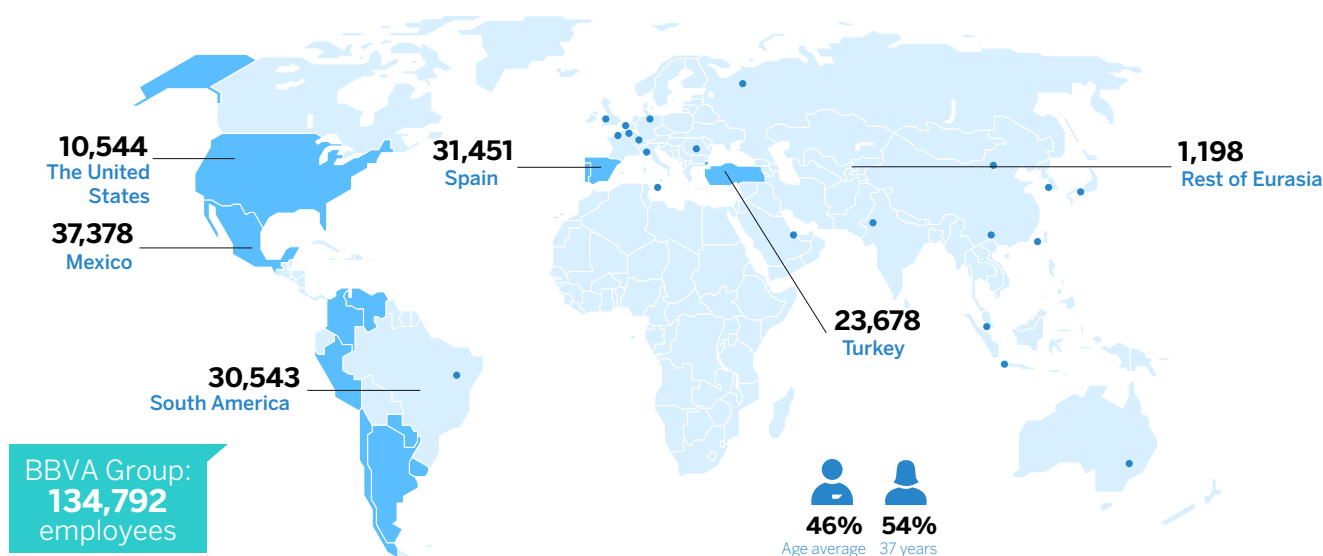


## 5. 3. The team

One of BBVA's six Strategic Priorities is “**a first-class workforce**”. This entails attracting, developing, motivating and retaining the best team, and providing the best employee experience. To do so, as explained in the chapter on Strategy, the Organization is being transformed, fostering a new culture, with new ways of working and flatter structures. A new variable compensation model has also been

implemented in line with the strategic objectives.

As of **December 31, 2016**, BBVA Group has 134,792 employees located in 35 countries, 54% of them women and 46% men. The average age of the workforce is 37 years. The average tenure in the Organization is 10 years, with a staff turnover of 8.2% over the year.



The workforce declined by 3,176 employees in 2016. This reduction is the result of two factors; first, the regulator's requirements to make the workforce more efficient following the purchase of Catalunya Banc (CX), which has led to a decline of 1,974 in employees in Spain; and second, the transformation process in the sector, leveraged on technology, leading to the automation of numerous processes that until now were carried out manually. This is happening with greater force in the geographic areas where the process is most advanced, such as Spain, the United States and Mexico, and to a lesser extent in other areas such as South America, where around 100 net jobs have been created. This process complies with the framework of the legislation current in each country.

At the same time, new talent is also being incorporated, with skills that were not common in the sector before, but in the future will be essential for this process of transforming the banking business (specialists in big data, Blockchain, artificial intelligence, customer experience, etc.).

