

BBVA



Corporate Responsibility Report
Colombia
2014

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Corporate Responsibility Report **Colombia** 2014



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Corporate Responsibility Report

Colombia 2014

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Letter from the President

In BBVA we believe in a differential banking model, one intended for people: our employees that are every time more committed to drive a social support and shared value culture and in the millions of Colombians to whom we contribute with education and culture, as the core pillars for the country development.

We are aware that current atmosphere represents a challenge to the financial sector and that is why we are convinced that being profitable does not consist on doing business in any way but that it must be aimed at sustainability focused model. For a number of years now, we have been working in a responsible banking model that is based on three cornerstones: customers, employees and society.

We present today our 2014 Corporate Responsibility Report, the eighth on an uninterrupted basis and in which we highlight the setting up of significant initiatives. Our investment in social initiatives exceeds 32 billion Colombian pesos in Colombia, which has allowed us to support more than 250,000 girls, boys and teenagers with school supplies on a continuous way, to more than 15,000 kids with scholarships and uniforms; to more than 30 local athletes and to 180 young people with scholarships for college and technical education in different cities of the country.

Results that are clearly related to our situation in the Colombian financial market where we have been consolidated and which have allowed us to close 2014 with 514 offices, more than 1,200 ATMs, 11,160 banking correspondents and more than 6,000 employees in our headcount.

For this reason, the report in your hands reveals our strong commitment for Colombia, its social and economic development and is a reflection of our optimism for the country that makes us proud every day of being part of its present and future.

Forward.



Oscar Cabrera Izquierdo
BBVA Colombia President



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BBVA Colombia Profile

Benefiting the customer is our main driving force for growth and value generation.

A. Responsible Banking Key Indicators

B. Bank Organizational Chart

C. Business Structure

BBVA is present in Colombia through the following entities: BBVA Colombia and affiliates, BBVA Fiduciaria S.A., and BBVA Valores S.A.

Likewise, there are other companies of Grupo BBVA in Colombia: Compañía de Seguros BBVA Seguros Generales S.A., and BBVA Seguros de Vida S.A.

BBVA arrived in Colombia in 1996 as a result of Banco Bilbao Vizcaya Argentaria S.A. and Bilbao Vizcaya America purchasing 40% of Banco Ganadero; thus, the entity's corporate purpose changed to Banco Bilbao Vizcaya Argentaria Colombia S.A. –BBVA Colombia–. For the next years (1997-2001) BBVA made purchasing transactions of the remaining shareholding interest until reaching 95,16 % shareholding in April, 2001.

Currently, grupo bbva holds 95.43% Shareholding in bbva colombia.

BBVA Colombia shareholding structure	
Name	Interest
BBV America SL	19,23 %
Banco Bilbao Vizcaya Argentaria S.A.	76,20 %
Others	4,57 %
Total	100,00 %

Main milestones for BBVA Colombia



BBVA Colombia Highlights

	2012	2013	2014	Var.\$	Var. %
BVA Colombia Balance Sheet (In thousands of million Colombian pesos)					
Total assets	30.541	34.883	41.528	6.645	19
Managed funds	24.282	28.197	32.303	4.106	15
Net credit investment	20.361	24.999	29.911	4.913	20
Own funds	2.857	3.240	3.496	255	8
BVA Colombia Statement of Income (In thousands of million Colombian pesos)					
Interest margin	1.488	1.731	1.941	210	12
Commissions	267	292	287	-5	-2
Gains on Financial Transactions (ROFs per its acronym in Spanish)	155	131	144	13	10
Personnel expenses	378	424	459	34	8
Overhead expenses	307	336	379	43	13
Income before taxes	645	757	764	7	1
Income after taxes	444	526	486	-40	-8
Ratios					
Recurrence Ratio	32,79%	32,41%	29,14%	-327	-10
Efficiency Ratio	44,05%	42,85%	43,01%	16	0
ROE	16,90%	17,82%	14,89%	-293	-16
ROA	1,63%	1,55%	1,26%	-29	-19
Non-performing loans	1,17%	1,26%	1,44%	18	15
Provision coverage for non-performing loans	326,02%	264,25%	234,20%	-3.004	-11
Market share					
Deposits	10,86%	11,57%	11,79%	22	2
Placements	9,16%	9,78%	10,29%	51	5
Deposits + Placements	10,00%	10,67%	11,02%	35	3
Other Information					
Employees (Bank)	4.808	5.359	5.567	208	4
Commercial Banking Offices	308	344	385	41	12
Corporate & Investment Banking Offices	3	3	3	-	-
Business Banking Offices	11	13	13	-	-
Institutional Banking Offices	1	1	1	-	-
Personal Banking Offices	4	7	9	2	29
Premium Banking Offices	-	1	1	-	-
Other Service Locations (Agencies, In-houses, Kiosks)	87	99	101	2	2
Banking Correspondents (Points of sale)	249	1.218	11.160	9.942	816
ATMs	1.009	1.125	1.210	85	8

Alcance: BBVA en Colombia.



Grupo BBVA Colombia Statement of Income (In thousands of million Colombian pesos)

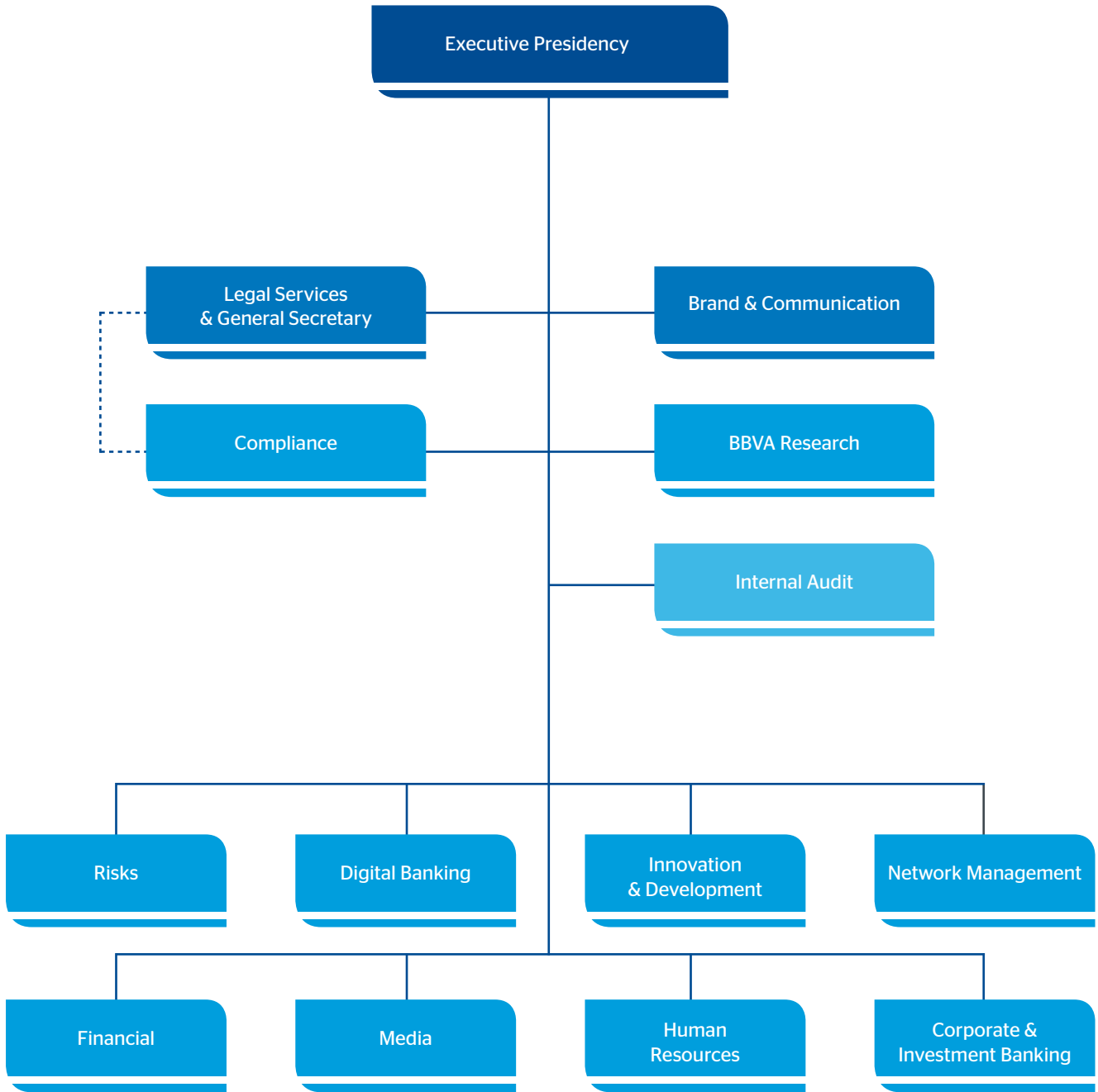
	2012	2013	2014	Var. \$	Var. %
Interest margin	1.578	1.807	2.071	264	15
Commissions	475	249	238	-11	-4
ROF's	236	141	169	28	20
Personnel expenses	449	437	477	40	9
Overhead expenses	377	360	414	54	15
Income before taxes	1.083	1.032	1.068	36	3
Income after taxes	795	766	738	-28	-4

Note: BBVA methodology - EFAN data

A. Responsible banking key indicators

	2012	2013	2014
Economic (million Colombian pesos)			
Generated economic value	1.728.742	1.980.732	2.173.611
Distributed economic value	1.107.807	1.254.416	1.358.710
Retained economic value	620.935	726.316	814.901
Social			
Investment in social programs (million Colombian pesos)	5.790	5.967	5.965
Attributable net profit dedicated to social programs (%)	1	1	1
Number of beneficiaries of the financial literacy programs	11.334	12.316	18.719
Students benefited by "Escuela para el Emprendimiento BBVA" program	12.000	29.380	40.000
Number of beneficiaries of the education for society programs	11.223	9.380	10.333
Number of entrepreneurs supported by Fundación Microfinanzas (Bancamia)	NA	604.603	698.642
Claims from customers		47.037	42.659
Human Capital			
Consolidated employees BBVA companies in Colombia	NA	6.019	6.678
Employee satisfaction ratio (%)	80,20	NA	81,70
Employees gender diversity (women/total headcount; %)		57,50	59,00
Gender diversity in senior management (women/total senior management; %)		32,7	34
Employees average age (years)		36	36,5
Labor stability (% fixed employment)		93,45	93,55
Absentism (%)		1,02	1,47
Net jobs created (11)		260	659
Labor seniority (years)		9,9	11,4
Training hours per employee		84	58
BBVA employees involved in voluntary work		350	297
Environment			
Emissions CO2 scope 1 (Ton.)	NA	48.157	52.545
Emissions CO2 scope 2 (Ton.)	NA	NA	6.795
Emissions CO2 scope 3 (Ton.)		649	799
Paper consumption per person (Kg)		61	62
Total diesel fuel consumption per person (Lt)		2	4
Electricity consumption per person (MWh)		5.514	4.838
Water consumption per person (m3)		20,7	23
Paper managed waste (Kg)		43.488	31.582
Toner managed waste (Kg)		2.648	3.214
Other managed waste (Kg)		23.384	29.700
Corporate governance			
Board of Directors	5	5	5
Independent members	2	2	2
Appointments	NO	NO	NO
Gender diversity in the Executive Committee (women/total members of EC; %)	11,10	11,10	20
Suppliers			
Number of on-line negotiations through Adquira	645	718	668
Number of requests recorded in Neon	3.087	208	192
Homologated suppliers by year end	790	648	752
Increase of suppliers	-142%	-18%	16%

B. Bank organizational chart



BBVA Colombia's priority is to continue focusing its actions each day toward providing access to financial services for a steadily increasing percentage of the population. For such purpose, and under an ambitious expansion plan, BBVA expanded its presence in the country with 99 offices or customer service points, 200 ATMs and 9942 banking correspondents in main cities.



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Vision, Mission and Policy

Working towards a better future for people is a commitment defined by BBVA from the basic foundations of the responsible business behavior

A. Vision and Mission

B. Corporate Responsibility Policy

C. Responsible Business Plan

A. Vision and Mission



BBVA's brand mission, «working towards a better future for people» is our reason and is based upon 3 pillars: people, principles and innovation.

From this vision arises our mission as bank, “delivering the best products and financial services”, making it with simplicity and responsibility, our positioning.

- Simplicity means agility, closeness, accessibility and transparency.
- Responsibility as a long-term balanced relation with customers.

BBVA understands that its business development is linked to the prosperity of people that make up the societies and countries where the Bank operates and; thus, its aspiration is that its task as company contributes to build a better future for everyone.

In such a way, BBVA is committed with the people surrounding its activity and particularly with its customers, conceived as the business core. Such determination defines the identity and

positioning of BBVA brand and makes it becoming a responsible business behavior reference.

BBVA is an entity that builds and is built based upon the principles of integrity, prudence y transparency.

- Integrity, as an expression of ethics in the activities and in its relations with stakeholders (customers, employees, shareholders, suppliers and society in general).
- Prudence, understood as the principle of caution in risk-taking.
- Transparency as a rule of all its activity to offer access to clear and truthful information within the legal bounds.

Said principles place people in the business core and make BBVA becoming a company guided not only by the profitability but also by its convictions and the desire to foster a more sustainable development where the economic benefit accompanies the social progress and the protection of environment.

Seven Corporate Principles of BBVA



B. Corporate Responsibility Policy

The Corporate Responsibility Policy has been designed to define the behaviors and encourage those that make it possible to create value for all stakeholders (social value) and for BBVA (reputation value and direct economic value).

For such purpose, it is fundamental that these commitments and behaviors express BBVA's vision and principles that they respond in the best possible way to the expectations of stakeholders and that, at the same time, reinforce the Company's business strategy.

The main commitments that the Group attempts to accomplish through its corporate responsibility policy are:

- Uphold excellence at all times in our core business operations.
- Minimize the negative impacts arisen from the business operation.
- Develop "business social opportunities" that generate social and economic value for BBVA.
- Investment in communities where the Bank operates through supporting social initiatives, in particular those related to education.



C. Responsible Business Plan

There is no doubt that current scenario represents a challenge to the financial sector. The social legitimacy of financial activity has been eroded on a global scale, permanently and combined with a growing demand for is accountability. Also, there is an increasing regulatory pressure in the sector, particularly for customer protection.

Under such context, BBVA believes in a differential approach to banking. We are aware that there is much room for improvement but also that being profitable does not mean doing business at all costs. That is why principles adjusted return is important to us.

This has been the great motivation that drives us to work in the

responsible business strategy approved in 2014, arisen upon the challenge to set the difference and win back the trust of society.

The responsible business strategy revolves around three large interdependent axes that define its strategic framework:

- *Customers*: banking for individuals. It consists of making our financial activity thinking of the people.
- *Committed employees*: It consists of fostering a social commitment and shared values culture among the employees of the Bank.



- *Society*: education and culture. It consists of developing fundamental actions in education, but also in culture.

Once said strategic framework was defined, the scope of the three strategic priorities was made upon the involvement of more than 400 executives of Grupo BBVA:

Transparent, Clear and Responsible Communication

The crisis has undermined the confidence in banks, complaints about misleading information have surged and tougher regulation has been introduced in the sector on customer protection and

transparency. Customers perceive that we use terms which are overly technical and difficult to understand. It is not simply a question of making sure customers are told everything –they have to be told everything with transparency.

Communicating with customers in a transparent, clear and responsible language helps them make a reported decision and is a key lever for winning back and maintaining their trust. This is why BBVA is developing a policy and working on various initiatives in order to make the bank-customer relationship “more TCR” before, during, and after contracting

Education

Education is the strategic priority of the Group’s social programs with three lines:

- a. Financial literacy, which together with TCR communication is another element that helps customer make informed decisions.
- b. Training for SMEs, which play an important role in the development of the country’s economic-business network.
- c. Education for social integration and training on financial skills and entrepreneurship to young people as lever for the social development of regions.

