and 14, 2018, BBVA Bancomer created a workspace, camp, and connectivity, food and services area at which 40 participants were to develop the best innovative idea during 58 hours of non-stop work. The aim was to create an innovative idea for the development of the first BBVA Bancomer video game, in which young people can discover and learn more about financial literacy in the realm of investment and/or credit cards. The winning team was handed a prize of 100,000.00 pesos.

**40** participants.

# Social programs

GRI 103-1, 103-2 and 103-3

Over the last 12 years, BBVA Bancomer has been working alongside the Mexican government in creating a robust strategy for apportioning funds under various social programs to the relevant beneficiaries. This has been achieved through a broad and extensive infrastructure that provides significant coverage and outreach, and with rules and procedures in place to ensure the transparency of the process.

When it comes to managing social programs, BBVA Bancomer has to provide service to the many people who receive aid from the federal, central and municipal government. Under these programs, social aid is paid into the beneficiary's bank account, whereupon the funds can be drawn using the associated debit card.

The two departments that BBVA Bancomer serves and that have the largest number of beneficiaries under social programs are the Secretariat of Agriculture, Stockbreeding, Rural Development, Fishing and Food ("SAGARPA", now known as "SADER")—responsible for channeling federal resources into rural development across Mexico—and the Secretariat of Social Development ("SEDESOL", now the Secretariat of Welfare)—tasked with administering federal support for elderly citizens aged over 65— followed by the support program for students from Mexico City who are enrolled at public high schools, known as "Prepa SI".



## Replacing expired debit cards

In 2018, the Bank continued to offer card renewal services in areas accessible to beneficiaries, without forcing them to travel to cities or municipal capitals to change their cards.

Program	# Cards renewed in 2018	Effectiveness ratio <sup>9</sup> (%)
SAGARPA	53,434	99%
SEDESOL	30,316	98%

<sup>9</sup> This means renewals due to debit card expiration, confirmed through the Bank's system.



## Financial literacy "learning pills" for beneficiaries of social programs

As an important complement to the programs, beneficiaries can attend financial literacy workshops to receive information on savings, life insurance and other useful subjects.

The following subjects are addressed:

- Saving
- Debit card
- Life insurance
- Use of digital channels
- Secure use of digital channels

A total of **246 workshops** were held in 2018, benefitting **20,291 people**.

To provide products and services that generate positive benefits for recipients of government aid, BBVA Bancomer is looking to incorporate more initiatives that will contribute towards this objective. A prime example here is the creation of digital platforms intended for younger people, granting them access to all the benefits and aid.

## Target 2019

The enormous benefits and huge potential of the digital era, which will see BBVA BANCOMER spearheading innovation within our country's financial market, will lay the foundations for promoting the digitalization of social programs from 2019 onward, in line with the federal government's financial inclusion strategy.



# The community

GRI 103-1, 103-2, 103-3 and 413-1

The community programs and initiatives of BBVA Bancomer and the BBVA Bancomer Foundation are educational, cultural, social and environmental and aim to foster and promote a sustainable Mexican community in which peace and justice prevail. The programs and initiatives pursue gender equality and quality education and aim to end poverty in Mexico, support those communities most in need through community-building programs and environmental protection initiatives. BBVA Bancomer is constantly supporting Mexican society and the environment as part of its Responsible Banking strategy and its firm adherence to the SDGs.



End poverty in all its forms everywhere.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Achieve gender equality and empower all women and girls.



Make cities and human settlements inclusive, safe, resilient and sustainable.



Sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Promote fair, peaceful and inclusive societies.

## BBVA Bancomer Foundation

Fundación BBVA Bancomer A.C. is a foundation that breaths life into the action initiatives of BBVA Bancomer by supporting education, culture and humanitarian initiatives in the wake of natural disasters.

At BBVA Bancomer Foundation, the aim is **to have a positive impact on society.**

## Investment in social programs

Over the last 12 years, upwards of 4.8 billion pesos have been channeled into social responsibility actions in the following areas:

- Educational grants
- Strategic partnerships and schools
- Cultural outreach

From 2019 onward, **investment to promote education and culture in Mexico will be doubled\***.



### BBVA Bancomer Grants Program

Education is a fundamental factor that can change our life. Since 2002, the BBVA Bancomer Foundation has been supporting talented young people with financial difficulties, recognizing that education is the best vehicle for achieving well-being and social mobility. The aim of the program is to provide comprehensive support to grant holders by accompanying them through their education and training process, from secondary school all the way through to university.

The BBVA Bancomer Foundation's grants program has been steadily growing through various grants sub-programs, such as the Children's Knowledge Olympiad Grants, the Integration Grants and the *Adelante con tu Universidad* scheme, all of which were merged in late 2018 to form a single national grants program.

The support that the Foundation provides to its grant holders includes a mentoring program that relies on the Bank's own employees and collaborators. To date, more than 2,200 mentors have joined up. Alliances have also been forged with different educational institutions (universities).

\*Includes investment in financial literacy

## No. of direct beneficiaries\*

Name of grant	Description	2018
<i>Olimpiada del Conocimiento Infantil</i> (Children's Knowledge Olympics)	The Foundation rewards high academic performance and, in conjunction with the Mexican Department of Education, it awards grants to young people who achieve the best results nationwide at the Children's Knowledge Olympics.	3,055
<i>"Por los que se quedan"</i> (For those left behind) Integration Scholarships	Support for young people in Mexico whose family members have migrated.	15,550
<i>Adelante</i> Scholarships	The aim is to help young people continue with their medium- to higher-level education.	11,973
<i>Adelante con tu Universidad</i>	Focuses on the best performing students from previous programs so that they can continue with their university studies.	1,737

\*The number of beneficiaries means the number of active grant holders at the start of the 2018-2019 academic year.

In 16 years, a total of 278,000 grants have been awarded. With investment in the years to come expected to rise, by 2023 the BBVA Bancomer Foundation will have contributed a further 6 billion pesos at least, and awarded more than 500,000 grants in total.

## Rebuilding of schools

In the wake of the 2017 earthquakes, the BBVA Bancomer Foundation began work on the reconstruction of schools through its "BBVA Bancomer School" project, which seeks to improve and strengthen school infrastructure.

The funds used to rebuild the schools were raised via a joint donation of 180 million pesos from BBVA Bancomer and the BBVA Group, which was intended as seed capital. This fund has increased further thanks to the contributions received from customers, support boards, companies and foundations. Over the first six-year horizon through to 2023, the aim is to benefit over 31,000 pupils directly.



## Cultural promotion

The Cultural Outreach department seeks to showcase Mexico's cultural heritage by designing and promoting artistic programs and initiatives. The programs seek to celebrate and promote art by offering various forms of support to artists in partnership with various institutions.

The programs offer financial incentives, guidance and support in attending workshops, among other benefits. During 2018, work continued on Proyecto Bi, the Arte Carrillo Gil Museum and the *Hazlo en Cortometraje* competition. Other initiatives in 2018 included the Conservation and Restoration Program for the BBVA Bancomer Art Collection (with 120 works restored and 114 frame changes), the Immersion Laboratory in partnership with the Secretariat of Culture of the Federal Government for the production and exhibition of pieces in virtual reality, as well as support for various exhibitions.

To find out more about the BBVA Bancomer Foundation, visit its official website.  
Official website: <https://www.fundacionbbvabancomer.org/>

A total of **nine schools** had already been **delivered** by the end of 2018, **benefitting over 4,000 students\***.

**16 initiatives** supported by Proyecto Bi in 2018.

**10 artists** supported through the **Bancomer-Carrillo Gil Art Museum Program** over the 2018-2020 period.

**48 beneficiaries** of the "**Hazlo en cortometraje**" ("Do it in a short film") university competition in 2018.

\* Figures at the end of November 2018.



## Momentum BBVA

BBVA Momentum is Mexico's largest business accelerator for social and environmental entrepreneurs, supporting their growth and providing training, mentoring, networking, visibility and financing of projects that bravely tackle social and environmental problems.

In 2018, BBVA Bancomer hosted the sixth edition of the program, which proved to be hugely successful, attracting more applications than a year earlier.



For more information, please visit: <https://www.bbva.com/es/bbva-momentum-busca-emprendedores-sociales-mexicanos-edicion-2018/>

For the third straight year in 2018, the initiative awarded aid to 100 enterprising social and environmental ventures, of which 20 went on to take part in the global BBVA Momentum program. These 20 beneficiaries received online training from the prestigious IE Business School, in partnership with the EGADE Business School. For four months, the entrepreneurs developed the skills and abilities needed to ramp up their businesses and generate a greater impact on the social and environmental issues raised.

The other 80 entrepreneurs received online training from the Monterrey Technological University, along with acceleration programs delivered by New Ventures.

For further information, please visit: <https://www.bbva.com/es/momentum-bbva-bancomer-impulsara-100-emprendimientos-sociales-2018/>

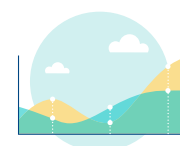
For the sixth edition of BBVA Momentum, **over 54 million pesos in funding was approved** for the entrepreneurs.

In late 2018, Social Investment Day was carried out at Torre Bancomer in Mexico City. The 40 most enterprising projects of the program (20 more than the number presented in 2017) presented their business plans to Bank officers, special guests and renowned entrepreneurs and business owners in Mexico.

For more information, be sure to visit the YouTube channel of BBVA Momentum by clicking here: <https://www.youtube.com/channel/UCn0oOvyQ4fg-fzqt3XwEOTg>

## Goals for 2019

- Maintain the level of growth and levels of response to the call for proposals.
- Improve the content of training courses and initiatives.
- Foster the customer experience for entrepreneurs who use Bank products in their venture.



## Urban improvement

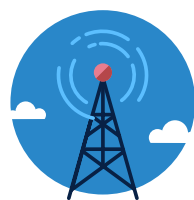
Mejora Urbana Bancomer is a program that believes strongly in being a good neighbor and in maintaining strong and healthy ties with the local community. It looks to recover spaces and generate valuable activities for communities located near to the corporate headquarters.

In 2018, different cultural, social and educational activities were carried out (including yoga classes, workshops on photography, dance and hydroponics, among other subjects) and digital experiences.

BBVA Bancomer is now looking to get more third-party companies and entities involved (civil society organizations, authorities, the community and other companies), which will hopefully want to help with the recovery and improvement of urban spaces. Key projects here include *Sumando esfuerzos* (Teaming up).

For more information on the project, be sure to visit <http://sumandoesfuerzos.mx>

In 2018, a total of **13,242 participants** were registered at the two main sites of the project.



## Mejora mutualista (Community Improvement)

The BBVA Bancomer Community Improvement program has been going for seven years and is a prime example of the Bank's responsible business activities. Its mission is to help recover the social, financial and urban environment in parts of the country that have been abandoned or neglected.

This idea came about because BBVA Bancomer felt it needed to do more for the community, as part of its social responsibility, given the rising number of defaults on mortgage loans and foreclosures of homes in certain developments; events that caused a downward spiral in three areas: urban degradation, financial deterioration and the breaking down of communities and the social fabric.

When this comprehensive recovery program was launched, the Bank contacted families who were having to give up their homes, offering them a product to resolve their mortgage woes while also rebuilding the social fabric through neighborhood organization, clean-up days, financial literacy and crime prevention methods, among other actions.

### Work in 2018

Work was carried out at seven urban subdivisions in Tijuana, Baja California:

- Santa Fe Quinta Sección
- Cañadas del Florido
- Residencial del Bosque
- Riberas del Bosque
- El Refugio
- Quintas Campestre El Refugio
- El Dorado

A total of **3,800 homes and 15,200 inhabitants** benefitted from the improvements carried out at these seven subdivisions.

### Recovery of homes in Tijuana: before-after

#### Results



#### Social recovery

52 neighborhood committees set up, enabled and registered within the city, as well as 34 children's committees, 557 workshops on financial literacy, 172 clean-up days in both private and public areas and 160 plastic arts workshops.



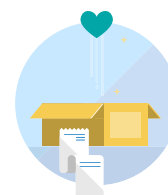
#### Financial recovery

NPL portfolio down from 26% to 22% and the loan-to-value ratio from 104% to 82%. Housing stock held by the Bank down from 399 to 336.



