



Fundación
BBVA

Microfinanzas
aniversario

15



Sustainable inclusion: at the service of households



H. M. the Queen of Spain, Honorary President of the Events Commemorating the 15th Anniversary of the BBVA Microfinance Foundation

Para la Fundación Microfinanzas BBVA en su 15º aniversario, con mi felicitación entusiasta por su labor transformadora y eficaz para lograr la inclusión financiera de los más vulnerables y promover así el desarrollo social y económico.

Letizia R.

"To the BBVA Microfinance Foundation on its 15th anniversary, with my enthusiastic appreciation for their transformative and effective work towards achieving financial inclusion for the most vulnerable, thus promoting social and economic development"

Letizia R.



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01

Introduction



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Introduction

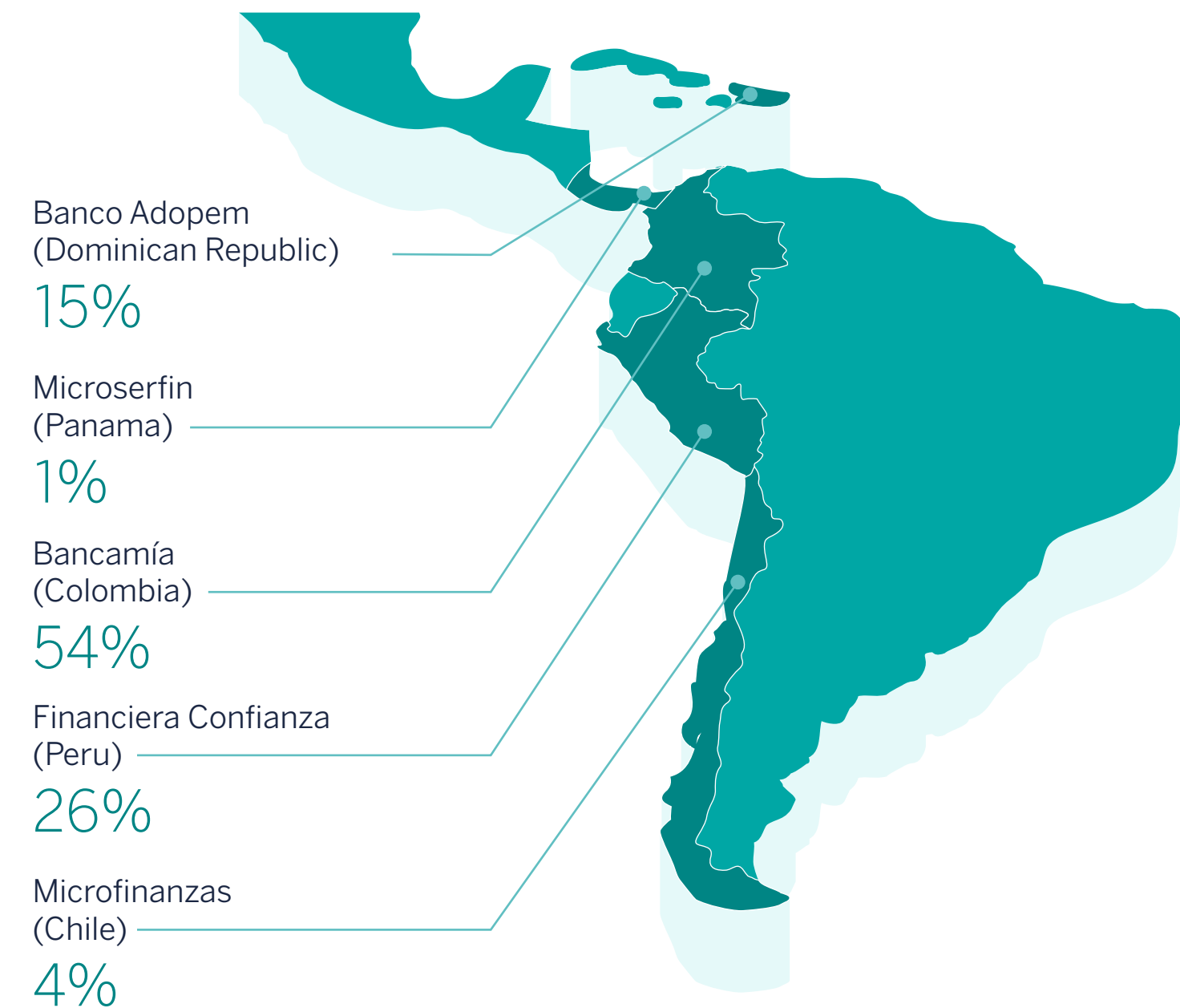
The BBVA Microfinance Foundation (BBVAMF or the Foundation) is a non-profit institution set up in 2007 as part of Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)'s corporate social responsibility policy. The Foundation is currently the major shareholder of micro-finance institutions in five countries in Latin America (Colombia, Peru, Chile, Panama and Dominican Republic). These institutions share a joint purpose: the sustainable development of vulnerable entrepreneurs through productive finance.

We are presenting our 2021 report - after 14 years of work and with 2.8 million

clients – in a context of recovery after the COVID-19 pandemic and against the backdrop of a series of highly significant social and political events in the countries where we operate. In this report we reveal a multi-dimensional vision of poverty and our own way of contributing, one that seeks the welfare of households as well as the advancement of our entrepreneurs' businesses. Only then will we be able to mentor them in a meaningful way and help them to be more resilient, a quality whose importance has become more apparent with the events of the last few years.

Client data to 12.31.21 by institution

2,773,221 +6%* ↑



Gross loan portfolio
USD 1,149 MM
+6%* ↑

Customer deposits
USD 657 MM
-7%* ↓

Sum disbursed
USD 1,312 MM
+34%* ↑

Average loan
USD 1,285
-2%* ↓



* Variation from 2020.

Our purpose

At BBVA Microfinance Foundation we are focusing on three of the key challenges that many people in the communities where we operate have to deal with.

First, we are serious about reducing the poverty and vulnerability suffered by so many of the entrepreneurs who work to get ahead in life and bring up their families through the effort they put into their businesses. We understand vulnerability, as we have seen above, not only as scarce economic resources to cover basic needs, but we also bear in mind the dimensions of health, education and housing, as fundamental areas of their development and progress.

Second, in view of the important role played by women in the economy and in development, since we are aware of the additional adversi-

ties they have to face, we are serious about supporting them as they get on and about empowering them with our mentoring, ensuring gender equality in their communities.

Finally, we have taken on the firm commitment to improve our processes continually around climate change and the environment. It is now imperative that we adapt our ways of doing things to conserve natural resources, prevent global warming, decrease dependence on fossil fuels and protect water quality, among other priorities.

Our goals



Inclusion (economic, social and digital)

- Rural and peri-rural areas
- Empropaz, migrants, partnership with USAID, IFC (World Bank), Tent Partnership for Refugees
- UNHCR refugees in Panama
- Communities in remote areas



Women's empowerment

- Training & upskilling
- Self-assertiveness and empowerment
- Integration in networks
- Women-specific healthcare products
- Digital skills
- Issuance of Gendered Social Vouchers



Environment

- Green financing, sustainable farming techniques & agribusiness
- Drinking water & domestic sanitation
- Biodigesters & clean energies adapted to vulnerable enterprises
- Recycling

Multidimensional factors of poverty



Health

- Primary healthcare & health insurance cover



Education

- Financial education
- Business strengthening
- Empowerment & digital skills
- Training for their children



Housing

- Upgrades
- More sustainable materials
- Drinking water
- Sanitation



Multidimensional poverty

The pandemic triggered by COVID-19 has reversed the achievements made during earlier years in terms of monetary poverty because of the harsh recession and falls in both employment and working income. Monetary poverty identifies the poor indirectly by comparing their incomes against the monetary cost of acquiring a basket of food and non-food goods above or below an established minimum threshold. Our traditional measurements have enabled us to catalog our clients by these criteria and link them to the progress of their businesses.

However, to obtain a more precise picture, we need to go beyond this dimension and make

a deep dive into entrepreneurs' standards of living, assessing the potential shortfalls they are also coping with in their homes.

While the monetary approach to the poverty of an individual or a household is related to the temporary shortfall in income, the multidimensional view brings us closer to the structural components of poverty and the precarious provision of public goods.

What is more, this strategy means that we can paint a more nuanced picture of monetary poverty and contribute to broadening it. This information helps us to create value offerings

that enable our entrepreneurs to overcome those structural shortfalls that are frequently linked to the lack of goods and services offerings that might narrow these gaps.

The need to look beyond the purely economic picture

The Multidimensional Poverty Index (MPI) is a poverty measurement that reflects the multiple deprivations suffered simultaneously by poor people in areas such as education and healthcare, among others. The MPI reveals both the incidence of multidimensional poverty (the proportion of people in a given

population who are poor along several dimensions) and its intensity (the average extent of deprivation experienced by each poor person at the same time).

The methodology used in the multidimensional poverty index is the standard adopted by the United Nations that has been rolled out internationally across most of the world and, in particular, in those countries where the Foundation operates. This index has been developed by the Oxford Poverty and Human Development Initiative (OPHI).

Multidimensional poverty

We want to understand entrepreneurs in all their dimensions, beyond the solely economic, and anchor this to an international standard”

In 2021 we set up a partnership with SOPHIA Oxford, an institution linked to Oxford University and OPHI, that works with the private sector. The aim was to build a measuring framework that would enable the Foundation and its institutions to diagnose some of the dimensions of multidimensional poverty facing our entrepreneurs and to track their progress over time. BBVAMF is the first private institution to design this index for its clients, which enables us not only to better understand their living conditions, but also to design value propositions with more information to improve those living conditions, for them and their families.



The Foundation's Internal MPI (IMPI-FUN)

We have brought together the local knowledge and experience of the Foundation's institutions with the experience of SOPHIA Oxford to measure three dimensions of multidimensional poverty. This has allowed us to design a standardized questionnaire for the whole group of institutions making up the Foundation (the Group) with the aim of building an ad hoc index comparable with the national indexes tracking those dimensions, putting the emphasis on those questions that would let us design an intervention. To that end, we surveyed 9,102 entrepreneurs, a representative sample from each country that reflects the reality of all the entrepreneurs we serve.

Looking at the surveys, we saw that 24% of entrepreneurs live in households in a situation of multidimensional poverty. On average, these households suffer deprivations along 3.7 of the 9 indicators. The poverty rate is greater in Banco Adopem (Dominican Republic) and Financiera Confianza (Peru).

The most important dimensions are education and health. In the first, 42% of entrepreneurs live in a household where an adult has not completed the minimum number of years of schooling. In terms of health, we see that 26% of households do not have adequate sanitation systems. Although these dimensions vary across countries, the incidence of deprivation in the housing indicators are notable, particularly access to Internet.

Were we to intervene to reduce certain dimensions of poverty in each country, and assuming a perfect scenario, with synchronized, sequential implementation, poverty could be cut by half (from 24% to 11% of poor people) after two interventions. This figure is a very approximate benchmark that gives us an idea of the magnitude of the change that could be achieved in a perfect scenario. For more detail about the MPI and the methodology applied, [see the link to our report](#).



The internal multidimensional poverty index

Dimension	Indicator	Weight (%)
Education	School attendance	11.11%
	Years of schooling	11.11%
	Learning lag	11.11%
Health	Health insurance	11.11%
	Access to water	11.11%
	Sanitation	11.11%
Housing	Overcrowding	11.11%
	Housing materials	11.11%
	Internet access	11.11%