High-social Impact Products

A great social impact is already being generated through our daily activity; however, we have a great opportunity to design products and services with higher social impact taking into account the customers’ needs and the context in which they live.

The Responsible Business Plan also sets other strategic lines:

- Social and environmental risks and costs.
- Ecoefficiency and responsible procurement.
- Value based leadership.
- Social engagement and volunteering.
- Gender diversity and disability.
- Compensation.





Corporate Governance System

Our governance system is in line with international recommendations and trends for large listed companies and are tailored to our social reality; likewise, it responds to the materiality analysis and the prioritization within the relevant affairs to BBVA.

- A. Corporate Governance
- B. Compliance System
- C. Internal Audit
- D. Standards of Conduct
- E. Executed International Commitments

A. Corporate Governance

BBVA's Corporate Governance System of BBVA Colombia is in line with the recommendations and international, corporate and local trends; its principles and elements are contained in the Code of Corporate Governance, the Rules of the Shareholders' General Meeting which rules the shareholders' functioning, powers and rights, the Rules of the Board of Directors and the rules of the Board Support Committees. The foregoing, supplemented by the internal standards of conduct contained in the Code of Conduct of Grupo BBVA, the Code of Conduct in the Securities Market and the Code of Conduct for Money-Asset Prevention and Financing for Terrorism that enshrine the provisions ruling the actions of executives, administrators and employees.

BBVA's Corporate Governance System is fundamentally based on the distribution of functions between the Board of Directors and its several support committees, each one with specific functions: Audit, Corporate Responsibility, Corporate Governance and Appointments and Remuneration, and on a proper y decision-making process.

In conformity with the Bank Bylaws, the Board of Directors constitutes the natural body to perform the Company's administration, management and oversight and is made up by five Main Directors, two of them being independent, who are aware of the responsibility that implies the management of different risks and know the Bank processes and business structures, being allowed to provide the due support and follow up.

With regard to risks, the Board of Directors of the Bank is responsible for approving the risk control and management policy, defining the risk profile desired for the entity, as well as periodically monitoring the internal reporting and control internal systems. For a better performance of this duty, the Board is supported by the Risk Committees (Global Risk Management - GRM and the Operations Technical Committee -OTC) and other key players in risk management such as Risk Units of the business areas, each one with well defined roles and responsibilities.

In each ordinary meeting of the Board of Directors the risk positions of the entity are reported clearly, concisely, lively and accurately, indicating the expositions per type of risk, per business area and portfolio and operations with related companies or individuals.

The Group's risk function is unique and independent whose principles are: the assumed risks must be compatible with the target capital adequacy, and must be identified, measured and assessed.

Monitoring and management procedures and sound control and mitigation systems must likewise be in place; all risks must be managed in an integrated way during their life cycle, treating them differently depending on their typology, the risk integration model recognizes the diversification among the different types of risks, credit, market, liquidity, operation, etc.; the business areas are responsible for proposing and maintaining the risk profile within its autonomy and the framework for action (defined as the set of risk policies and procedures). The risk infrastructure is suitable in terms of people, tools and technology, information systems, methodologies for measuring the different types of risks and procedures, so that there is a clear definition of roles and responsibilities, ensuring the independence between the negotiation areas, control of risks and recording, as well as efficient allocation of resources.

The comprehensive risk management system is structured on three core elements: i) a set of tools, circuits and procedures making up the differentiated management schemes; ii) an internal control system, and iii) a corporate risk management scheme, splitting the functions and responsibilities.

The risk management evolves toward a new model set on a corporation basis upon the introduction of specialists in the risk operating model, the consolidation of STORM (Support Tool for Operational Risk Management) corporate application and the calculation of Operating Risk Indicator- ORI that assesses the tolerance to the risk, emphasizing that both the business areas or support areas have, in turn, operating risk managers responsible for implementing the model of the areas on a daily basis. In this way, there is a perspective along the process where the risks are identified and prioritized and the mitigation decisions are made timely.

The Audit Committee and Compliance of BBVA Colombia, made up by three members of the Board of Directors, two of which act independently, supported within its competence throughout the year 2014 the management of the Board of Directors, verifying that both the Internal Audit and the Statutory Audit have monitored both the operations with third parties and the Bank's related parties were performed within the limits in market conditions.

IR (Investor Relations) Recognition

Last August 29, 2014 BBVA Colombia S.A. was granted for the second consecutive time the IR (Investor Relations) Recognition,

initiative of the Colombian Stock Exchange (BVC per its acronym in Spanish) in order to promote the voluntary adoption by issuers in the Colombian securities market of practices that improve their relation with investors.

As a result of the measures adopted, BBVA Colombia currently has a channel for direct communication with investors as stakeholders which allows the entity to position as the main foreign bank in the country and reiterate its commitment to implement the good practices with regard to information disclosure and corporate governance, strengthening the reassurance, confidence and trustworthiness among the national and international investment community.

B. Compliance System

BBVA Colombia is committed to the strict compliance with law and believes that systematic compliance with ethical behavior standards is a source of steady value creation as an indispensable requirement to preserve the confidence of society in any institution.

At BBVA we have adopted basic principles for managing specific matters that could affect the corporate integrity and are framed within the so called Risk of Compliance that comes from the way an entity conducts its business relations with third parties and its actions in the markets, and that mainly arise from the obligations set by the regulatory provisions on the issues mentioned below.

The measures aimed at ensuring the compliance with such obligations are the responsibility of several divisions in the entity, each of them specialized in its specific sphere of action. As a support of the foregoing, the entity has the Compliance Area, made up by an interdisciplinary group of professionals in charge of leading the management of those aspects related to the mentioned risk of compliance.

For BBVA, compliance risk is defined as the regulatory and/or reputational risk associated to the compliance issues. The scope of said issues might vary over time as the environment (specially the regulatory one) or the business scenario evolves. Without prejudice that based upon the foregoing other matters may be introduced, in any event the following will be included therein:

- Conduct in markets.

- Management of conflicts of interests.
- Risk of money laundering and financing for terrorism.
- Protection of personal information.

Prevention for Money Laundering and Financing for Terrorism

During year 2014, and keeping on the preservation of the Group corporate integrity, BBVA Colombia carried out significant activities focused toward the prevention and detection of the possible use of its products and services for criminal purposes, mainly related to Money Laundering and Financing for Terrorism, working permanently to update the management models of such type of risk.

Following activities are worth mentioning:

- The Financial Superintendence of Colombia conducted an "Extra-Situ" visit to the Compliance Area with no relevant findings. The Superintendence recognizes that the SARLAFT adopted by the Entity is not only limited to the compliance with the standards related to the matter but as a support tool recognized by the management in order to prevent the Bank from being used for illegal activities or pretend a legality appearance to misconducts. Said activity was supplemented by a physical visit at year end, carried out within the new "Comprehensive Supervision Framework" model implemented by said entity.
- Performing the Control Specialist role in the Compliance environment, defined by Grupo BBVA when developing the Corporate Assurance Model.
- Start up of the modifications to the Cash Report with the adjustments proposed and reprocess of information pursuant to the quality requirement set by the Financial Superintendence (SFC per its acronym in Spanish). The "Cash Culture" was finally implemented which involved the development in the cashier terminals, adjustments to the Legal Report sent to UIAF and the most relevant, training to the Commercial network staff.
- Consequently, with the overall restructuring of the internal regulations with regard to money-asset prevention and

financing for terrorism, modifications were made to procedures and guidelines in order to update and point out simple operation schemes and the application of monitoring and management of incidents models.

- Tailoring the Corporate Policy for Publicly Exposed People (PEP's) to local regulation. Consequently, the List of PEP's was refined for BBVA Colombia, optimizing the control of documentation by the offices and the special monitoring by Compliance Area.
- Accompaniment to offices and testing of proper operation of SARLAFT, performing visits both in Bogota and the country.
- Execution of the Training Plan, applying virtual and face-to-face strategies covering more than 90% of the Bank employees.
- Review of the Area Structure in order to respond adequately to a higher level of demand to the Compliance Function given the several risks managed and the increasing level of the regulation applicable to the Compliance matters.

C. Internal Audit

BBVA conceives the Internal Audit function as a permanent, independent and objective activity, of reference and evaluation of the internal control systems, risks management and governance of the Entity with the purpose to add value, improve the operations and support the Bank for reaching its goals.

The purpose of the Internal Audit in BBVA is to offer "assurance" to "management" and the Executive Committee and Board of Directors with regard to the compliance with the policies defined in the framework of risks assumption, as well as to support all areas of the Bank to reach their objectives.

Following are the functions of Internal Audit, among others:

- Establish risk-based audit plans through the use of corporate tools and pursuant to the guidelines of the Corporate Internal Audit.
- Conduct the audits on the Bank processes in the office network in order to mitigate the risks to which the Entity is exposed.
- Safeguard the adequate compliance and closing of the audit circuits (planning, field work, objections, reports and solutions), verifying the consistency and reasonableness of each phase, in accordance with the times provided in the annual audit plan.
- Present to the Bank management executives the remarks, objections and recommendations of the Internal Audit as a result of the analyses and assessments performed in the times provided as defined by the Corporate Audit.





- Report any irregular situation detected and participate in investigations that lead to giving transparency to the facts in the times provided pursuant to what has been defined.
- Report to the executive management on a regular basis about the Internal Audit activity, requirements of resources and performance of the plan, as well as of the expositions of relevant risks, control, corporate governance and other matters needed or required by the executive management.
- Plan, lead and supervise the audit works in conformity with the International Standard on Auditing (Internal Auditors Council).

During year 2014 the Internal Audit carried out different activities oriented toward the assessment of the business processes that were focused on verifying how the products are marketed from the commercial network, how the customers are segmented in the Bank for their proper

assistance and how are the higher growth areas such as Personal and Premium Banking, Consumption, COMEX, Collection Agreements, SMEs, Leasing, and Vehicles, among other activities. The monitoring processes have been maintained through the mass data exploration, supporting the control environment of the Entity, as well as the global assessment of the processes and controls related to the preparation, approval and follow-up of the strategic plan "másBBVA 2013-2015", which scope included the review of the decision-making and the analysis of investment projects contained therein.

In the office network cross-section assessments were conducted mainly aimed at the identification of key issues, in such a way that the solutions proposed will cover the entire network. In this way activities were developed in connection to the money-asset prevention and risk operating associated to credit, both over the commercial network, being able to submit to the administration the core issues that affect the offices, performing 25% coverage of network through this type of targeted oriented works.

From the regulatory perspective and pursuant to the requirements of the SFC, the review was conducted on the circuits of Reporting Regulatory by the Bank to external control entities that incorporated a replica of 16 reports, for which purpose aspects such as criticality, automation and process complexity were taken into account. Also, comprehensive reviews were performed on the stages and elements of SARLAFT, SARC, SCI, SARM models, operations with derivatives and testing of controls that make part of SOX model.

With regard to logical security, the risks to which the Bank is exposed were assessed in face of new technologies and the information security, derived from the use of cyberspace, which is becoming more pervasive; contributing to improve the integrity and consistency of information, as well as the implementation of circuits for the protection, detection and management of information security incidents.

The improvement plans set by the Bank to mitigate risks identified in the assessments performed during 2014 have been implemented or are in process to be implemented and refer to non material weaknesses that do not affect the Financial Statements or the Management report.

Internal Audit Activities	2012	2013	2014
Audit on Branches			
Network in Situ (d and f)	115	63	75
Anti-fraud	17	20	18
Remote Audit (c)	3	4	4
Risk Audit of Credit (d)	10	5	4
Continuous Audit and Processes (a) and (f)	10	7	7
Regulatory	7	6	6
Systems Audit	4	6	6
Anti-fraud (b)	4	1	5

Notes:

(a) It includes the cross-section works

(b) Anti-fraud investigation other than office network

(c) Consolidated reports of alerts

(d) ROAC audit, includes the individual reports of 50 Offices

(f) PLD cross section audit includes the individual reports of 50 Offices

D. Standards of Conduct

A basic element in the compliance system is the Code of Conduct of Grupo BBVA which defines and develops the fundamentals of ethical conduct and the necessary procedural guidelines for upholding one of the main sources of value creation: corporate integrity.

The Code of Conduct is applicable to all the entities and employees of BBVA in Colombia. It reflects publicly the set of BBVA's commitments with its direct stakeholders - shareholders, customers, employees and suppliers - and with the communities where it operates.

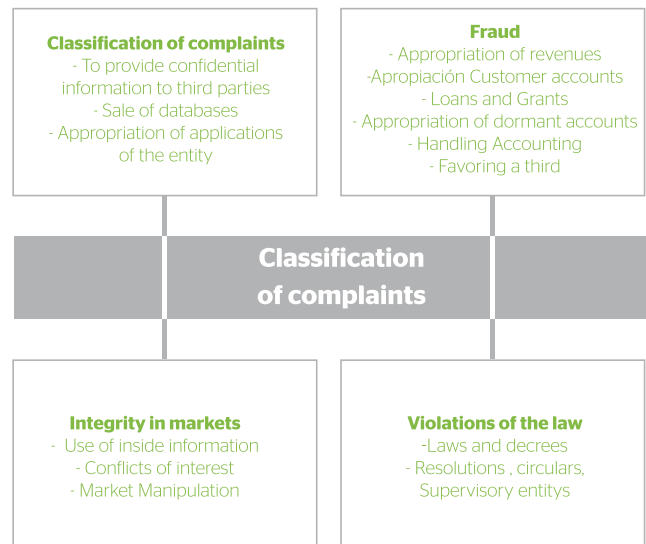
The following are the guiding principles of the BBVA's Code of Conduct:



One of the main tools that support the management of the Code of Conduct are the so-called communication channels with Responsible Attitude through which the employees are able to denounce on a confidential and safe basis any situation that might be in violation of the provisions contained in the Code or of the applicable legal requirements; such actions deemed as ethically questionable are known by the Corporate integrity Committee

that is made up by the senior leadership of Legal Services, Human Resources, Compliance and Internal Audit areas.

Main issues that may be treated in the Responsible Attitude Channels:



Throughout year 2014, the implementation of the corporate tool "RIC Values Market" was consolidated; anyone subject to the Internal Conduct Rules in the Values Market has access to it. The corporate applicative systematized all processes that used to be made manually. Through such tool the control is conducted over matters such as own operation, privileged information and confidential projects.

The training strategies have been maintained with the support of Human Resources area to reinforce the Entity's ethics culture. For such purpose, the virtual courses have continued in these fields: Code of Conduct, Conduct Policy in Values Market and Protection of Personal Information. Also, virtual and face-to-face training activities have taken place to people subject to the Internal Rules of Conduct in the Values Market.



Likewise and in coordination with the Communication & Brand area a training campaign was conducted to all employees intended to strengthen and remind the following aspects of the Code of Conduct and our internal regulations: i) What you should know about massive and usual collection of funds "pyramids" and loans among employees, ii) Application criteria of the Code of Conduct for employees in connection to invitations from BBVA's suppliers and customers, iii) Involvement of officials in political campaigns, iv) What you should know about the Intellectual Property Rights, and v) Tips for the adequate use of e-mail.

E. International Agreements Subscribed

BBVA also maintains its commitment to the following agreements and keeps on supporting such initiatives:

- United Nations Global Compact (www.globalcompact.org)
- UN Environment Program Finance Initiative (unepfi) (www.unepfi.org)
- Equator Principles (www.equator-principles.com)
- UN Principles for Responsible Investment (www.unpri.org).

On the other hand, BBVA publicly recognizes its respect for the United Nations Declaration on Human Rights (www.un.org) and the basic labor standards of the International Labor Organization (www.ilo.org).