Also in 2016, as part of the reorganization carried out on the structure of the Group, **Talent & Culture** has defined its role as an area that must support the Bank to achieve its strategic objectives and create a competitive advantage through a first class workforce, inspired by our Purpose and working together as a single team.

Talent & Culture bases its activity on two fundamental pillars: **transparency and consistency**. Three basic principles have also been defined to guide this activity:

- Proximity to the business: acting as business partners for the other areas.
- Focus on execution: delivering new data-based solutions with committed deadlines, and making things simple.
- One team: working as a single team across all regions, with no functional silos.

Talent & Culture has conducted a strategic prioritization process for selecting the global programs in which to make progress. Thus, among the new projects launched were those related to professional careers, internal mobility, values, performance and the leadership model.

BBVA has again obtained the **Great Place to Work®** seal in 2016. It recognizes BBVA as one of the best companies to work for in Argentina, Chile, Spain, Mexico and Uruguay, and one of the ten best at global level.



### 5.3.1. Professional development

A relevant aspect for professional development at BBVA is the **biennial process** for determining each professional's strengths and areas for improvement. The last process was carried out in 2015, when each professional received feedback from his/her manager and training and development plans were established and subsequently executed in 2016. In addition to the performance indicators, the results of the process proved to be key in identifying critical talent in the Group and supporting promotion decisions.

In this sense, BBVA Group makes a variety of **resources** available to employees so they can grow professionally and improve their skills.

#### Recruitment and development

**Recruitment** processes are based on equal opportunity, evaluation based on the requirements of the job position and objectivity of the criteria used. The ultimate goal is to attract and incorporate the best talent in each field. In 2016, BBVA Group received 352,477 resumes worldwide with a ratio of men to women of 57%-43%, of which 75,42% are from young people under the age of 30. Throughout the year, 15,243 people have hired by the Group, 62% of them under the age of 30.

BBVA has a global internal job posting application called **apúntate+**, that fosters development and transparency in promotion criteria, as it publishes vacancies available for which employees can apply.

#### Training

BBVA Group invested €45.5m in training in 2016. There has been an increase in training actions during the year to an average of 39 hours of training per employee, of which 66% are delivered via the Group's global e-learning platform called Campus BBVA.

Basic training data (BBVA Group)

	2016	2015	2014
Total investment in training (million euros)	45.5	35.9	34.9
Investment in training per employee (euros) <sup>(1)</sup>	337	326	317
Hours of training per employee <sup>(2)</sup>	39	40	52
Employees who received training (%)	91	93	96
Satisfaction with the training (rating out of 10)	8.8	8.6	8.8
Subsidies received from FORCEM for training in Spain (million euros)	2.7	2.7	2.4

Note: excluding Turkey in 2016, except for Investment in training, and in 2015.

<sup>(1)</sup> Ratio calculated considering the Group's workforce at closing.

<sup>(2)</sup> Ratio calculated considering the workforce of BBVA with access to the training platform.

BBVA provides access to training programs available on the training platform to boost self-development. **Campus BBVA** has been refurbished in 2016, incorporating a more attractive design, new content and functionalities with the aim of guaranteeing an outstanding learning experience and an innovative offering that is permanently updated and accessible through different devices for all the Group's employees.

BBVA emphasizes the need for its professionals to specialize and update their skills in order to help them achieve the strategic objectives and to create a first-class workforce. The **strategic training agenda** includes a number of global programs, such as: Responsible Banking Management, an e-learning initiative delivered by BBVA experts and the Institute for Stock Market Studies (IEB, for its acronym in Spanish) and targeted at retail banking middle management, designed to boost cultural exchange and promote entrepreneurship that generates value for society and for the Bank; Responsible Business, an online program for all BBVA employees, which transmits the principles underpinning our differential position in the current environment and the principle of return adjusted to principles; and the Code of Conduct, mandatory online training that includes the principles, behavioral guidelines and procedures for helping to resolve doubts and facilitate compliance with obligations as BBVA employees. As well as this, a number of training actions are provided in TCR (transparency, clarity and responsibility) principles, which enhance the Group's responsibility and ethics. The Commitment on Human Rights course provides employees with knowledge on the commitment adopted by BBVA in this area, as well as the actions carried out by the Group to ensure corporate integrity, the values on which its Code of Conduct is based and the implications of the Ten Principles of the United Nations Global Compact.