SOPHIA Oxford & BBVAMF



Poverty threshold
33.33%



A client is poor when they live in a household with 3 or more deprivations

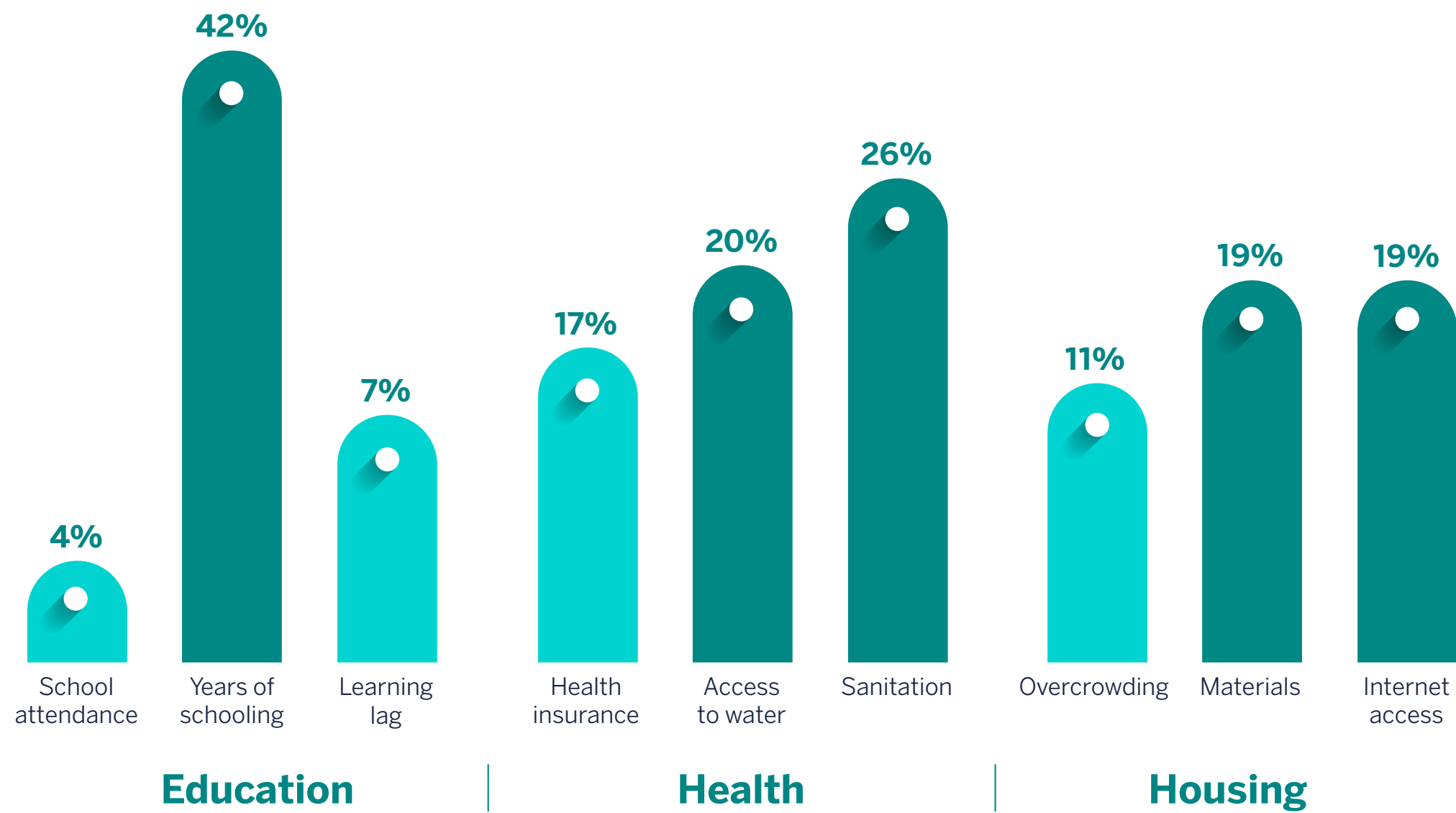
IMPI-FUN | 0.099

Incidence (H,%)	24.2%
Intensity (A,%)	41.0%



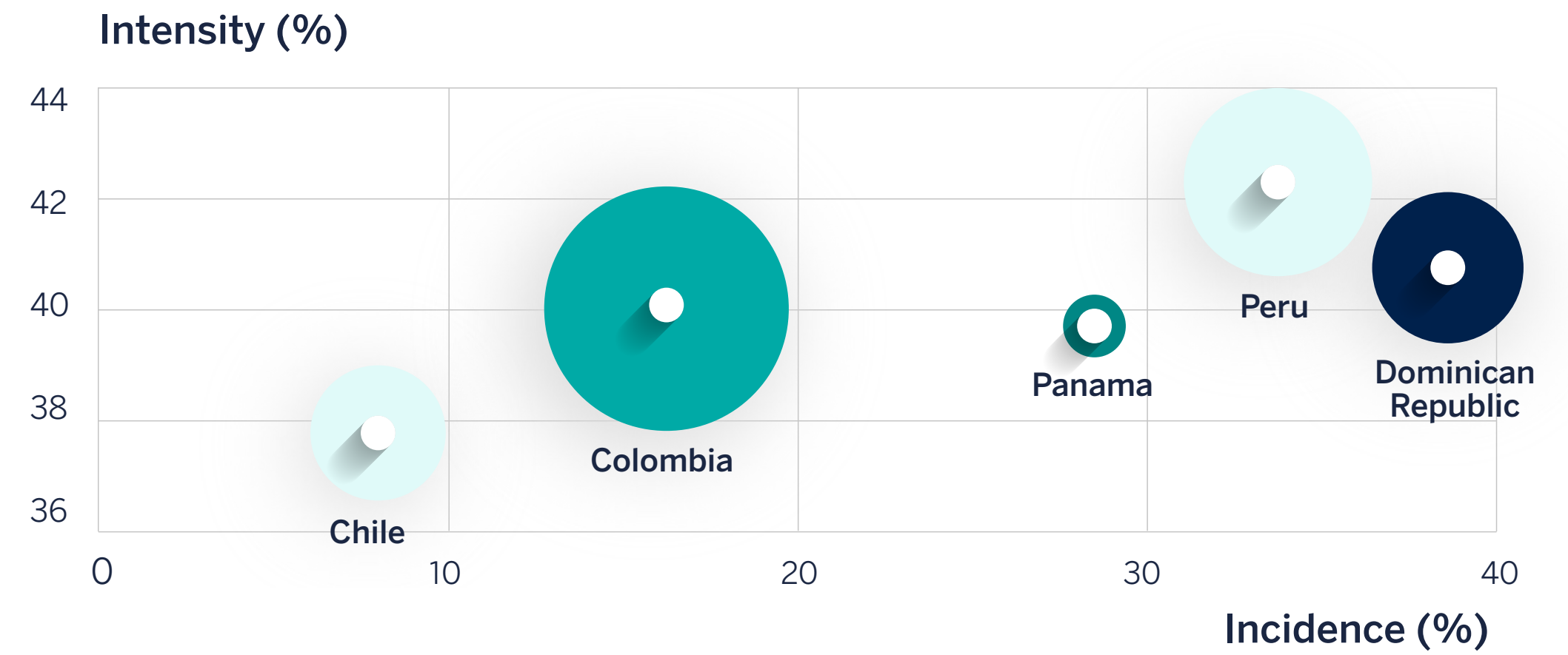
Incidence of deprivations

Total households with deprivations, by dimension



Incidence and intensity of multidimensional poverty, by country

Total poor and deprived households, by country



Note: The size of the circle represents the total number of clients per country as of December 2021. The incidence represents the number of people with shortfalls. The intensity is the number of deprivations suffered by a household over total households in this situation.

Years of schooling, sanitation and access to water are the most commonly suffered household deprivations, followed by housing materials and internet access ”

The rates of poverty are highest in Dominican Republic and Peru ”



The greater the understanding of poverty, the better the solutions

As the questionnaire was exhaustive and we could see the final outcomes of the index, we have been able to identify the dimensions that have priority and the areas where we should intervene. Although this is an initial diagnosis, if we apply it across the census, we can make predictions about a specific number of people and households. This could mean decreasing the incidence of the various shortfalls, reducing poverty along three dimensions and, in consequence, we can estimate the cost and scope of applying certain solutions.

As such, now we need to adapt our methodology even further so that microfinance institutions can use it effectively and on a regular basis. This would give them the capacity to design and provide proactive information

about evidence-based social responsibility programs.

Thus, our purpose and strategy of supporting our entrepreneurs to improve their living conditions has been reinforced. By introducing new variables and interventions, this Multidimensional Poverty Index will be a valuable tool in adopting a more integrated and complete understanding of poverty. The challenge will lie in carrying out actions that are as effective as possible and in finding key partners to help us complete these household interventions.

How we are dealing with it. Our vision

Microenterprises are important drivers for growth, employment and improved living conditions for people in vulnerability. To strengthen the development of vulnerable entrepreneurs, it is vital to empower them by offering integrated mentoring that includes access to a series of financial instruments, such as loans, insurance, and savings products. But they also need access to other, non-financial resources such as training, support networks, mentoring in the digital transformation of their businesses and their adaptation to the impact of climate change. At the Foundation we call this Productive Finance, our key tool for achieving our purpose.

In order to maximize our positive impact and align it with our purpose, we place particular importance on activating two levers that are always

very present and integrated into our operations: digitalization and measuring social impact.

The aim of the first is to ensure that our service reaches the highest number of people in the most agile and scalable way. We achieve this by developing digital solutions as well as training our clients and staff in technology skills, combining this with the integration of data into our operations and better, more widespread internet coverage in the areas where we operate.

The second lever is underpinned by a system of quantitative and qualitative metrics. This system analyzes in a detailed, systematic, and periodic manner the changes experienced by entrepreneurs in their businesses and their quality of life during their relationship with our institutions.

These analyses are based on our understanding of the entrepreneurs, their needs, and the most appropriate products and services for their development. That is how we link the value offering with social performance. At the Foundation we analyze this performance, but we do not attribute the causality of the impacts. What we are looking for is to maximize the progress of every entrepreneur.

Our system for measuring impact is transversal, which means that we can input feedback into our proposals and align the activity of all the Group's institutions as closely as possible with its purpose.



Digitalization & connectivity

- Digital solutions for clients
- Digital onboarding
- Biometrics
- Geolocation
- Connectivity solutions for remote communities
- Access to mobile devices
- Training in digital skills



Measuring social impact

- Poverty & vulnerability
- Performance of their businesses
- Financial health
- Wellbeing: health, education, housing, environment
- KPI (Key Performance indicators)
- ESG (Environmental Social Governance)

Our sustainability approach

Going beyond ESG and aligned with the SDG

Over two years after the start of a pandemic that has led to prolonged restrictions on movement and economic uncertainty, while laying bare the limitations of all countries' healthcare systems, the pressing question now is: how can we build back more, better, inclusively, and together respond to global challenges?

Societies and economies are having to deal with the increasingly unpredictable, complex, and serious consequences of biodiversity loss and the exhaustion of resources, climate change, income inequality, migration and other environmental and social worries. All this is exacerbated by weak institutional and corporate governance, which has a major impact at a number of levels.

Against this backdrop, legislators throughout the world are taking measures to change those economic activities that have significantly adverse effects and thus alleviate the worst consequences. Although these

policies will be introduced gradually and will take full effect on participants in financial markets in the long term, it is critically important to develop strategies to cope with these changes in a shorter timeframe.

To do so, we need to provide real support for a vision of sustainable development, which means combining economic growth, social inclusion, and environmental sustainability. This way of thinking may mean the route towards equality and prosperity in the world, ensuring respect for the environment. Therefore, taking on this holistic vision and putting it front and center of strategies is essential if our goals are to be reached. Given the financing needs entailed, finance must also stand at the heart of strategies in order to make sustainable development successful.

The means of offering sustainable financing have increased rapidly in the last few years, as a growing number of investors and institutional funds have already integrated environmental, social and gover-

nance (ESG) factors into their investment approaches. This growth has been driven by demand changes throughout the financial ecosystem, encouraged both by the search for better long-term financial values and by the desire to better align these values.

ESG investment means that investors take into account both traditional financial factors together with environmental, social and governance criteria. It also represents a more holistic investment approach, since it factors in the impact on the natural world and society, as well as any potential financial gain. The idea behind this approach is that finance should support society's broader goals in the long term instead of simply trying to obtain short-term returns.

This sharper focus on the standards and assessment of ESG criteria is a way of synthesizing how we can act to protect the natural world, ensure social progress, and improve global governance standards. Each area covers an extensive range of ESG factors on which the

non-financial impact of a company or an investment project can be measured.

According to the World Economic Forum, the greatest global risks in terms of their impact and likelihood are linked to ESG: failure on climate action, human-made environmental damage, livelihood crises and biodiversity loss*. These risks must be considered when designing sustainability strategies. Companies that plan ahead can react more effectively to these challenges.

Nevertheless, risk mitigation is not enough. It is imperative that the volume and effectiveness of resources are raised so that they have a real social and environmental impact. Support for ESG goals made a great stride forward in 2015, when the 193 countries in the UN's General Assembly adopted the Sustainable Development Goals (SDGs). These set 17 interlinked global goals aimed at directing the world towards a more sustainable and inclusive future.

* World Economic Forum, "The Global Risks Report 2021" (June 2021).



The SDGs encompass a broad range of ESG factors. The challenges facing the world – from climate change to inequality – are important and there are now fewer than eight years left to achieve the 17 SDGs proposed by United Nations.

These private-sector goals apply in each of the dimensions comprising ESG, where supervising corporate governance is as important as the role of governance itself in driving social and environmental progress.

The BBVA Microfinance Foundation is thus wholly aligned with the SDGs, impacting thirteen of these 17 goals. For greater detail, see [Our Sustainability Approach](#).

The Foundation’s purpose is therefore to generate an impact on the standard of living of the vulnerable

entrepreneurs it serves, protecting environmental sustainability, both in terms of its direct actions, and the impact of the activities financed. Likewise, it strives to formulate solutions to mitigate the impacts facing both the Foundation itself and its clients. In consequence, it is necessary to align development targets with the organization’s capabilities and adapt these to the various frames of action. This will allow a route map to be defined that is achievable in all areas. ESG criteria are a framework for this route map that synthesizes the value created for a broad panoply of stakeholders.

Sustainability is embedded in our purpose: we aspire to sustainable development for people (long-term, across all dimensions) ”

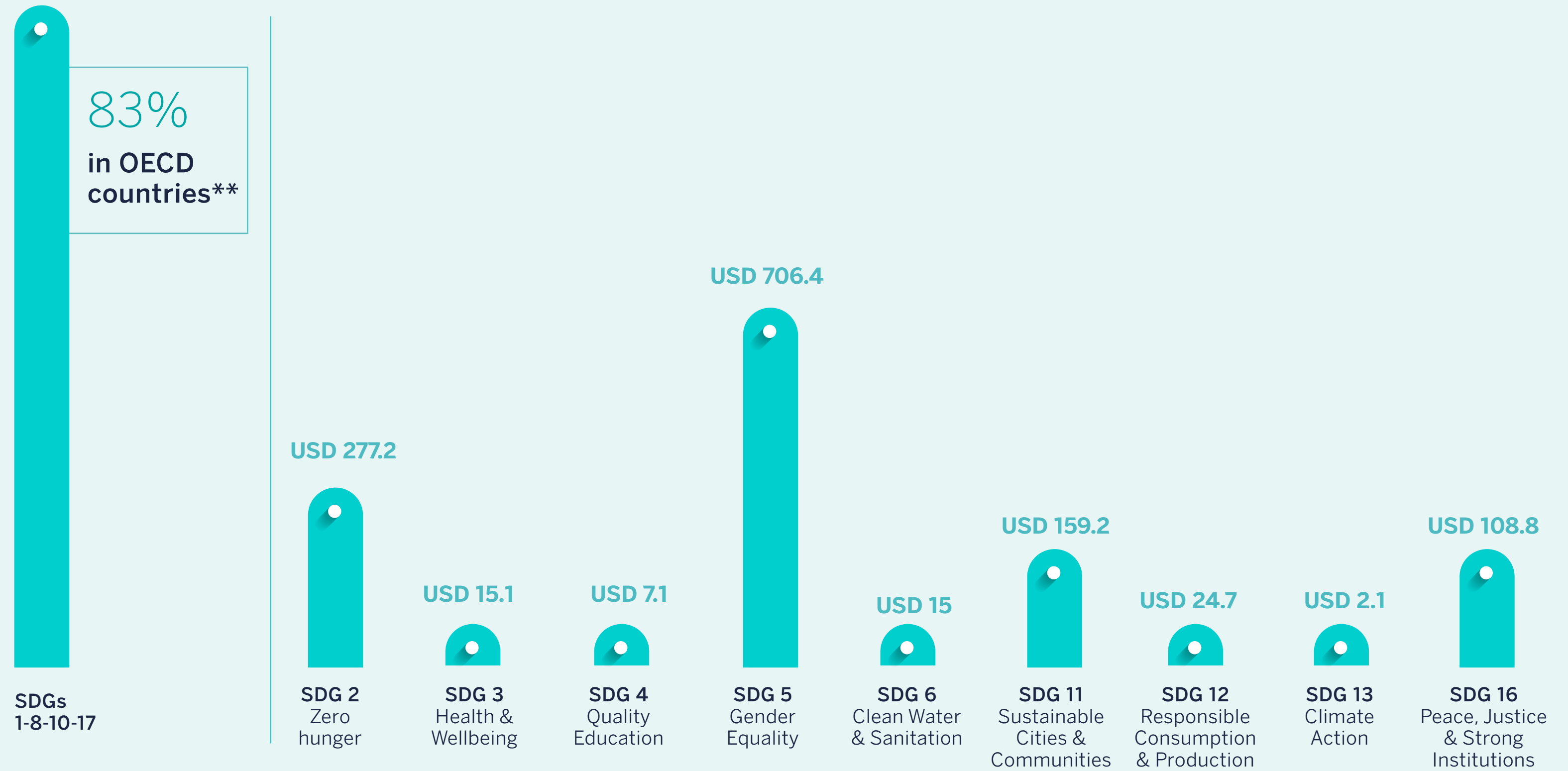
Our contribution to the Sustainable Development Goals (SDGs)





The contribution in 2021 to the Sustainable Development Goals

Sum disbursed in 2021 (USD M)*



* Loans disbursed in 2021 by each goal.

** Weight of the credit volumes disbursed in countries on the list published by the OECD's DAC (Development Assistance Committee), with partners eligible for Official Development Assistance (Colombia, Peru, Dominican Republic & Panama).



Our sustainability focus, framed within ESG

In the case of the BBVA Microfinance Foundation and its institutions, the social dimension lies at the heart of its raison d'être and its actions. Our entrepreneurs and target audience have low incomes and limited or no access to the financial system. Furthermore, they are more exposed to the impacts of climate change that threatens to wreak devastating consequences on their lives.

To this end, our work is designed to mitigate the factors of financial and social exclusion, as well as providing this population group with a set of products that enable them to increase their resilience to climate change, improve their interaction with the environment and their standard of living. We develop all this within a

governance framework that safeguards the fulfilment of our mission and our ethical principles, establishing appropriate behaviors, encouraging diversity, equality and better working practices, while leaving the smallest possible carbon footprint in the course of our work, footprint that we will reduce substantially in the next few years.

ESG has thus moved from being a framework to becoming a strategic guide that enables us to align our actions with the SDGs' ultimate impact goals. By its very nature, as a social impact generator, the social dimension is over-represented. For further details, see [Our Sustainability focus](#).

By 2025

4.5 million clients

€ 7 million disbursed



Carbon footprint
Green products



Scale
Vulnerability
Financial health
Multidimensionality



Governance
Diversity
Independence
Job dedication



Diversity
Turnover
Mobility



02

Our path in 2021

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Resilience. We moved ahead without leaving anyone behind

In 2021, as part of our commitment to support communities and entrepreneurs – as we proved during the most acute phases of the pandemic – the Foundation was tackling a scenario that was still very unclear. The arrival of vaccines against COVID-19 brought with it a degree of normality to the region, and there was a slight economic recovery. However, the pandemic continued impacting on the activity of our entrepreneurs with new outbreaks and the resulting restrictions imposed by the authorities to contain them. Furthermore, there were new causes of instability, such as social unrest and political crises in some of the places where we operate*.