#### Recovery of the urban environment

BBVA Bancomer invested a total of 1.6 million pesos, benefitting 3,800 families, while strategic allies made in-kind contributions worth 35.2 million pesos, mainly through the repair of public services.



## Volunteer work

In 2018, volunteer work focused on three types of activity to support different segments of the community:



Environmental volunteer work



Volunteer work: reconstruction



Association-led volunteer work

### Environmental volunteer work

Employees eagerly await our environmental volunteering day each year, which focuses on reforestation.

As a further illustration of the Bank's desire of being a good neighbor, a reforestation activity was carried out on September 29 in the Chapultepec Forest for the second straight year. Six hundred and ninety-one employees took part in the volunteering initiative by helping to plant green zones with 4,800 local plants native to Chapultepec, such as agapanthus, clivia and acanthus. Meanwhile, painting activities were held in the surrounding area and soil decompaction work was carried out in the Chapultepec Forest. Another reforestation activity was carried out to preserve the Desierto de los Leones natural protected area surrounding Mexico City, where 426 volunteers took part by planting 2,390 oak trees.

Area	Number of volunteers
Chapultepec Forest	691
Desierto de los Leones	426
Total	1,117



For the third straight year, the Bank undertook reforestation activities within the interior of the country, with a considerable increase in the number of cities involved when compared with 2017. Reforestation activities were carried out in the following cities:

City	Number of volunteers
Aguascalientes	93
Cancún	68
Cuernavaca	88
State of Mexico	87
Merida	91
Saltillo	134
San Luis Potosí	71
Zacatecas	135
Total	767

A total of 9,900 trees and shrubs were planted, including mesquites, pepper trees and huisaches, among others.

### Volunteer work: reconstruction

Reconstruction volunteer work seeks to improve the condition and quality of schools in certain local communities, making the building structure safer for children.

Between 7-8 September, 2018, reconstruction volunteering had a positive impact in three states of Mexico, namely Morelos, Puebla and the State of Mexico. The three states staged volunteering events in which 197 volunteers took part by painting schools, cleaning gardens and planting flowers in schools and public spaces, among other activities.

### Association-led volunteer work

For the first time in 2018, the Bank took part in a volunteering event organized and promoted by the Mexican Bankers Association (ABM), which took place from May 18-27. The Bank was present at two days held in Atlixco, Puebla, with 46 volunteers, and in Tijuana, Baja California, with 35 volunteers. A total of 81 Bank volunteers took part in the events by carrying out cleaning and social harmony activities across the community.

# Responsible commitment to employees

## The Best team

BBVA Bancomer believes building a diverse and inclusive workforce aligned with the organization's values represents an essential aspect of its business strategy. Just as the Bank is committed to developing an optimal customer experience, it also strives to attract, develop, motivate and retain the finest human talent.

# Responsible commitment to employees

BBVA Bancomer continuously fosters the professional and personal growth of all employees, creating a modern and fresh working culture that is ready to respond to the growing needs of its customers.

## The BBVA Bancomer team

### Employees

GRI 102-7,102-8, 102-41,103-1, 103-2, 103-3 401-1, 401-3 and 405-1

Year after year, BBVA Bancomer works tirelessly to improve its training, health and safety, diversity, inclusion, gender equality and work climate programs to respond to the needs of its employees, create an inclusive environment and aid in the professional and personal development of each and every one of them.



Guarantee a healthy life and promote well-being for everyone, regardless of age.



Achieve gender equality and empower all women and girls.



Promoting inclusive and sustainable economic growth, full and productive employment and decent work for all.

At year-end 2018, the Bank's workforce comprised a total of 36,837 employees, 53% of whom were women. Of BBVA Bancomer's total workforce, 75% are aged between 25 and 45.

### Total number of employees, 2018-2016



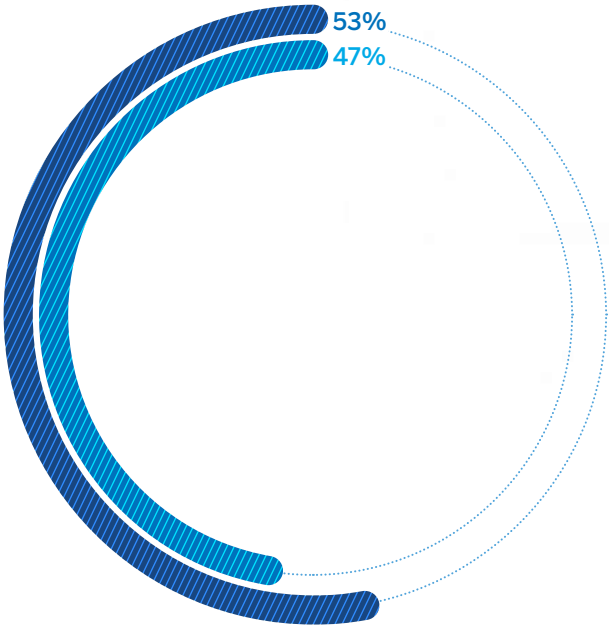
### Employee profile

Workforce by age and gender	2016		2017		2018	
<b>Gender</b>						
Women	20,433	54%	20,171	54%	19,565	53%
Men	17,406	46%	17,496	46%	17,272	47%
Total number of employees	37,839		37,667		36,837	
<b>Age</b>						
< 25	11%		10%		11%	
25-45	74%		75%		75%	
> 45	15%		15%		14%	

Scope: BBVA Bancomer Financial Group.

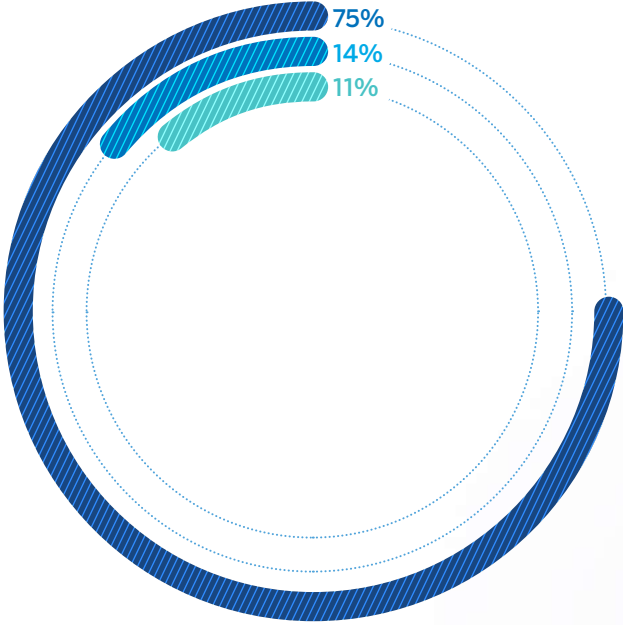


Workforce by gender 2018



- B** Women
- B** Men

Workforce by age 2018



- B** <25
- B** 25-45
- B** >45



	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
<b>Workforce by contract and gender</b>						
Permanent contract	15,798	18,368	15,662	18,409	15,583	17,882
Temporary contract	1,744	1,908	1,816	1,747	1,689	1,683
<b>Workforce by work schedule and gender</b>						
Full time	17,328	19,804	17,306	19,737	17,253	19,551
Part time	214	472	172	419	19	14

Scope: BBVA Bancomer Financial Group.

Employee category by gender	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Management committee and corporate directors	55	5	50	5	45	5
Senior Management	184	35	145	31	131	29
Middle management	2,729	1,706	2,838	1,833	3,290	2,205
Specialists	3,239	2,978	3,329	2,997	3,017	2,997
Sales force	6,126	6,174	5,937	5,903	5,743	6,050
Entry-level positions	5,227	9,381	5,197	9,402	5,046	8,299

Scope: BBVA Bancomer Financial Group.

Employees unionized	2016	2017	2018
Men	4,186	4,051	4,533
Women	7,894	7,863	7,704
Total	12,080	11,914	12,237

Scope: BBVA Bancomer Financial Group.

	2017		2018	
	Men	Women	Men	Women
<b>New hires*</b>				
< 25	1,147	1,456	1,612	1,940
25-45	1,887	1,735	2,538	2,517
> 45	60	25	56	26
Total		6,310		8,689
<b>Contract terminations</b>				
< 25	472	625	563	655
25-45	2,227	2,213	2,309	2,432
> 45	520	326	366	305
Total		6,383		6,630

GRI 102-48

\*The calculation methodology has changed from the one used in the 2017 Annual Report.

Scope: BBVA Bancomer Financial Group.

Employee turnover by age and gender*	2017	2018
Men	19%	19%
Women	16%	18%
0-25 years-old	31%	33%
25-45 years-old	17%	18%
Over 45 years-old	13%	11%

GRI 102-48

\*The calculation methodology has changed from the one used in the 2017 Annual Report.

Scope: BBVA Bancomer Financial Group.

Level of absenteeism	2016	2017	2018
Employees	9,942	9,594	8,661
Days	172,449	192,875	177,759

Scope: BBVA Bancomer Financial Group.

Levels of reinstatement following maternity leave	2016	2017	2018
Maternity leave	1,004	1,023	1,007
Number of leaves covered	92	117	174
Number of women reinstated	856	901	833

At present, the Bank does not have a database to capture and monitor absenteeism due to paternity.

Scope: BBVA Bancomer Financial Group.

## Attracting talent

GRI 103-1, 103-2 and 103-3

Attracting new talent is a key priority to:



Create a unique experience for BBVA Bancomer customers.



To bring the age of opportunity to everyone.



Remain the leading bank in the digital transformation.

BBVA Bancomer wishes to be close to young people and their universities, helping them with their training, unlocking their talent and supporting them when they land their first jobs.

### Ties with universities

In 2018 several initiatives were run at various universities around the country to put BBVA Bancomer forward as an attractive employer for the emerging generations.

Partnerships between the Bank and universities saw several programs implemented, including university chairs, job shadowing (spending a day as a director), ambassador schemes and recruitment fairs. Thanks to these actions, the Bank managed to recruit over 280 students to its various young talent programs (Internships, Jr Trainees, Business Banking Graduates and Trainees).

### Young Talent Programs

#### Internships Program

The program is aimed mainly at students in their final year of studies. It targets young people interested in enhancing their career prospects and acquiring professional experience by taking part in a specific project for six months. The students work 30 hours a week.

#### Jr Trainees Program

During this program for new graduates, participants spend time with various managers and face exacting performance assessments to determine whether they are suitable to remain at the Group.

#### Graduates program

Setting its sights on new master's graduates, the Bank recruits, trains and aims to retain the finest talent, with a view to nurturing the leaders of the future.



## Summer Internship

Master's students are offered the chance to take part in a 10-week project at the Bank over the summer to put their learning into practice.

## Business Banking Trainees Program

This program is designed to strengthen the Bank's sales team. The Bank recruited 30 trainees, providing training to them over an entire year before assigning them to sales executive positions.

## BIT Program

Information technology (IT) program lasting 12 months. New graduates in systems engineering, computing, IT, computer science and software can acquire different a variety of qualifications and certifications, including Cloud, Oracle, Mobile, Agile, Python, HTML5, which will ultimately aid towards their professional growth.

## Ingenium Program

Program to seek out specialized analysts for the risks area. The selected professionals undergo a thorough training course in Spain.

## Data Program

Program aimed at young graduates in actuarial sciences, mathematics, economics and computer engineering who are looking to become data scientists and who know how to program in Python, Scala, Spark and HTML5.

## Awards

Thanks to the Bank's numerous partnerships with universities, in 2018 the Bank was named in two of the largest and most important studies carried out in Mexico, ranking us among the top ten companies at which young graduates want to work.

The companies that awarded us this recognition are Universum and CIA de Talentos.

## Universum

Universum is the strategic partner of some of the world's biggest names, helping them build a successful employer brand. It currently works with over 2,000 clients, many of them Fortune 500 Companies, and been carrying out market studies focused on human resources for 25 years.

It conducts an annual survey to determine who the best employers are across the world. In Mexico, more than 139 educational institutions and upwards of 31,770 students are asked to take part in the survey.