With regard to the legal requirements established by the MiFID II Directive, on the knowledge that employees must have when distributing information or providing advice on financial products/services within Europe, there are 7,610 professionals with official EFPA certifications (DAF/EIP, EFA and EFP) in Spain. In all, there are over 10,500 current employee certifications in BBVA, including CFA, FRM and CIA.

#### Diversity

BBVA is aware that correctly managed **diversity** multiplies the impact of talent and represents a competitive advantage. In a disruptive environment such as the current one, companies must encourage the presence of women in organizations because their contribution is a source of strength. Thus women account for 54% of the Group's workforce and their presence on the management team has continued to grow since 2011, to a proportion of 20.8% in 2016. BBVA is a signatory to the Diversity Charter at European level and to the United Nations Women's Empowerment Principles.

In **Spain**, BBVA has renewed the company's Equality Seal and the commitment to the initiative More Women, Better Companies, both organized by the Ministry of Health, Social Services and Equality, as well as the Family-Responsible Company Certificate, highlighting the commitment of our professionals to the promotion of equal opportunities. BBVA also forms part of the Promociona Project, fostered by the CEOE and the Institute for Women and Equal Opportunities, with the aim of increasing the number of women in positions of responsibility in Spanish business.

In **Mexico**, BBVA Bancomer has been chosen as one of the 10 most gender equitable companies, according to Great Place To Work®, which has evaluated the presence of women in positions of responsibility and recruitment and employment practices that promote gender equality.

### Different capabilities

BBVA continues to demonstrate its pledge to ensure the labor integration of people with different capabilities through the **Plan Integra**, which was conceived in the belief that employment is an essential pillar for achieving equal opportunity for everyone. As part of the Plan, each year since 2009, the BBVA Integra Awards have recognized the work of organizations that carry out projects bringing people into the labor market and boosting the development of new initiatives and good practices in this field. The business group Gureak was awarded €150,000 at the 8th Awards.

There are 231 employees with different capabilities working in the Group, located in Spain (162), Mexico (37) and South America (32). For its part, Mexico has implemented the **Inclusion Program** for people with different capabilities within the framework of occupational health, with the aim

of guaranteeing a secure environment for this group. In Venezuela a strategic plan has been designed to increase the effective labor integration of workers with disabilities, as required by local law. Work is also progressing on making bank branches accessible in these geographic areas, and the Group's corporate offices are already accessible in Madrid, as are those of BBVA Bancomer in Mexico and BBVA Chile.

In collaboration with the Adecco Foundation, BBVA has created the **Familia Plan** for its employees with children with different capabilities. The Plan offers advice and guidance, as well as implementing a Personal Support Plan to improve the children's development, autonomy and social integration, focusing particular attention on the medical, family, social, training and employment areas.

In addition, BBVA's commercial network in Spain promotes the labor integration of people with **Down syndrome**, thanks to agreements between the different territorial divisions and associations involved with this group. These alliances have provided over 35 students with the opportunity to carry out professional work experience in our branches across the whole of Spain.

[Annex 5 - Employees by gender](#)

[Annex 6 - Promoted employees by gender](#)

[Annex 7 - Average employee age and breakdown by age bracket](#)

[Annex 8 - Average length of service](#)

[Annex 9 - Breakdown of employees job category and gender](#)

### 5.3.2. Workplace

BBVA conducts a general satisfaction and commitment survey involving all employees every two years. The purpose of this survey is to ascertain the views of our employees, their concerns and the areas for improvement on which they consider we should work in the future. The 2016 **survey** was answered by over 70% of BBVA employees worldwide, with 83% of them being satisfied or very satisfied with BBVA as a place to work. Satisfaction surveys at the local level have also been conducted to monitor the impact of the improvement plans being addressed.