In these uncertain, higher-risk circumstances, demand for credit has risen as mobility limitations have been removed, and the need for reactivation has increased.

In 2021 we continued with our purpose, that of providing financial services to entrepreneurs. Given that the scenario was one of greater risk, we progressively adapted our policies to the new reality, thus ensuring more orderly growth and recovery.

Our global challenge in 2021 has been to support our entrepreneurs as best we can: facilitating access to productive finance, albeit in a totally different scenario”



* Social unrest: social protest and strikes in Colombia (April- June 2021); demonstrations about the elections in Chile (November-December 2021).

In this new situation, the Foundation's institutions supported two types of entrepreneurs: those who were active and those who were affected.

The active entrepreneurs

Those who were setting up a business from zero –those who managed to reinvent themselves or change the branch of activity they worked in–, and those who had gradually reactivated the business they had always run.

The affected entrepreneurs

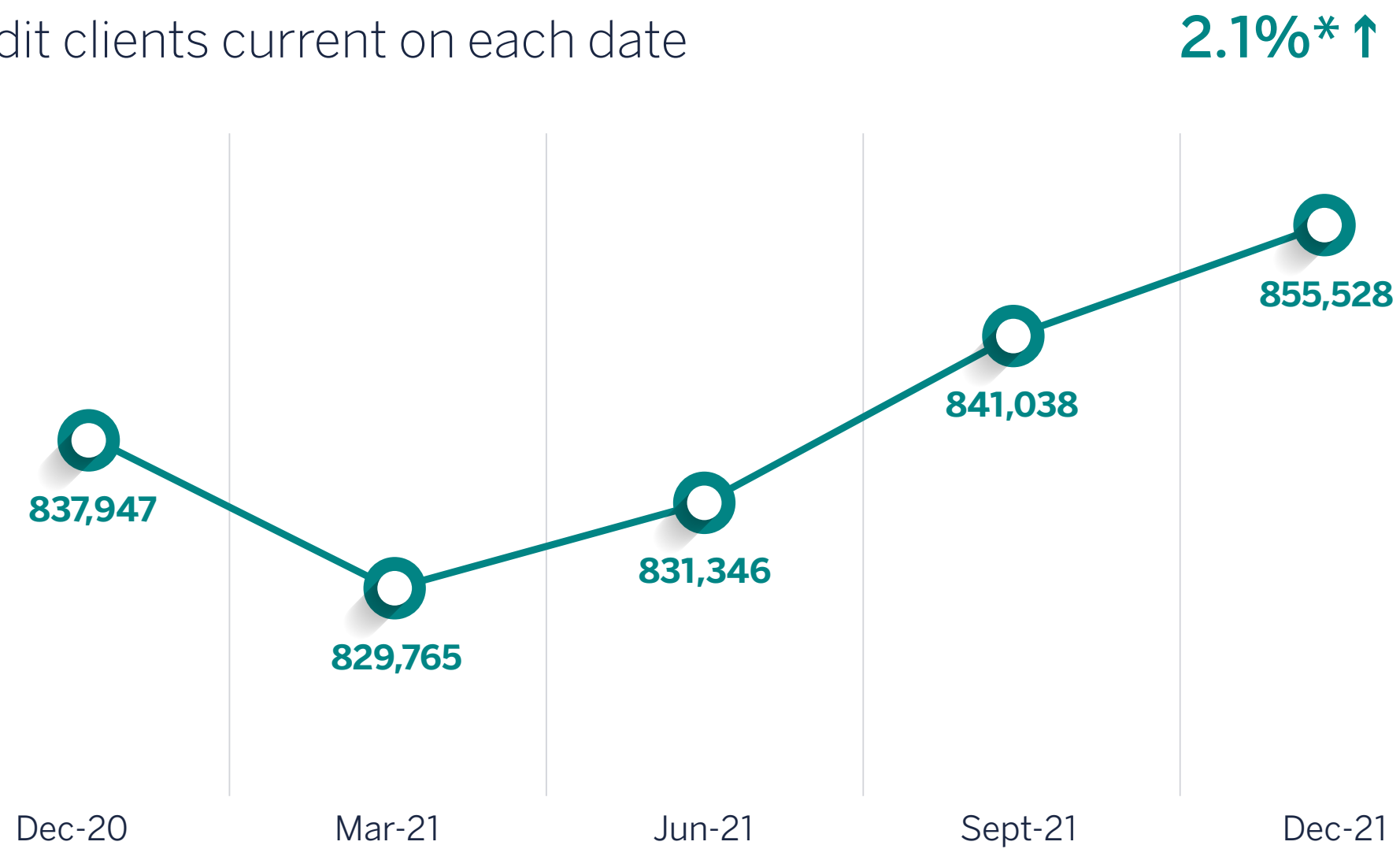
All those whose incomes were substantially impaired or who had to close their businesses. Those in the second category not only lost their regular source of income that paid for their needs but were also unable to meet the financial obligations to which they had committed.





Number of credit clients

Credit clients current on each date



* Variation from 2020.

At the beginning of 2021, the Foundation was facing a complex panorama. Together with higher demand for credit, the result of the need for our entrepreneurs to recover swiftly after the blow of the pandemic, other factors causing a high degree of uncertainty appeared on the horizon.

In this context, the Foundation's institutions were lending to around 855,000 entrepreneurs at the

end of 2021, an increase of nearly 3% over 2020, reflecting the reactivation of small enterprises. Credit activity focused on boosting access to loans, a key factor in leveraging entrepreneurs' recovery. But also on supporting those who continued to feel the impact of the pandemic with flexible solutions. The institutions did this while supervising credit risk at all times, to guarantee their own viability and drive fulfillment of their mission.



We support business reactivation as part of fulfilling our purpose

High-quality, sustainable microloans

- ✓ We are progressively adapting our credit policies so that they are appropriate to the new realities, supporting our clients in an orderly manner as they grow and recover against a higher-risk backdrop.
- ✓ We support reactivation by proactively managing government-backed funds.



We provide solutions for the hardest-hit clients

Going forward without leaving anyone behind

- ✓ After analyzing each case, we adapt our methodology so that we can offer each client the most appropriate and sustainable solution, depending on their recovery rates, before their loan extension falls due. We design new, flexible payment formats for our clients.



We are adapting to a new, changing scenario

Scaling up our support capacity with our tools and infrastructure

- ✓ We develop and incorporate new tools that standardize and digitalize systems in record time.
- ✓ We leverage technology to manage our clients' needs.
- ✓ We reinforce the management of operating risk and business continuity.



We have adapted our style of management to the new recovery environment and the different rhythms of the entrepreneurs and the countries where we are present ”

We support reactivation with sustainable, high-quality microcredits

One of our priorities has been to carry on complying with our purpose of flexibly serving clients who need our financial resources to reactivate or reinvent their enterprise. All without neglecting to bear in mind their credit situation or the sustainability of the institutions themselves.

To this end, throughout 2021 we continually reviewed our models and processes for approving and granting credit, accommodating our policies to the new reality:

✓ We subjected our credit policies to a thorough overhaul, adjusting them to the different behaviors and tailoring our offering to the characteristics of each sector, geographical region, and product.

✓ We gradually suppressed the restrictions on issuance we had established at the height of the pandemic, prioritizing the recovery of the local economy.

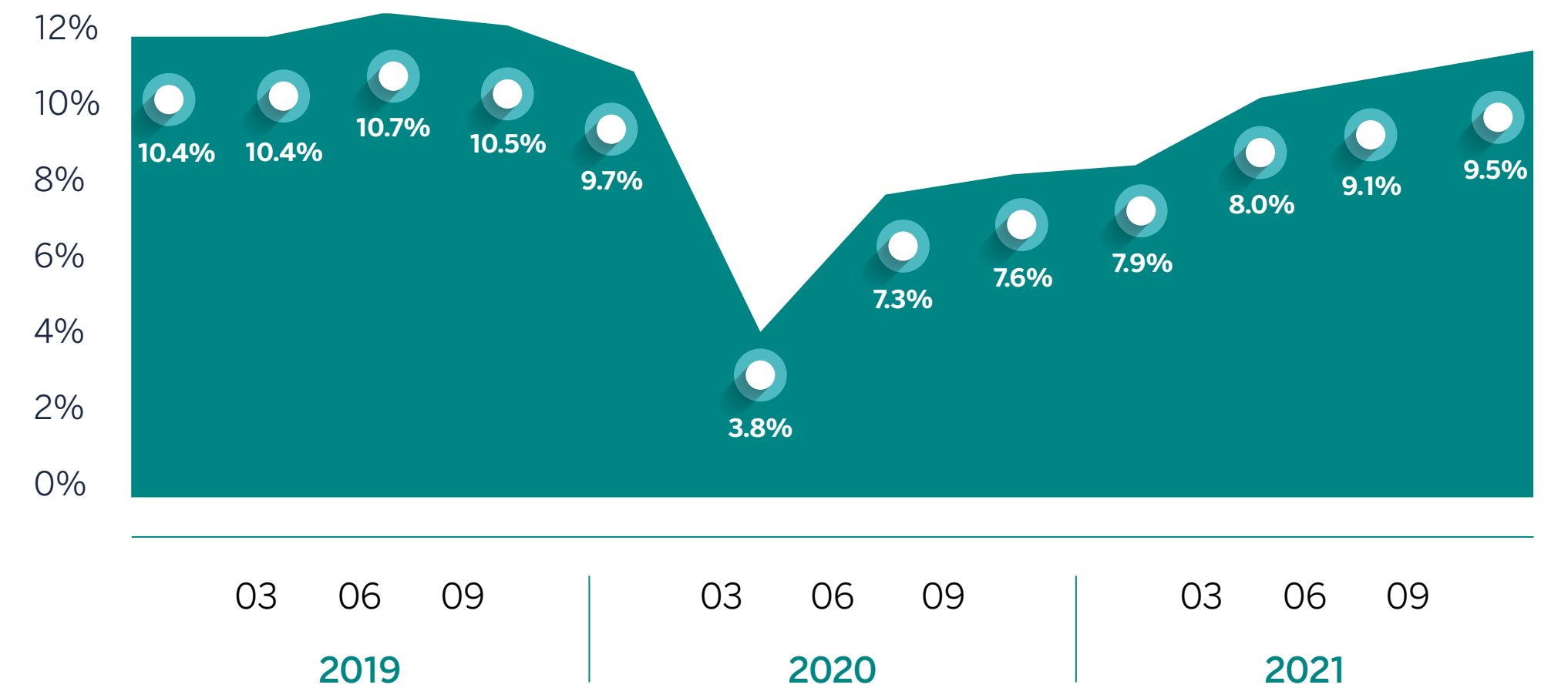
✓ We reactivated our pre-approved credit campaigns –those granted to our best clients in recognition of their solid track-record*– targeting our Colombian and Peruvian clients, adapting the methodology to the reality on the ground.

✓ We proactively manage the channeling of governmental aid by issuing funds using public collateral, in order to target reactivation.

* Automatic credit availability for clients with excellent credit histories and financial capacity, fast-tracked for acceptance and formalization.

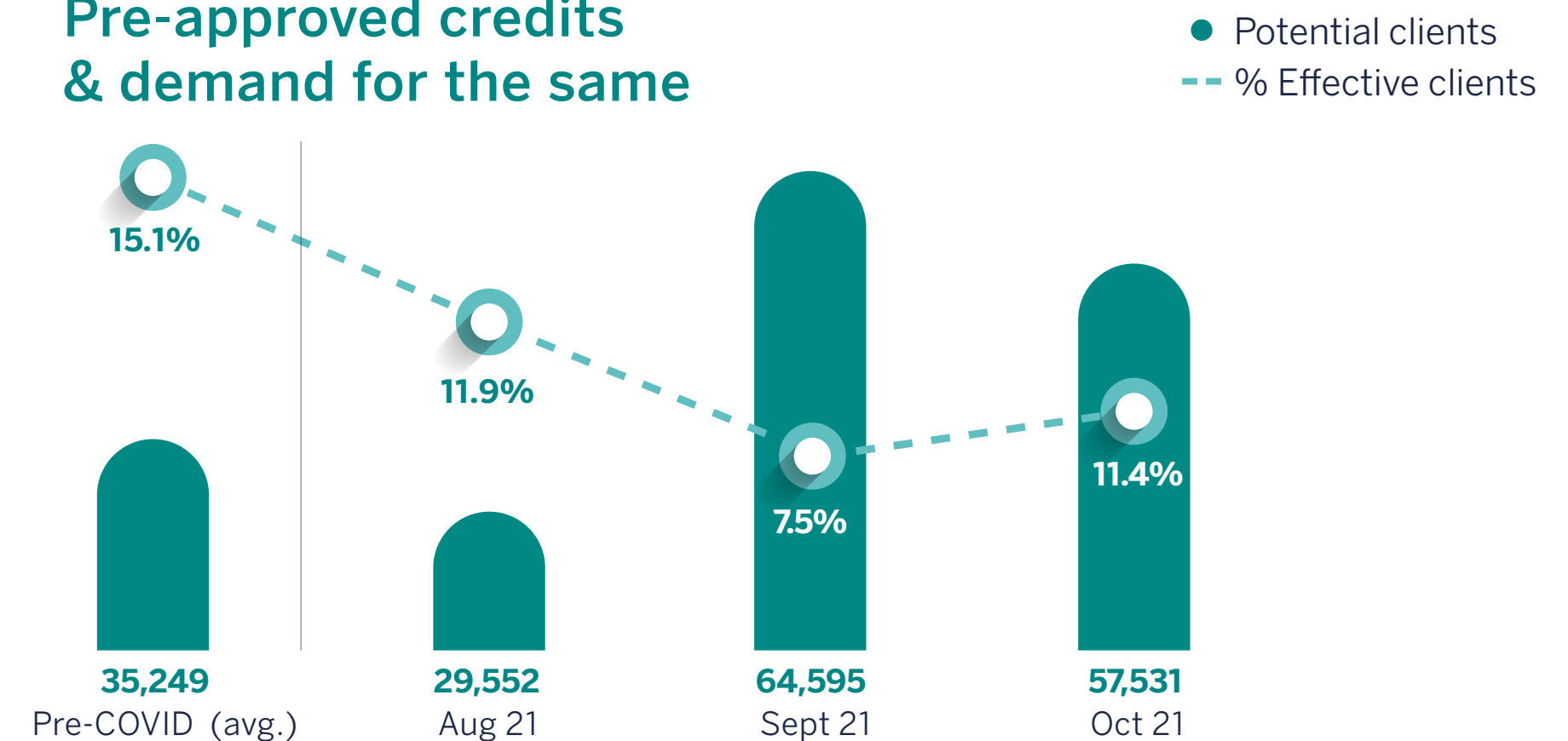
Collections indicator

Quarterly average



Credit investment collections index, change 2019-2021. BBVAMF aggregate.

Pre-approved credits & demand for the same



Changes in the number of potential clients for pre-approved credit issuance (creditworthy clients who are in a favorable situation) and change in the effectiveness rate of campaigns (acceptance and formalization of the pre-approved loan offered). Weighted average of the effectiveness and potential clients by country.



We proactively manage the channeling of governmental aid by placing publicly-backed reactivation funds ”

Balance, portfolio with collateral to 12/31/2021	
Aggregate, euros '000	147,042
Financiera Confianza	27,673
Bancamía	119,419
% of total BBVAMF portfolio	14.5%

Outstanding balance on credits disbursed as part of governmental guarantee program, to end of 2021.