BBVA continues working within the framework of the Millennium Development Goals (MDG), initiative supported since year 2000. Our contribution to achieve the MDG is shown in following chart:

Millennium Goals	BBVA Initiative
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Fundación Microfinanzas BBVA • Integration scholarships program «Niños Adelante»
Achieve universal primary education	<ul style="list-style-type: none"> • OEI Project "Primera infancia"
Promote gender equality and empower women	<ul style="list-style-type: none"> • Global Gender Diversity Plan • Fundación Microfinanzas BBVA
Reduce child mortality	<ul style="list-style-type: none"> • There are no specific initiatives
Improve maternal health	<ul style="list-style-type: none"> • There are no specific initiatives
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • Fundación BBVA Research initiatives for health care • Fundación BBVA "Fronteras del Conocimiento" - "Cambio Climático y Ecología y Biología de la Conservación" Awards
Ensure environmental sustainability	<ul style="list-style-type: none"> • Global Ecoefficiency Plan • Application of Equator principles • Fundación BBVA "Fronteras del Conocimiento" - "Cambio Climático y Ecología y Biología de la Conservación" Awards • Fundación BBVA awards to "Conservación de la Biodiversidad"
Develop a global partnership for development	<ul style="list-style-type: none"> • Fundación BBVA awards to "Fronteras del Conocimiento - Cooperación al Desarrollo"

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Materiality and Dialogue with Stakeholders

BBVA works to meet the expectations of all its stakeholders through a permanent communication, the development of relations and construction of alliances.

A. Listening and Dialogue Tools

B. Analysis of Materiality

C. Relevant issues

A. Listening and Dialogue Tools

The determination of material aspects for 2014 was made on the basis of a series of analyses among our stakeholders intended to know the focus of our efforts in order to bring them value.

In BBVA we define as stakeholders all such institutions, collectives or individuals that affect significantly our activity and decisions, or that are affected by them.

The results of said investigations have been analyzed together and filtered through our vision, principles, strategy and impact on the business by the BBVA Responsibility and Corporate Reputation team. Such analysis have allowed us establishing the prioritization of the most relevant issues.

For the analysis of the stakeholders we have supported on following sources/tools:

Customers and Society

1. A thorough research on banked population conducted between 2013 and 2014, planned to be reviewed on a three-annual basis. Such investigation is our fundamental basis to identify the major structure trends and social demands in connection to banks. It allowed us to identify the most relevant attributes to build a responsible bank and also understand which are the ones that impact the most on the business. The investigation consisted of 8 interviews to external experts, 22 focus groups and 3.579 interviews in the eight main countries where we operate (Spain, Mexico, USA, Argentina, Chile, Colombia, Peru and Venezuela).
2. The external reputation survey, RepTrack, conducted every year to customers and non customers that supplements and validates the results of the previous investigation (1.000 interviews per country and year). We identified what variables have the most impact to build emotional reputation. Variables measured were: Customer focus, Ethics, Citizenship, Work, Leadership, Finance, and Innovation. This is about a tracking or continuous survey in the eight main countries where we are present.
3. Other annual quantitative researchs on trends, confidence levels and expectations of public opinion with regard to companies in general and to financial entities, such as Globescann, the Trust Barometer of Edelman or the briefings of Corporate Excellence.
4. The follow-up and analysis of news recorded in highest rating media of on-line press, TV and radio of the main countries in which we operate. This, along with the analysis of social networks, enable us to have a better knowledge of demands

and priorities of public opinion in connection to banking and in particular to BBVA at all times. BBVA carries out a continuous tracking on Facebook, Twitter, LinkedIn, YouTube, Google+ and also has an analysis tool for on-line reputation (High Analytics) to perform further analyses of the concerning issues.

5. Corporate Excellence Report of Issues 2014. It provides the ten main issues of public agendas of worldwide international and regional organizations (UN, WTO, World Bank). The issues are classified by order of mention.

Employees

1. A thorough research to executives and employees conducted every three years and that completes the one made among the banked population. Similarly to the latter, it constitutes the fundamental basis to identify what a responsible bank should do according to our employees. In 2014 we conducted 26 interviews to executives and surveys to 5.701 employees of the Group in 10 countries.
2. The internal reputation survey conducted to employees of the 8 main countries of the Group (6.945 employees). It is performed once a year in order to know the employees' perception of their company, not so much as work place but as institution. The analysis of results allows determining which are the most significant variables for employees to be proud of belonging to BBVA and believe it as a responsible entity.
3. The employees' satisfaction survey, conducted every two years to all employees of the Group with 78.4% participation, allowed us to know the employees' opinion with regard to which are the

most significant elements to make BBVA a good work place that generates motivation and satisfaction.

4. A diagnosis of the degree of BBVA as a family responsible company. Interviews were conducted to 18 HHRR and Business Directors, a questionnaire to Responsibles for Conciliation and an on-line questionnaire to 5.926 employees. The results of this survey have permitted us to prioritize the most significant issues to employees in this field, reinforcing and supplementing the results of the satisfaction survey. The analysis has been performed in ten countries (Mexico, USA, Argentina, Chile, Colombia, Peru, Venezuela, Uruguay and Paraguay); in Spain it was available already.

Investors

From the Responsibility and Corporate Reputation Division the questionnaires and questions of the analysts of sustainability such as MSCI, RobecoSAM, Sustainalytics, Vigeo, CDP, GS Sustain, Oekom, EIRIS, etc., are analyzed, as well as of investors with inquiries on the subject. This allows us to identify their expectations and priorities.

Regulatory

Internal analysis of main regulatory trends of the areas involved and of secondary sources about regulatory trends such as: KPMG's Evolving Banking Regulation of 2014 or Deloitte's Top 10 report or 2014: Our Outlook for financial markets, regulation and supervision.

All Stakeholders

The risk reputational methodology enables us to know the main reputational risks per country (10) and on a global basis.

Responsibility and Corporate Reputation Areas of each country are responsible for conducting the assessment of the impact of reputational risks as to their impact on the stakeholders' perspectives. The supervision and coordination is made from RRC Holding area that makes previously the identification of the list of reputational risks.

The sources/tools on which RRC areas of each country support to make the assessment of the impact are: RepTrack model (Colombian pesos), ATP's, internal reputation survey, experience in other crisis, Kantar, tools for management of crisis and media.

B. Analysis of Materiality

Customers and Society

The relevance of the issues to customers and society might be represented as a summary in a pyramid.

The main thing, for being the most significant, and the necessary starting point is the responsibility with customers that consists above all in building more balanced relations with them.

To build such more balanced relation we must start by helping them to make more informed financial decisions thanks to more transparency and clarity. Customers want to understand what products are they contracting and not having unexpected negative surprises. With regard to Group's media, this is the most significant element for being considered as a responsible bank and in all countries is one of the most relevant 3 attributes.



	Most significant attributes to be perceived as Responsible Business (scale 1 to 10)	Most significant attributes for an entity's consideration and recommendation.
Explains clearly and easily	9.14	▲
Supports the country's development (entrepreneurs SMEs, etc.)	9.05	
Employees not pressured to sell	8.6	
Financial literacy	8.93	
Long-term relations with customers	8.95	▲
Actions with social impact	8.83	
Financial inclusion	8.68	

Question: I will read you a series of phrases that other people have used to refer to Responsible Business, for each of them I want you to answer how significant they are for you when thinking that a bank makes Responsible Business, for such purpose, we will use a scale from 0 to 10, where 0 will mean no significant and 10 very significant.

Source: BBVA Quantitative Analysis of Responsible Business. (Box blue: Top 3)

Source: BBVA Quantitative Analysis of Responsible Business (Triangles: relevance for recommendation) (Blue box: relevant for consideration)

Another element closely related to the above is financial literacy. This is the other side of the coin of transparency and clarity and transparency.

It is also a key factor to build balanced relations avoiding the short-term opportunism and build long-term and lasting relations with customers.

Said conclusions enjoy broad support from the RepTrack that shows that ethics and customer focus are the most significant elements that build the reputation. Same conclusions are obtained from the analyses of Edelman (Commitment and Integrity) and Globscan (Open and honest and providing quality products and fair prices).

For the public agenda of International Organizations, the key issue is to reform and strengthen the financial system that includes, among others, aspects such as encouraging the protection of consumers' rights. Again, the key is customer focus.

Ranking	Public affairs agenda - 2014
1	Reform and strengthen the financial system
2	Develop new governance models and promote democracy
3	Fight poverty and support development
4	Protect environment and diversity
5	Long-term sustainable development and growth
6	Approach demographic challenges as ageing, migrations and overpopulation
7	Increase the resources for education and training
8	Job creation
9	Health, HIV and AIDS
10	Peace and security

Table: Public Affairs Agenda 2014

The relation with customer is closely linked to the treatment of the Bank to employees (second step of the pyramid). Customers expect that the Bank trains and provides the guidelines to its employees for having a professional and comprehensive relation with them.

The third step of the pyramid is the social and community responsibility: with the problems of communities where we operate. In this regard, the most demanded aspects are those related to the support to economic and social growth (assistance to SMEs and entrepreneurs, job creation). In the second order of importance is the social action (scholarships, support to underprivileged collectives). Most of the sources analyzed (Reprak, Edelman) agree to assign to the community a similar importance level. However, these are very relevant issues in public agendas of international organizations.

In the fourth place of importance is the efficient management of the Bank as company, the compliance with regulation and tax payment. This is a condition required to be responsible but it is something that the Bank is supposed to do.

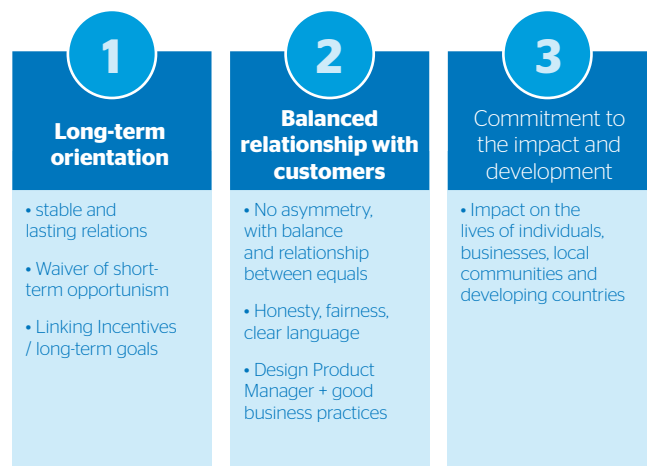
In the last step of the pyramid is the World axis. To certain extent, it is expected that the Bank, because of its size, is implied in the resolution of global concerns from public agendas (environment, weapons, poverty, and protection to childhood). It is the society's opinion that this is a concern to be addressed only when the others have been resolved.

These are the material aspects to the global public opinion (customers and non customers). We have seen a very high level of homogeneity and coherence among countries.



Employees

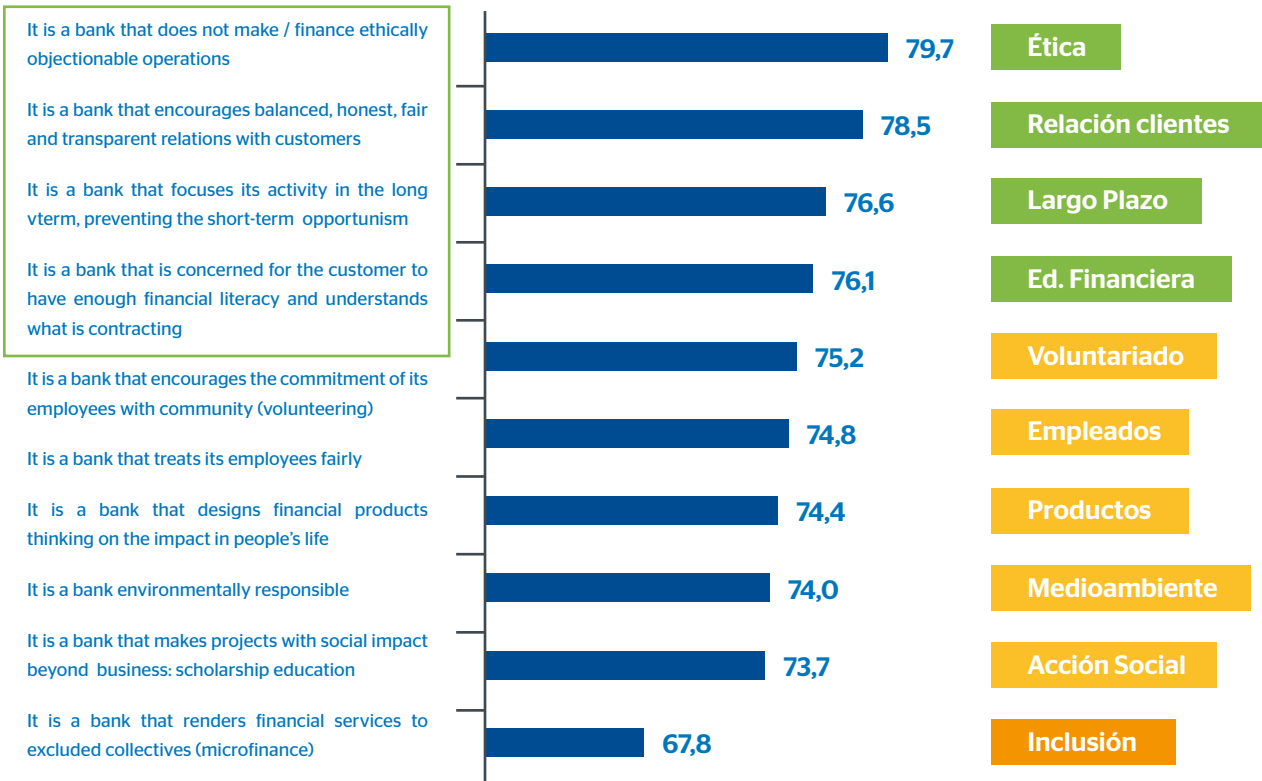
From the interviews to BBVA's Management it appears that what makes them proud of working in BBVA and believe that it is a responsible bank are the three elements: long-term focus, maintaining a balanced relation with our customers (with no asymmetries, fair treatment, clear language, responsible product design, good commercial practices) and the commitment with impact and development of countries. The second element being the most significant one.



Source: Comprehensive interview to BBVA Executives.

Employees, in line with executives, define that an entity is responsible when it does not make/finance ethically objectionable operations, encourages balanced, honest and transparent relations with customers, provides financial literacy and focuses its activity in the long term. In the second level of importance is the concern for employees.

**Agreement Level with Statements
(Scale 0-100)**



Source: Comprehensive interview to BBVA employees

In line with the foregoing, the internal reputation survey shows that the pride in belonging is built by being a good work place and behaving ethically and responsibly.

Dimensions	WORK	ETHICS	LEADERSHIP	INNOVATION	CITIZENSHIP	CUSTOMER	FINANCE
Ranking	1°	2°	3°	4°	5°	6°	7°

Source: Internal reputation 2014, Reputation Institute

Going deeper in the keys for being a good work place, we highlight as a principal variable: the professional and personal development (as shown in both the satisfaction survey and the efr diagnosis).

Investors

The analysis of questionnaires and questions of analysts of sustainability and investors have enabled us to identify their expectations and priorities that in 2014 were focused toward aspects such as ethics in the business, responsible financing of projects, responsible commercialization of products and services, development of human capital and stability of the financial system, in agreement between what is key for customers / society and for our employees for being a responsible bank.

Regulation

The regulatory analysis shows that the regulatory pressure on the Banks between 2013 and 2014 has increased versus 2013. A large part of the growth of the new banking regulation is focused toward aspects related to:

- 1. Consumer's protection:** Culture and Conduct: The misconduct cases of some financial entities of last years have led to a greater regulatory pressure in connection to consumer's protection. Besides and in the same line, the regulator has materialized what conduct risk means and defined the guidelines for its strategic management, and also the responsible ones for the products design and commercialization.
- 2. Supervision:** The supervision level of banks is strengthened.
- 3. Capital and liquidity:** Increase of the level of demand.
- 4. Systemic risk / structural reform of the financial system:** The regulation in this regard is focused mainly on implementing the recommendations of Liikanen report in connection to the structural separation applicable to banks that make substantial trading with systemic risk.
- 5. Risk governance and reporting:** FSB and Basel Committee are increasing the level of demand as to the governance of risks and the requirements for reporting.