In 2018, BBVA Bancomer ranked within the top five and was the only company from the financial sector to make it into the top 10, outranking a number of leading tech companies. <https://www.bbva.com/es/bbva-bancomer-quinto-empleador-mas-atractivo-jovenes-segun-universum/>

## Carrera de los Sueños survey

Compañía de Talentos is a company with over 30 years of experience in talent selection and development across Latin America, with presence in Chile, Colombia, Costa Rica, El Salvador, Guatemala, Paraguay, Argentina, Brazil, Peru and Mexico. Each year, Compañía de Talentos polls university students and recent graduates to gauge their perception of the labor market, as well as the top companies at which they would like to work.

Upwards of 132,680 people completed the survey across nine different LATAM countries. In Mexico, 9,200 people completed the survey and students and graduates from more than 180 institutions were polled.

It is the first time in 10 years that a bank or any company from the financial sector has made it onto the table. BBVA Bancomer was praised for its technological innovation and approach to work.

## Talent recruitment initiatives

### BIT Day

Congress aimed at engineering students; talks were given on a variety of hot technological topics, including Digital Transformation, Artificial Intelligence and Sales Force.

### "Talent Pipeline Engineering and UX"

This project aims to proactively identify potential talent to create short- and medium-term candidate portfolios. The countries involved include the United States, Colombia, Peru, Spain and Mexico. Monthly and quarterly talent attraction targets have been set.

### Communities of Experts

Each month BBVA Bancomer takes part in communities of technology experts and attends events to attract candidates from those niches.

## Training and talent development

GRI 103-1, 103-2, 103-3, 404-1, 404-2, 404-3, 412-2

The Training department nurtures a continuous learning culture in which professionals are given autonomy to design their training experience and develop new skills. This is achieved through regular, strategic high-impact training to ensure that Bank employees develop and successfully perform their role and that customers end up with a unique experience.

BBVA Bancomer has face-to-face and online courses to support the Bank's leaders and employees in learning and honing the skills that each person needs to perform their function/position, while also developing leadership and digital transformation skills.

### Training strategy

Last year was a year of transformation for the Training department, because it implemented a new strategy built around eight pillars to help ensure the comprehensive development of each employee:

1. **Regular strategic, high-impact training.** Creation of a new training ecosystem that fosters a culture of continuous and collaborative learning, ensuring innovation based on cutting-edge learning trends and methodologies.
2. **Skills training.** Development of cultural, transversal and leadership skills.
3. **Training for the digital transformation.** Incorporating new knowledge trends, such as Agile, Design Thinking, Behavioral Economics and Big Data.
4. **Technical training.** Development plans with targeted content to ensure the successful performance of each role, along with regulatory and institutional courses.
5. **Onboarding.** Onboarding to make new employees feel at home at the Bank and their new department, offering them a unique experience and enabling them to perform their job productively in as short a time as possible.
6. **Language training.** Training to help employees learn and practice English.
7. **Bancomer University.** Academic grants and scholarships to aid employees in their professional development.
8. **Dashboard & KPIs.** Dashboard & KPIs. Circuit enabling the Bank to measure the impact of its training and analyze and create continuous improvement actions.





## Employees trained

In 2018, the Bank reported a total investment of 231.9 million pesos in training programs and an average of 52 hours of training per employee, 56% of which was delivered through the global CAMPUS BBVA platform.

	2016	2017	2018
Employees trained	37,312	37,364	36,479
Percentage of employees trained	98.6%	97.5 %	99%
Total number of courses on CAMPUS BBVA platform	N/A	2,173	2,725
Average score	9	8.4	9.6
Total investment in training	\$139,747,208 MXN	\$161,834,353 MXN	\$231,954,778 MXN

## Training hours

Training	2016	2017	2018
Hours of classroom training	718,140	650,293	820,783
Hours of training through CAMPUS BBVA	1,479,780	953,797	1,069,642
Total	2,197,920	1,604,090	1,890,425
Average hours per employee	59	37	52

## Hours of classroom training

**B** 820,783

**B** 650,293

**B** 718,140

## Hours of training through CAMPUS BBVA

**B** 1,069,642 **B** 2018

**B** 953,797 **B** 2017

**B** 1,479,780 **B** 2016

## Total

**B** 1,890,425

**B** 1,604,090

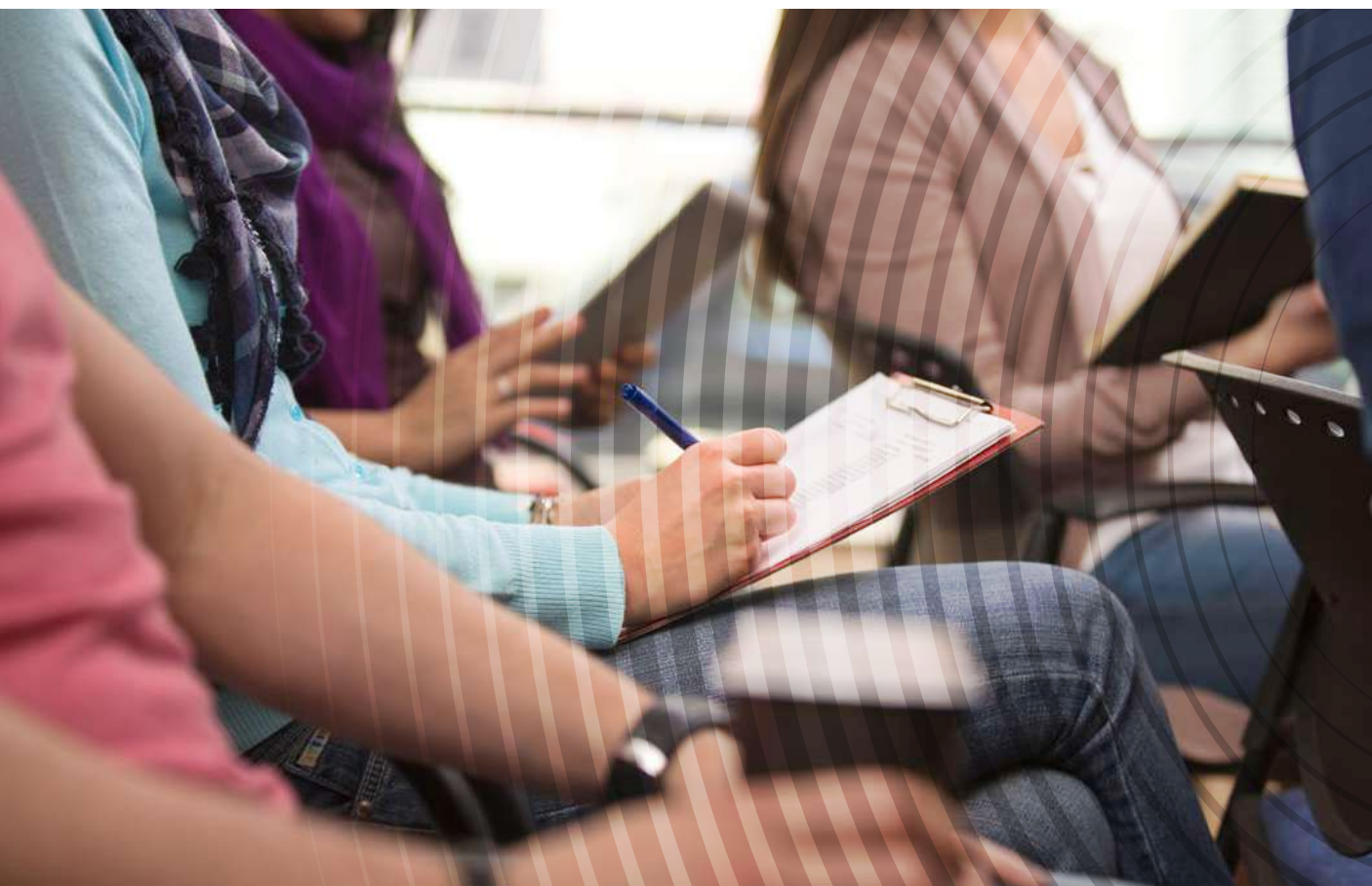
**B** 2,197,920

The decline in the number of employees trained and training hours from 2016 to 2017 was due to the process of migrating towards the new training strategy. In 2018, with the strategy fully implemented, an increase of 18% can be observed with respect to the previous year.

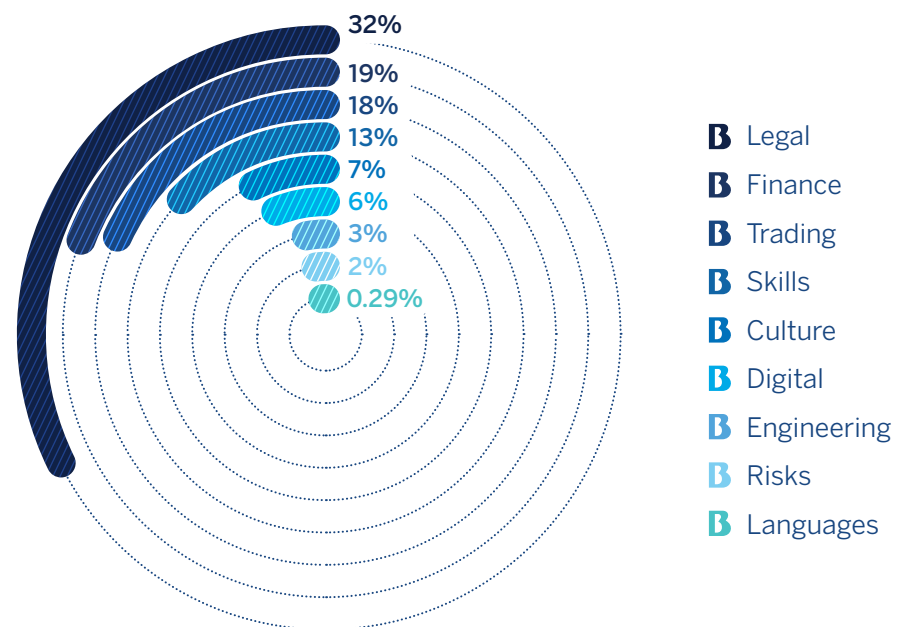
## Training centers

Face-to-face training is provided across all of Mexico at the Bank's various training centers:

Training center	Number of employees trained - 2017	Number of employees trained - 2018
Murano (Mexico City)	6,235	13,553
Toreo (Mexico City)	7,504	13,308
Guadalajara	988	657
Monterrey	578	325
Puebla	1,523	550
León	371	337
Tijuana	491	151
Mérida	183	629



### Training hours by general category



**7,474 hours of training** for human rights collaborators in 2018.

### Performance evaluations and professional development

In 2018, 89% of the employees received a performance evaluation, the remaining percentage of employees was not eligible for an evaluation by seniority.

### Onboarding

The onboarding process aims to ensure that employees adapt and integrate quickly within the organization and/or to new job positions. When onboarding employees, we rely on the best programs, simulators and expert trainers, both in-house and external, who work to secure optimal performance and productivity from employees in the shortest possible time.

The onboarding process is there to ensure that all employees are ready from day one to provide a unique experience to our customers.

### Anti-corruption training

	2018
Training hours	1,055

### Training in information security

In 2018, a total of **27,709 employees** received training in information security.

	2017	2018
Training hours	4,729	190,317

### Training in human rights

	2017	2018
Training hours	1,932	7,474

### BBVA Bancomer University

In 2018, Bancomer University awarded 474 grants and scholarships, with the figures breaking down as follows:

- 11 High school education
- 108 Professional development
- 150 Degree in Administration and Certif. Bancomer
- 192 Master's degree in Business Administration with TecMilenio University
- 9 International Masters in Finance
- 4 MBA

### Partnerships with universities

In 2018, integral partnership agreements were signed with the Monterrey Institute of Technology and Higher Education and TecMilenio University, covering joint action and initiatives in the following areas: training, financial literacy, talent attraction and Bancomer Foundation.

An agreement was also signed in the year with Universidad del Valle de México to provide high school, degree and post-graduate training.

## Tech University

Tech University is an initiative of the Engineering area. It promotes the specialized technical training of its professionals, helping teams evolve and enabling them to spearhead the digital transformation that BBVA Bancomer is now implementing.