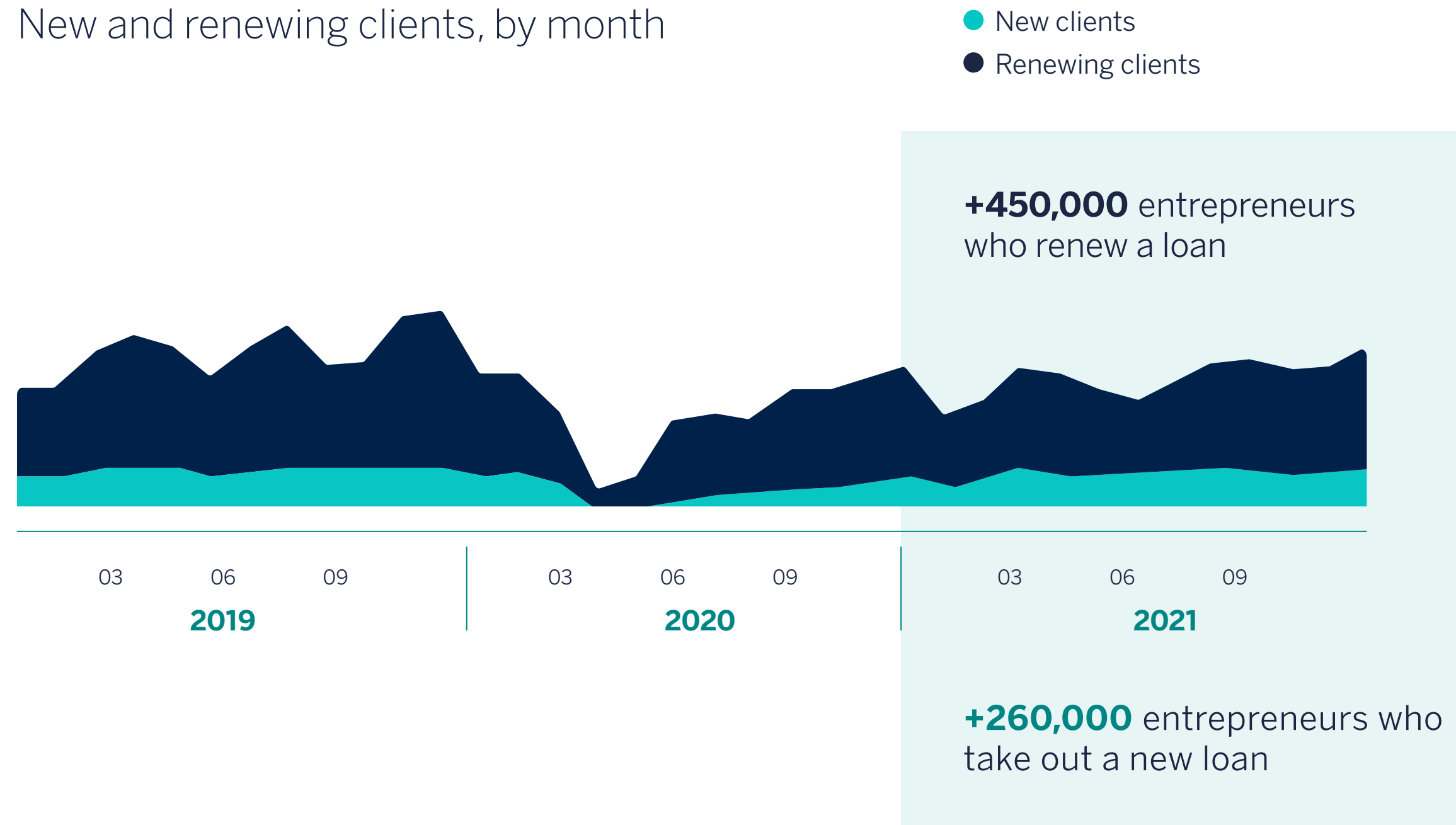
Government-backed disbursements 2020 & 2021				
	2020		2021	
Aggregate, euros '000	148,553	29.68%	59,309	7.62%
Financiera Confianza	36,352	12.60%	225	0.04%
Bancamía	112,201	52.92%	50,084	23.83%

Accumulated sum of disbursements made as part of governmental guarantee programs, and as a percentage of total disbursements during the period in Financiera Confianza (FAE, FAE Women, Reactivate & COVID-19 Guarantee loans), and in Bancamía (loans underwritten by the National Guarantee Fund (FNG), Fondo Agropecuario de Garantías (FAG) [Agricultural Guarantee Fund], and US Agency for International Development, USAID).



Client flow

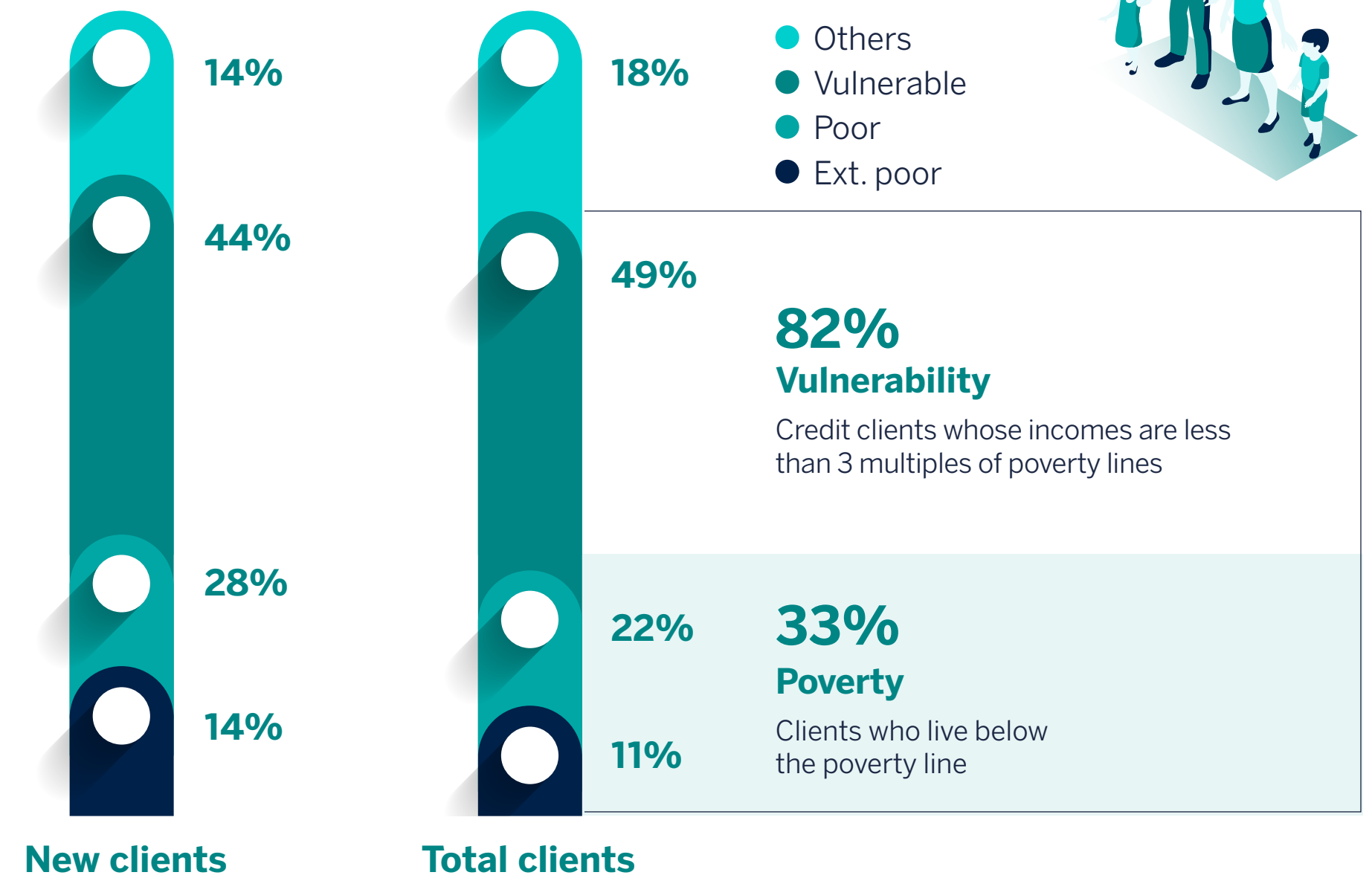
New and renewing clients, by month



Setting up all these policies and processes has enabled us to contribute to the positive performance of disbursements in 2021, when we succeeded in serving more entrepreneurs. While we have not recovered pre-pandemic volumes, our support for reactivation ensures that growth is steady.

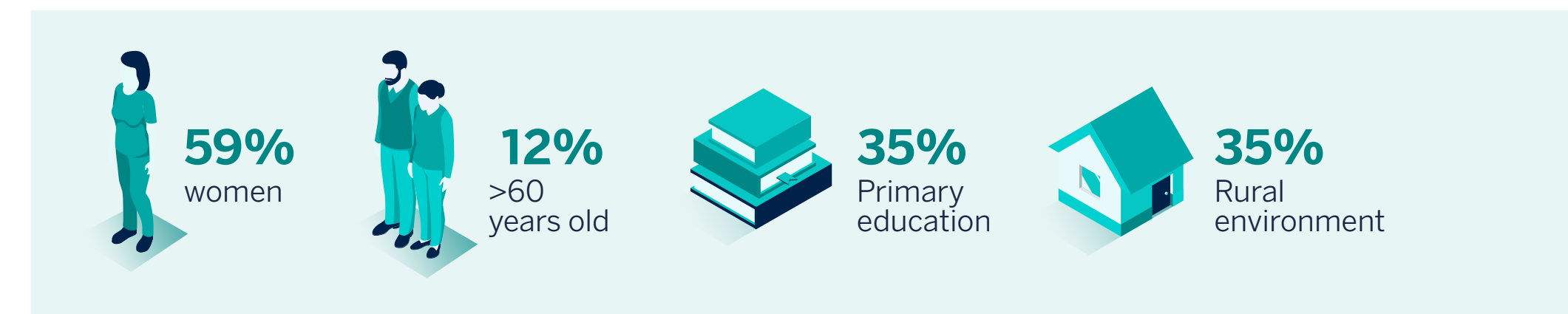
Economic vulnerability

New and total credit clients



Social vulnerability

Total credit clients to 12.31.21





Growth in sales

Entrepreneurs renewing a loan



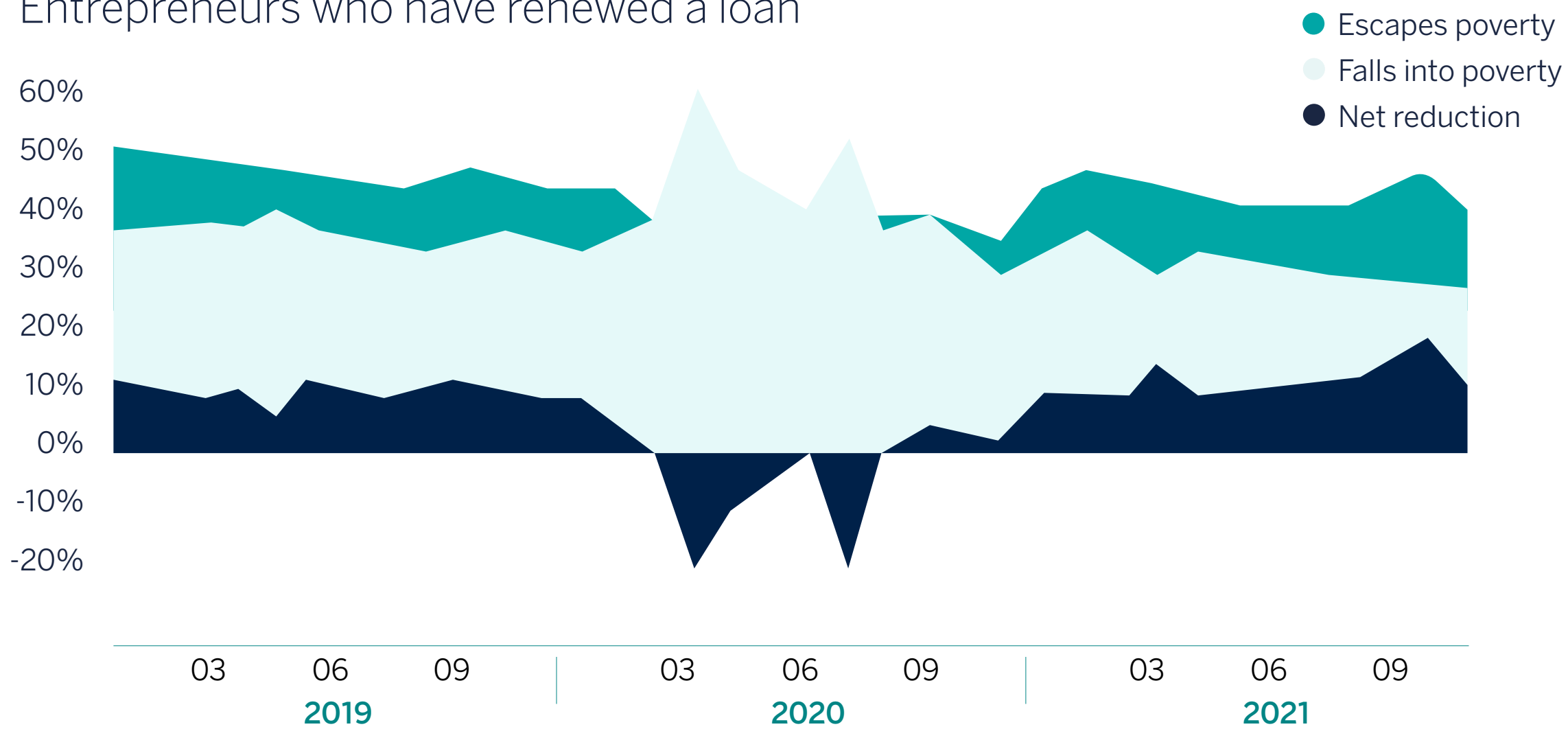
Growth in surpluses

Entrepreneurs renewing a loan



Reduction in the segment of poor entrepreneurs

Entrepreneurs who have renewed a loan



We are supporting the reactivation with sustainable, high quality microloans

Over 450,000 entrepreneurs rolled over their loan in 2021 with the Group’s entities (18% fewer than in 2019), and 260,000 were new entrepreneurs*. Of the new entrepreneurs served, 86% were in economic vulnerability, while 29% were banked (those entrepreneurs who join the formal financial system for the first time thanks to BBVAMF institutions).

That was how the initial shock of the pandemic started to become normalized among entrepreneurs, who have returned to growth in their enterprises, in terms both of sales and surpluses. This, in turn, has triggered a reduction in the segment of poor clients, a group that had increased in 2020 as a result of the pandemic.

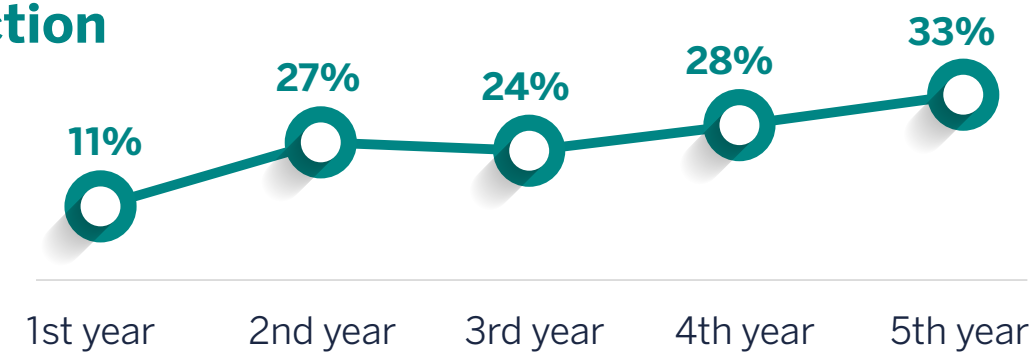
* Because of the pandemic, from April to June 2020 approximately, loans were not disbursed to new clients. But as economies began opening up again, they were made available.