All reports of regulatory trends agree in diagnosing that one of the main regulatory trends is the consumer's protection.



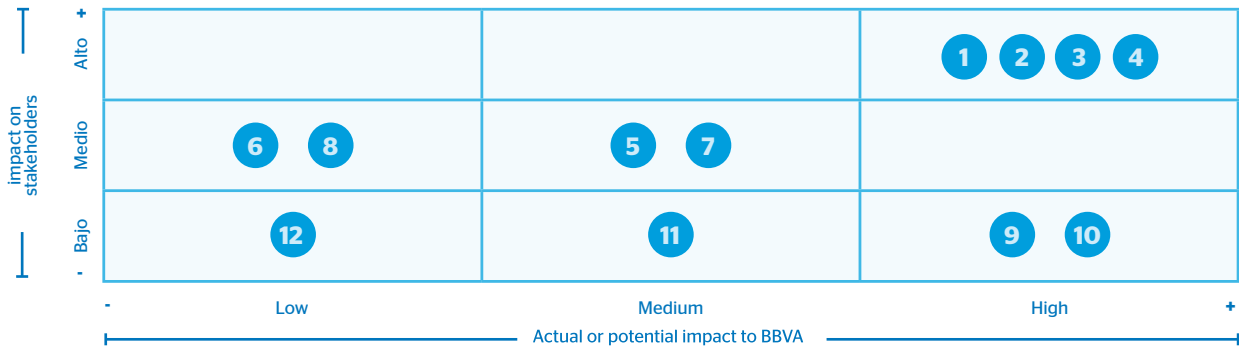
C. Relevant Highlights in 2014

From the analysis of the foregoing, and under our vision, principles, strategy and impact on the business have led us to identify the following list of relevant highlights:

Order	Issues	Affected Stakeholders					Current or potential impact to the company	BBVA Management connection
		Society	Customers	Employees	Investor	Regulator		
	Operate with the highest ethical standards for development in our business	X	X	X	X	X	High	Governance systems
2	Encourage informed decisions: clear / transparent language and Financial literacy	X	X	X	X	X	High	TCR communication Financial literacy
3	Maintain lasting relations with customers, focused on the long term and not on the short-term sale and place adequate products to our customers	X	X	X	X	X	High	TCR communication Knowledge of customer Management of complaints and claims Omni-channel experience Customer protection Model of reputational risk management Responsible credit process Equator principles
4	Establish the quality - price ratio / with non abusive conditions (commissions, interests)	X	X	X	X	X	High	TCR communication Knowledge of customer Management of complaints and claims Omni-channel experience Customer protection Model of reputational risk management Responsible credit process Equator principles
5	Address situations with customers with difficulty	X	X	X		X	Medium	Knowledge of customer Management of complaints and claims Omni-channel experience Customer protection
6	Training and development to employees	X	X	X			Medium	Recruiting, training, development Diversity and conciliation Compensation and remuneration Labor conditions Volunteering
7	Contribute to development of local communities where we operate (job creation, support to small companies and access to credit)	X		X		X	Medium	Financial literacy Financial inclusion Productive microfinance Support to SMEs Support to individuals with special needs

Order	Issues	Affected Stakeholders					Current or potential impact to the company	BBVA Management connection
		Society	Customers	Employees	Investor	Regulator		
8	Promote social action (scholarships)	X		X		X	Low	Education for society Innovation and knowledge
9	Provide banking services to low-income populations	X		X	X	X	High	Financial literacy Financial inclusion Productive microfinance Support to SMEs Support to individuals with special needs
10	Ensure the financial solvency of the entity	X	X	X	X	X	High	Impact on the society Model of reputational risk management Responsible credit process Equator principles
11	Comply with tax liability	X		X	X	X	High	Impact on society
12	Contribute to solve the global and ecoefficiency problems	X		X	X		Medium	Environment

If we classify them keeping in mind the importance of their impact and the influence in stakeholders, the following matrix is obtained:



Ultimately, we can say that our business model is practically a mirror of what the stakeholders are asking us and that one of our highest priorities is to reply to their expectations.

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Impact on the society

Today more than ever, the economic future of societies and their people has been more determined by their good or bad management of money than by the income they have over their lives.

A. Indicators of Impact on Society

B. Investment on Social Programs

C. Economic value and tax contribution



A. Indicators of Impact on Society

One of the main commitments undertaken in the BBVA Corporate Social Responsibility Policy is to maximize the positive impacts of its business on society and minimize any possible negative impacts.

The Bank's role in society is simple: collecting savings from families, companies and other agents in order to preserve them and make them grow and lending them to third parties with rigor and prudence. The difference between what the Bank pays for deposits and the interest charged for the loans, the brokerage margin is the main income source. This margin allows it to assume the costs of its operation -- as the salaries or the payment to suppliers-- and gets the benefit. It is, therefore, a role with a positive impact on society.

In the social balance of BBVA, the main positive impacts of its financial business on society are:

- The contribution to development of societies where we are present through financing and supporting the productive fabric and financial inclusion.
- The improvement of social welfare of people that receive financing for the purchase of house or of lasting consumption goods.
- Wealth creation of stakeholders derived from the distribution of dividends to shareholders, the payment to suppliers, salaries of employees, accrued and paid taxes, etc.
- Job creation, both directly through new hirings in the Group and through support initiatives to job creation.
- The contribution to society in social programs with direct investment that benefit different collectives, focused toward education.



B. Investment in Social Programs

In 2014, we allocated 5,965 billion Colombian pesos to social initiatives. Such figure corresponds to 1% of earnings of BBVA companies in Colombia.

Strategic priorities	Investment	%
Education (million Colombian pesos)		
Financial literacy "Adelante con tu futuro"	336	60.28
Financial literacy "Escuela para el emprendimiento BBVA"	732	
Education and training to businesses	270	
Education for society	2.258	
High social impact products (million Colombian pesos)		
Support to SMEs for growth	558	9.40
Other strategic lines (million Colombian pesos)		
Culture	87	30.40
Support to social entities	577	
Others	1.147	



C. Economic Value and Tax Contribution

BBVA Corporate Social Responsibility Policy goal is to define and foster behaviors that allow generating value for all our stakeholders (customers, employees, shareholders, suppliers and society).

Additionally, we made contributions to public administrations through own taxes generated by our economic activity.

Creation of direct tangible value: Detail per Stakeholders (Million Colombian pesos)

Group	Value Indicator	2012	2013	2014	Var. \$	Var. %
Shareholders	Dividends	222.136	262.918	242.864	-20.054	-8
Employees	Personnel expenses	377.941	424.280	458.578	34.298	8
Customers	Interests and assimilated charges	952.811	1.031.793	1.162.226	130.432	13
Suppliers	Other administration expenses ¹	306.920	335.627	379.102	43.475	13
Societies	Contributions, taxes on income and other taxes	200.809	231.590	278.123	46.532	20
	Resources from BBVA Colombia for support to community ²	5.790	5.967	5.965	-2	-0

¹ This item has been selected as an approximation to payments made to third parties for purchases and services rendered.

² The resources intended to support the community correspond to 1% earnings of Banco BBVA and affiliates (Fiduciaria and Valores), also from 1% of earnings of Compañía de Seguros BBVA (BBVA Seguros Generales S.A. and BBVA Seguros de Vida S.A.).

Generated and Allocated Economic Value (Million Colombian pesos)

Value indicator	2012	2013	2014	Var. \$	Var. %
Generated economic value(VEG) ¹	1.728.742	1.980.732	2.173.611	192.879	10
Interest margin	1.487.703	1.731.145	1.940.950	209.805	12
Commissions, net	266.902	291.534	287.415	-4.119	-1
ROF	155.007	129.554	144.205	14.651	11
Other earnings or losses, net ¹	-180.869	-171.501	-198.959	-27.458	16
Allocated economic value (DEV)	1.107.807	1.254.416	1.358.710	104.294	8
Dividends	211.985	250.904	231.808	-19.096	-8
Results Attributes to Minority	10.151	12.014	11.100	-914	-8
Suppliers and others Administration Expenses (Wages and Salaries excluded)	306.920	335.627	379.102	43.475	13
Taxes	200.809	231.590	278.123	46.532	20
Personnel expenses	377.941	424.280	458.578	34.298	8
Retained economic value (VER=VEG-VED)	620.935	726.316	814.901	88.585	12
Reserves	222.136	262.918	242.864	-20.054	-8
Provisions and Amortizations ²	332.022	390.678	494.935	104.257	27

(1) It includes the remaining of net ordinary and non ordinary income

(2) It includes Amortizations + Loss for impairment of Assets + Provisions to Allowances

Note: Bank P&L per BBVA methodology

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TCR Communication

Communicate in a transparent, clear and responsible language helps customer make an informed decision and is a key lever for winning back and maintaining his confidence.

In BBVA we share the same vision, everyone is “working towards a better future for people”. This demands us to put people in the core of whatever we do and whatever we communicate.

We are aware of the impact of communication in people’s financial decisions and therefore, in their lives. And thus, in BBVA we want to make a transparent, clear and responsible communication (TCR) that helps customers make informed decisions.

For this purpose the “TCR Advertising Communication Code” was created with which we want to ensure that what we communicate is realistic and that we are capable to meet it because BBVA is a brand that does what it says.

Transparent, clear and responsible communication (TCR) is one of the strategic priorities of responsible business that was identified in the responsible business workshops given in 2014.

¿Then, what does TCR communication stand for?

- The information is transparent when is adequate and sufficient for decision-making; it indicates both the benefits and possible risks of the product or service and exposes real facts.
- The information is clear when it uses a familiar, friendly language, adequate to the customer’s knowledge, that exposes accurately and timely the characteristics of the product or financial service and prevents misunderstandings.
- The information is responsible when it favors a correct and responsible decision-making and it is always oriented to the customer’s interests.

Principles of TCR communication		
Transparency	Clarity	Responsibility
Relevant information	People first	With customers
Balance between benefits/advantages and costs/risks	Small print	With society
	Structure, language and design	With competitors

In BBVA Colombia we are implementing a policy and working in initiatives to make the bank-customers relation “more TCR” before, during and after contracting.

During 2014, we initiated the assessment and redefinition of 8 commercial proposals that represent the different categories of the individuals segment product, which will be subsequently assessed by customers and prospects and will be used by the sales force by the first semester of 2015 through the Banking Business Portal, a web tool that includes the relevant information of products under the principle of transparency and clarity.

Additionally, a face-to-face training workshop was given with the participation of business, social responsibility, advertising, training, legal, regulatory compliance, quality areas, among others, where the main target was to develop the skills required to apply the TCR. Also, and through the Bank training platform 60 people of the business and the agency were enrolled for the TCR workshop during the first quarter of 2015.



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Financial Literacy

BBVA values education as a core pillar in any strategy to build more egalitarian and equitable societies, and understands that their dissemination is a guarantee of progress and prosperity.

For BBVA education is the core over which its Corporate Responsibility policies are coordinated as part of its own sustainability and of the communities where it operates. Thus, it has been working since several years ago in different programs focused toward supporting the education of thousands of girls, boys and young people throughout the country, highlighting the following initiatives:

- “Escuela para el Emprendimiento BBVA” that enables high school students to acquire knowledge on financial literacy and on creation of companies and business ideas.
- Financial literacy to train constant savers and responsible debtors.
- Training to SMEs in order to grow and increase their social impact on a sustainable manner.
- Scholarship program “Niños Adelante” that supports the education of poor girls, boys and young people throughout the country.

Progress in 2014:

- 18.719 persons benefited by financial literacy programs.
- 150 SMEs supported by education programs.
- 40.000 young people beneficiary of “Escuela para el Emprendimiento BBVA”



A. “Escuela para el Emprendimiento BBVA”

BBVA Colombia, within its Corporate Responsibility policies, is developing the “Escuela para el Emprendimiento BBVA” program which during 2014 benefited 40.000 young people of Santander, Cundinamarca, Antioquia, Atlantico departments and the coffee-growing region in which framework more than 2.000 projects are being developed for social, environmental and technologic matters.

“Escuela para el emprendimiento BBVA” is a training center on personal finance and entrepreneurship for school-age young people and their teachers who have the opportunity to receive a Finance diploma whose fundamental purpose is to train them on the adequate management of money, impacting their life project and encouraging them to create productive businesses in the school, generating innovative ideas and allowing that when completing their secondary education they have the option to find a project that allows them to continue their studies and support their family.

B. Financial Literacy “Adelante con tu futuro”

Our financial literacy program, has been worldwide designed and adapted to the necessities and requirements of the Colombian financial system. It has been structured in modules and projected to be given in a mobile classroom that incorporates state-of-the-art technology, with capacity for 25 people and one trainer. It travels across the different cities and municipalities of the country; in 2014 it reached the record of 18.719 people trained on subjects such as savings, credit card and transaction channels and banking security, through 62.664 workshops given in 55 cities and municipalities of the country, where the classroom arrives every year.

The program is made up by five workshops that permit to have a global view of financial literacy.

Savings: It develops contents that allows understanding that savings form part of the planning process and organization, facilitating the design of strategies that permit the preparation of a savings plan and the recognition of main banking instruments that discovers the investor that we all bear in ourselves.

Credit card: This workshop allows to understand that credit is not bad for personal finance and that it can help to live a more pleasant and safe life; in this workshop, besides of learning to do it, attendants are thought to identify, among others, the parts and elements of a credit card, to interpret adequately a statement of account, to manage efficiently our economic obligations and to plan our future.

Credit health: The difference between having difficulties with credits and enjoying a perfect credit health is just a matter of planning and organization. The workshop teaches good practices for using the credit and organizing debts better; detecting financial problems through the correct interpretation of a credit record and the identification of its most relevant elements.

It also teaches good credit habits and provides guidelines to use the credit health calculator which makes it possible to find out people’s status with regard to debts and credits.

Transaction channels and banking security: In this workshop people learn about the management and basic security standards to be taken into account when using the media through which the accounts and financial products are accessed either personally or virtually.

Among the first ones there are the offices, ATMs and data phones. The second ones include telephone lines, mobile banking (cell phone and electronic devices) and virtual banking (internet).

C. Education and Training for Businesses

The “Programa Formación PYMES BBVA” is an initiative designed and structured by Los Andes University and given on a free-bases by the Bank to a group of 150 companies of diverse sectors of local economy and to owners of SMEs who have returned back to college after having completed their studies and being working in their own companies.

In this regard, it is worth mentioning the “Pyme BBVA-EI Espectador” award: another initiative with the same focus and in which framework more than 1.000 billion Colombian pesos have been delivered, rewarding the SMEs that perform their productive processes on a sustainable manner, taking care of environment through good practices in consumption of energy, water and natural resources.

Said initiative has extended also to a group of women that form part of “Fundación MET” (Women, entrepreneurship and technology)

developing several forums in Bogota and Medellin, also, it provides them a training program on accounting, marketing and networks and held the first Feminine Entrepreneurship Fair that has helped them to consolidate their companies and carry forward their entrepreneurship processes in a simple way.

One of the strategic priorities of responsible business is the inclusive growth with three social goals:

- Drive the banking for all through solutions for the financial inclusion segment and the activity of Fundación Microfinanzas BBVA.
- Support the growth of SMEs and their social impact.
- Support to public with special needs.

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High-social Impact Products

BBVA believes that fighting against financial exclusion is a target coherent with its entrepreneurial purposes and its ethical and social commitment.

A. Financial inclusion

Banking correspondents appear in order to enlarge the number of service points to customers, particularly in those places where there are no bank branches, providing basic financial services through entities such as small stores, supermarkets, drug stores, among others, including in some countries mobile phone operators.

Correspondent Banking has become a major channel for developing commercial strategies such as the assistance for payment of payrolls in municipalities where there is no presence with office network or ATMs, thus allowing the assistance to business customers by locating officials in remote places.

On the other hand, banking correspondents have enabled the leverage of collection agreements both for public utilities and food companies, catalogue sales, education entities, among others, across the country.

BBVA closes 2014 with 11.160 points, 816% growth versus previous year and more than 1.6 million accumulated operations.