#### Occupational health and safety

BBVA honors its commitment to guarantee healthy working environments and improve the quality of life of people through health promotion and prevention campaigns and training, information and awareness-raising activities.

The occupational health and safety plan in **Spain** is part of the **preventive** planning that sets yearly targets based on the occupational risk prevention activities scheduled for the period. It includes risk assessments and monitoring of corrective measures, evacuation drills and emergency plans, training for workers, coordination of business activity, healthcare monitoring through medical checkups, health promotion campaigns, protection for vulnerable workers, adapting workstations with specific ergonomic material to prevent related pathologies (back pain, carpal tunnel syndrome, etc.).

Occupational health (Spain. Number)

	2016	2015	2014
Technical preventive actions	2,424	3,033	2,157
Preventive actions to improve working conditions	2,981	3,761	2,869
Appointments for health checks	15,100	17,659	16,145
Employees represented in health and safety committees (%)	100	100	100
Absenteeism rate (%) <sup>(1)</sup>	2.4	2.5	2.2

<sup>(1)</sup> Excluding Catalunya Banc in 2015.

With respect to **awards and recognition**, BBVA has received the Company Prevention Prize for the year (in the Large Company category), granted by Prevencionar.com, for its activity in areas of health and safety; in other words, for the way in which it has used new technologies as a tool to integrate and develop its various actions related to the prevention and promotion of health and safety. In addition, BBVA has won the Zaldívar Scholastic Award for the promotion of a preventive culture among its workers.

In **Mexico** BBVA Bancomer has implemented **health plans**, with actions related to control of risk at work, occupational health and safety, an ergonomic program for the prevention of occupational disease, as well as healthy work plans including health communication campaigns and access to the Healthy Life Portal (Mayo Clinic).

The commitment to maintain the health and safety of all BBVA Francés employees in **Argentina** is focused on minimizing risks and ensuring the correct use of facilities and safety equipment. This is done through a team that provides occupational health care and workshops on healthy living.

BBVA **Chile** has developed a **risk prevention program** that clearly specifies the legal compliance applicable in matters of occupational health and safety. The program includes risk assessment and preventive measures, compliance with regulations on health and safety conditions in the workplace, assessment of musculoskeletal and ergonomic risks, the design and communication of emergency and evacuation protocols, and prevention of occupational accidents.

#### Freedom of association and representation

The **rights and working conditions** of Group employees are included in the rules, conventions and agreements concluded in each entity with the corresponding workers' representatives in accordance with local legislation.

On matters of **freedom of association and labor union representation**, BBVA always aims for solutions via consensus. It places a very high value on dialog and negotiation as the best way of resolving any conflict in accordance with the pertinent local regulations in force in the countries where BBVA operates.

The **XXIII Collective Labor Agreement** for the Spanish banking sector, covering our entire workforce, was signed in April 2016 and will remain in force until December 31, 2018. Additional business agreements supplement and develop the provisions of the Labor Agreement, such as the agreement to adapt the provisions of the Collective Labor Agreement with respect to remuneration.

Labor union representatives sitting on company committees are elected every four years by personal, free, direct and secret vote. The labor representatives are kept apprised of any changes in relevant organization that could occur in the Company, as provided for by the pertinent legislation currently in force.

BBVA Spain has also concluded a **Merger Labor Agreement** to integrate the employees of Catalunya Banc (CX) into BBVA. This was done in July, harmonizing the employment conditions of all CX employees to those current in BBVA.