### Goals for 2019

Undoubtedly 2019 will be a year of great challenges for the Training area, which aims to improve its results through:

1. Create and foster a learning ecosystem in which the employee steers their own development and is given the tools needed to plan and structure the strategic training needed for their development.
2. Consolidate skills programs, technical knowledge and integration of digital transformation skills.
3. Design the onboarding experience for general departments and other areas.
4. Generate an innovative and flexible range of English language training courses.
5. Expand the range of academic courses and events at Bancomer University.
6. Measure the impact of training on key performance indicators of business efficiency.

LinkedIn awarded BBVA its **“Best Culture of Learning”** accolade in 2018.

## Employee benefits and services

GRI 401-2

BBVA Bancomer has set up an employees portal on its Intranet, where employees can consult all the benefits and services the Bank has to offer them.

They may also be entitled to benefits and perks when acquiring banking products. These include special terms and conditions on loans, savings and investment products, plus others benefits such as preferential exchange rates and/or lower commissions.

Part of the Bank’s digital transformation is for the benefit of employees. Relying on BBVA Bancomer’s technological infrastructure, tools have been developed so that all employees can access the Bank’s benefits and services via their electronic devices.

At year-end 2018, the brand new “Promos BBVA Bancomer” platform, and also the “B Promos” in-house app for employees, had a total of 491 active agreements, 113 more than in 2017, and are intended for up to 35,000 employees.

Total agreements are classified as follows:

- 12 categories (well-being, travel, entertainment, etc.).
- 9 fixed collections (Bancomer products, Happy Birthday, etc.).
- 2 temporary collections (*Buen Fin* and Christmas).

Aside from the agreements, employees were granted special terms and conditions on widely renowned brands and products in Mexico, including discounts of between 10% and 50%, free shipping and promotional codes.

## Corporate communications and sales - 2018

Various initiatives were carried out in 2018, notably:

- Limited-run online sales within Mexico for family members of employees, arranged with different suppliers.
- A nationwide raffle among employees, with the grand prize consisting of a two-day, three-night stay for two at a prestigious hotel. All employees had to do to take part was download the B Promos app.
- Magazines handed out by floor attendants at the Torre BBVA Bancomer and Torre Parques Polanco head offices for employees who downloaded the app.
- Using in-house resources to make employees more aware of the various brands and products available through Promos BBVA Bancomer.

## Facilities and services at corporate offices

The Bank’s corporate headquarters (Torre BBVA Bancomer, Parques Polanco and the Data Center) feature various added-value services that are there to benefit employees and improve their quality of life, while enhancing the time they spend at our corporate head offices. Notable examples include:



Well-being center



Drugstore



Shower area



Games area



General canteens



Shoe repair



Laundry



Corporate transport

\*Not all benefits are available at all corporate offices.

## Remuneration

BBVA Bancomer has a value proposition that provides employees with an advanced remuneration system, rooted in the reciprocal generation of value for both employees and the Group. This system reflects the following principles:

- Creation of long-term value.
- Compensation for the achievement of results based on prudent and responsible assumption of risks.
- Attraction and retention of the best professionals.
- Compensation for the level of responsibility and professional career history.
- Internal equity and external competitiveness.
- Use of market benchmarks through analyses carried out by widely renowned firms that are leaders in the compensation consultancy sector.
- Ensure transparency in the remuneration policy.
- Guaranteeing there are no differences in remuneration by gender.

Accordingly, total remuneration includes:

Fixed remuneration, which is established on the basis of the employee's level of responsibility and professional track record at the Group. A salary benchmark is set for each function, reflecting its value to the organization. This salary benchmark is defined by analyzing internal and external equity and comparing it with the market and best payment practices to become the best company in Mexico when it comes to remuneration practices.

Variable remuneration is a key part of the Bank's remuneration policy, as it rewards the creation of value at the Group through each of units that make up BBVA Bancomer. In a nutshell, it rewards individual and team contributions and the value they all contribute to the Group's recurring earnings.

## Benefits

BBVA Bancomer offers employees a number of supplementary benefits and perks to improve their quality of life in all senses and to make it the best company at attracting and retaining the finest talent.

## Pensions

BBVA Bancomer offers a pension plan to supplement retirement pay under the national social security system, thus helping to improve the quality of life of its employees when they retire.

## Work climate and engagement

Every year the Mexican Secretariat of Labor and Social Welfare awards the "Family Responsible Company" badge to worthy companies, granting recognition to those organizations that make good practices part of their labor culture. Two work centers were awarded this accolade: Torre BBVA Bancomer and Parques BBVA Bancomer in Mexico City. BBVA offers its employees many of these good practices, such as the following: breastfeeding rooms, the well-being center, cafeterias, medical service, staggered timetables, alternative transportation, and many more.

The BBVA Bancomer Tower and Parques Polanco have been **awarded the "Family Responsible Company"** badge from the Secretariat of Labor and Social Welfare.

## Occupational health and safety

GRI 401-2

The health and safety of workers is of paramount importance to BBVA Bancomer. It has therefore assumed firm commitments to guarantee their quality of life through a medical service and insurance policy to cover major medical costs, thus providing all employees with reliable medical support and enabling them to carry out their work with all the health and safety precautions they deserve. The Bank also has on-site medical consultation offices at its various corporate offices:

- **Torre Bancomer:** Floor 34
- **Parques Polanco:** Floor 14
- **TecnoParque:** Building B, 2<sup>nd</sup>. Floor
- **CPD Lago Esmeralda:** Ground floor

Numerous health campaigns were carried out in 2018, allowing employees to arrange medical consultations, examinations and studies, as well as health programs and training and awareness activities.

The following health campaigns were carried out in 2018:

Date	Campaign	Target
July 17, 18 and 19, 2018	Vascular Health	To conduct a non-invasive diagnosis of blood clots located for the most part in the veins of your leg; a condition that is commonly known as deep vein thrombosis.
August 7, 8 and 9, 2018	Respiratory Health	To detect respiratory diseases
September 26, 27 and 28, 2018	Cardio-Metabolic	To assess and carry out a prompt diagnosis of high levels of lipids, and thus reduce cardiovascular risk and the risk of acute complications.
October 1, 2018	Urology and Gynecology	Making specialist consultation units part of the medical support modules.
October 11 to 31, 2018	Permanent Cancer Prevention Campaign (nationwide)	Face-to-face talks on breast cancer and prostate cancer awareness in Mexico City and six territorial talks further inland.  Ad-hoc surveillance of positive cases detected during the cancer prevention campaign.

## Health communications

In October, the Bank set up a space on the *Para mí* site, where users can post and share health-related topics through different channels (totems and pantry):

- News and information on the Cancer Awareness Campaign (breast and prostate cancer).
- “Floor by floor” awareness campaign for flu vaccinations.



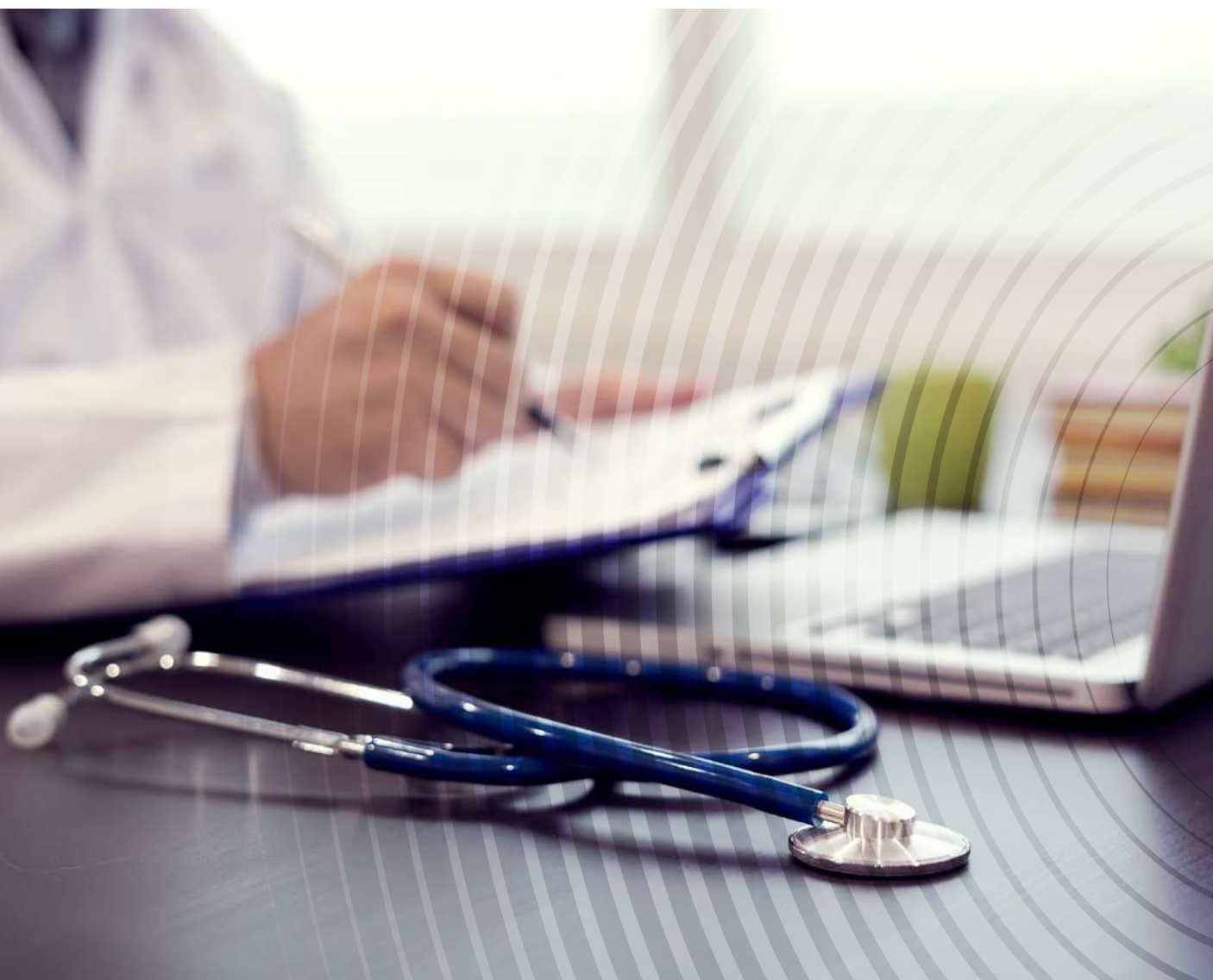
**Información de la importancia del chequeo médico**  
Recomendaciones para preservar y mantener tu salud



**Iniciativas para bajar de peso**  
Consejos para mantener un peso sano y preservar tu salud física y emocional



**Información de como puedo detectar el cáncer**  
Infórmate sobre como detectar oportunamente algunos tipos de cáncer en hombres y mujeres



## Occupational health programs carried out in 2018

### Vaccination campaigns

Flu vaccination, osteoporosis and venous insufficiency campaigns were carried out as part of the Bank's occupational health program.

- Mexico City: 3,077 doses administered.
- Outside the capital (6 head offices): 651 doses administered.

### PATIA test

This test was administered to BBVA Bancomer employees from January 20 through to March 20, 2018, and was available in Puebla, León, Tijuana, Veracruz, Hermosillo, Mérida and Querétaro. The PATIA test detects whether employees have a genetic predisposition to developing diabetes. High-risk individuals are then given advice on how to improve their lifestyle.

In 2018, a total of **1,556 blood samples** were taken from employees.

### A tu lado (By your side) program

This program assists those who are diagnosed with diabetes through the PATIA test. It aims to encourage employees to arrange medical appointments to find out about their health and raise their awareness. They are also offered coaching and the Bank remains in permanent contact with the patient and his/her family.

### Eye health

A total of 414 eyesight tests were carried out among employees, up 15% on 2017.

### Breastfeeding rooms

Breastfeeding rooms became a regulatory requirement in 2018 to ensure that all mothers who needed to use them were effectively able to do so.

### Workplace Wellness Council-Mexico (WWPC)

The aim of the Workplace Wellness Council (WWPC) is to provide innovation, best practices and leadership for firms in Mexico to improve employee health.