Banking correspondents	2012	2013	2014
Number of BC	250	1.218	11.160
Total of transactions	1.345.803	2.009.787	1.629.457

Mobile BBVA

BBVA has continued its consolidation as a Digital bank, therefore, in March, 2014 it launched to the market the new app Mobile BBVA, which was developed and designed to give universal access to customers from any cell phone and operator, enabling them to make their monetary and non-monetary transactions from any place only through their cell phone at no charge for this new service. This translates into simplicity, convenience, easiness and better life quality to customers.

In this way, at closing 2014 more than 167.000 customers had downloaded and activated said service, making an aggregate of more than 5 million transactions.

B. Productive Microfinance - “Fundación Microfinanzas BBVA”

Within the framework of our commitment with financial inclusion, Fundación Microfinanzas BBVA was created in 2007 in order to promote the sustainable and inclusive economic and social development for disadvantaged people of society through Responsible Productive Finance (the supply of products and financial services and accompaniment for developing productive activities).

During 2014, the Fundación kept on working to further the areas of greatest need, with 7.472 employees and 488 offices in seven countries where it is present through its eight microfinance entities: the Banco de las Microfinanzas-Bancamia in Colombia; Confianza Financiera in Peru; Banco de Ahorro y Credito Adopem in Dominican Republic; Emprende Microfinanzas and Fondo Esperanza in Chile; Contigo Microfinanzas in Argentina; Microserfin in Panama, and Corporacion para las Microfinanzas in Puerto Rico.

At closing 2014, Fundación Microfinanzas BBVA assists 1.544.929 customers, 96% from which are being successful in their business to work their own way out of poverty. For the case of customers that have remained for four years in the entity, their sales have grown 40%, their assets have increased threefold and their surpluses have raised 12% annual as a sample of the Performance Report 2013: “Measuring what really matters” published in 2014 by the Fundación and which gives a detail of the impact of its activity in the life of customers.

Since its creation, the Fundación has granted credits for 6.642 billion US dollars, in aggregate terms, to 4,7 million persons for developing their productive activities (2007-2014), besides of advisory and training, being at present the philanthropic endeavor with higher social impact in Latin America (impacting the life of 6,2 million people).

In 2014, besides of the thorough accompaniment given to all customers, the Fundación has continued to train its entrepreneur customers for strengthening their productive skills and promoting the development of their businesses. In this exercise, the Fundación has trained more than 250.000 customers in education programs and training in skills and competencies related to their businesses or for particular segments, as well as in financial literacy.

In Colombia, where the Fundación Microfinanzas BBVA is present through Banca de las Microfinanzas Bancamía, the Fundación has supported 698.642 entrepreneurs, from which 57% are women, and a portfolio exceeding \$1.1 trillion Colombian pesos, represented in disbursements of productive loans to entrepreneurs of trade, services, production and agricultural sectors.

Bancamía closed 2014 with the opening of six new offices in 2014 and the authorization of more than 1.850 banking correspondent points, own and through Movilnet, covering 575 villages, achieving significant goals to strengthening its mission to improve the life quality of low income households.

Currently, Bancamía grants 1.079 productive loans per day and 135 per business hour, which represents a progress opportunity for the same number of households that through their entrepreneurship businesses transform the reality of their communities and their country.

Also, in 2014 in Colombia, the Fundación held the "I Forum for Rural Development" together with Bancamía and International Finance Corporation (IFC), an event devoted to the challenges of financing in the Colombian country; leading experts from private and public sectors attended as well as customers who shared their experiences and difficulties that face every day for the production of their products.

With regard to the milestones worth to be mentioned in 2014 of Fundación Microfinanzas BBVA, it subscribed in October a master agreement with the State Secretary for International Cooperation and for Iberoamerica that will allow joining efforts and cooperating together for developing microfinance initiatives, fostering the scope and efficacy of actions.

Within the framework of the development of the microfinacial sector, the Fundación has continued reinforcing its commitment with diverse initiatives. At year end, the Fundación launched "Progreso", a quarterly digital bulletin with legal issues of the microfinacial sector that compiles the latest legislative and regulatory developments of the sector and the novelties in global corporate governance. The publication is available on line in Spanish and English. It includes direct access to the documents quoted, besides of comments from experts, opinion articles and interviews.

In the same line, the Fundación made a new edition of "Training workshop on corporate governance for IMFs" in Dominican Republic, in cooperation with the Association of Savings and Credit Banks and Credit Institutions (Abancord per its acronym in Spanish). With such new workshop, more than 350 members of Management Boards and executives of microfinacial entities have been trained since the creation of the program in 2011.

With regard to its institutional activity, the Fundación Microfinanzas BBVA has been receiving recognitions for its microfinance entities, customers and first levels.

Fundación Microfinanzas BBVA is born from the Grupo BBVA Corporate Responsibility as a non-profit entity, independent both in its governance and its management. Therefore, it is the intention of Grupo BBVA to reflect in its Annual Report the circumstance that Fundación Microfinanzas BBVA does not form part of BBVA Financial Group. As a result of the foregoing, Grupo BBVA does not manage nor is liable for the activity developed by the Fundación or by the financial entities acquired by the Fundación for its purposes.

C. Support to SMEs

BBVA understands that the SMEs are the driving force behind the social development of the country and through education as the best lever of development and developer of social equity, the Bank has designed together with Los Andes University the first training program for SMEs made in Colombia by a financial entity.

Through the different credit facilities offered by the Bank, a great quantity of new customers in the segment could be reached, in 2014 we have 107,389 customers, 43% more than previous year. Likewise, 3,6 trillion Colombian pesos were billed to 26,513 customers, intended for the acquisition of productive assets, providing more competitiveness to our customers in the market and helping them to grow on a steady way.

Additionally, an executive training program was developed in alliance with Los Andes University for the months of September, October and November, aimed at managers and owners of SMEs, training 150 attendants with 54 hours on Leadership, Innovation, Business Models, Marketing Strategies and Financial Updating subjects, thus becoming an ideal scenario for interaction and networking among the attendants.

The program also had the participation of BBVA collaborators such as students, which were the brand ambassadors at all times, in compliance with BBVA goal to get even closer to its customers by listening to their needs and perceptions.

Another action developed for said collective was the "Capacitación - Fascículos Pyme Estrategias Sostenibles para el éxito", a training tool for SMEs through seven (7) booklets, each one with strategic subjects, in order to help the entrepreneurs of Colombia to have a sustainable and successful business model.



The subjects developed in each booklet were:

1. ¿Am I a sustainable SMEs?: Learn to identify if the company is going in the right direction through a simple questionnaire, adding success stories and a small analysis of current situation of SMEs in Colombia in main sectors.
2. Up-to-date Finance: Financing alternatives for entrepreneurs such as choosing a financial product according to needs and applications for keeping their accounts.
3. Protect your human resource: Suggestions about training programs for collaborators, analyses of fringe benefits, management of salaries, and tips on management of human resource with guest columnists.
4. Welcome to marketing and advertising world: Disclose which are the most effective media to invest in advertising and what type of advertising can be used pursuant to the company profile. Introduction to Digital Marketing for SMEs. La distribución de estos Fascículos se realizó por medio de nuestro aliado estratégico diario El Espectador y a su vez se creó un módulo de formación en la página blanca del BBVA Colombia donde se encuentran publicados de manera digital.

D. Support to individuals with special needs

“Héroes” Affinity Card

During 2014 we continue strengthening the commercial relation with active members and administrative officials of the National Police and the Armed Forces of Colombia by making it easier to reach their goals through preferential products and services in payroll, orders of payment, credit cards, and other asset and liability products.

In 2014 we continue building up the focused management through external sales force, the consolidation of liabilities and deepening the payroll portfolios to support the growth of this significant sector of the country.

On the other hand, we joined with the Armed forces of Colombia in social responsibility activities; 3.805 back-packs with school supplies were handed out to children of police officers and soldiers of Colombia in the first quarter of 2014, additionally, 12.355 courses were given to 4.708 soldiers under the financial literacy program “Adelante con tu futuro”.

Credit facilities to Colombian farmers

In 2014, BBVA aware of the challenges for modernization and specialization of the country productive structure, designed financing alternatives and offered a thorough portfolio of products and services with agricultural solutions, (agricultural development facilities, Agrocredit, Agroleasing). Likewise, specialized advisory and accompaniment was provided for the structuring of more than 3.000 agricultural projects focused toward meeting the needs of each one of the participants in the agricultural productive chain.

For BBVA it is clear the commitment focused toward working for growth in a sustainable and competitive way of agricultural producers and companies by contributing for their agricultural products to be integrated in the worldwide economy in line with the strategies to expand the market. The results evidence credits granted for \$ 1.5 trillion, 25% growth versus previous year and taking us to the leading position as the financing bank of the sector.

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Customers Responsible Management

Customer gives meaning to everything we do in BBVA. Our commitment is to offer a quality service that provides him timely solutions to accompany in the relevant stages of his life.

A. Knowledge of Customer

B. Management of Complaints and Claims

C. Omni-channel Experience

D. Customer protection

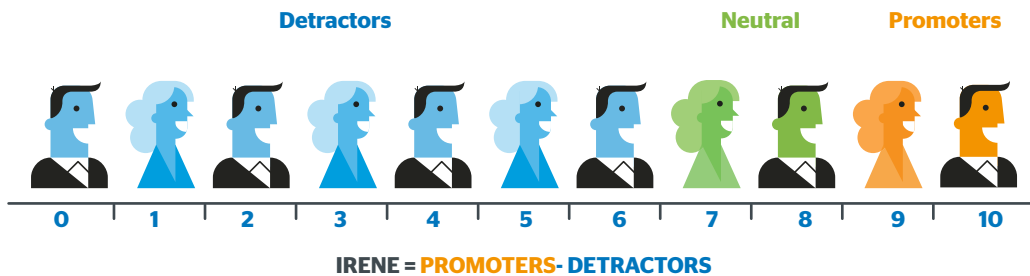
A. Knowledge of Customer

Our goal is to be the most recommended Bank by customers across the country. For such purpose, in 2012 we started the global methodology based on recommendation of our customers, named "IReNe" (per its acronym in Spanish) Net Recommendation Index, and which during 2014 has been deployed all over the national geography.

IReNe methodology, inspired on the worldwide reference methodology Net Promoter® Score (NPS), consists of questioning the extent to which our customers would recommend BBVA products or services, rating from 0 to 10 their tendency to recommend us. The degree of recommendation gives us the measure on how the customers are satisfied with us.

The analyses of customers' answers allow us to know what are the reasons to recommend the critical experiences to them and to which extent we are meeting their expectations. This enables us to know the issues where we must go further in order to keep on satisfying them.

Although still being carried out, BBVA has opted for using the IReNe index as the satisfaction measure of our customers, with reporting and tracking at the highest management level. More than metrics, we understand it as a discipline to improve our processes, the attention model and to bring to light the commitment of the entire entity with all customers.



Bearing in mind measurements conducted in 2014, the Bank is placed as a reference in the customers' valuation versus its competitors; the most relevant result is the second position reached in the net recommendation index on an open market basis; however, this is not the only achievement, it also improved the global IReNe in all segments, IReNe offices had the best growth so far and most of channels and products increased versus previous year.

Global Net Recommendation Index (IReNe)

	Accumulated May 2014*	Accumulated August 2014*	Accumulated December 2014*
IReNe Global Bank	61%	62%	63%

* Accumulated since March 2014

Indice de Recomendación Neta (IReNe) Reclamos

	Accumulated March - May 2014	Accumulated June - August 2014	Accumulated September - November 2014
IReNe Claims	9%	15%	21%



B. Management of Complaints and Claims

Customers' claims and complaints constitute an exceptional starting point to improve the processes of the Bank since they point out precisely which parts of the processes should be modified in order to make our customers' life easier. The current economic situation, the growth of the business and evolution of Financial Standards and Regulations demanding to financial entities, require us a greater effort to manage any request, suggestion or non-conformity from our customers.

The management models of complaints and claims are being reviewed on a permanent basis in order to give priority to the agility in its reception, management and resolution, using more efficient channels and, in general, simplifying the processes. As a result of this work, average times for managing claims are being reduced and the customer's perception on the process quality is improving.

In 2014, the complaints and claims model was normalized with actions toward standardizing the operation and mitigation of complaints, alerting on them and attacking its causes. The first contact assistance model was reinforced for individuals exceeding the goal proposed for the assistance in this line and implementing the assistance to legal entities requests.

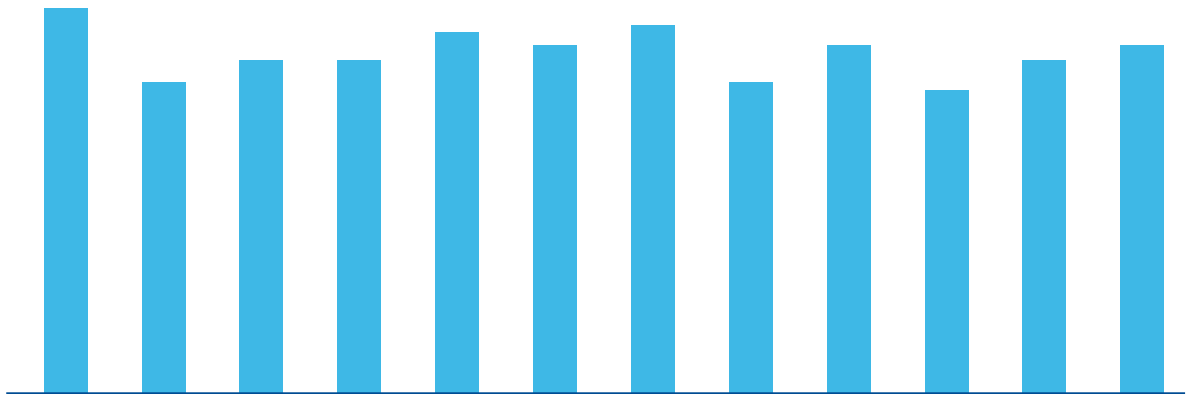
Such actions resulted in significant improvements in indicators such as: going from 9 to 12 rank in the complaints report for the Financial Superintendence and reach the sixth position in the ranking published by the control entity.

Number of claims about respect for privacy and leak of customers' personal information

Typology	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total 2014
Law on protection of personal information	4	1	6	1	0	6	2	4	4	4	5	1	38

Time of claims resolution (business days)

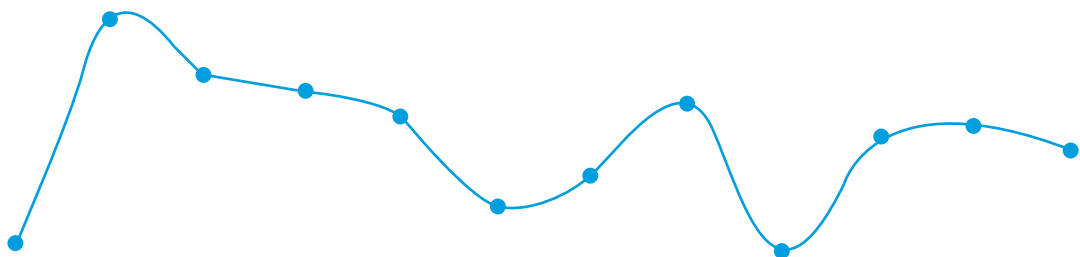
	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
Management time	3,45	2,80	2,95	2,99	3,23	3,17	3,30	2,82	3,08	2,73	2,98	3,13



	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
Perc/ Opportunity	92,52%	96,63%	95,53%	95,20%	94,79%	93,12%	93,76%	95,04%	92,37%	94,53%	94,62%	94,18%

Percentage of claims resolved timely

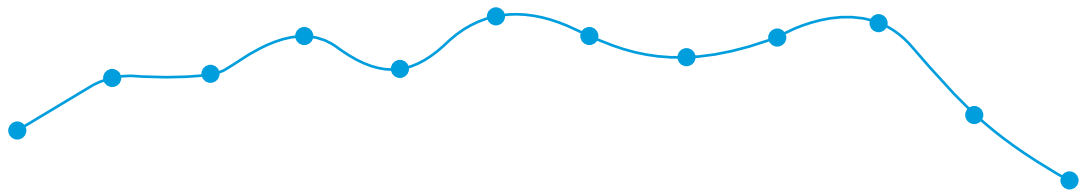
	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
Perc/ Opportunity	92,52%	96,63%	95,53%	95,20%	94,79%	93,12%	93,76%	95,04%	92,37%	94,53%	94,62%	94,18%



	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
%	92,52%	96,63%	95,53%	95,20%	94,79%	93,12%	93,76%	95,04%	92,37%	94,53%	94,62%	94,18%

Percentage of complaints and claims managed by First Contact Solutions

	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
Claims filed Call Center	5.520	5.291	5.064	5.094	5.655	5.479	6.820	6.147	6.059	6.561	5.366	5.510
Claims managed SPC	3.062	3.139	3.033	3.203	3.381	3.527	4.278	3.734	3.777	4.188	3.024	2.838
Perc/ Participation	55,47%	59,33%	59,89%	62,88%	59,79%	64,37%	62,73%	60,75%	62,34%	63,83%	56,35%	51,51%



	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
%	55,47%	59,33%	59,89%	62,88%	59,79%	64,37%	62,73%	60,75%	62,34%	63,83%	56,35%	51,51%

Finally, the figure of Customer's Ombudsman formulates permanently recommendations and proposals to favor the good banking practices and the relations of confidence that must exist between the Bank and its customers.