Changes in the poverty segment

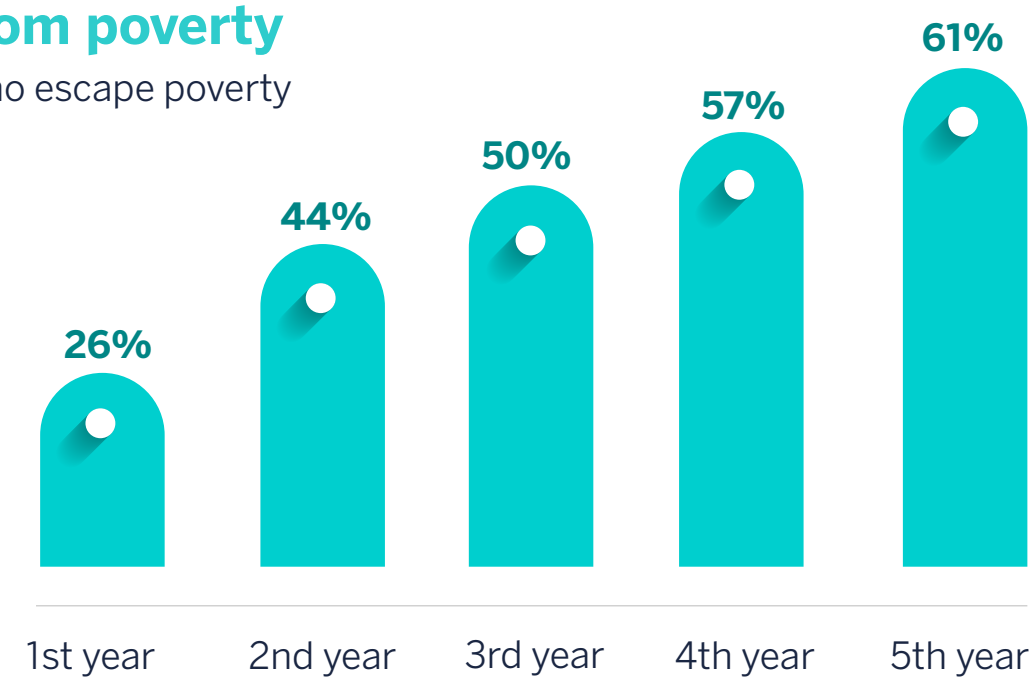
Entrepreneurs who have renewed a loan

Net reduction



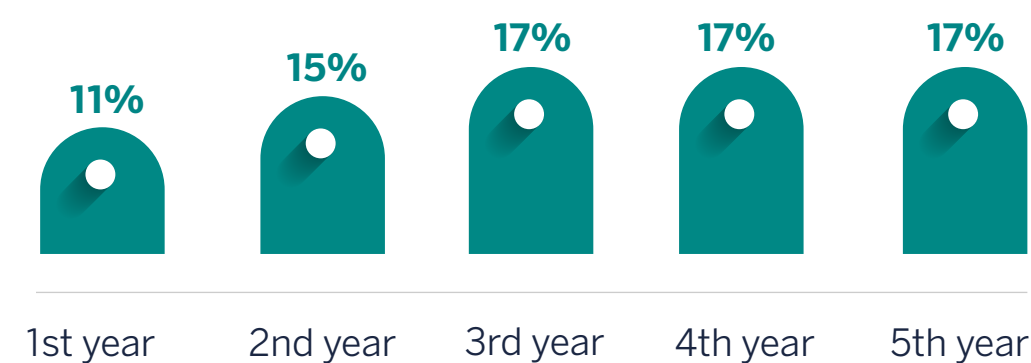
Escape from poverty

Poor clients who escape poverty



Falling into poverty

Non-poor clients who fall into poverty



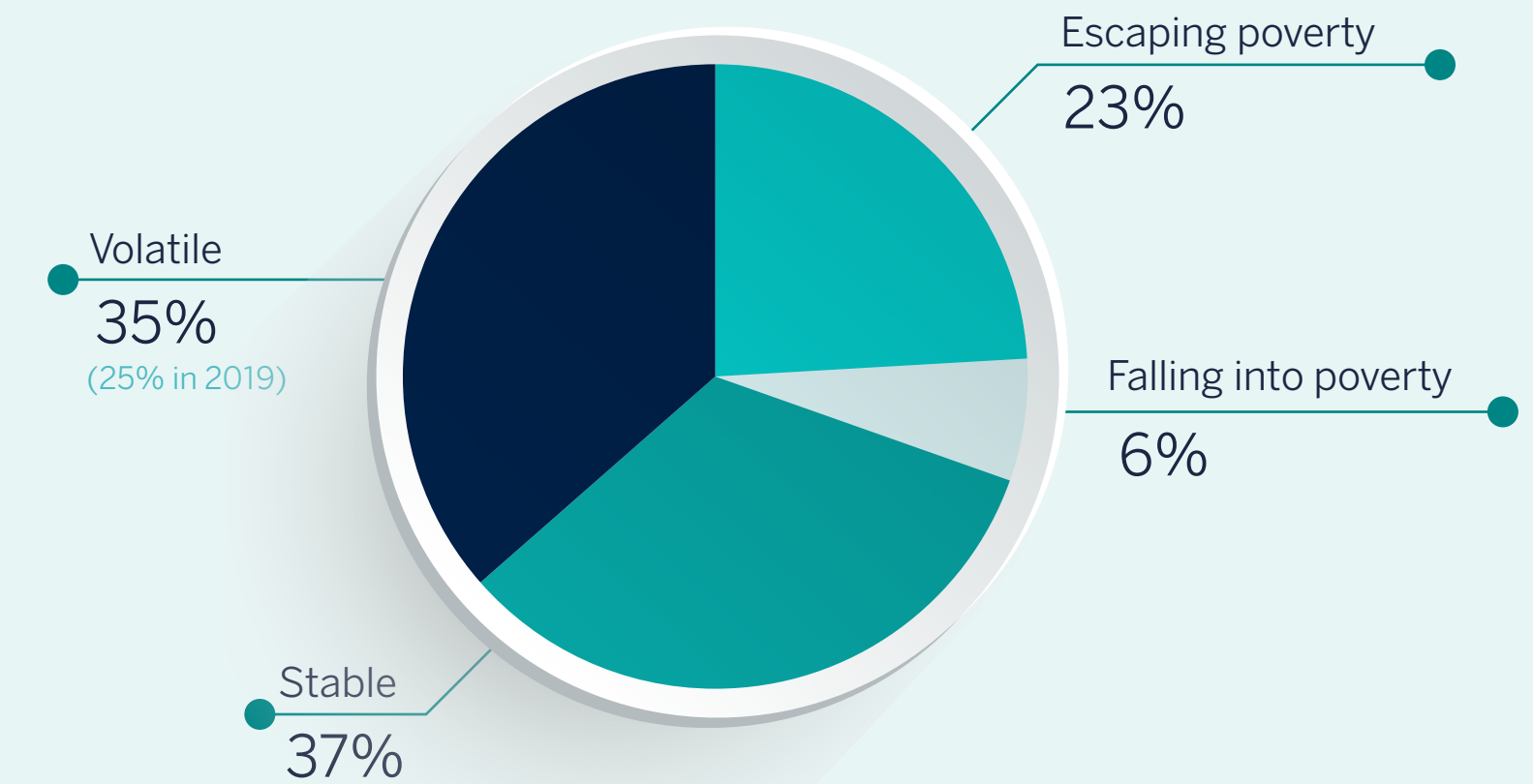
Growth in income (as we have seen above) means that after two years banking with one of our entities, on average, one in three entrepreneurs makes enough money to escape poverty.

Their income instability had certainly increased (incomes were volatile for 35%, compared to 25% in 2019, before the pandemic). In other words, the number of entrepreneurs who had crossed the poverty line, both upwards and downwards, more than once has increased.

Given that some entrepreneurs were still affected in 2021, we have extended our personalized financial solutions targeting those who could not meet their loan payments, after their capacity to pay was affected. The knowledge we have acquired of the extent to which each of our clients is individually affected has enabled us to finetune our solutions, and even design new ones that are tailored to the different credit scenarios they face.

Income instability increases

Entrepreneurs with more than five loans, by segment



Mentoring plan

Grace periods

Segmentation

- Installment haircut
- Extended term
- New grace period
- Variable installments

New solutions

- Restructuring with interest cuts
- Condonation, rate adjustments, new funds

Volatile: Entrepreneurs whose enterprises generate such unstable surpluses that they cross the poverty line at least twice during the life of five loans.



We provide special solutions for the hardest hit entrepreneurs

At the beginning of 2021, some kind of modification to their conditions had been made to 65,372 loans granted by the Foundation's institutions, necessary in order for the entrepreneurs to be able to meet their payments. This figure had fallen to 9,390 by the end of that year.

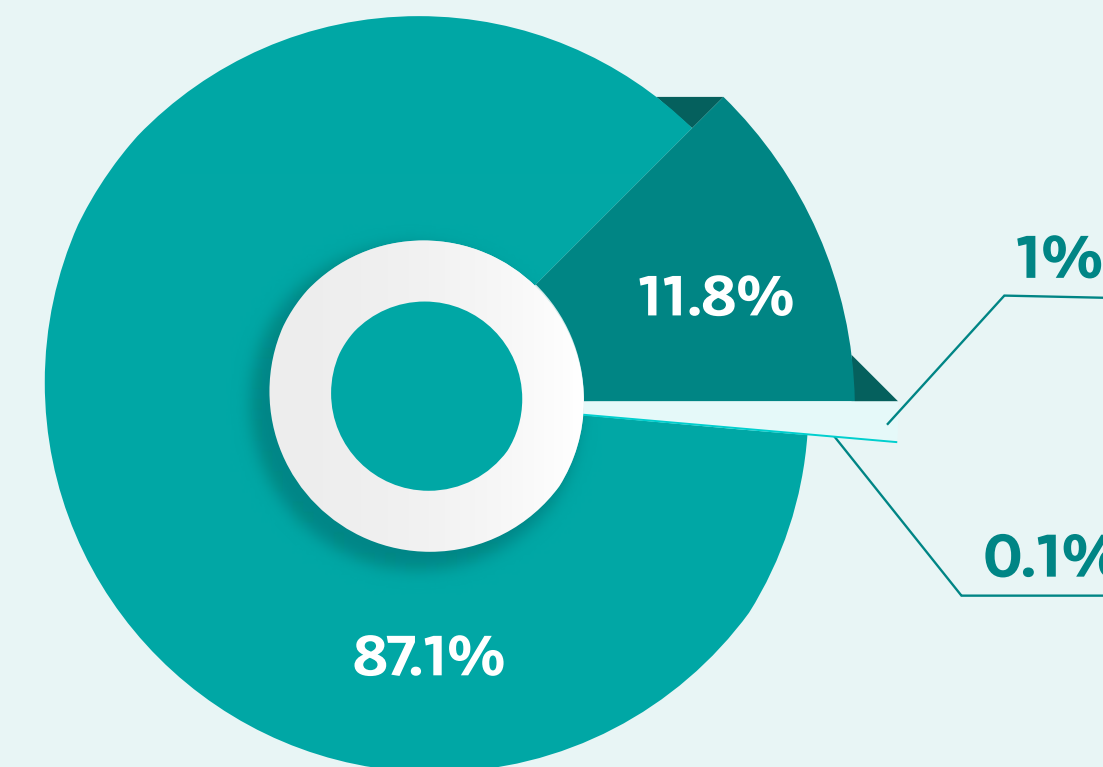
The commitment to the Foundation's purpose has consisted of redirecting, in a responsible and transparent fashion, the financial situation of those entrepreneurs who are still impacted; a circumstance that became visible over the course of the year, as and when the aid packages came to an end. The management approach we applied was adapted to the new environment of recovery, as well as to the different tempos of the entrepreneurs themselves and of the countries where we operate.

Unfortunately, some of them were unable to reactivate their businesses. In order not to affect their family budgets and to prevent their exclusion from the financial system due to the outright impairment of their credit performance, our priority in these cases was to ease the cancellation of their obligations in the best way possible.

To achieve this, we prepared plans to condone and discount the debt of over 11,619 clients. They were able to cancel 100% of their obligations with our entities under exceptional terms. In other words, we helped to prevent all of them from being excluded from the financial system for non-payment.

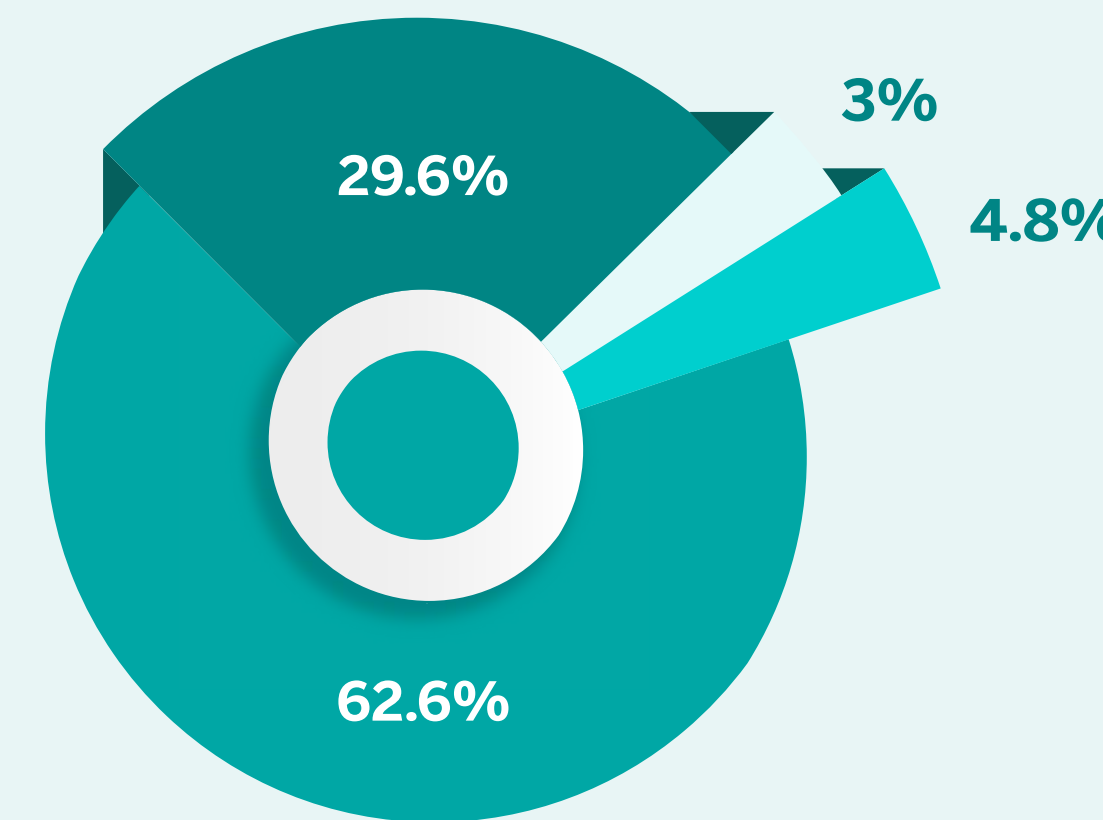
Loan book breakdown

December 2021



- Performing loans
- Performing loans receiving financial solutions, now completed
- Restructured or refinanced loans
- Loans in grace period

December 2020





Proactive adaptation to the new reality:

New tools and infrastructure

In 2021 the scenario for the entrepreneurs served by our institutions remained volatile and new threats appeared, in the face of which we had to respond with different tools and technological solutions. It was critically important to do so from a solid position of liquidity, with robust and proactive management of operating risks and of business continuity.