In other countries in South America such as Argentina, Chile and Colombia, BBVA employees are included in collective agreements. BBVA Chile has a collective agreement with the Sindicato Unificado union, in force until November 30, 2018. It covers the 47% of the bank employees who are unionized, but the benefits extend to non-unionized employees and its subsidiaries. Colombian legislation provides for two forms of representation for employees, as a result of which there are two agreements in the bank: the *Pacto Colectivo* (Collective Pact), which covers 81% of the workforce, with representation exercised directly by employees; and the *Convención Colectiva* (Collective Convention), which benefits 19% of the workforce and is concluded with the labor unions, which chose the representatives eligible.

[Annex 10 - Voluntary resignations \(turnover\) and breakdown by gender](#)

[Annex 11 - Recruitment of employees by gender](#)

[Annex 12 - Discharge of employees by discharge type and gender](#)

[Annex 13 - Breakdown of employees by contract type and gender](#)

[Annex 14 - Amount and type of absenteeism of employees](#)

### 5.3.3. Remuneration

BBVA has an advanced **remuneration system** based on the reciprocal long-term generation of value for professionals in line with shareholder interests and dependent on prudent management. This system is adapted to legal specifications in force at any time and also incorporates the standards and principles of the best generally accepted national and international practices.

This model has been designed in accordance with four **objectives**:

- To offer transparency, equity and consistency.
- To channel the importance of achieving the Strategic Priorities, which include both financial and non-financial goals.
- To recognize that all employees form part of a team and to identify the critical inter-dependency that requires teamwork to achieve joint success.

- The importance of maintaining a constant dialog on performance between the supervisor and collaborator during the whole year.

Remuneration is made up of two **clearly differentiated parts**:

- A fixed remuneration, which is established by considering the employee's level of responsibility and professional career path in the Group and setting a salary benchmark for each function.
- Variable remuneration, with a new model that is linked to the Group's strategic objectives through indicators formed by both financial and non-financial indicators. In this new model, each employee's variable remuneration is directly linked to the results at Group, area and sub-area/individual level.

### 5.3.4. Volunteer work

The BBVA **Corporate Volunteering Policy** covers all countries. It manifests BBVA's pledge to volunteer work of this type and provides employees with the conditions in which they can engage in corporate volunteer work that generates a positive social impact.

In addition to the **impact** at the level of corporate social responsibility, the activity of corporate volunteering enhances the development of employees, channeling their spirit of solidarity, and allowing them to make a personal contribution of their time and knowledge to provide help for people who need it most. This improves self-esteem, increases the sense of pride in belonging to the company and thus has an effect on talent attraction and retention.

The number of BBVA employees who participated in corporate volunteering actions in **2016** was more than 8,000 at global level, representing 6% of the workforce. These employees have dedicated more than 100,000 hours to tasks of this kind. Over 56% of these activities are designed to boost initiatives arising from employees themselves or in coordination with BBVA, in connection with education, primarily to boost financial education, and thus support the strategic lines set out in the responsible banking model.

In **Spain** 1,389 working employees and 180 on early retirement/retirement have participated in the different volunteering initiatives, of which 75% were dedicated to

issues of education, mainly financial education, and the rest were environmental and social action activities. The actions carried out with BBVA volunteers in Spain are channeled through the BBVA Volunteer website and implemented through the Volunteer Office.

The main educational **projects** through which volunteering is developed in the different business areas are:

- In Spain: the JAES Foundation programs, such as *Ventajas de permanecer en el colegio* (Advantages of staying in school), *Habilidades para el éxito* (Skills for success) and *Socios por un Día* (Partners for a day).
- In the United States: the Summer/Fall Day of Service initiatives and the NBA Cares community engagement program.
- In Mexico: the *Valores de Futuro* (Future Values) financial education program and the Momentum Project entrepreneurship support program.
- In South America: financial education workshops in Argentina, the *Adelante con tu Futuro* (Forward with your Future) financial education program in Venezuela, the *Leer es Estar Adelante* (Reading is getting ahead) program in Peru, and the *Becas de Integración Jóvenes con Futuro Adelante* (Integration Grants for Young People with a Future) and a financial education program in Uruguay.