C. Omni-channel experience

BBVA has worked for the last years to set a multichannel distribution with higher relevance of the non-physical channels, mainly the digital channels. This makes possible our response to the customers' demand, more digital each time, as well as the new technological possibilities that have allowed us to be the pioneers to establish new relation models with the customers taking advantage of all interaction channels.

BBVA has decided to reinforce such transformation with three large goals:

- Become the best assessed bank on customer experience and, specifically, on leading the digital channels experience (internet and mobile), measured in terms of recommendation (IReNe) by customers.
- Increase the penetration of digital channels in our customers' base and be leaders in face of competitors, aiming at multiplying twice our internet banking customers and four folds the Mobile Banking customers.
- Reach a real omni-channel experience increasing the sales and transactions in no office channel with special emphasis on the sale through digital channels.

This transformation has had clear evidences in 2014:

- Mobile banking, with a quite significant growth in the number of users and the incorporation of innovative functionalities. BBVA is making a serious strategic commitment for the mobile since it believes this is the best way to connect with customers and assist them with their daily needs.
- Impulse of new forms in office, more innovative, modular and adapted to customers' needs.

	2012	2013	2014
Operations per channel (%)			
Offices	18,0%	14,8%	13,1%
CB	1,0%	1,0%	0,8%
ATMs	38,0%	35,3%	35,8%
BBVA Line	0,3%	0,2%	0,2%
BBVA Net	5,9%	13,7%	13,6%
Mobile banking	0,3%	0,1%	0,8%
Purchases in establishments	14,3%	14,0%	14,7%
Automatic debit	22,4%	20,8%	21,0%
Customers per channel			
BBVA Line			96.000
BBVA Net			330.000
Mobile banking			167.817



D. Customer Protection

The Code of Conduct establishes the respect to the duty of confidentiality in relations with third parties including the strict adherence to the compliance with legal demands for protection of personal information. For developing the foregoing, the function of compliance has a model of Protection of Personal Information aligned with the Colombian law in force and with corporate policies on the subject.

The overall principles of the model, as well as the local regulatory guidelines, have been given as training to the Bank employees in 2014.

As a supplement of the foregoing and to develop the provisions in the BBVA corporate policies, the area conducted in 2014 the Compliance Testing to 26 offices of the network to validate the controls associated to the function of protection of personal information. According to the results obtained, improvement plans will be implemented to strengthen the application of corporate principles and the legal regulation. The Compliance Testing is a methodology oriented to verify that the controls established to mitigate the risks are being executed adequately.

On the other hand, continuing with the strategic plan "másBBVA 2013 - 2015", Management of Fraud and Security of the Information strengthened the model for the comprehensive management of fraud and logical assurance, with initiatives such as the Bank certification for the fourth consecutive time on PCI standard (Debit and Credit Cards Security Standard) which is developed to encourage and improve the security of the data of the cardholder and to facilitate the adoption of security measures consistent worldwide, which allows that our customers benefit from a banking that provides confidence with regard to the management of their information and their cards and with the development of the Security Director Plan 3.0, whose purpose is the protection of information of our customers as an integral part of the management and prevention model of risk of technological fraud by implementing the projects defined therein.

The sustained reduction of demanded electronic fraud continued by 12% and recorded electronic fraud by 6% versus previous year, thus becoming BBVA as a national and international reference as the bank with best practices for fraud prevention; likewise, through the investigation processes and the exploitation of tools for fraud prevention, significant findings have been given as a contribution to the Colombian industry and to banks of Grupo BBVA.

The model for fraud prevention was aligned to the strategic plan, framing it in "Pasión por nuestros Clientes" carrying the following: i) Change the way to manage fraud, to be perceived as best practice with added value that involves customers, leaving behind the paradigm that fraud is the solely responsibility of banks and that it must be hidden; ii) Further retention and increase of customers' loyalty; iii) Position the Bank as a "Safe Bank" between our customers and competitors in the country; iv) Strengthening the confidence among our customers.

As part of the model for prevention of fraud risk, the implementation of systems for fraud detection was performed allowing the bank to reinforce: i) The management of prevention with Bank Pre-authorization, Real time, and ii) the management of recovery to reduce impact on P&L; likewise, the change of infrastructure and update of software to boost the Monitor Plus tool was made, and the coverage on transactions and functionalities was enlarged.

Also, upon the acquisition of new security technologies, security tools were implemented for the protection of confidential information of the Bank; Conecta 2.0 platform is updated and in this way, the connections to the Bank internal services are achieved outside the facilities, allowing to develop projects as mobile manager, banking business portal, virtual meetings, among others; the e-mail forwarding system was updated enabling the support to projects such as in-situ statements of account; the Profile Corporate Model is implemented which monitors the management of access permits to the Bank information systems and the management process of Acceso Lógico is initiated, making improvements in attention times to Bank users and the supply of externals to affiliates, including them in automatic processes for allocation of profiles.

On the other hand, the use of security infrastructure provided technology for: i) Implementation of the assurance of payment files in Net Cash through digital signature, achieving customer's ID, non repudiation and legal validity of financial transactions, as well as interoperability with different security products demanded by corporate and entrepreneurial customers, diversifying the Bank commercial offer. ii) Implementation of DLP system for searching critical data such as card numbers in PCs of the Bank's officials, thus mitigating the risks of internal fraud and leak of information. iii) Implementation of safe exchange files system with third parties, included VIP customers of Corporate banking, collection processes, MultiCash, Fiduciaria; this has allowed the automation of manual processes and the exchange of more than 2.6 million files during 2014.

In the field of Management of Technological Risk and Governance, the definition of the Control Framework was made for IT, adapted to COBIT 5.0, on a global basis which ensures its homogeneous operation in all the companies/countries of Grupo BBVA, respecting the appropriate local particularities, said standard permits the adequate management of Technological Risks through the use of best practices on IT and information security.

The detailed follow-up has been made on the risk events, minimizing their materialization, upon the support of awareness campaigns: conferences, awareness messages via e-mail, information campaigns that indicate customers that BBVA Colombia does not request confidential information via e-mail and the celebration of the international day of information security with the slogan ¡Stop, Think and Act, in BBVA the security is you!, an event created with the purpose to raise awareness on the best practices for the safe use of IT and on the role we have for their preservation. The information security is part of our day to day and a prudent attitude is the best defense against cyber crime

Likewise, with regard to Internal Control, the adequate compliance with audit requirements on IT is maintained as issued by the Control entities; thus, confidence is provided to customers and users on prevention of IT risk fraud.



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Social, Environmental and Reputational Risks

BBVA works for integrating a responsible management all over the value chain, from design of products, their advertising and commercialization up to management of their risks. BBVA approach to sustainability is based upon generating value proposals to our stakeholders.

A. Model of Reputational Risks Management

B. Responsible Granting of Credit

C. Equator principles

A. Model of Reputational Risk Management

Together with financial variables, BBVA's risk management takes into consideration the environmental, social and reputational aspects. These risks can affect the credit profile of the borrowers or of projects financed by us and, therefore, the quality of the risk taken and, in short, the repayment of the loans.

The risk forms part of the banking business, is an element inherent to the activity and its management represents a daily challenge for the companies of the sector. BBVA applies the principle of caution over all the operations.

This principle becomes a general criterion that involves assuming only prudent, consistent, and experienced-based risks. Financial activity is exposed to rapid changes and; therefore, to new risks that must be detected and assessed adequately, risks of different nature linked not only to financial aspects but also to social, environmental and reputational concerns. In response to this constant transformation of the operating context and the plurality of possible risks, Grupo BBVA maintains several complementary targets.

On the one hand, preserving the entity's solvency. For such purpose, BBVA makes sure that the exposure to risk is kept within controlled limits, based on the pre-established parameters and with a balanced profile. Likewise, risk management is approached in such a way that the policies arisen thereof are clearly connected to the Group's strategic targets. Finally, BBVA works around the idea of risk adjusted profitability; i.e., that all decisions contribute to create value through the consideration of risks.

To fulfill such purposes, the Bank has in the first place the basic principles for action.

The first one recognizes the independence and globalism of risk management within the Group. The second states that risk management must be produced throughout its life; that is, from analysis previous to approval and to risk extinction.

B. Responsible Granting of Credit

Credit risk management in BBVA Colombia is framed under a set of standards which set forth the action framework for the management and control. The general policy, within the conservative profile, sets up certain requirements that condition the life of the operation from its time of formalization until its expiration.

When granting a loan it is indispensable to bear in mind the resources generation, asset solvency, knowledge of customer and sufficient guarantees to cover the risk in the event of any contingency. During the evaluation process, it is necessary a correct analysis to support the credit decision, which must seek a balance between the purpose, amount, term and amortization.

Following the guidelines of the Financial Superintendence of Colombia, BBVA Colombia has incorporated in its methodology the reference models for calculating the provisions:

- *commercial reference model (crm)*: the calculation takes into consideration the size of the company, existing guarantees and an alignment component that depends on the internal and external payment record.
- *consumption reference model (corm)*: its methodology is based on the purpose of the credit, the payment history over the last 36 months, the external alignment variable and the guarantees, among others.

The provisions system defined by the regulatory entity includes the calculation of countercyclical provisions which are intended to increase the provisions in times of economic expansion in order to mitigate the impact on the statement of income in the event of changes in the debtor's credit risk.



With regard to the follow-up of portfolio, the tool designed for assessing such risk was reinforced in conformity with the corporate framework for early warnings, based on statistical information that enables the determination of the warnings with more predictability. In turn, its scope was broadened in order to be able to post the tool on the intranet with which a more efficient interaction is foreseen between central areas and the office network. Thus, customers are identified according to their management priority, with the support from the central monitoring areas.

For year end 2014, the portfolio shows a delinquent balance of \$ 445Mm, 1.44% ratio. During 2014, BBVA has maintained the leadership in the ratio of doubtful accounts with 74 bps below the sector that shows 2.16% ratio (figures at November, 2014).

C. Equator Principles

The equator principles (EPs) are the financial sector reference for determining, assessing and managing the environmental and social risks of the projects. They are based on the International Finance Corporation's Policy and Performance Standards on Social and Environmental Sustainability and the World Bank's Environmental, Health and Safety General Guidelines.

EPs are applicable to financing new projects and significant expansions through four financial products: advisory for projects funding, projects funding, corporate loans linked to projects and bridge loans.

The latest version of the Equator Principles was published in 2013 and it extends its scope, addresses new environmental and social concerns and makes a relevant progress on the transparency and consistency of its implementation.

Since its adoption of the EPs, BBVA has applied them with a broader scope than the standard, extending them to projects in the operational stage and those funded with other financial products: project bonds, assignment of credit rights and project-linked guarantees. BBVA does not apply the minimum threshold

established, US10 m, and reviews all operations under the EPs, irrespective of their amount.

BBVA has a EPs dedicated team, made up in the Corporate & Investment Banking (CIB) area that analyzes the projects, represents the Bank before the stakeholders, is accountable to the executive management and designs the management system, proposing the adoption of best practices and gets involved in training and communication of all EPs aspects.

The analysis of projects is incorporated in the internal processes of structuring, admission and monitoring. Each transaction is subject to the environmental and social due diligence process that is initiated upon the allocation of one category (A, B or C) in conformity with the IFC's classification process that reflects the level of risk and environmental and social impact of the project.

Project	Project Value	Financing	BBVA Interest
American Tower	\$248.014 MM	\$200.000MM	\$60.000MM

Projects financed under EPs methodology



Team

Committed employees is one of the axis on which responsible business strategy has been designed and is intended to foster the social commitment and shared values culture among all BBVA team.

A. Recruiting, Training, Development

B. Diversity and Conciliation

C. Compensation and Remuneration

D. Labor conditions

E. Volunteering

Overall Data		
Overall Data	2013	2014
Average age (years)	36	36,5
Average seniority (years)	9,9	11,4
Employees*	6.019	6.678
Men (%)	42,5	41
Women (%)	57,5	59

* It refers to total headcount of BBVA companies in Colombia

Staff per age		
Age rank (%)	2013	2014
Under 25	12,9	11,9
Between 25 and 45	68,1	65
Older than 45	19	23,1
Total	100	100

Average monthly salary (million Colombian pesos)		
Category	F	M
Executives	20.420.405	22.252.532
Mid-level managers	7.854.117	8.081.380
Specialists	3.225.244	3.393.843
Sales force	1.635.323	1.767.359
Base posts	1.631.052	1.700.969

Contracts per Gender				
Category	F	M	F (%)	M (%)
Executives	28	83	25	75
Specialists	1.181	961	55	45
External sales force	508	327	61	39
Mid-level management	254	258	50	50
Base posts	1.936	1.142	63	37
Total	3.907	2.771	59	41

A. Recruiting, Training and Development

In BBVA we promote the future, our growth has always been accompanied by people. In such a way, and as the first option in 2014 we posted internally 372 specific positions and 70 anticipated vacancies for high-turnover positions in the network through a global corporate mechanism for posting vacancies named "Apúntate a la Vacante". Such management reflected 494 promotions throughout the year that represented the improvement to our employees with regard to development and salary conditions. From them, 58.3% were women and 41.7% men in the conviction that such dynamic brings democracy and transparency for vacancies filling.

Within such promotions it is worth mentioning the amount of 79 professionals that before taking up their duties were enrolled in the training and education program to perform their functions in the network positions that correspond to the Expansion Plan.

In 2014 there were 615 hirings, which shows a dynamic, growing and expanding Bank: from these 64% are women and 36% men.

BBVA holds agreements with top university institutions in order to promote the commencement of the working life of interns; during 2012 we hired 149 interns under learning contract and subsequently, due to their performance 18 of them were hired directly with the Bank. This same practice is applied at the technological level through SENA and other country technical institutions, providing sponsorship to 359 apprentices and 30 have been hired directly as their first job.

With regard to training, during 2014 we consolidated our brand CAMPUS BBVA upon launching the new training, languages and BBVA Games platform, reinforcing our training schools: Business Customer, Management and Skills, Finance and Risks, Innovation and Technology, Languages, Legal Requirements and Human Resources and Culture, through face-to-face training (99.390 hours) and virtual training on Campus BBVA platform (236.439 hours), reaching 100% of staff.

Our action pillar is to make an attractive offer to all collaborators in BBVA Colombia and its companies in order to develop the skills and competencies that help us to boost everyone's personal and professional development, always based on the fact that development is generated from each one and that together ¡We build másBBVA!.