Here, the continued emphasis on using digital technologies and tools has been a key factor. This has enabled us to get closer to our clients, to continue serving their requirements, to reach the most needy, to tackle their different realities and to act responsibly in a context of restricted mobility.

✓ In this context, we organized virtual lending committee meetings so that we could continue working with the same quality but without compromising the health of our colleagues and clients.

✓ An alternative that breaks down geographical barriers and optimizes the possibilities available at all times was to set up virtual visits to clients, depending on their characteristics and the loan type.

✓ In conjunction with the Colombian fintech firm QNT, we have developed a pilot project that will enable us to redirect the situation for those borrowers who were excluded from the financial system for non-payment, giving them another chance to rejoin the system.

✓ We developed digital credit and have continued to extend our presence with the *Asesor* [Advisor] and *Corresponsal* [Correspondent] apps, and with the *Cliente* [Client] app and website. This has enabled us to make it easier for clients to operate and for us to serve them without limitations of time and place.

✓ We have established automatic controls over our credit policies and methodologies, incorporating them directly into systems and processes into each of our adaptations.

✓ We optimize our internal management channels with the help of cloud-based solutions, adopting self-management mechanisms, simplifying operations to make our colleagues' tasks easier in this new context.



Displaced populations, migrants and refugees

During 2021, major internal migratory flows and displacements between countries have remained a significant part of the social reality in the geographies where the Foundation operates. Increased Venezuelan migration, and the resulting refugee crisis* have played a big role here.

Many of these people, even when they have legal status, live in precarious and unsafe working conditions, with low wages and no social security. The pandemic has affected them particularly hard, increasing their vulnerability even further: from the loss of employment to the lack of access to governmental subsidies, among other negative effects.

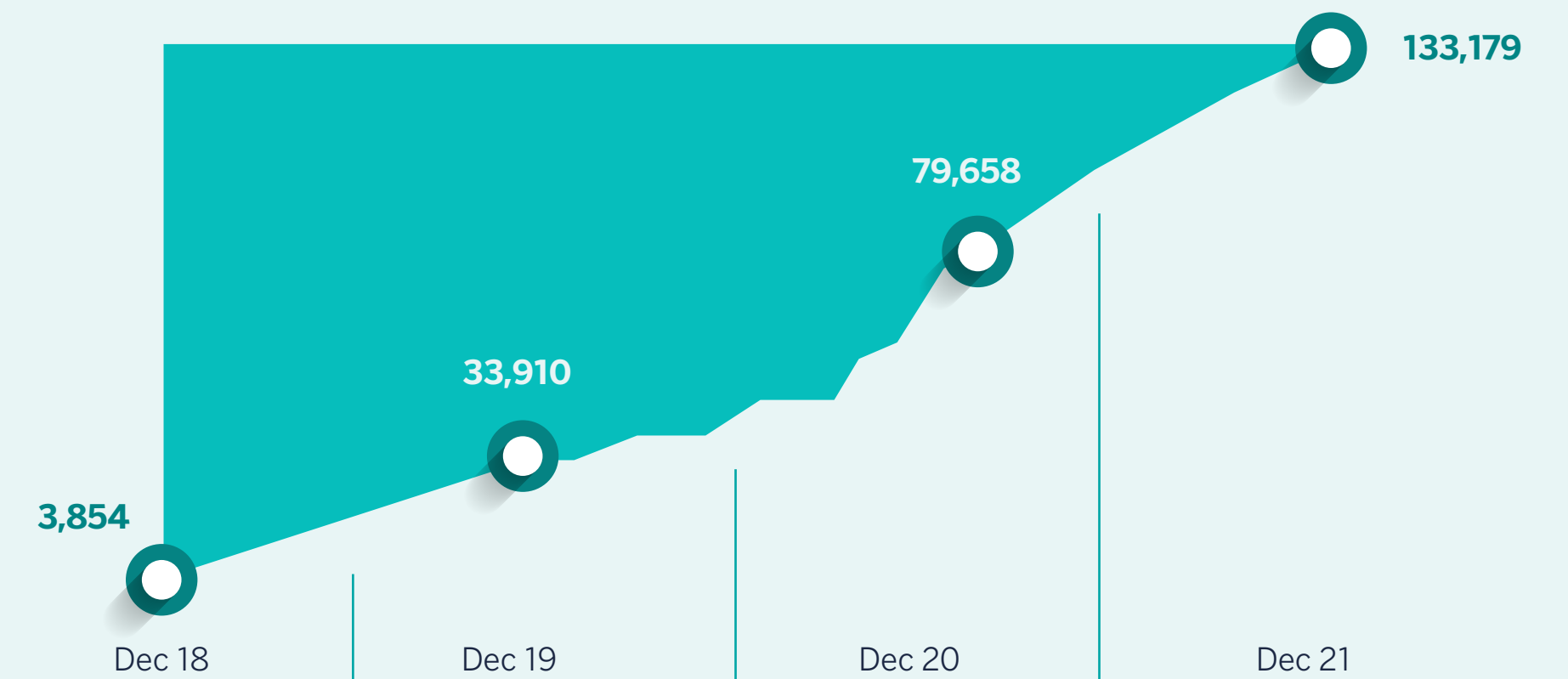
It has become increasingly necessary to identify and empower these segments –frequently unseen by the welfare state– to help them get on. In line with its stated purpose, the Foundation has paid particular attention to these groups, supporting them through financial inclusion and productive finance, in a bid to promote their development and welfare.

To the end of 2021, Bancamía (Colombia), Fondo Esperanza (Chile) and Microserfin (Panama) served around 133,000 displaced people, migrants and refugees through specialized programs and initiatives such as Empropaz (Colombia), Banca Comunal Migrante (Chile) and the UNHCR program (Panama), among others.

Due to the growing needs of these segments, these programs have gradually been extended. They are designed to be compatible with each country’s political and legal framework, the products and services have been adapted to these clients’ specific needs, and training is also supplied, thanks to support from partner organizations (governments, multilateral institutions, and NGOs). Throughout the year, the Foundation and its institutions have gone through a learning curve of resilience and adaptation, endeavoring to transfer their knowhow to serve people who, in vulnerable circumstances, are making huge efforts to look after their families and get on. It has been a year of making progress without leaving anyone behind.

Migrants and displaced served

Accumulated to end of 2021



86%
Economic vulnerability



40%
Primary education at best



17%
>60 years old



59%
Women



22%
Rural environment



17%
Young (<30)

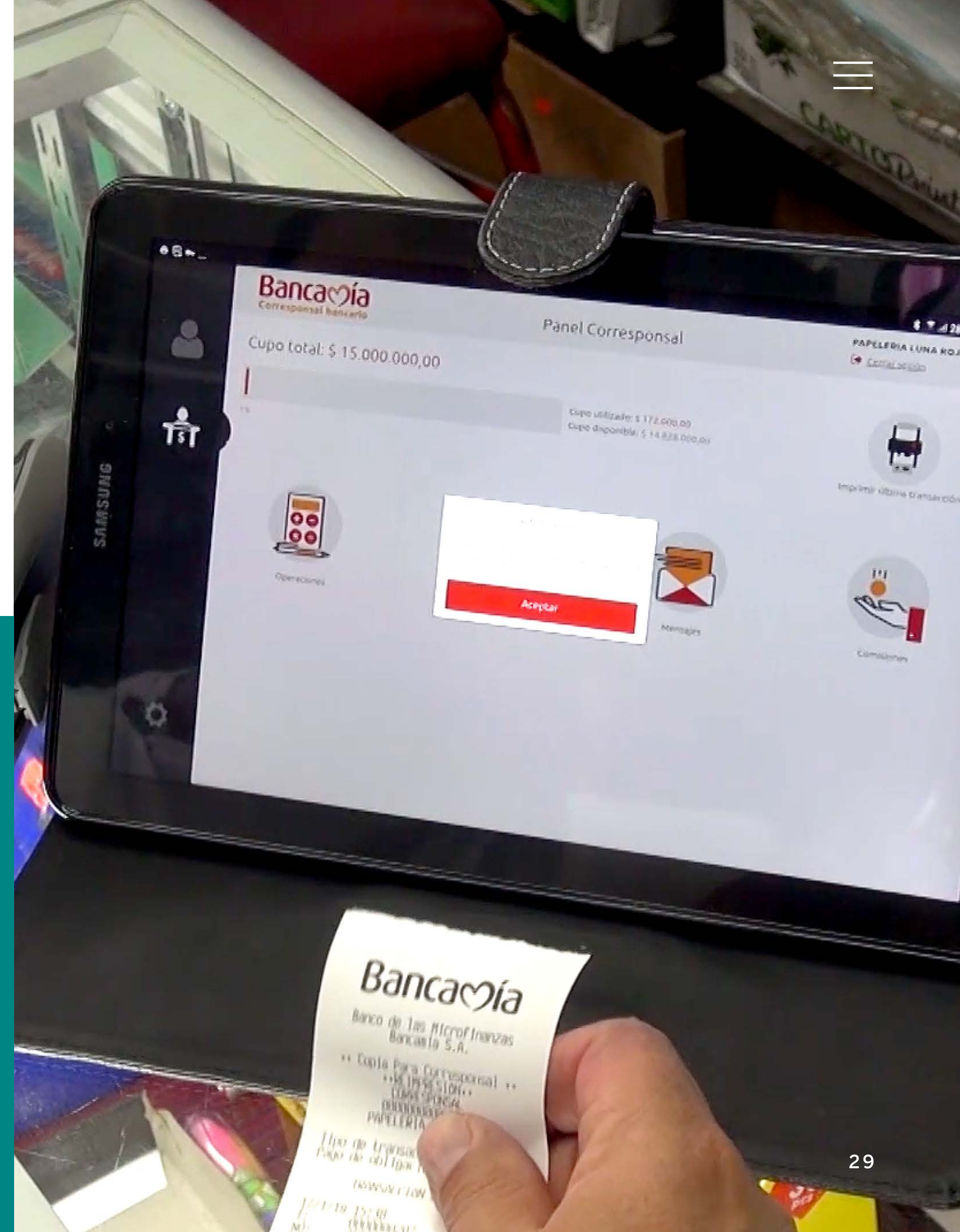
113,179 displaced, migrants and refugees”

* <https://www.acnur.org/situacion-en-venezuela.html>

Digitalization to make progress

Expanding development of, and access to, digital technology has allowed the institutions comprising the Foundation to offer their entrepreneurs a service that is increasingly tailored, proximate, and efficient. The technological capability of our processes and channels, together with personal understanding

of our entrepreneurs, means that we have been able to drive responsible and tailored financial inclusion: we have adapted the value offering, promoted its empowerment and we have helped them to improve their business management, their own quality of life and that of their households.



It is increasingly important that high-speed internet should be available and affordable for everyone ”

Digital poverty

In Latin America there are still 244 million people without internet access*, a state of affairs that we must make visible and tackle. That is why in 2021 at the Foundation we started to develop the concept of digital poverty, measuring three dimensions: affordability, ability to use and connectivity. The first is concerned with the income required to get network access using devices and paying for connection packages; the second refers to the capability to use technologies (digital literacy); and the third deals with the quantity and quality of internet access.

From this perspective, digitally poor people do not enjoy the information and communica-

tion benefits which digital technologies bring. This is due to their scarce resources (demand restriction), lack of knowledge of how to use technological tools (digital illiteracy), or the lack of connectivity points (supply restriction).

Most research has focused on the problem of supply. The solution entails reducing the digital gap (inequalities in access to information and communication technologies) by making the means of transmission -telephones, computers, and internet connections-, available to the population.

Many of the most vulnerable segments of the societies where we operate have lived in com-

munities without reliable internet access, which has imposed considerable social and financial costs on them. The pandemic widened this gap into a deep crisis, since work, education, medical care and many other aspects of daily life increasingly depend on online connectivity. Now, many people run the risk of falling below what could be termed a “digital poverty threshold”.

It is increasingly important that high-speed internet should be available and affordable for everyone. Democratization of access to the hardware and software that people need to make the most of internet’s possibilities must be promoted. Likewise, it is crucial that the

basic tools for this to be possible are provided. As digital access becomes massive and affordable, the development and use of financial services and digital tools for education and healthcare, among other things, can be harnessed, to achieve greater financial inclusion and the expansion of basic services. The challenge is immense, but we are tackling it.

* “Rural connectivity in Latin America and the Caribbean. A bridge to sustainable development in a time of pandemic”. IDB, IICA, MS et al. 2020. <https://repositorio.iica.int/handle/11324/12896>

Remote connectivity on the move

In January 2021, in Financiera Confianza (Peru) and Bancamía (Colombia), we set ourselves the challenge of testing the hypothesis that by means of the internet connection we could promote financial and non-financial inclusion among the population groups currently excluded from these services.

The main purpose of the initiative was to take the connection to remote and rural areas that didn't have internet access (or very low-quality access) with entrepreneurs who needed support. These were areas where the Foundation's entities did not have a physical presence (a branch office or similar) or where there was limited access to financial services. In the case of Colombia, there was also the consideration that the areas chosen should be safe enough to travel or move around there.

When it came to choosing banking correspondents* (BCs), we prioritized the supply points (general trading stores, pharmacies, hardware stores) and informal home-based businesses to which, in the case of Financiera Confianza, we provided mentoring to help with the paperwork - obtaining licences and the Registro Único de Contribuyentes (RUC) [Single Taxpayers' Registration].

As regards our technology needs, we opted for satellite connection with HughesNet, a supplier which operates in both countries (Peru and Colombia), marketing its services using pop-up stands. This entails setting up a stand or folding table on the correspondent's premises and when the loan officer visits the area, two or three times a week, they occupy this space and give advice to entrepreneurs.

* A banking correspondent is a third party who establishes a business relationship or links with a credit institution to provide financial services to his/her clients in the name and on behalf of that institution.





The owner of the premises (the banking correspondent) receives a monthly rental payment for the use of the space and for looking after the stand. Their activity may also benefit from this, with increased footfall by more people in their community on their business premises.

In Colombia we set up the pilot project in the middle of June in the communities of Urumita (Guajira Norte) and Illes (Nariño Sur) where, as well as providing financial services, we proposed boosting technological education using digital tools. We made two tablets available for the community on the premises of each correspondent, with a connection and direct access to Bancamía's *Facilitamos su Progreso* [We make your Progress easier] platform. Users who want to can take online

courses and improve their skills on this financial education platform. The correspondents have expressed their satisfaction with this initiative, highlighting that it gives them greater contact with people, recognition in their communities and an increase in the activity of their enterprises.

In Peru we started this pilot phase in May 2021 in four areas: Cahuapanas (Pasco), Villa América (Pasco), Bajo Shambillo (Ucayali) and Bufo Pozo (Ucayali). Through Agente Confianza Satelital (as the banking correspondent is called) we managed to provide service in rural areas without prior internet access and with populations in a state of vulnerability. We have provided connectivity, reducing transactional costs (savings of USD 10-15 on

transport) and avoiding the need for clients to travel to the branch or to other banking correspondents, whether their own or third parties (journeys that can take up to a day). We have also supported education using Financiera Confianza's group lending app, carrying out training sessions in financial and non-financial education in communities. What's more, we have identified the opportunity of generating a positive impact in healthcare, noticing that some people were making videocalls to healthcare professionals to consult about primary care issues relating to COVID-19, for example.

At the end of 2021, this project had helped over 2,000 people throughout the region and is making the service we provide to our clients

better and more convenient for them. The beneficiaries of these pilot projects agree that they save time and money by not having to go to their nearest branch office, together with the peace of mind that comes with not having to travel carrying cash.

This project will continue to grow, with the satellite connection reaching 40 new points in 2022 in Peru (Financiera Confianza), and 16 in Colombia (Bancamía). Panama (Microserfin) has signed up for this initiative with a pilot project on a remote stretch of the Congo River.