As part of its commitment to improving the health of BBVA Bancomer employees, the Bank has set up a Wellness Committee, comprising 15 leaders from within the Bank. The committee meets monthly to generate initiatives relating to wellness, health, recreation and occupational safety.

For the second year, BBVA Bancomer received the Wellness Award 2018 from WWPC, for its ongoing efforts to improve health and well-being. This year, it climbed further up the table when compared with its standing in 2017.

### Goals for 2019

- Extend the nutritional awareness program to the head offices.
- Implement the Comprehensive Health Care Program.

### Civil Protection

BBVA Bancomer has set up a Civilian Protection unit, which sees to it that people are safe and secure when on company premises and facilities. The unit comprises response officers at branches and buildings, together with external personnel.

The remit of the Civil Protection unit is nationwide, extending to both branches and corporate offices. All BBVA Bancomer protection officers possess the training legally required by the authorities. This training is given by a certified body and consists of three-hour classroom courses on fire prevention and firefighting, first aid and evacuation procedure.

### 2018 activities

- A total of 1,893 earthquake and fire drills were carried out across all BBVA Bancomer facilities during the period, involving a total of 25,259 people.
- Awareness raising for all employees on matters relating to protection and safety through digital portals and newsletters.
- A total of 9,807 hours of training in civil protection delivered to employees.



## Diversity, inclusion and fairness

GRI 103-1, 103-2, 103-3 and 405-1

BBVA Bancomer supports initiatives that foster equality between men and women. It focuses on the relative value of the job position and the performance of the individual occupying that position, regardless of their gender and always seeking the best talent for the job.

**Natalia Ortega** – GD Audit  
**Blanca Muñoz** – GD Risks Mexico  
Both included on the list of the **“100 most powerful women in Mexico”** by news magazine **Expansión**.

### Women’s Day

Exclusive event for female university goers, where students from the main universities were invited to spend the day with women leaders from different areas of the Bank, who shared their experiences and stories within the Bank.

### Maternity-paternity program

GRI 401-3

With a view to supporting inclusion and equality within the Bank, a Maternity-Paternity Program has been set up, showing how much BBVA Bancomer cares about the lives of its employees. As part of these parenthood initiatives, the Bank supports its female and male employees upon becoming parents:

- A guide is sent out to new mothers and fathers.
- Employees are handed a gift pack, containing a rucksack, a breast milk carrier, a changing mat and a foot rest.
- Preferential treatment in the canteen, with tables clearly labelled for pregnant workers.
- Preferential parking for mothers.

### Disabled People (DP)

To foster the inclusion of people with disabilities, BBVA Bancomer entered into an agreement with the Secretariat of Public Education whereby young people with intellectual disabilities are able to carry out their work experience at the Bank each year. A total of 13 young people joined the Bank in 2018, effectively making BBVA Bancomer a place at which disabled people can gain valuable work experience.



## Activities for employees

### Friends and family visits

Seeking to bolster a sense of pride in belonging, the Group runs programs aimed at engaging friends and family. These include visits by friends and family visits to the Bank's corporate offices on weekends during the month of July, specifically to the Torre BBVA Bancomer and Parques BBVA Bancomer head offices. The employees themselves guide their friends and family members around the offices and key spaces, showing them all the added-value services that make BBVA Bancomer offices such comfortable, safe and efficient working environments, thus showcasing and sharing the Bank's commitment to its own employees and to their family and friends.

A total of **74,000 visits** took place over the summer of 2018.

### Summer entrepreneurs

Summer entrepreneurs is aimed at the children (aged 17 to 21) of Bank employees. This two-week program is run simultaneously in six Mexican cities. The participants visit corporate offices and take part in educational activities run by the Monterrey Institute of Technology and Higher Education, while familiarizing themselves with the environments where their parents work and encouraging them to feel part of the team. Last year, a total of 198 children of employees took part in the program, 49% of them women and 51% men.

- Guadalajara: 16
- Mérida: 6
- Monterrey: 18
- Puebla: 19
- Tijuana: 10
- Mexico City: 129

The Summer Entrepreneurs program is there to offer the sons/daughters of employees the theoretical and practical tools needed to create a viable preliminary project or idea that will ultimately be productive and/or have a social impact.

The aim is to give them tools that will allow them to generate creative solutions to daily problems, just like the projects they are looking to undertake.

### Values Workshop

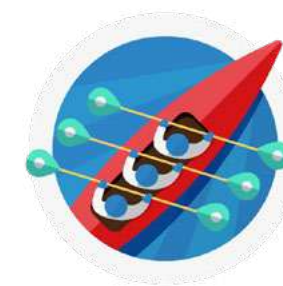
One of BBVA Bancomer's 2018 corporate culture objectives was to disseminate and raise awareness of its values:



The Customer comes first



We are one Team



We think Big

Values Day was held to raise awareness, entrench and experience these values. Employees took part in various activities requiring them to provide solutions to the challenges faced by BBVA Bancomer on the path to accomplishing its objective of cultural transformation and of embedding the values within the organization. The event lasted week and involved a total of 10,659 employees across the country.

### Ven a comer conmigo (Come have lunch with me)

The "Come have lunch with me" program was held on the last Friday of every month over a five-month period. It is aimed at children of employees aged between four and 16. The corporate canteens at Torre BBVA Bancomer and Parques Polanco opened their doors to a total of 347 children, who then had lunch with their mum or dad and had fun in the recreational areas, while discovering where their parents work and spending some quality time with them.

### Goals for 2019

- Promote the subject of gender equality through initiatives to support maternity and paternity.
- Foster the corporate values through "Values Day", phase two in 2019.

### Socio-cultural and sports activities

Sport is an core element of the culture of BBVA Bancomer and all its employees. With this in mind, numerous activities were carried out in 2018 to aid with the integration and health of the Bank's local communities.



## Banking Games

For the tenth straight year, BBVA Bancomer employees achieved great success in swimming, athletics, dancing, triathlon, bowling, basketball and football, among other sports, by winning numerous medals at the event.

The Bank supports all of its athletes by providing sportswear, hiring coaches and providing suitable training facilities. However, as part of its inclusive culture, the Bank also supports and encourages the participation of both men and women (60M 40W). In fact, our women employees excelled by winning more medals than their male counterparts.

## In-house tournaments

To help get BBVA Bancomer employees and family members more involved in sport, in-house soccer, volleyball, basketball and bowling tournaments were held throughout the country in 2018, attracting nearly 5,000 participants.

## Vertical race

On March 4, 2018, our first vertical race was held at Torre BBVA Bancomer. The 500 top performers in the BBVA Bancomer Race Track were asked to take part in a challenge at the Bancomer Tower itself, daring them to climb 1,300 steps and 50 floors in what is widely considered to be the world's largest corporate vertical race. The fastest time set was 7 minutes and 38 seconds.



## Cultural activities

- Art festival.
- Special events to celebrate Children's Day, Mother's Day and Father's Day, among others.
- Handing out of movie theater passes.
- Recognizing professional achievement.

## BBVA Bancomer Race Track

BBVA Bancomer promotes various initiatives to improve the well-being of its employees and their family members and its Race Track is a prime example of this. Local races are arranged from April onward all through the year, taking in 15 Mexican cities and attracting nearly 26,000 runners. The winning local runners then go to Mexico City to compete in the final.

## Awards

# Banking Games 2018: tenth straight win.

At year-end 2018, the total number of beneficiaries\* of the various social, cultural and sporting activities was as follows:

Activity	Support
Banking Games - Mexico City	986
Art festival	300
Movie theater passes	7,002
Race track	25,848
Geographical diversification	839
Vertical race	500
In-house tournaments	4,945
Regional Banking Games	571
Special events	12,600
Recognizing professional achievement	5,227
<b>Total</b>	<b>58,818</b>

\*The number of beneficiaries includes employees, couples and children.

## Goals for 2019

- Continue to take part in the main tournament of the Banking Games.
- Maximize communication and dialog with our divisional Talent and Culture Business Partners (TCBP) so as to reach out to the largest possible number of employees.

# Reputation management

## Ethical principles and values

Proper management of reputation, and setting up the necessary controls to ensure that all behavior respects the Bank's core values and principles, remains a key part of BBVA Bancomer's strategy. Achieving and upholding good business reputation is the product of a consistent policy and efficient internal and external communication.

# Reputation management

An important factor to bear in mind when it comes to reputation are stakeholders, such as employees, shareholders and suppliers. BBVA Bancomer is a prominent player within its community, applying and transmitting the best compliance and integrity practices in order to generate a positive impact on society.



Promote fair, peaceful and inclusive societies.

## Compliance System

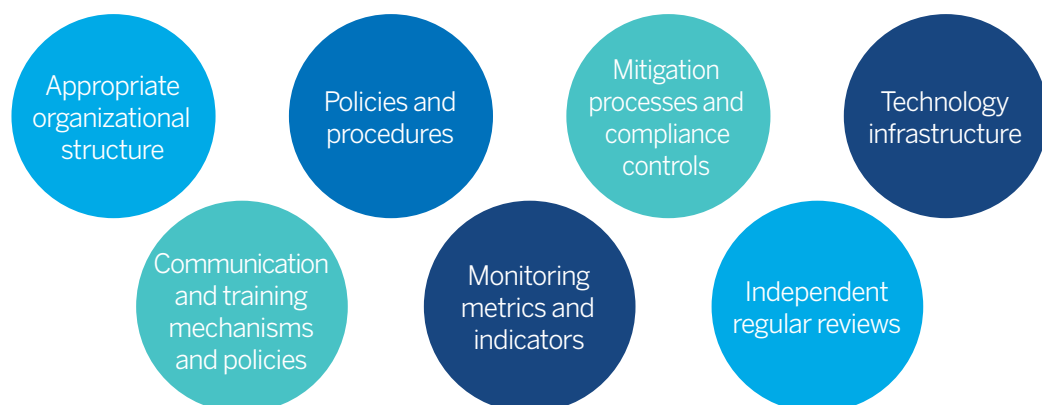
GRI 103-1, 103-2 and 103-3

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

In line with the principles established by the Bank for International Settlements (BIS) and the EU's Markets in Financial Instruments Directive (MiFID), the Compliance function continues to advance policies, procedures, awareness-raising and training in matters of compliance, while also working to improve the identification, assessment and mitigation of potential compliance risks, which are understood to be those involving the following issues:

- Market conduct.
- Dealing with conflicts of interest.
- Anti-money laundering and counter terrorism financing.
- Anti-corruption.

Core pillars of the Compliance System



In 2018, the Compliance System consolidated its standing as an efficient means of ensuring the prevention and mitigation of compliance risks in all the areas it covers, such as Anti-money Laundering and Counter Terrorist Financing, Stock Market Compliance, Sales Practices and Corporate Ethics.

The fact that the Board of Directors has approved an Anti-Corruption Policy illustrates the Bank's firm commitment to the issue.

## Integrity program

GRI 102-16, 102-17, 205-1 and 205-2

### Ethical behavior and Code of Conduct

The BBVA Bancomer Code of Conduct, approved by the Board of Directors in 2015, enshrines strict principles and standards of ethical conduct for all Bank employees and managers. It contains a set of behavioral guidelines to ensure the highest standards of integrity and honesty.

The BBVA Bancomer Code of Conduct is coherent with the principles of its corporate governance system, as well as the experience of BBVA and its corporate culture.

It is based on four key ethical values:

1. Respect for human dignity and rights.
2. Respect for equality and diversity.
3. Strict compliance with the law.
4. Professional objectiveness.

The Code of Conduct contains strict standards of ethical behavior for all employees as a means of understanding and implementing activities at BBVA Bancomer. It underpins the Bank's commitment to safeguarding the data of its customers and effectively limiting the use of such data in accordance with applicable law.

### Training in the Code of Conduct

All employees were asked to complete an online corporate course over the second half of 2018 to ensure their strict adherence to the Code of Conduct and to provide training on the subject. The aim is to underline the ethical behavior expected of all employees and to entrench a culture of reporting breaches and abuses.

At December 31, 2018, 96% of employees had received training in the Code of Conduct.