Understanding that as area we impact BBVA strategic goals, 89% of our trainings were focused toward Customer Service, products certification, risk management, legal requirements and a comprehensive coaching and job adaptation program to our new collaborators, in line with BBVA X 3 plan.

In large numbers, during 2014, we had 335.841 training hours with 123.815 attendant's equivalent to 57.6 hours per employee. From said 335.841 hours, 70.4% were given through virtual channel and 29.6% face-to-face, encouraging the use of the Campus BBVA platform.

Training Hours		
	No. Hours	% total hours
Face-to-face	99.399	29,6
Virtual	236.442	70,4
Total	335.841	100

The development of collaborators is also an action pillar of HHRR and that is why during 2014 different activities took place framed under the labor environment: Close spaces visiting 124 offices and 1.800 collaborators, 169 coaching processes with 1.104 hours, Work Environment Workshops for 100% network leaders, 100% of Talent Pool and 100% of new leaders interviewed.

B. Diversity and Conciliation

In order to favor the equality of opportunities between men and women, we have been working for some time with regard to gender diversity.

The Global Gender Diversity Plan is focused on three lines of action: maternity, promotion and development and awareness. Eight corporate initiatives have already been implemented. Besides, local initiatives are being developed in countries/areas.

In 2014 maternity initiatives were initially consolidated such as: 118 ergonomic assessments of work places of pregnant mothers, 100% coverage of maternity leaves, mentoring plan, option to obtain 1 to 9 month unpaid leave, sending a baby kit in the month of birth. Feedback of all such measures is performed through the returning interviews conducted by Human Management area.

For 2015 it is expected to engage in different corporate initiatives that impact positively the Bank's staff.

C. Compensation and Remuneration

BBVA believes that the compensation policy is a key element for value creation. For such purpose, it has an advanced compensation system, based on the reciprocal value generation for both employees and the Group, aligned with the shareholders' interests and subordinated to a prudent management of risk under following principles:

- Create long-term value.
- Reward the results based on the prudent and responsible assumption of risks.
- Attract and retain the best professionals.
- Reward the level of responsibility and professional development.
- Safeguard for the internal equity and external competitiveness.
- Running benchmarking through the analysis made by renowned companies and leaders of the compensation consultancy sector.
- Ensure the transparency in the compensation policy.
- Guarantee that there are no compensation differences because of gender.

This compensation system is adaptable and will incorporate the standards and principles of the national and international generally accepted best practices with regard to retributions and good governance of companies, thus, it is a dynamic system constantly evolving and improving.

In conclusion, the combination of the above mentioned elements makes up a balanced compensation system, coherent with the Group and its values, as well as with the shareholders' interests.

The compensation is composed by two parts clearly differentiated:

- Fixed Compensation it is set by taking into consideration the level of responsibility and the professional development of the employee in the Bank, setting a salary reference for each function.

- Variable Compensation that rewards the value creation through each of the units of BBVA, remunerating the individual, teams and aggregate contribution of all of them. The variable retribution is focused to rewarding the achievement of individual, group and organization results, measured through customer, financial indicators, etc.

D. Labor Conditions

With regard to freedom of association and union representation, BBVA understands that dialogue and settlement are the best way to solve conflicts and reach consensus in conformity with the distinct regulations in force in the countries where BBVA is present, The rights and labor conditions have been compiled in standards, covenants and agreements subscribed by each entity with the appropriate representations of the workers.

Bank Labor Map	Percentage
Agreement	79,7
Neutral	0,8
Convention	19,5

E. Volunteering

BBVA develops initiatives to facilitate and drive the involvement of employees in social programs within the framework of the Global Corporate Volunteering Plan.

In 2014, 297 BBVA officials and their families, that are part of the "Voluntarios BBVA" program planted 2.000 trees that initiated the third BBVA forest in the surroundings of Zipacon, a traditional municipality eastern Cundinamarca. Volunteers arrived in the early hours under an inclement rainfall that did not stop.

BBVA forest will have 10.000 trees, and is added to other two, one planted in 2012 at El Encenillo reserve in Guasca municipality and another in 2010 at Neusa dam in Zipaquira, both in Cundinamarca. These are one of the contributions of the Bank to the environment thus encouraging the BBVA family to have a real ecologic awareness.

Among other activities performed by Voluntarios BBVA there are: the I Social Fair, three days planting trees and one solidarity day with more than 15 foundations of Bogota, dedicated to the care of children, elderly and support to pregnant teens.



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Society

BBVA looks for education to contribute with solutions satisfactory to urgent social demands: get more students for more time with a recognized quality, fair and inclusive offer with the involvement of most of the society institutions and sectors.

- A. Education for Society
 - B. Innovation and Knowledge
 - C. Environment
-
-

A. Education for Society

Scholarships Program "Niños Adelante"

This is a program of BBVA Colombia in conjunction with different initiatives of the Ministry of National Education that has contributed to the reduction of the dropout school index in Colombia by supporting thousands of children every year with school supplies and scholarships that enable them to purchase uniforms and footwear.

Over the last years BBVA has handed out more than 250.000 back-packs with notebooks, dictionary, pencil case, color pencils, ruler, eraser, glue, scissors, a folder with bond paper and cardboard, also watercolors, crayons, a literary text and a liquid container.

Support for higher education

In alliance with Corporacion Manos Visibles and Icesi and Eafit universities, of Cali and Medellin respectively, BBVA is funding the education of a 12 young people group that are studying in the fifth and sixth semester of different university careers with high academic performance.

Support to technical training

BBVA supports the Fundacion Plan through the financing of the technical education of a group of young people who in Sincelejo and other cities of the country are trained on trades such as masonry, gardening, stone work, among others, enabling them, when completed their education plan, to have a labor occupation immediately, becoming qualified work force with great demand in regional markets.





B. Innovation and Knowledge

The innovation is one of the main axes of our Group strategy and we believe that this is the lever for growth not only for our business but for the entire society; in this regard, we have created the Center for Innovation, a meeting point to the community where through different events and actions of connection with the ecosystem it is involved more each time with the different players of the Colombian entrepreneurship.

In 2014, we made the alliance The App Date with which we contribute to the maintenance and growth of developers and entrepreneurs community around the apps world in Bogota, allowing the generation of a networking space for the encounter of entrepreneurs and experts through the dissemination of contents and experiences.

Likewise, the BBVA Center for Innovation was the encounter space for MET that served for developing the work and training sessions of a group of women entrepreneurs who through different sessions and talks could consolidate the training on subjects of companies, accounting, networking and marketing, among others.

It is worth mentioning the development of the version corresponding to 2014 of BBVA Open Talent where several technological initiatives with great impact and transformation potential of local industry, in New Banking category, and in general in other digitalized industries, in Digital Life category, competed for the regional award. The company Bankity of Medellin resulted winner in the New Banking category.

C. Environment

Our actions over the planet environment are more notorious, this is the reason why BBVA has been developing initiatives that reduce the adverse effects of the activities in the operation setting.

Environmental Policy and Environmental Management System

Since 2003 BBVA has been applying environmental policies with a sustainable development model in economic, social and environmental activities; such policy is intended to give the Bank the plus that makes the difference in the Colombian financial, being aware of our surroundings and how we can be more responsible.

The pillars of our environmental policy are:

- Responsible attitude to natural resources.
- Compliance with current standards.
- Risks environmental assessment in financial activities.
- Design and implementation of environmental related financial products and services.
- Responsible environmental practices of stakeholders.

Direct Environmental Impact

Eco-efficiency

The Global Ecoefficiency Plan is intended to reduce the direct environmental impacts to reach the management goals and implement correct environmental practices. Since 2007 the Bank environmental indicators are monitored and compiled, over these years improvements in the quality of data reported have been applied.

Taking as premise the environmental policy, in 2014 BBVA promoted initiatives to mitigate the direct and indirect effects of the activities in the surroundings, highlighting the reduction in water, electricity and paper consumption that is aimed at a higher efficiency in the use of resources.

Environmental initiatives

Being aware of the deforestation issue and in order to mitigate the impact generated by us to environment, in 2014 the BOSQUE BBVA project continued. This had been initiated in 2013 and is now part of the environmental initiatives of the Corporate Responsibility plan.

This project closed year 2014 with 12.000 new trees in Colombia, planted in areas of great importance within the dynamic for the protection and conservation of the water resource.

Trees were assonated to the protection projects of Combeima and Coello rivers in the Municipality of Ibague, Tolima department and in Zipacon municipality in Cundinamarca to improve the water regulation of the region in order to ensure the supply of water of two aqueducts of the Paloquemao hamlet in the long term.

Through planting said new trees multiple social and environmental benefits are generated, the protecting reforestation produces a positive impact on close populations; building a social fabric in marginalized areas, providing additional resources for country families and improving their life quality with the ecosystem provided by the forest.

The sowings will enable to recover the vegetation cover and improve the supply of ecosystemic support, provisioning and regulation of the area:

- Support: it is worth mentioning the training and soil protection and the reactivation of the cycle of nutrients, pollination and dispersion.
- Provisioning: availability of useful species, increasing the offer of fiber and wood, as well as food for surrounding communities and an entertainment place with a pleasant landscape.
- Regulation: capture and accumulation of CO₂ (280 kg CO₂/tree over 20 years), by planting 12.000 trees 3.360 tons of CO₂ will be fixed in 20 years. Likewise, erosion will be diminished since the raindrops will impact with less energy on the soil and the water regulation will improve since trees will increase the infiltration.

These sowings materialize BBVA commitment with environment preservation with actions intended to improve the life quality of humans, animals and nature.



Main Indicators

Paper consumption		
Kg	2013	2014
Total paper consumption	364.234	415.889
Paper consumption per employee	61	62

Diesel fuel consumption		
Lts	2013	2014
Total diesel fuel consumption	11.853	25.972
Consumption per employee	2	4

Energy Consumption		
kWh	2013	2014
Total energy consumption	29.549.992	32.296.773
Consumption per employee	5.514	4.838

Water consumption		
m3	2013	2014
Total water consumption	111.128	149.801
Consumption per employee	20,7	23

Managed waste		
Kg	2013	2014
Paper waste	43.488	31.582
Toner waste	2.648	3.214
Other waste	23.384	29.700

Emissions scope 1		
Tons	2013**	2014*
Emissions per consumption of diesel fuel	N/A	73
Emissions per Km by own vehicles	48.157	52.474
Total	48.157	52.545

*Emissions in previous years were considered direct and indirect, this year due to the change of methodology they are deemed as emissions scope 1, 2 and 3, the scope of measurement increases for emissions scope 1. As from 2014 the emissions generated by diesel fuel consumption are also taken into account.

**The recalculation of kms run by own vehicles in 2013 was made.

Emissions scope 2		
Tons	2013	2014*
Emissions per consumption of electricity	N/A	6.795

*Measurement of emissions per consumption of electricity

Emissions scope 3		
Tons	2013	2014*
Emissions per flight	649	799

BBVA works for “Protocolo Verde” initiatives

For the third consecutive year BBVA Colombia participated in “Protocolo Verde”, a financial sector initiative and is committed to implement voluntarily policies and practices that might be recognized as exemplary in terms of environmental responsibility.

The subscription of the Protocolo Verde includes the development of strategies to advance in three fundamental aspects: financing the development with sustainability, promoting the internal processes of subscribing entities for the sustainable consumption of natural resources and of the materials derived thereof, and considering the risk analyses of credit and investment, the environmental and social impacts generated from the activities and projects to be financed.

Environmental Training and Awareness

BBVA Colombia is aware of the importance of environment and its care within the sustainability, not only by our business but by all the society. During 2014 we conducted different campaigns through employees and their families, suppliers and customers who have served to be aware of the importance to carry out good practices for environment care and to stop the impact of the climate change.

There is the exercise by which every employee of the buildings involved participates directly by separating in his work station the different types of waste in the respective recipients, under the supervision of the cleaning staff that was trained by Ecoplanet, and pursuant to the performance of every floor a rating is obtained from red for those in critical situation to green for the optimal, and yellow to floors in an intermediate situation.

The program is still giving satisfactory results by achieving that most of floors are in green, facilitating the recycling tasks and optimizing the separation of different materials which translates into a better performance by the company in charge to collect and recycle our materials and that results in 51.422 kilograms of solid reusable waste. Below is the breakdown:

	Cardboard	Filing	Plastic	Glass	Pet	Newspaper	Junk	Total
January	560	6,130	41	553	105	139	110	7,638
February	813	2,529	89	837	162	129	37	4,596
March	738	3,172	68	427	214	121	203	4,943
April	574	2,318	45	548	162	124	57	3,828
May	612	2,896	47	651	113	108	42	4,469
June	275	1,684	36	444	275	74	35	2,823
July	356	1,647	30	784	297	131	175	3,420
August	365	1,389	17	615	200	87	37	2,710
September	499	3,047	38	605	279	76	65	4,609
October	864	3,021	33	800	317	193	0	5,228
November	638	2,109	51	647	150	374	4	3,973
December	622	1,640	31	527	145	207	13	3,185
Total	6,916	31,582	526	7,438	2,419	1,763	778	51,422

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Criteria and Information Standards

- Profile, Scope, Relevance, Materiality and Coverage of the Report
- Basic References and International Standards
- Rigour and Verification
- Criteria of Independent Review
- GRI Indicators

Profile, Scope, Relevance, Materiality and Coverage of the Report

Since 2007 BBVA prepares the Annual Corporate Responsibility Report. This information refers to BBVA as defined in the Annual Report for 2014 which includes comparative data for 2012 and 2013, indicating their scope. For the purposes of facilitating the comparability of information, if said information has experienced any modification with regard to those presented in the previous year this is due to an improvement in the quantification and measurement methods of the affected variables or the criteria used.

For determining the relevance and materiality of the contents to be included, special attention has been given to the most significant stakeholders providing continuity in the consultation processes pursuant to the recommendations provided in the Guideline for the preparation of the sustainability reports and in the Global Reporting Initiative (GRI4).

With this regard, a specific analysis was conducted with the public information and the available information in BBVA to assess the validity and relevance of these issues in current context. This report is completed with the Financial report 2014 and other information available at the web page (www.BBVA.com).



Basic References and International Standards

This report has been prepared pursuant to the best practices and most renowned international standards and meets the GRI G4 methodology with the essential option "in conformity".

Likewise, information is provided about the actions in connection to the United Nations' Millennium Development Goals and reply is given to the Progress Report 2009 with regard to the compliance with the United Nations Global Compact, as provided in the GRI and the Global compact, making the connections.

Rigour and Verification

BBVA Colombia has several instruments to ensure the quality. During the process several areas providing information have been involved. They are also subject to supervision, verification and audit methods as usual in the Bank. In second place, the reports about Corporate Responsibility are submitted to the Group through the information management system that guarantees the quality and scope. The Bank's Communication & Brand division is responsible for gathering the information. The verification of this report is conducted by Deloitte & Touche Ltda.





Informe de revisión independiente

Revisión independiente del Informe de Responsabilidad Corporativa 2014 de BBVA Colombia.

Alcance de nuestro trabajo

Hemos realizado la revisión de la adaptación de los contenidos del Informe de Responsabilidad Corporativa 2014 a la Guía para la elaboración de Memorias de Sostenibilidad de Global Reporting Initiative (GRI) versión 4.0 (G4).

Estándares y procesos de verificación

Hemos llevado a cabo nuestro trabajo de acuerdo con la norma ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* emitida por el *International Auditing and Assurance Standard Board (IAASB)* de la *International Federation of Accountants (IFAC)*.

Nuestro trabajo de revisión ha consistido en la formulación de preguntas a la Administración, así como a las diversas áreas de BBVA Colombia que han participado en la elaboración del informe de Responsabilidad Corporativa y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Entrevistas con el personal de BBVA Colombia para conocer los principios, sistemas y enfoques de gestión aplicados para elaborar el informe.
- Análisis de como a partir del ejercicio de materialidad se definen los contenidos, la estructura y los indicadores del informe, de acuerdo a lo sugerido por la metodología GRI G4.
- Análisis de los procesos para recopilar y validar los datos presentados en el Informe.
- Comprobación, mediante pruebas de revisión con base en la selección de una muestra de la información cuantitativa y cualitativa correspondiente a los indicadores GRI y propios incluidos en el Informe de sostenibilidad y su adecuada compilación a partir de los datos suministrados por las fuentes de información de BBVA Colombia.