Digital channels

This year we continued moving forward with the roll-out and development of our three mobility solutions, allowing us to serve our entrepreneurs in more flexible ways:

- the Advisor app, with which the network team can help them at home thus cutting out trips to the bank branch

- the Correspondent app, which enables them to operate with cash near to home

- the Client app and website, enabling them to do their banking from their mobile phone, obviating unnecessary travel while also giving them real-time information about their products and services.

In 2021 we got the Advisor app up and running in Panama, together with the Client app and website in Dominican Republic and Chile.

We have also incorporated the digital/electronic signature into the credit approval processes in two of our institutions: Fondo Esperanza and Financiera Confianza.

In the case of Peru, the digital signature has been incorporated into the Advisor app's credit process, such that the business flow is digital from beginning to end. This has been welcomed as very intuitive and natural, both for the loan officers and for the entrepreneurs. The latter, once they have received their contract electronically, can sign it in a secure and convenient manner anywhere they like after receiving an alert on their mobile, tablet or computer. To do so, they simply have to identify themselves before proceeding to sign the document.

The digital signature is scheduled to be incorporated in Colombia (Bancamía) and Dominican Republic (Banco Adopem) during 2022.



Status of digital channels

	Colombia Bancamía	Peru Financiera confianza	Dominican Rep. Banco Adopem	Panama Microserfin	Chile Fondo Esperanza
Loan officer app	✓	✓	✓	✓ 2021	✓
Client app/website	✓	✓	✓ 2021		✓ 2021
Digital signature		✓ 2021			✓ 2021
Correspondent app	✓	✓ 2021	✓	✓ 2021	
Satellite correspondent	✓ 2021	✓ 2021			



Corporate channels & remote servicing

Key numbers in 2021

		Bancamía	Financiera Confianza	Banco Adopem	Microserfin	Fondo Esperanza	Total
Loan officer mobile	Users	1,378	2,066	572	95	307	4,418
	% loans managed by the app	86%	45%	100%	81%	n/a	68%
Client mobile	Users	261,762	120,511	4,571	n/a	5,542	392,386
	Digital onboards		669	Pilot			669
	Active users: consultative & operative	48,261	5,873	4,302		5,273	63,709
	Total transactions (monthly)	1,500,413					1,500,413
	Monetary transactions (monthly average)	41,311	4,127	4,544		n/a	49,982
Correspondent mobile	Correspondents	600	1,093	200	35	n/a	1,928
	Total transactions (year)	571,375	295,932	133,972	7		1,001,286
	Total amount trx (USD - year)	42,492,896	23,714,602	8,767,020	708,751		75,683,271

		Bancamía	Financiera Confianza	Banco Adopem	Microserfin	Fondo Esperanza	Total
Satellite correspondent	Satellite correspondents	2	4				6
	New clients	23	504				527
	Clients served	152	1,394				1,546
	Clients upskilled	72	233				305
	Clients with internet	72	597				669
	Total monetary trx	248	914				1,162
	Total USD disbursed	175,510	3,415,000				3,590,510



Digital onboarding & other biometric solutions

Technology has shown us throughout the pandemic that it is not always necessary to be present physically and that we can save entrepreneurs' time by doing things remotely whilst taking health precautions on their behalf by avoiding unnecessary contact.

With this in mind, in 2021 we continued working on the integration of digital onboarding onto the mobile banking app *Bancamóvil* of three institutions: Banco Adopem (Dominican Republic), Financiera Confianza (Peru) and Bancamía (Colombia).

Digital onboarding is based on AI technology. It identifies the client by means of a photo from their identity document and a selfie. We have integrated it into the corporate *Bancamóvil* apps with a single development, but one that is personalized to each country. We have placed particular emphasis on security, conducting successive analyses and tests to avoid cyber risks and identity theft.

We are trying to identify the most appropriate occasions when it should be used, the ones that cause the most friction with the client

or which demand greater security, insofar as they are processes that deal with the most sensitive information. We are therefore considering whether to integrate authentication based on voice biometrics as well as facial biometrics, which we already use, and whether to apply other methods that reinforce security even more: single use, tokenized, keys.

Voice biometrics enables clients to be identified in under five seconds in any language, integrating indigenous languages such as Quechua. It could be used, for example, to

authorize a password change, transfer money on digital channels or to make a cash withdrawal on a banking correspondent's premises.

Thus, by increasing security and paying attention to the user experience, we have found the delicate balance between these two factors that sometimes seem so hard to reconcile with one another.

From finance to household welfare

At the Foundation we are increasingly aware of the many dimensions of poverty and vulnerability, and the importance of homes and communities, two social structures that underpin people's healthy development. In 2021 we have continued to make progress

in this direction and have begun to frame our activity in rather more than financial services, aiming for business development, giving importance and visibility to different facets of homes' and communities' wellbeing.



An integrated approach to serving women



Enterprise strengthening

- Entrepreneurial Woman – Financiera Confianza (loan + insurance + training)
- “Lift off” Fund. Luksic, Fondo Esperanza
- Internet access – WOM – (Fondo Esperanza)
- Empropaz – gender lens (Bancamía)
- Specific training programs:
 - Financial education with gendered approach (Bancamía)
 - Enterprise School (Fondo Esperanza)
 - Woman’s Word Academy (Fondo Esperanza)
 - Nestlé Neighborhood Plan/Women Growing/Women at the Wheel – UBER (Banco Adopem)
 - Let’s work out the figures – financial education for women (Microserfin)



Financing

- Access to credit: individual and group lending with a gendered approach (Fondo Esperanza group lending, Woman’s Word, Financiera Confianza and Adopem solidarity groups)
- Loans for rural women
 - Woman farmer (Banco Adopem)
 - Rural Woman (Microserfin)
 - Educational & housing credits
 - Vouchers with a gender lens (Bancamía & Fondo Esperanza)

Individual and family wellbeing

- Insurance with women’s healthcare services (Bancamía & Microserfin)
- “My Family Protected” insurance (Fondo Esperanza)
- Women’s cancer insurance (Financiera Confianza & Bancamía)
- “My Maternity Protected” (Bancamía)
- “Rainy day” Protection (Bancamía)
- Caregivers’ economy: promoting entrepreneurship for dependent care (Fondo Esperanza)



The women are the main drivers

We have always had an uncompromising commitment to entrepreneurial women. In fact, we make a larger contribution to development in the region than any other private foundation and are the biggest donor of any private foundation to the development of gender equality, according to the OECD’s latest figures. This acknowledgment motivates and pushes us to go further, supporting millions of people in Latin America, especially women.

According to our own figures, women account for 59% of all our lending clients; 86% are in vulnerability and 38% in poverty or extreme poverty. Most of them live in urban environments, where nearly half work in retail trade and 17% provide food or beauty services. 32% have primary education at best, while 67% are between 30 and 60 years old.

Many women’s lack of economic independence means that they are more prone to poverty and more vulnerable to unexpected contingencies. For this reason, we have a strategy of women’s economic empowerment that seeks to reinforce their progress, economic independence, and self-confidence. This strategy is focused on specialist financial products and services that we combine with financial education, training in business management, digital skills and leadership, together with access to networks (associations, cooperatives, etc).

This year we would like to describe two initiatives in depth, *Emprendiendo Mujer* [Entrepreneurial Woman] (in Peru) and *Despega Mujer* [Liftoff for Women] (in Chile), that demonstrate how our activity centers on empowering women in the communities where we operate, thus encouraging their development as entrepreneurs and as driving forces in their homes and their society.

Entrepreneurial Woman

Financiera Confianza and CARE Peru are participating across the nation in Mastercard's Center for Inclusive Growth project *The Ignite Initiative: Unleashing the Power of Women Strivers*. This is part of a global partnership focusing on unleashing the power of microenterprises and small en-

terprises (MSEs), paying particular attention to the needs of female microentrepreneurs.

Their participation has been materialized in an individual loan product of between PEN 300 and 7,000 (USD 80-1,880) designed for women clients of the group product *Palabra de Mujer* [Woman's Word] who have acquired a certain skillset in handling their finances and businesses. This product was created with the aim of reducing the gender gap in the number of clients with individual loans of more than PEN 5,000 (USD 1,340).

The Entrepreneurial Woman credit offers certain advantages, among which are that the spousal signature is not required, and the loan can be taken out using Financiera Confianza's Micro-

finance app. Furthermore, its immediate benefits include access to an individual product, at a lower interest rate.

This product also gives its owner access to financial education, via the entertaining *Lista Express Peru* app, developed by CARE. With stories, videos, exercises, and simulations, it encourages participants to develop financial and personal abilities. The app consists of five training modules: A for *Ahorro* [Saving], C for *Cuentas Claras* [Clarity in your Accounts], D de *Deudas Sanas* [Healthy Borrowing], *Mis Servicios Financieros* [My Financial Services] and *Mi Negocio* [My Business].

Finally, the "Entrepreneurial Woman" product also entitles its holder to take out an insurance

policy for surviving dependents designed by the insurance company MAPFRE Seguros at Financiera Confianza's request, taking into consideration the product's target female client profile. This policy includes cover for an unpaid outstanding amount of up to PEN 7,000 (USD 1,880) on the loan in the event of death (accidental or natural) or permanent total disability. Furthermore, it includes additional cancer cover, such as an indemnity pay out in the event of a cervical or breast cancer diagnosis, and a family basket of goods for cancer diagnosis.

In the three years of the partnership, the aim is to include 36,000 women in the financial sector. As of December 31, 2021, nearly 14,000 women had already benefited from this product.

Lift off program and virtual sales networks

The Lift off for Women program has been rolled out in Chile, through our institution Fondo Esperanza, in partnership with the Luksic Foundation. This supports women with a consolidated entrepreneurial profile, helping them to take their businesses to the next level with integrated mentoring and a gendered approach.

The program entails an injection of capital linked to an investment plan backed up by mentoring and upskilling focusing on women and entrepreneurship. It includes techniques to grow your business, digital marketing, leadership, formalization, product and service

innovation, how to apply for public funds and digital tools, together with enterprise management.

It also has “learning circles”, led by the corporation *Construyendo Mis Sueños* [Building my Dreams]. These consist of group spaces for conversation, follow-up and mentoring among the chosen women. Meetings are organized every month in which they share and support one another in the progress of their enterprises. They receive support from a tutor who teaches them self-management skills. The idea is that the circles should carry on beyond the end of the program.



I am very grateful because now with this loan, and how my business has grown, I am able to give my youngest child – who is 21 – the education the older ones couldn't have. He is studying international business at an Institute”

Maria del Carmen Trejo, 55. She stopped being a street vendor two years ago and opened a take-out food outlet in her home. Entrepreneur with the Entrepreneurial Woman program, Financiera Confianza.



In 2021 a total of 45 women entrepreneurs took part, taking courses for a 6-month period. They received 23 hours of face-to-face teaching and a further 46 hours using video capsules, live classes, group spaces, lectures and case studies.

In Fondo Esperanza too, emphasis has been placed on virtual sales, using networks, thus strengthening women's entrepreneurial ventures, and giving them opportunities to cooperate and create bonds to drive sales of their products and services.

Throughout 2021 we have forged partnerships with different institutions, with the outcome that over 900 women entrepreneurs are using

new sales channels. This is the case of the *Locales Conectados* [Connected Premises] and *La Lista* [The List] platforms. The first, focusing on stores, is a hub for delivery of the government's merchandise boxes, promoting the local economy and social cohesion. The second is a digital platform targeting women entrepreneurs who are starting to sell their products online.

Over 5,200 women entrepreneurs with Fondo Esperanza already have digital payment systems thanks to their partnership with Transbank. Furthermore, a collaborative project with Chile's Post Office is underway to simplify trading logistics.

The List makes it easier to publicize the business and lets you send your catalog to clients. Before I had to send photos by WhatsApp one by one or put together a catalog using Word”

User of La Lista – Doris Pérez, Concepción, Chile.





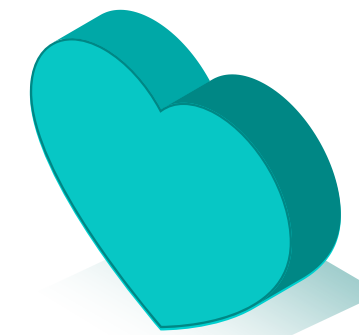
By protecting their health, we protect their home

At the Foundation we are aware that it is fundamentally important to think about the health of the households of the people we serve and whether they can deal with potential setbacks, if we are to promote their welfare and development. This spans from the birth of their children to staying with them in the event they should need to be cared for. As well as the cancer insurance policies in Colombia and in Peru, in 2021 we have worked intensively on developing new products that protect the health of people in vulnerability who lack access to social protection because they are in the informal economy.

Protected Maternity insurance

At Bancamía in Colombia, we designed a product in 2021, in partnership with MAPFRE Seguros, that responds to the needs of Colombian women entrepreneurs who are looking for the right balance between their enterprise and motherhood. We want to highlight the emphasis we have put on finding solutions for women in the informal sector who tend not to be entitled to the public benefits that offer protection during the statutory maternity leave period.

Altogether, 179,575 people are covered by healthcare insurance ”



Healthcare, psychological & legal services



My family protected insurance

2,831 people insured



Serious illness



Serious illness insurance

49,329 people insured



Women



Safe Woman cancer insurance

50,578 people insured



Insurance with range of cover

43,539 people insured



Cancer insurance

54,762 people insured



“My maternity protected” insurance

1,978 women insured

* Individuals insured as of 12.31.21



My Maternity Protected is an innovative personal accident insurance policy that provides cover to women entrepreneurs. Basically, during the statutory maternity leave period (four months in Colombia), they do not have to worry about the payments on their loan (if it is outstanding) and/or they receive financial support during this time. In addition, it provides health and welfare assistance for this stage in life: personalized pediatric advice from healthcare professionals over the phone, emotional guidance for the future mother, and nutrition and legal advice with the medical paperwork.

The monthly income received during the four months after the baby is born ranges from USD 65 to 130. Similarly, between USD 40-80 a month is guaranteed to pay the microloan installment. The insurance consists of three different policies with costs that range between USD 0.8 and USD 1.4 a month.

Between its launch in October to the end of December 2021, 1,978 policies were sold, principally to women between 26 and 41. In 2022, this insurance will also be offered to women served by Microserfin (Panama).

I took out the My Maternity Protected policy because in my previous pregnancy I had some problems with my health insurance. I like the fact that they give me legal and medical advice and that my loan repayment installment is covered. This way the business will grow, just like my family ””

Yuli Andrea Noa Herrera, Bogotá.





Insurance with medical, legal, psychological and farming assistance

In Chile (Fondo Esperanza), Panama (Microserfin) and Colombia (Bancamía), we have introduced microinsurance that guarantees access to a raft of professional services (medical, legal, psychological, technical help for the farming sector and school help) offered by a team of specialists. The aim is for clients to be able to withstand adverse situations, offering them welfare, peace of mind, security, and protection.

These care packages can vary according to the client's location and needs, providing a balance between face-to-face and telephone cover. In addition, a less costly product has been made available that has personalized service 24

hours a day, 365 days of the year. The cost is between USD 0.3-1.6 month depending on the cover and the plan taken out.

To give the product a gender lens, we carried out a series of surveys. In Panama we saw that urban women had little access to private healthcare service and that when they had medical issues, they self-medicated or went to a public network or pharmacy to ask for advice. Just 16% turned to the private healthcare network. In Colombia too, healthcare management was informal, with clients turning to self-medication and, in emergencies, family and friendship networks. In both countries

women were mainly interested in medical check-ups (eg. smear tests, mammograms), ambulance transfers and home visits by doctors.

In the case of rural women in Panama, they used the public health service intensively as their lack of resources prevented them from going to private providers.