## Code of Conduct communication initiatives

In 2018, communication strategies were implemented to promote suitable leadership qualities and to prevent any abuse of authority. Work was also undertaken to improve the whistleblowing channel and reinforce the system in place for preventing conflicts of interest. All under the umbrella of the #Hazlocorrecto (#Dotherightthing) institutional campaign.

### Integrity workshop

Various face-to-face workshops were held in 2018, mainly for the Commercial Network. The workshops got participants thinking about what acting with integrity really means and how it should govern the behavior of everyone within the Bank. They were also asked to reflect on the consequences of failing to act with integrity. The learning took the form of videos and case studies that focused on the most widely reported improper conduct via the Whistleblowing Channel.

### Whistleblowing Channel

The Whistleblowing Channel is effectively BBVA Bancomer's reporting system and is an integral part of the wider compliance process. It is structured through various channels, which, together, create an effective means of reporting any breaches of the Code of Conduct that employees, customers, suppliers or co-workers may spot or notice when going about their work.

### Channels



**Email:**  
canaldenuncia.mexico.mx@bbva.com



**Telephone:**  
(55) 5621-4188 o al 01-800-001-0011



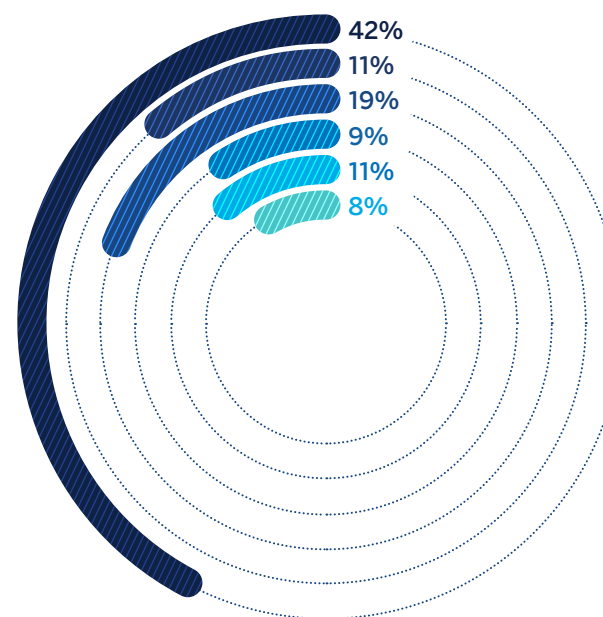
**Global email:**  
canaldenuncia@bbva.com



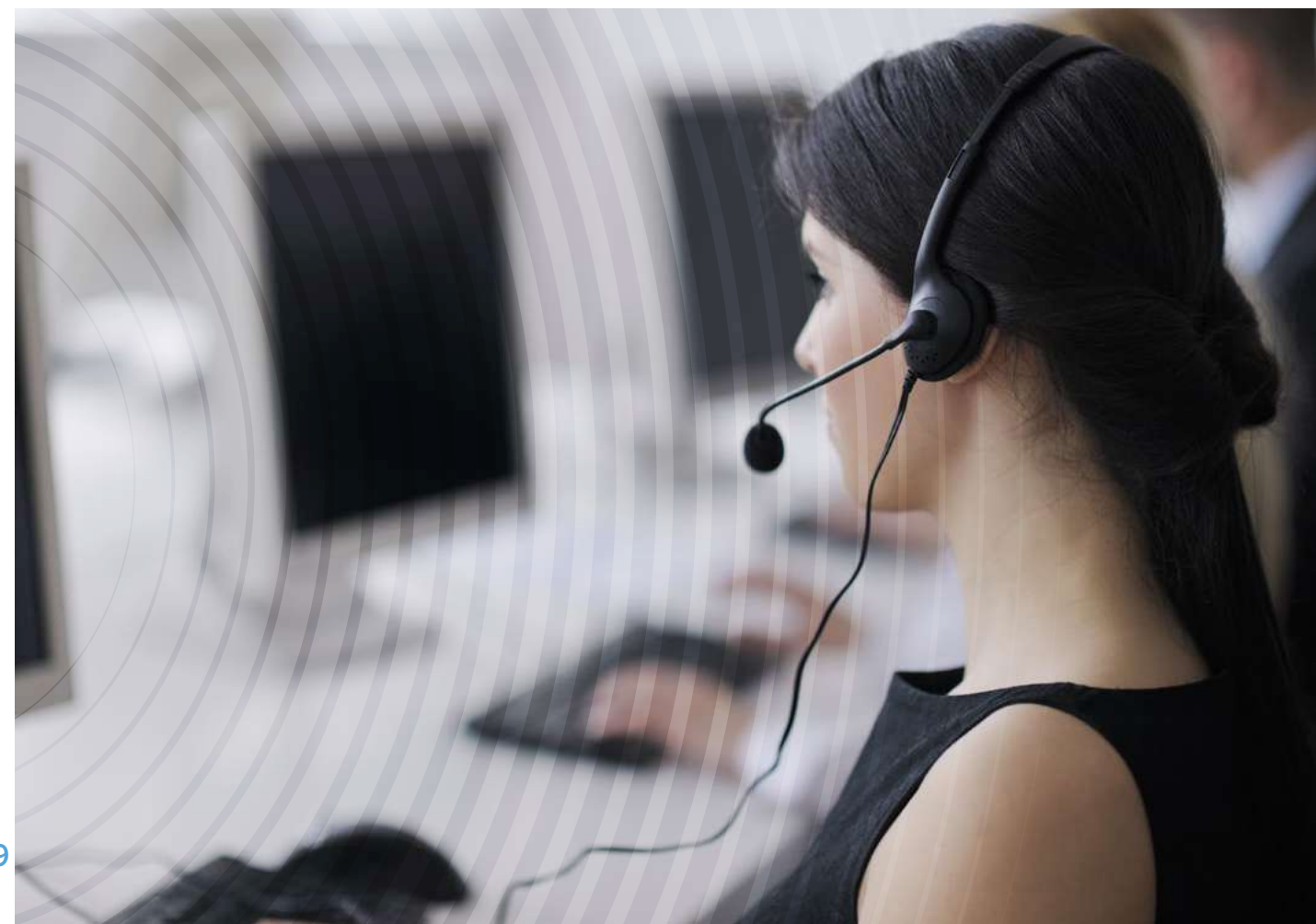
**Global telephone:**  
(34) 9153 77222

**15% reduction in the number of reports received** in 2018 with respect to the previous year, following the implementation of preventive actions.

### The most common reason for submitting reports were as follows:



- B** Management style
- B** Treatment of conflict of interest
- B** Improper use of resources
- B** Respect
- B** Other typologies
- B** Other issues



## Anti-corruption program

In December 2018, the Board of Directors approved the Anti-Corruption Policy, which was disseminated and enforced among all BBVA Bancomer employees.

The Anticorruption Policy was delivered to all employees in accordance with the #Hazlocorrecto (#Dotherightthing) institutional campaign.

## Commitment to human rights

The BBVA Group, to which BBVA Bancomer belongs, has embraced the United Nations Guiding Principles on Business and Human Rights and therefore seeks to promote and uphold the well-being of the different social settings in which it operates. Respect for and compliance with human rights is instrumental to BBVA Bancomer's purpose: "To bring the age of opportunity to everyone".

The BBVA Group has an internal document enshrining its commitment to human rights and incorporating principles, policies and internal procedures, all with the aim of ensuring the utmost respect for the human rights of its employees, customers, suppliers and society.

BBVA Bancomer's commitment to human rights is compliant with various international guidelines, most notably the Universal Declaration of Human Rights and the United Nations Global Compact.

## "500 companies against corruption" ranking from Expansión magazine

In the 2018 ranking prepared by Expansión magazine on the top 500 companies taking the fight to corruption, the Bank ranked first in the financial sector for the second straight year and placed 13 across all the productive sectors of the economy. Compared with 2017, BBVA Bancomer climbed five places and managed to improve its score.

### Goals for 2019

By 2019, BBVA Bancomer is looking to break into the top five in the news magazine's ranking of the 500 companies fighting corruption. Meanwhile, it will continue to apply and enforce corporate policies on the subject of anti-corruption and fair economic competition.

## Anti-money laundering / counter-terrorist financing

GRI 205-1, 205-2 and 205-3

BBVA Bancomer collaborates and works actively towards anti-money laundering (AML) and in detecting and combating terrorist activities (counter-terrorist financing, or CTF). These two activities are a priority objective that BBVA Bancomer associates with its pledge of promoting and upholding the well-being of the different communities and social settings in which it operates.

To this end, BBVA Bancomer has publicly pledged to the following commitments.

- Work actively with government bodies, international organizations, and other institutions in the fight against drug trafficking, terrorist activities, and other forms of organized crime.
- Establish a set of corporate criteria aimed at preventing the risk of its products and services from being used for illegal purposes.
- Establish a suitable organizational structure with all the required resources to implement this function, with clearly assigned responsibilities.
- Create a set of regulations containing all the obligations when it comes to anti-money laundering, particularly via means of customer identification and knowledge (KYC - Know Your Customer).
- Deploy customer monitoring measures, designed to identify potentially suspicious activity and ensure that such conduct is duly reported to the relevant authorities.
- Execute employee communication and training plans, which are designed by the Mexican Bank Association (ABM) in accordance with each group's level of exposure to the risk of money laundering, seeking to furnish them with the required tools to comply with applicable laws.

Training and awareness-raising programs include the following at least:

- Raising awareness of customer identification and insight policies (Know Your Customer), as well as user identification, and all necessary criteria, measures and procedures to ensure due compliance with applicable laws.
- Raising awareness of legal provisions and their amendments.
- Information on techniques, methods and trends to prevent, detect and report transactions that may be conducive toward, help, support, or provide cooperation for any kind of money-laundering or terrorism financing.
- Scores are allocated to each employee at the end of the course based on their learning.

The following table shows the employees to have undergone training in the last three years.

	2016	2017	2018
Participants in AML training activities	32,454	31,848	32,546
Specialists in AML and CTF activities	280	270	305
AML and CTF Department Template	136	140	184

# Appendices



# Appendices

## Prizes and awards

Awards and accolades	Organization to have granted the award / accolade
Best Culture of Learning	LinkedIn
BBVA Bancomer named Socially Responsible Company (SRC) for the eighteenth straight year and Seguros Bancomer for the tenth straight year	Centro Mexicano para la Filantropía (Mexican Center for Philanthropy) (CEMEFI) and Alianza por la Responsabilidad Social Empresarial en México (AliaRSE)
Best Practices 2018 in two categories: cross-sector alliances and corporate volunteering	Centro Mexicano para la Filantropía (Mexican Center for Philanthropy) (CEMEFI)
Thirteenth place on the 2018 ranking of the 500 companies taking the fight to corruption and ranking first within the financial sector	Expansión news magazine, Transparencia Mexicana and Mexicanos Contra la Corrupción e Impunidad
Ranked first and second within the category of financial services and products	Asociación Mexicana de Agencias de Publicidad: Effie Awards Mexico
BBVA won in 6 out of 8 categories at the America Awards 2018, where BBVA Bancomer came first in the following two categories: Best House and Best Performance	Structured Retail Products (SRP)
Best Digital Bank	World Finance magazine: Digital Banking Awards
Best Bank in Mexico Best Investment Bank	Euromoney magazine
Best Bank in Mexico - 2018	Global Finance magazine: The Best Banks in Latin America
Pensiones BBVA Bancomer: Silver Stevie Winner: Best Use of Technology in Customer Service - Financial Services Industries	The International Business Awards (Stevie Awards)
Torre BBVA Bancomer handed the 2018 RIBA Award for International Excellence	Royal Institute of British Architects
Fifth most attractive employer for young people	Universum
Bank with the best reputation in Mexico for the second straight year	Monitor Empresarial de Reputación Corporativa (Merco)
First place on the list of most socially responsible companies in Mexico in 2018	Expansión newspaper
Most Innovative Company - 2018 (private sector)	Netmedia y IT Masters Mag

# International commitments signed and connection with associations

GRI 102-12 and 102-13

At BBVA Bancomer we continue to support the following initiatives:

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

The Bank belongs to the following associations:

- Mexican Banking Association (Asociación de Bancos de México, or ABM for short)
- Mexican Association of Real Estate Developers (Asociación de Desarrolladores Inmobiliarios, or ADI for short)
- Mexican Internet Association (Asociación Mexicana de Internet or AMIPCI for short)
- Mexican Association of Stock Market Intermediaries (Asociación Mexicana de Intermediarios Bursátiles, or AMIB for short)
- Mexican Association of Insurance Institutions (Asociación Mexicana de Instituciones de Seguros, or AMIS for short)
- Mexican Stock Exchange (Bolsa Mexicana de Valores, or BMV for short)
- National Chamber of the Housing Industry (Cámara Nacional de la Industria de la Vivienda, or CANADEVI for short)

\*These initiatives are supported at BBVA Group level.