Confirmación que el Informe de sostenibilidad es preparado de acuerdo con la metodología GRI G4 en su versión "Esencial" o "Core".

Aspectos generales

Se confirmó que el informe se ajusta a los requisitos de la opción esencial de los aspectos generales de la versión GRI G4: los indicadores G4-1 a G4-34, y G4-56 fueron reportados.

Aspectos específicos

Revisamos el enfoque de gestión e indicadores GRI y propios de los siguientes asuntos materiales:

Deloitte & Touche Ltda.
Edificio Corficolombiana
Calle 16 Sur 43 A-49 Piso 9 y 10
A.A 404
Nit 860.005.813-4
Medellín
Colombia

Tel : 57(4) 313 88 99
Fax : 57(4) 313 32 25
www.deloitte.com.co

Responsabilidades de la Dirección de BBVA Colombia y de Deloitte

- La preparación del Informe de Responsabilidad Corporativa 2014, así como el contenido del mismo, es responsabilidad de la organización la cual también es responsable de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.
- Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.
- Este Informe ha sido preparado exclusivamente en interés de la organización de acuerdo con los términos de nuestra propuesta de servicios. No asumimos responsabilidad alguna frente a terceros diferentes a la Dirección de la empresa.
- Hemos realizado nuestro trabajo de acuerdo con las normas de independencia requeridas por el Código Ético de la International Federation of Accountants (IFAC).
- El alcance de una revisión limitada es substancialmente inferior al de una auditoría. Por lo tanto no proporcionamos opinión de auditoría sobre el Informe de sostenibilidad.

DELOITTE & TOUCHE LTDA.
Jorge Enrique Múnera D.
Socio

Bogotá, Febrero 2015

Audit.Tax.Consulting.Financial.Advisory

Una firma miembro de
Deloitte Touche Tohmatsu

Asuntos materiales	Indicador GRI y/o Propio BBVA Colombia
Comunicación TCR	*G4-PR6; *G4-PR7
Educación financiera	*BBVA1. Número de beneficiados por el programa de Educación Financiera "Adelante con tu futuro" *FS16 (Guía sectorial GRI "Financial Services").
Inclusión financiera	*FS13 (Guía sectorial GRI "Financial Services") *FS14 (Guía sectorial GRI "Financial Services")
Microfinanzas productivas / Fundación Microfinanzas BBVA	*FS7 (Guía sectorial GRI "Financial Services")
Apoyo a PYMES	*BBVA2. Número de clientes Pymes *BBVA3. Monto de financiación a clientes Pymes
Apoyo a particulares con necesidades especiales	*BBVA4. Valor de los créditos otorgados a campesinos Colombianos
Conocimiento del cliente	*BBVA5. Índice de Recomendación Neta (iReNe)
Gestión de quejas y reclamaciones	*BBVA6. Tiempo de resolución de los reclamos *BBVA7. Porcentaje de reclamos resueltos a tiempo *BBVA8. Porcentaje de QyR gestionado por el SPC
Omnicanalidad	*BBVA9. Operaciones por canales
Protección del cliente	*G4-PR1; *G4-PR3; *G4-PR8; *G4-PR9.
Inversión responsable (asociado a "Modelo de gestión del Riesgo reputacional", "Concesión responsable de crédito", "Principios de Ecuador").	*FS1; *FS2; *FS3; *FS4; *FS10; *FS11 (Guía sectorial GRI "Financial Services")
Selección, formación y desarrollo	*G4-LA9
Diversidad y conciliación	*G4-LA12
Compensación y remuneración	*G4-LA13
Condiciones laborales	*G4.11
Voluntariado	*BBVA10. Número voluntarios BBVA
Educación para la sociedad (becas)	*BBVA11. Número de morrales entregados *BBVA12. No. personas beneficiadas por programas de apoyo a la educación (morrales con útiles escolares y becas educativas).
Innovación y conocimiento	Indicador actualmente en construcción - se espera reportar en los años posteriores
Medioambiente	*EN1, *EN3, *EN8, *EN15, *EN16, *EN17, *EN23

Conclusiones

Como consecuencia de nuestra revisión no se ha puesto de manifiesto ningún aspecto que nos haga creer que el Informe de Responsabilidad Corporativa contiene errores significativos o no ha sido preparado de acuerdo con la Guía para la elaboración de Memorias de Sostenibilidad de Global Reporting Initiative (G4) en su versión Esencial.

Recomendaciones

Adicionalmente, hemos presentado a BBVA Colombia nuestras recomendaciones relativas a las áreas de mejora para consolidar los procesos, programas y sistemas relacionados con la gestión de la sostenibilidad. Las recomendaciones más relevantes se refieren:

- Socializar, a los grupos de interés internos y externos, los asuntos materiales identificados que garantizaran la gestión sostenible del negocio en el mediano y largo plazo.
- Fortalecer la gestión de los asuntos relevantes no reportados en el informe de responsabilidad corporativa 2014.
- Fortalecer la consolidación de los consumo de agua y energía de la operación, ya que se han identificado dificultades para el proceso de recolección y generación de evidencias de dichas cifras en 2014.



GRI Indicators Table • Independent Review Report

General Standard Indicators

Indicator	Reply	Page	External Audit
<i>Strategy and analysis</i>			
G41 Statement of the top responsible official for decision-making of the entity about the relevance of sustainability for the entity.	Letter from the President	6	✓
G42 Description of main impacts, risks and opportunities.	Letter from the President	6	✓
<i>Perfil de la organización</i>			
G43 Report entity's name.	BBVA profile	10-15	✓
G44 Report main brands, products and services.	BBVA profile	10-15	✓
G45 Report location of Parent Company.	Cra. 9 No. 72 - 21. Bogota, Colombia		✓
G46 Report number of countries where the company operates and name of countries where the company has significant operations or that are relevant to sustainability issues addressed in the report.	BBVA Grupo operates currently in 32 countries, Colombia included		✓
G47 Nature of the ownership and legal form.	BBVA profile	10-15	✓
G48 Markets attended (Including the geographical break down, sectors supplied and types of customers).	Organization chart and business structure	14	✓
G49 Report the entity scale, including: - Number of employees. - Total number of operations. - Net sales or income.	Relevant data of BBVA Colombia 2014	11	✓
G410 Report following labor information: - Report headcount per contract and gender. - Report headcount per region and gender.	Team	78-81	✓
G411 Report the percentage of employees covered by collective convention.	Team	78-81	✓
G412 Describe the entity's chain of suppliers.	Responsible Banking Indicators	13	✓
G413 Significant changes during the period covered by the report in size, structure, ownership or in the entity's chain of suppliers.	No significant changes during 2014		✓
G414 Description of how the entity has adopted an approach or principle of caution.	Governance systems	24-28	✓
G415 Principles or social, environmental and economic programs developed successfully as well as any other initiative subscribed or supported by the entity .	Governance systems- International Agreements subscribed	24-31	✓
G416 Main associations to which the entity belongs (such as sector associations) and/or national or international entities supported by the entity.	Asobancaria Asobolsa Asofiduciaria		✓

Indicator	Reply	Page	External Audit
<i>Identification of material aspects and limits</i>			
G4.17 List the entities included in the consolidated financial statements and report if any of them has not been included in the sustainability report.	BBVA profile The consolidated information is: *Social investment *Number of employees (Key indicators chart of Responsible bank) *Income account Grupo BBVA Colombia	10-15	✓
G4.18 Explain the process to define the contents of the report and the aspects to be reported.	Materiality and dialogue with stakeholders	34-41	✓
G4.19 List all material aspects identified in the process to define the contents of the report.	Materiality and dialogue with stakeholders - Relevant highlights in 2014	34-41	✓
G4.20 For each material issue report if it applies to all the entity. Otherwise, indicate what aspect is not material for any of the entities of the company.	Materiality and dialogue with stakeholders - Relevant highlights in 2014	34-41	✓
G4.21 For each material issue, report if it applies to all the entity.	Materiality and dialogue with stakeholders - Relevant highlights in 2014	34-41	✓
G4.22 Description of the possible effect of the restatement of the information of previous reports together with the reasons that have motivated such restatement.	Society - Environment (emissions)	84-89	✓
G4.23 Significant changes related to previous periods in the scope, coverage or valuation methods applied in the report.	During 2014 there were changes in valuation methods applied to CO2 emissions reported by the Bank. The method used was the one sent by Corporate BBVA		✓

Indicator	Reply	Page	External Audit
<i>Stakeholders</i>			
G4.24 List stakeholders related to the entity.	Materiality and dialogue with stakeholders	34-41	√
G4.25 Report the basis for identification and selection of stakeholders related to the entity.	Materiality and dialogue with stakeholders	34-41	√
G4.26 Approaches adopted for dialogue with stakeholders, included the frequency of their participation per type of stakeholders, indicate if any of the dialogues was made as part of the preparation process of the report.	Materiality and dialogue with stakeholders	34-41	√
G4.27 Main concerns and issues of interest arisen through the dialogues with stakeholders and how the entity has replied to them when preparing the report. Report the stakeholders and the issues identified as relevant.	Materiality and dialogue with stakeholders	34-41	√
Profile of report		92-93	√
G4.28 Period covered by the information included in the report.	2014		√
G4.29 Latest date of previous report.	2013		√
G4.30 Cycle of report (Annual-Biannual).	Annual		√
G4.31 Focal point for matters related to the report or its contents.	Back cover		√
G4.32 Report of option according to the GRI methodology selected by the entity (Core-Comprehensive). Report the GRI table of contents.		92-93	√
G4.33 Report the policy or focus of the company to seek the external audit of the report.		93	√
<i>Governance</i>			
G4.34 The entity's governance structure, including the committees of the highest governance body. Identify if there is any committee responsible for the supervision of economic, social and environmental issues.	Governance systems	24-31	√
<i>Ethics and integrity</i>			
G4.56 Describe the values, principles, standards and rules of behavior of the entity such as codes of conduct and codes of ethics.	Mission, Vision and Policy	17-22	√

Specific Standard Indicators

Axis	Relevant issue	Related GRI aspect	Management approach
TCR communication	TCR communication		TCR communication
Financial literacy	Financial literacy	Labeled products and services	Financial literacy
High-social impact products	Financial inclusion	Local communities	High-social impact products
		Products portfolio	Fundación Microfinanzas BBVA
	Productive microfinance / Fundación Microfinanzas BBVA	No GRI aspect related	High-social impact products A. Support to SMEs
		No GRI aspect related	High-social impact products D. Support to individuals with special needs

	Indicator	Page Reply indicator	Omission	External Verification
	G4-PR6. Compliance programs with laws or adherence to standards and voluntary codes mentioned in marketing communications, including advertising, other promotional activities and sponsorships.	29-31		√
	G4-PR7. Total incidents from non compliance with regulations related to marketing communications, including advertising, promotion and sponsorship, distributed according to the type of result of said incidents	During 2014 the Bank did not report any incidents from non compliance with regulations related to marketing communications, including advertising, promotion and sponsorship		
	Own. Number of benefited by financial literacy program Adelante con tu futuro.	54-55	N/A	√
	FS16. Initiatives to encourage financial knowledge of customers. (This indicator became Focus of management in GRI G4 methodology).	54-55		√
	FS13. Accessibility in low population areas or underprivileged places.	58-59	La organización no reporta los CB específicamente ubicados en áreas de escasa densidad de población o	√
	FS14. Initiatives to improve the access to financial services for disadvantaged people.	58-59	desfavorecidas económicamente.	√
	FS7. Valor monetario de los productos y servicios diseñados para proporcionar un beneficio social específico para cada línea de negocio desglosado según su propósito	58-59		
	Own. Number of customers SMEs	58-59	N/A	√
	Own. Financing amount for SMEs customers			√
	Own. Value of loans granted to Colombian farmers	58-59	N/A	

Axis	Relevant issue	Related GRI aspect	Management approach
Customers' responsible management	Knowledge of customer	No GRI aspect related	Customers' responsible management
	Management of complaints and claims	No GRI aspect related	Customers' responsible management - B. Management of complaints and claims
	Omni-channel experience	No GRI aspect related	Customers' responsible management - C. Omni-channel experience
	Customer protection	Customer health and security Labeled products and services Customer's privacy Regulatory compliance	Gestión responsable de clientes - D. Protección del cliente

	Indicator	Page Reply indicator	Omission	External Verification
	Own. Net Recommendation Index (IReNe)	64-69	N/A	✓
	Own. Time for claims resolution	64-69	N/A	✓
	Own. Percentage of claims resolved on time		N/A	✓
	Own. Percentage of Claims and Complaints managed by the SPC		N/A	✓
	Own. Operations per channel	64-69	N/A	
	G4-PR1. Phases of the life cycle of products and services where impacts on health and security of customers are assessed for improvement purposes and percentage of categories of significant products and services subject to such assessment procedures.	64-69	No se reporta el % de productos y servicios cuyos impactos se han evaluado	✓
	G4-PR3. Types of information about products and services required by the procedures in force and regulation, and percentage of products and services subject to such requirements.	64-69		✓
	G4-PR8. Total claims for respect for privacy and leak of customers' personal information.	In 2014, the Bank did not receive claims for respect for privacy and leak of customers' personal information.		
	G4-PR9. Cost of such significant penalties arising from non compliance with regulations with regard to the supply and use of the entity's products and services.	During 2014 the Bank was not subject of significant penalties by oversight and control authorities and did not pay any penalty or sanction for any investigation proceeding by such authorities.		✓

Axis	Relevant issue	Related GRI aspect	Management approach
Equipo	Recruiting, Training Development	Training and Education	Team
	Diversity and Conciliation	Diversity and equality of opportunities	Team - A. Diversity and conciliation
	Compensation and Remuneration	Presence in market Work Equality of retribution between women and men	Team - A. Compensation and remuneration
	Labor conditions	Profile of entity	Team - D. Labor conditions
	Volunteering	No GRI aspect related	Team - E. Volunteering

	Indicator	Page Reply indicator	Omission	External Verification
	LA9. Average annual hours of training per employee, per gender and detailed per employee's category.	78-81		√
	LA12. Composition of governance bodies and detail of staff per professional category and sex, age, minority and other diversity indicators	78-81		√
	LA13. Relation between salaries of men versus women, detailed per professional category.	78-81		√
	G4.11. Percentage of employees covered by collective agreements.	78-81		√
	Own. Number BBVA volunteers	78-81	N/A	√

Axis	Relevant issue	Related GRI aspect	Management approach
Society	Education for society (scholarships)	No GRI aspect related	Sociedad - A. Educación para la sociedad
	Innovation and knowledge	No GRI aspect related	Sociedad - A. Innovación y conocimiento
	Environment	Material Energy Water Emissions	Sociedad - A. Medio ambiente

	Indicator	Page Reply indicator	Omission	External Verification
	Own. Number of back-packs handed out	84		√
	Own. No. persons benefited by programs of support to education (back-packs with school supplies and academic scholarships).	13, 84		√
	Indicator currently in construction - to be reported in coming years		N/A	N/A
	EN1. Measurement of paper and toner consumption	54-55		√
	EN3. Internal energy consumption	84-89		√
	EN8. Measurement of water consumption	88	The entity does not report the detail of consumption per source	√
	EN15. Greenhouse direct gas emissions (Scope 1)	88	The entity does not report the calculation methodology used	√
	EN16. Greenhouse direct gas emissions (Scope 2)	88	The entity does not report the calculation methodology used	√
	EN17. Greenhouse direct gas emissions (Scope 3)	88	The entity does not report the calculation methodology used	√
	EN23. Total weight of managed waste, per type and treatment method	89		√

Other relevant indicators

Additional issue	Indicators	Page /Reply	Omission	Page	External Audit
Economic value	EC1. Generated and distributed value	39		39	√



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