# GRI contents index

GRI 102-55



GRI Standard	Contents	Description	Chapter/Direct response	Page	
Foundation 2016	Foundation	1. Principles for defining report content 2. Use of GRI Standards for preparing sustainability reports 3. Preparing statements of use in relation to the GRI standards	About this report	3	
		102-1	Name of the organization	BBVA Bancomer Financial Group	
		102-2	Activities, brands, products, and services	Group Profile	10
		102-3	Location of headquarters	BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer Torre BBVA Bancomer - Paseo de la Reforma # 510, Col. Juárez, C.P. 06600, Ciudad de México.	
GRI 102 General Disclosures 2016	102-4	Location of operations	Presence	23	
	102-5	Ownership and legal form	Group Profile	10	
	102-6	Markets served	Group Profile and Presence	10 and 23	
	102-7	Scale of the organization	Group profile, presence and employees	10, 23 and 82	
	102-8	Information on employees and other workers	Employees	82	
	102-9	Supply chain	Suppliers and responsible procurement.	66	
	102-10	Significant changes to the organization and its supply chain	There were no significant changes		
	102-11	Precautionary Principle or approach	Equator Principles	57	
	102-12	External initiatives	International commitments signed and connection with associations	103	
	102-13	Membership of associations	International commitments signed and connection with associations	103	

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 102 General Disclosures 2016	102-14	Statement from senior decision-making executives	Letter from the Chairman of the Board of Directors Letter from the Deputy Chairman of the Board of Directors and CEO	5 and 7
	102-15	Key impacts, risks and opportunities	Letter from the Chairman of the Board of Directors Letter from the Deputy Chairman of the Board of Directors and CEO	5 and 7
	102-16	Values, principles, standards and norms of behavior	Group Profile and Integrity Program	10 and 98
	102-17	Advisory mechanisms and ethical concerns	Integrity program	98
	102-18	Governance structure	Corporate governance and management structure	18 and 24
	102-19	Delegating authority	Corporate governance	24
	102-20	Executive-level responsibility for economic, environmental and social topics	Corporate governance	24
	102-21	Consulting stakeholders on economic, environmental and social topics	Corporate governance	24
	102-22	Composition of the highest governance body and its committees	Corporate governance	24
	102-23	Chair of the highest governance body	Corporate governance	24
	102-24	Nominating and selecting the highest governance body	Corporate governance The director appointment process is explained in article twenty-five, chapter V of BBVA Bancomer's Bylaws.	24

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 102 General Disclosures 2016	102-25	Conflicts of interest	The Board of Directors ratifies the Bank's Code of Conduct on a proposal from the CEO of BBVA Bancomer. The Code is there to prevent conflicts of interest from arising among its employees, board members and executive officers. The Code also sets out the procedures to be followed in various situations in order to forestall any conduct that might harm the Bank's interests.	
	102-26	Role of highest governance body in setting purpose, values and strategy	Corporate governance	24
	102-27	Collective knowledge of highest governance body	Article 26, chapter V of the Bylaws of BBVA Bancomer explains the requirements for being a director	
	102-28	Evaluating the highest governance body's performance	Corporate governance	24
	102-29	Identifying and managing economic, environmental and social impacts	Corporate governance	24
	102-30	Effectiveness of risk management processes	Corporate governance	24
	102-31	Review of economic, environmental and social topics	Corporate governance	24
	102-32	Highest governance body's role in sustainability reporting	The Investor Relations Department and the Corporate Responsibility and Reputation (CRR) Department are responsible for preparing and validating the Annual Report	

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 102 General Disclosures 2016	102-33	Communicating critical concerns	The Company's Board of Directors may establish the mechanisms to be followed by the relevant executive officers in keeping the Company apprised of the financial, administrative, operational and legal position of each of the financial entities and other legal parties controlled by the Company.	
	102-34	Nature and total number of critical concerns	The Investor Relations website provides summaries of the resolutions carried at the Annual General Shareholders Meetings of the BBVA Bancomer Financial Group.	
	102-35	Remuneration policies	Corporate governance	24
	102-36	Process for determining remuneration	Corporate governance	24
	102-37	Stakeholders' involvement in remuneration	Stakeholders are not involved in this process.	
	102-38	Annual total compensation ratio	Confidentiality issues. In the interests of security, this information is considered confidential.	
	102-39	Percentage increase in annual total compensation ratio	Confidentiality issues. In the interests of security, this information is considered confidential.	
	102-40	List of stakeholder groups	Stakeholders and materiality analysis	35
	102-41	Collective bargaining agreements	Stakeholders and materiality analysis	35
	102-42	Identifying and selecting stakeholders	Stakeholders and materiality analysis	35
	102-43	Approach to stakeholder engagement	Stakeholders and materiality analysis	35
	102-44	Key topics and concerns raised	Stakeholders and materiality analysis	35

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 102 General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Group Profile	10
	102-46	Defining report content and topic Boundaries	About this report	3
	102-47	List of material topics	Stakeholders and materiality analysis	35
	102-48	Restatements of information	Unless stated otherwise in the report, there is no difference in the information provided.	64 and 84
	102-49	Changes in reporting	About this report	3
	102-50	Reporting period	About this report	3
	102-51	Date of most recent report	The previous Annual Report was published in 2018	
	102-52	Reporting cycle	The reporting cycle is annual	
	102-53	Contact point for questions regarding the report	Irma B. Acosta Pedregal Head of Responsibility and Corporate Reputation Email:ib.acosta@bbva.com	
	102-54	Claims of reporting in accordance with the GRI Standards	About this report	3
	102-55	GRI content index	GRI content index	104
	102-56	External assurance	Independent Review Report	110
<b>MATERIAL TOPICS</b>				
<b>Quality of customer care/service</b>				<b>44</b>
<b>Corporate governance</b>		<b>Please refer to the general disclosures from 102-18 to 102-24</b>		
<b>Communication and commercialization practices, and transparency</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Transparent, Clear and Responsible (TCR) Communication	52
	103-2	The management approach and its components	Transparent, Clear and Responsible (TCR) Communication	52
	103-3	Evaluation of the management approach	Transparent, Clear and Responsible (TCR) Communication	52

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 417 Marketing and labeling	417-1	Requirements for product and service information and labeling	Transparent, Clear and Responsible (TCR) Communication	52
	417-2	Incidents of non-compliance concerning product and service information and labeling	Specialized Customer Service Unit  Transparent, Clear and Responsible (TCR) Communication	45 and 52
	417-3	Incidents of non-compliance concerning marketing communications	Specialized Customer Service Unit,  Transparent, Clear and Responsible (TCR) Communication	45 and 52
<b>Job quality</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Employees	82
	103-2	Management approach and its components	Employees	82
	103-3	Evaluation of the management approach	Employees	82
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	Employees	82
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefits and services  Occupational health and safety	90 and 92
	401-3	Parental leave	Employees and maternity program	94
<b>Risk management</b>		<b>Please refer to the general disclosures from 102-18, 102-24, 102-29 and 102-30</b>		
<b>Social and environmentally responsible funding</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Equator Principles	57
	103-2	Management approach and its components	Equator Principles	57
	103-3	Evaluation of the management approach	Equator Principles	57

GRI Standard	Contents	Description	Chapter/Direct response	Page
G4 Financial Services Sector	FS7	Monetary value of products and service designed to deliver a specific social benefit for each business line broken down by purpose	Equator Principles	57
	FS8	Monetary value of products and service designed to deliver a specific environmental benefit for each business line broken down by purpose	Equator Principles Green bonds	57 and 59
	FS11	Percentage of assets subject to positive and negative environmental or social screening	Equator Principles	57
<b>Solvency and financial management: reported in the audited financial statements</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic Impact	30
	103-2	Management approach and its components	Economic Impact	30
	103-3	Evaluation of the management approach	Economic Impact	30
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Impact	30
<b>Environmental footprint</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Global Eco-Efficiency Plan	60
	103-2	Management approach and its components	Global Eco-Efficiency Plan	60
	103-3	Evaluation of the management approach	Global Eco-Efficiency Plan	60

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 301 Materials 2016	301-1	Materials used by weight or volume	Global Eco-Efficiency Plan	60
	301-2	Recycled input materials used	Information not available. This information exceeds the scope of the measurement	
	301-3	Reclaimed products and their packaging materials	Not applicable. The operations of BBVA Bancomer do not involve the recovery of products and packaging materials.	
GRI 302 Energy 2016	302-1	Energy consumption within the organization	Global Eco-Efficiency Plan	60
	302-2	Energy consumption outside the organization	Global Eco-Efficiency Plan	60
	302-3	Energy intensity	Global Eco-Efficiency Plan	60
	302-4	Reduction in energy consumption	Global Eco-Efficiency Plan	60
	302-5	Reduction in energy requirements of products and services	Global Eco-Efficiency Plan	60
GRI 303 Water 2016	303-1	Water withdrawal by source	Global Eco-Efficiency Plan	60
	303-2	Management of water discharge-related impacts	Information not available. This information exceeds the scope of the measurement	
	303-3	Water recycled and reuse	Global Eco-Efficiency Plan	64
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Global Eco-Efficiency Plan Emissions	60
	305-2	Energy indirect (Scope 2) GHG emissions	Global Eco-Efficiency Plan Emissions	60

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 305 Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Global Eco-Efficiency Plan Emissions	60
	305-4	GHG emissions intensity	Global Eco-Efficiency Plan Emissions	60
	305-5	Reduction of GHG emissions	Global Eco-Efficiency Plan Emissions	60
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable: BBVA Bancomer's operations do not generate significant ozone-depleting substances	60
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Not applicable: BBVA Bancomer's operations do not generate significant NO <sub>x</sub> and SO <sub>x</sub> emissions.	60
<b>Products with good value for money</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Transparent, Clear and Responsible (TCR) Communication	52
	103-2	Management approach and its components	Transparent, Clear and Responsible (TCR) Communication	52
	103-3	Evaluation of the management approach	Transparent, Clear and Responsible (TCR) Communication	52
GRI 417 Marketing and labeling	417-1	Requirements for product and service information and labeling	Transparent, Clear and Responsible (TCR) Communication	52
<b>Compliance system</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Compliance system	98
	103-2	Management approach and its components	Compliance system	98
GRI 103 Management Approach 2016	103-3	Evaluation of the management approach	Compliance system	98

GRI Standard	Contents	Description	Chapter/Direct response	Page
GRI 205 policy 2016	205-1	Operations assessed for risks related to corruption	Integrity program	98
	205-2	Communication and training about anti-corruption policies and procedures	Integrity program	98
	205-3	Confirmed incidents of corruption and actions taken	Anti-Money Laundering / Counter Terrorist Financing	100
Please refer to the general disclosures 102-16 and 102-17				
GRI 417 Marketing y etiquetado 2016	417-1	Requirements for product and service information and labeling	Transparent, Clear and Responsible (TCR) Communication	52
	417-2	Incidents of non-compliance concerning product and service information and labeling	Specialized Customer Service Unit Transparent, Clear and Responsible (TCR) Communication	45 and 52
	417-3	Incidents of non-compliance concerning marketing communications	Specialized Customer Service Unit, Transparent, Clear and Responsible (TCR) Communication	45 and 52
<b>Contribution to the development of local communities</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Social programs Community	75 and 76
	103-2	Management approach and its components	Social programs Community	75 and 76
	103-3	Evaluation of the management approach	Social programs Community	75 and 76
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social programs Community BBVA Bancomer Foundation	75 and 76
	413-2	Operations with significant actual and potential negative impacts on local communities	To guarantee the security and confidentiality of data entrusted to it, the Bank works to integrate new technologies and trains all its employees in how to use them.	

GRI Standard	Contents	Description	Chapter/Direct response	Page
<b>Diversity</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Diversity, inclusion and fairness	94
	103-2	Management approach and its components	Diversity, inclusion and fairness	94
	103-3	Evaluation of the management approach	Diversity, inclusion and fairness	94
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity on governance bodies and employees	Employees Diversity, inclusion and fairness	82 and 94
	405-2	Ratio of basic salary and remuneration of women to men	Work is ongoing to provide consolidated information.	
Please refer to the general disclosure 102-18				
<b>OTHER TOPICS</b>				
<b>Financial Inclusion</b>				
G4 Financial Services Sector	FS13	Access points in low-populated or economically disadvantaged areas	Financial Inclusion	71
	FS14	Initiatives to improve access to financial services for disadvantaged people	Financial Inclusion	71
<b>Anti-money laundering / counter-terrorist financing</b>				
GRI Anticorrupción 2016	205-1	Operations assessed for risks related to corruption	Anti-Money Laundering / Counter Terrorist Financing	100
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Money Laundering / Counter Terrorist Financing	100
	205-3	Confirmed incidents of corruption and actions taken	Anti-Money Laundering / Counter Terrorist Financing	100

GRI Standard	Contents	Description	Chapter/Direct response	Page
<b>Customer security, privacy and protection</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Customer security, privacy and protection	55
	103-2	Management approach and its components	Customer security, privacy and protection	55
	103-3	Evaluation of the management approach	Customer security, privacy and protection	55
GRI 418 Customer privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	Specialized Customer Service Unit	45
<b>Talent attraction, development and retention</b>				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Attracting talent Training and talent development	85 and 87
	103-2	Management approach and its components	Attracting talent Training and talent development	85 and 87
	103-3	Evaluation of the management approach	Attracting talent Training and talent development	85 and 87
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	Training and talent development	87
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and talent development	87
	404-3	Percentage of employees receiving regular performance and career development reviews	Training and talent development	87

# Independent Assurance Report

GRI 102-56



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## Independent Limited Assurance Report on the Contents of the Global Reporting Initiative ("GRI") Standards (Non-Financial information)

2

To the Corporate Responsibility and Reputation Department  
Grupo Financiero BBVA Bancomer, S.A. de C.V.:

We were engaged by the Management of Grupo Financiero BBVA Bancomer, S.A. de C.V. (hereinafter "BBVA Bancomer"), to report on the Contents of the Global Reporting Initiative ("GRI") Standards (Non-Financial Information) prepared and presented by the Corporate Responsibility and Reputation Department of BBVA Bancomer contained in the 2018 Annual Report of BBVA Bancomer for the period from January 1 to December 31, 2018 ("the Annual Report"), which are detailed in Appendix A attached to this report (the "Contents"), in the form of an independent conclusion of limited assurance about whether, based on our work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared, in all material aspects, in alignment with the criteria established in the AccountAbility Principles Standard 2018 (AA1000AP, 2018) and in accordance with the GRI Standards.

### Management's responsibilities

BBVA Bancomer Management, through its Corporate Responsibility and Reputation Department, is responsible for the preparation of the information subject to our review, free from material misstatement, in accordance with the Criteria.

BBVA Bancomer Management, through its Corporate Responsibility and Reputation Department, is also responsible for preventing and detecting fraud and for identifying and ensuring that BBVA Bancomer complies with the laws and regulations applicable to its activities.

BBVA Bancomer Management, through its Corporate Responsibility and Reputation Department, is also responsible for ensuring that staff involved in the preparation and presentation of the Contents are properly trained, information systems are properly updated and that any change in the presentation of data and/or in the form of reporting, encompass all significant reporting units.

### Our responsibilities

Our responsibility is to review the information related to the Contents included in the Annual Report and to express an independent conclusion of limited assurance based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we plan and perform our procedures to obtain limited assurance about whether, based on our work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents included in the Annual Report for the period from January 1 to December 31, 2018, are not prepared, in all material aspects, in alignment with the criteria established in the AccountAbility Principles Standard 2018 (AA1000AP, 2018) and in accordance with the GRI Standards.

KPMG Cárdenas Dosal, S.C. (the "Firm") applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures performed depend on our judgment and experience on the Contents presented in the Annual Report and other circumstances of the work, and our consideration of the areas in which material misstatements are likely to arise.

By obtaining an understanding of the Contents included in the Annual Report, and other circumstances of the work, we have considered the process used to prepare the Contents, with the purpose of designing assurance procedures that are adequate to the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of BBVA Bancomer internal control over the preparation of the Contents included in the Annual Report.

Our engagement also includes assessing the appropriateness of the main matter, the suitability of the criteria used by BBVA Bancomer in the preparation of the Contents, by assessing the appropriateness of the methods, policies and procedures, and models used.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Criteria**

The criteria on which the preparation of the Contents has been assessed, refers to the requirements established in the AccountAbility Principles Standard 2018 (AA1000AP, 2018) and in accordance with the GRI Standards.

**Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents detailed in Appendix A attached to this assurance report, prepared by the Corporate Responsibility and Reputation Department of BBVA Bancomer, and included in the Annual Report of BBVA Bancomer for the period from January 1 to December 31, 2018, are not prepared, in all material aspects, in alignment with the criteria established in the AccountAbility Principles Standard 2018 (AA1000AP, 2018) and in accordance with the GRI Standards.

**Restriction of use of our report**

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Corporate Responsibility and Reputation Department of BBVA Bancomer, for any purpose or in any other context. Any party other than Corporate Responsibility and Reputation Department of BBVA Bancomer who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than BBVA Bancomer for our work, for this independent limited assurance report, or for the conclusions we have reached.

(Continue)



Our report is released to BBVA Bancomer, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

KPMG Cárdenas Dosal, S.C.

Jesús Luna Ortiz

Partner

Mexico City, April, 15<sup>th</sup>, 2019.



**Appendix A**

Description of the Contents of the limited assurance engagement:

GRI Standard	Content	Description
General disclosures	102-1	Name of the organization
	102-2	Activities, brands, products, and services
	102-3	Location of headquarters
	102-4	Location of operations
	102-5	Ownership and legal form
	102-6	Markets served
	102-7	Scale of the organization
	102-8	Information on employees and other workers
	102-9	Supply chain
	102-10	Significant changes to the organization and its supply chain
	102-11	Precautionary Principle or approach
	102-12	External initiatives
	102-13	Membership of associations
	102-14	Statement from senior decision-maker
	102-15	Key impacts, risks, and opportunities
	102-16	Values, principles, standards, and norms of behavior
	102-17	Mechanisms for advice and concerns about ethics
	102-18	Governance structure
	102-19	Delegating authority
	102-20	Executive-level responsibility for economic, environmental, and social topics
	102-21	Consulting stakeholders on economic, environmental, and social topics
	102-22	Composition of the highest governance body and its committees
	102-23	Chair of the highest governance body
	102-24	Nominating and selecting the highest governance body
	102-25	Conflicts of interest
	102-26	Role of highest governance body in setting purpose, values, and strategy
	102-27	Collective knowledge of highest governance body
	102-28	Evaluating the highest governance body's performance
	102-29	Identifying and managing economic, environmental, and social impacts
	102-30	Effectiveness of risk management processes
	102-31	Review of economic, environmental, and social topics
	102-32	Highest governance body's role in sustainability reporting
	102-33	Communicating critical concerns
	102-34	Nature and total number of critical concerns
	102-35	Remuneration policies

	102-36	Process for determining remuneration
	102-40	List of stakeholder groups
	102-41	Collective bargaining agreements
	102-42	Identifying and selecting stakeholders
	102-43	Approach to stakeholder engagement
	102-44	Key topics and concerns raised
	102-45	Entities included in the consolidated financial statements
	102-46	Defining report content and topic Boundaries
	102-47	List of material topics
	102-48	Restatements of information
	102-49	Changes in reporting
	102-50	Reporting period
	102-51	Date of most recent report
	102-52	Reporting cycle
	102-53	Contact point for questions regarding the report
	102-54	Claims of reporting in accordance with the GRI Standards
	102-55	GRI content index
102-56	External assurance	
<b>Material topics</b>		
<b>Employment</b>		
GRI 103 Management approach	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
GRI 401 Employment	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3	Parental leave
<b>Training and talent development</b>		
GRI 103 Management approach	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
GRI 404 Training and Education	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
<b>Local Communities</b>		
GRI 103 Management approach	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs
<b>Communication, marketing and transparency practices</b>		
	103-1	Explanation of the material topic and its Boundary



<b>GRI 103 Management approach</b>	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 417 Marketing and Labeling</b>	417-1	Requirements for product and service information and labeling
<b>Financial Services Sector - Financial inclusion</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>G4-Financial Services Sector</b>	FS13	Access points in low-populated or economically disadvantaged areas by type
	FS14	Initiatives to improve access to financial services for disadvantaged people
<b>Financial Services Sector – social and environmental financing</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>Socially and environmentally responsible financing</b>	FS11	Percentage of assets subject to positive and negative environmental or social screening
<b>PLD / financing of terrorist activities</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 205 Anticorruption</b>	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
<b>Environmental footprint</b>		
<b>Materials</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 301 Materials</b>	301-1	Materials used by weight or volume
<b>Energy</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 302 Energy</b>	302-1	Energy consumption within the organization
	302-2	Energy consumption outside of the organization
	302-3	Energy intensity
	302-4	Reduction of energy consumption
	302-5	Reductions in energy requirements of products and services



<b>Water</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 303 Water and Effluents</b>	303-1	Water withdrawal by source
<b>Emissions</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 305 Emissions</b>	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions
	305-4	GHG emissions intensity

# Glossary

Concept	Definition	Acronyms
Global Reporting Initiative	Independent international organization that created the first standard for sustainability reporting.	GRI
Integrated Report	Integrated reporting is an evolution of corporate reporting, with a focus on conciseness, strategic relevance and future orientation. Integrated reporting makes the reporting process itself more productive, resulting in tangible benefits. <a href="http://integratedreporting.org/">http://integratedreporting.org/</a>	IR
AA1000: Stakeholder Engagement Standard	This standard guides organizations in establishing a relationship with their stakeholders and ensuring their integration into business strategy and operations. <a href="https://www.accountability.org/wp-content/uploads/2016/10/AA1000SES_2015.pdf">https://www.accountability.org/wp-content/uploads/2016/10/AA1000SES_2015.pdf</a>	
Principle under AA1000: Inclusiveness	Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. An inclusive organization accepts its accountability to those on whom it has an impact and who have an impact on it.	
Principle under AA1000: Materiality	Determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions and performance of an organization or its stakeholders.	
Principle under AA1000: Responsiveness	Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance, and is realized through decisions, actions and performance, as well as communication with stakeholders.	
Net Promoter Score	Measures the customer experience and predicts business growth. This metric provides the core measurement for customer experience management programs worldwide.	NPS
Principles for Responsible Investment	An initiative that works to achieve a sustainable global financial system by encouraging adoption of the Principles and by fostering good governance, integrity and accountability, and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.	PRI
United Nations Global Compact	Program developed by the United Nations that seeks to transform the global market, creating a more sustainable and responsible private sector based on 10 principles in areas related to human rights, labor, environment and corruption.	

Concept	Definition	Acronyms
Carbon Disclosure Project	Organization that supports companies and cities in disseminating the environmental impact of large corporations.	EC
Sustainable Development Goals	Program developed by the United Nations that consists of a set of global objectives to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda.	ODS
User Service Performance Rating	Known as IDATU, this indicator is read by CONDUSEF with the aim of benchmarking the effectiveness of the customer service and support provided by Mexican financial institutions.	IDATU

## Equivalencies

Unit	Symbol	Equivalency
1 kilowatt-hour	kWh	Average consumption of a laptop computer left on for 20 hours
1 ton of CO <sub>2</sub> equivalent	t CO <sub>2</sub> eq	Average amount captured by an adult tree in two years
1 cubic meter	m <sup>3</sup>	1,000 liters
1 Gigajoule	GJ	Amount of energy consumed by 167 20W light bulbs left on for eight straight hours

**BBVA** Bancomer