Since it was launched, 200,000 policies have been taken out offering these kinds of cover. By the end of 2021, in Bancamía an aggregate total of 36,357 insurance policies with care packages had been taken out (17,082 were

“Urban Woman”, 9,932 Rural Woman policies, 7,444 Urban Family, and 1,989 Rural Family). In Microserfin the figure came to 9,554 (more than 3,800 women, most of whom took out the Complete Woman care package, which includes medical check-ups, ambulance transfers, legal and psychological advice over the telephone). In Fondo Esperanza over 150,000 policies were taken out.



Health insurance

In 2021, continuing its efforts to protect our entrepreneurs' health, Bancamía launched an accident insurance policy with specific cover to protect entrepreneurs in the event of serious illness such as Alzheimer's, Parkinson, paralysis, chronic kidney failure, cancer, or heart attacks, among others. It also covers organ transplants in the event of accident or illness, and the upfront payment of 50% for a cancer diagnosis *in situ*.

This policy pays out indemnities for serious illness that range from USD 1,250 to 5,000 depending on the policy, and for accidental death between USD 125 and 375. The costs of this insurance are between USD 1 and 3.5 a month. At the close of 2021, 49,333 policies were current.

Moreover, in mid-December, Bancamía launched an Accident Insurance with Specific Health Cover provisions. Among other things, it offered assistance for COVID-19 cases, daily compensation for hospitalization caused by accidents, medical, psychological and nutrition advice over the telephone, overland medical transfer, in-surgery appointments with general practitioners and specialists, telephone recommendations from specialists at advantageous rates, medical tests (analyses), home visits by doctors and dentistry. The monthly cost of this policy ranges between USD 3 and 4 depending on the policy taken out. Despite the short time it had been on the market (it launched on December 15), at year-end 192 healthcare policies had already been subscribed.



Improving housing so that it is safer, sustainable, and healthy

Housing, together with access to water and sanitation, are fundamental human rights. 120 million people of Latin America and the Caribbean's approximately 600 million inhabitants live in settlements of informal, inadequate homes*. The most vulnerable have limited access to resources to buy their home (such as mortgages or state vouchers). This means that both the quality and the hygiene conditions of their homes are lower. Precarious settlements have proliferated in response to this shortfall, a clear example of the problems in the housing market facing this collective.

Furthermore, poor management of human and domestic waste and the vulnerability of the dwellings themselves has a negative impact on the environment, and on the health of

these vulnerable people and that of their communities. During the fight against COVID-19, Latin America's urban and peri-urban regions' limited access to clean water has become even more palpable, a basic concern for our entrepreneurs and particularly for the women who work out of their homes.

We offer several financial products and initiatives designed to improve their living and hygiene conditions, and to make a contribution to their wellbeing and that of their families:

* CAF Development Bank of Latin America data. March 2022



Ecohousing Banco Adopem

A loan with successive financing phases to incentivize people in Dominican Republic to build their own homes using sustainable local materials and technologies that foster efficient use of water, power, and the infrastructure of low-income households. The building projects being financed include thermal insulation, rainwater collection and use, sustainable lighting, separating solid waste for later recycling, infrastructure that supports what they do for a living (businesses), and the creation and conservation of green areas. This product has been designed with strategic partners such as the Central American micro-finance network REDCAMIF, ADA Independent Development Support [Appui au développement autonome] based in Luxembourg, Habitat for Humanity, and Water.org.

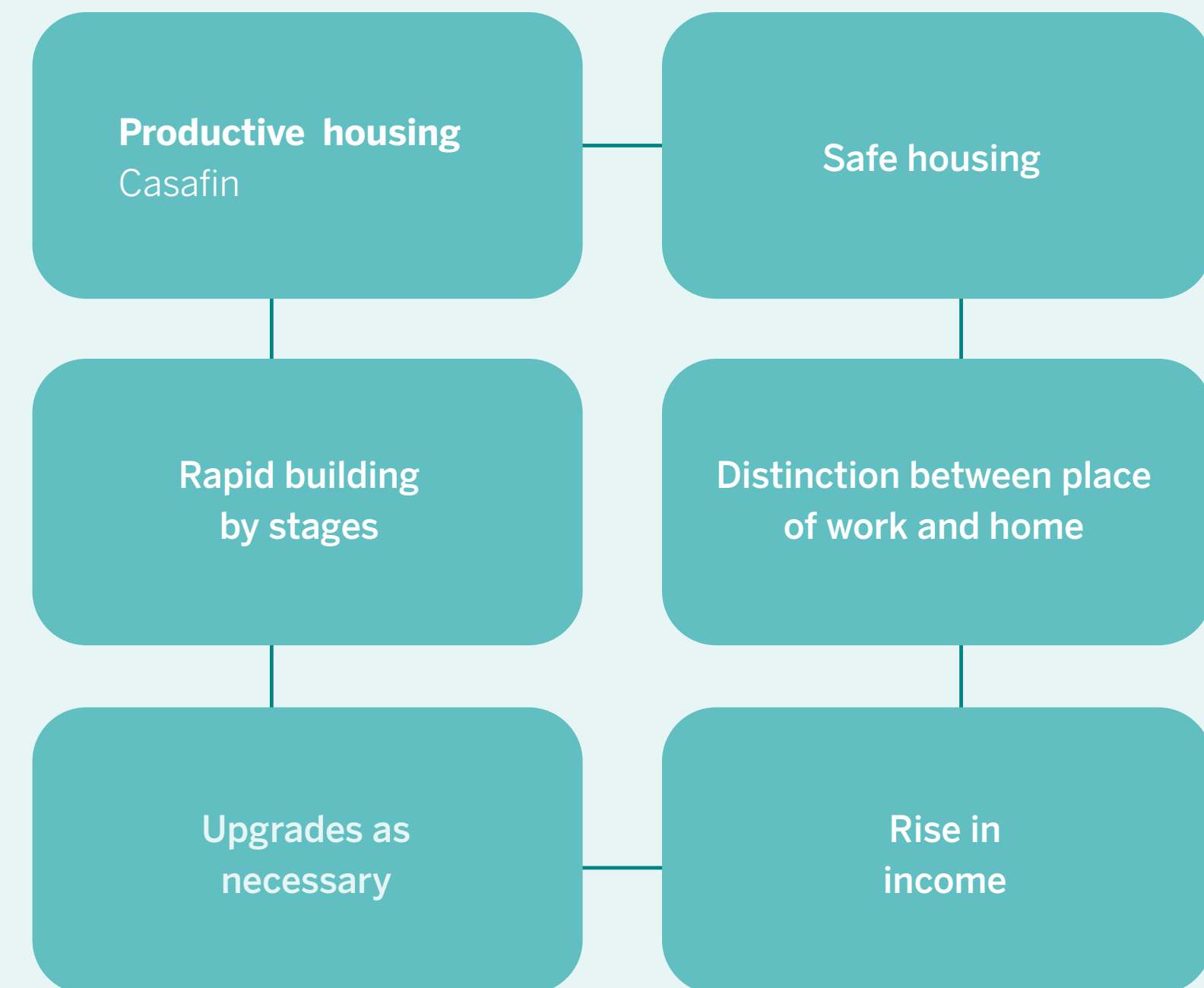
At the end of 2021, with 44 entrepreneurs signed up and USD 52,000 on its loan book, the institution continues to support these initiatives as they grow.

Casafin Microserfin

An individual microloan available in Panama to roll out phased upgrades in the microentrepreneur's household or place of work if the latter is in their home. Examples of upgrades: repairs, extensions or basic housing units, and land title. The advantages of the product include construction advice by the financial advisor throughout (who is also involved in the initial diagnosis of needs and costings), the increase in the property value resulting from the improvements made, the possibility of taking out other loans for future upgrades, and of doing these at a lower cost.

At the close of 2021, 367 entrepreneurs were on the loan book (of whom 58% were women) with a total outstanding balance of USD 590,000.

Casafin products, Ruralfin



Building Trust Financiera Confianza

This product provides financing to upgrade the households/enterprises of families in vulnerability. It was developed as part of the agreement with Habitat for Humanity, that looks to encourage people to build their own homes using sustainable practices in order to widen access to decent and safe housing.

At the close of 2021, the institution had 26,676 active clients and a portfolio of over USD 90 million.

It also runs a program to improve access to water and sanitation. In 2021, after four years of work in the province of Sullana, Financiera Confianza and Water for People renewed their partnership, expanding its scope to the whole of Peru. Their aim is to close a thousand transactions a month in the water and sanitation category.

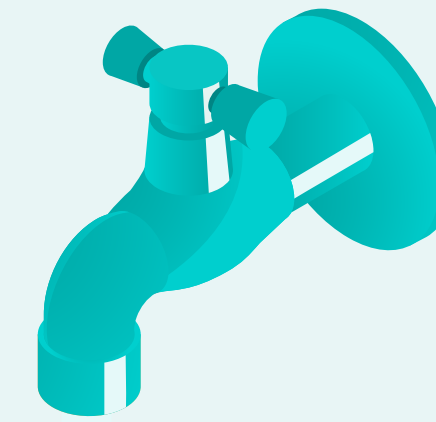
Thanks to this partnership, all Financiera Confianza loan officers have access to incentives and training to encourage vulnerable people to access the funding they need to

get access to water and decent, sustainable sanitation arrangements in their homes and places of work. To the end of 2021, the water and sanitation subproduct was helping 5,336 people and had an outstanding balance of USD 15 million.

Housing Development Loan Bancamía

A line of credit in Colombia designed to expand or redesign clients' own homes, thus helping to improve the lives of microentrepreneurs and their families. The costs are lower than with a microloan and the product is different from Bancamía's other offerings, as it aims to reward the loyalty of former clients who are developing their productive activity, whether in an urban or rural environment. Moreover, it offers terms of between six and 60 months, tailoring these to the client's capacity to pay.

There were 1,287 loans in the active portfolio on December 31st 2021 (1,284 clients), for a total sum of USD 2,030,617.



Water for people
5,336 entrepreneurs

Gross portfolio
of USD 15 million



Housing loan
38,002 entrepreneurs

Gross portfolio
of USD 111 million

Data to 12.31.2021

Sowing the seeds of education for tomorrow

Aware of the importance of education for people's progress and household welfare, in 2021 the Foundation boosted the training and upskilling of the entrepreneurs we serve, via a series of platforms and channels, both digital and in person.

Over the course of the year, nearly 600,000 people have received training or signed up for capacity-building sessions on digital platforms run by one of the Foundation's institutions. Of these, over 340,000 people were advised

by Bancamía through its financial education program *Echemos Números* [Let's do the numbers], which it runs during its visits to entrepreneurs.

Furthermore, more than 200,000 people have attended virtual training sessions. Most of the training given consists of financial education (82.6%), although a variety of issues have been covered, such as business management, welfare and the family, digital marketing, and social capital.



594,614
people received training and financial advice* in 2021

Clients
78%



Non-clients
22%

* People who have received financial advice, training or have viewed online courses.



60.4%
Face-to-face



35.3%
Online

* The remaining 4.3% were hybrid



83%
Financial education

2 key programs

"Let's do the numbers"

Financial advice during visits to clients
341,092 people in 2021
57.4% of the total

"School for Entrepreneurs"

Courses in business development, empowerment and gender, family welfare and social capital.
90,722 people in 2021
15.3% of the total



The following are some of the programs taught during 2021:

Digital Literacy program- FOSIS

Fondo Esperanza, together with the Solidarity & Social Investment Fund's Social Innovation department (FOSIS), which is part of Chile's Ministry for Social Development and the Family, implemented the "Advanced Electronic Signature: using it in microenterprises" project. A pilot project started with 100 women entrepreneurs who lacked access to digital technologies. The aim was to introduce them to the concept of advanced electronic signatures (AES) to make it easier for them to be included financially and to use technology to develop their enterprises.

The project sought to mentor them as they adopted this new tool and to demonstrate the potential of obtaining loans remotely. The immediate benefits include shorter approval periods, lower costs, less paperwork and greater security, among others.

Furthermore, work was done on how these women entrepreneurs can use their advanced electronic signature for other business- and family-related procedures.

The screenshot shows the Fondo Esperanza website with a header featuring the logo and a navigation link "Registrarse o Iniciar Sesión aquí". The main banner reads "¡Descubre, conoce y aprende! Tenemos cursos especiales para ti." and includes a photo of two women looking at a smartphone. Below the banner, a text block states: "En Fondo Esperanza queremos apoyar tu negocio, no tan sólo con microcréditos, sino que también deseamos tomar tu mano y apoyarte con ideas, conocimientos, consejos y acercarte al mundo digital, para así facilitar tu desafío de emprender. ¡Ven y vive esta experiencia junto a nosotros!". Four circular icons represent different programs, each with a "PRÓXIMAMENTE" (Coming Soon) label:

- FORMACIÓN TRANSVERSAL**: Aprende nuevas habilidades digitales para llevar tu negocio al siguiente nivel y conoce todo sobre la nueva firma electrónica de Fondo Esperanza.
- DIGITALIZACIÓN**: Conoce todo acerca de las Tecnologías de la Información y la Comunicación, herramientas y dispositivos cada vez más importantes para el crecimiento de tu negocio.
- ESCUELA DE EMPRENDIMIENTO**: Complementa la ruta de aprendizaje de tu Banco Comunal en cuatro ámbitos: Desarrollo de tu negocio, Empoderamiento y Género, Capital social y Bienestar familiar.
- METODOLOGÍA FONDO ESPERANZA**: Descubre los distintos momentos que vivirás como parte de la comunidad de Fondo Esperanza.

 The footer contains contact information, office locations, a service hours table (Lunes a jueves: 9:30 a 13:00 y de 15:00 a 17:00 horas; Viernes: 9:00 a 13:00 horas), and social media icons for Facebook, Instagram, and YouTube, along with a home button.



To get the project up and running, the entrepreneurs taking part in the project were given a mobile phone and offered connectivity to internet. A virtual education platform has also been created to encourage them to study on their own and to boost the digital literacy process (in the event of the entrepreneurs not having technology skills already).

This platform enables them subsequently to get the training that ensures they have the necessary requirements and can learn about how to handle their signature processes themselves. At the close of 2021, 86% of participating partners had signed their latest loans using AES.

This platform means that all Fondo Esperanza's partners – a women-only collective – can access training content and operate the Advanced Electronic Signature tool successfully to further their businesses. What's more, in 2022, FE's School for Entrepreneurs will be in this online educational space.

In 2022, we will continue to support training programs in digital skills and internet connectivity that strive to close the digital gender gaps. We will do this by using smart phones and more affordable data plans for women entrepreneurs in Peru and Dominican Republic.

I want to thank Fondo Esperanza and, through them, the opportunity that FOSIS gives us, using a mobile phone, to learn about technologies that are now here to stay. Although it's not that easy, I managed to do it (...) the electronic signature is excellent, because everything is online nowadays, even without this pandemic, we can sign personal documents, or bank papers through this app (...) at my age – I'm 60 - it's a bit hard but I thought it was very good, so thank you very much”

Roxana Valdés - La Cisterna branch office



Woman's Word Academy

Financiera Confianza and Centrum PUCP, the Business School attached to the Peruvian Pontifical Catholic University (PUCP in the Spanish acronym), joined forces to provide a training program targeting women entrepreneurs so that they could strengthen their capabilities and overcome the economic impact of the pandemic.

The program is 100% virtual and free for women entrepreneurs throughout Peru, whether they are Financiera Confianza clients or not. It comprises eight virtual self-directed learning modules, with didactic and practical multimedia content. There are also 20 face-to-face lectures given by teachers from Centrum PUCP so that participants can ask questions about how to get their enter-

prises into the formal sector, business finance, quality management, responsible enterprises, negotiating techniques, leadership, digital marketing, e-trading and integrated management systems.

The Woman's Word Academy was open from March to December 2021. By year-end, the program had enabled over 680 women to receive training in different subjects. In addition, a CENTRUM PUCP certificate was awarded to over 320 of these entrepreneurial women and to the Financiera Confianza loan officers who completed all the modules in the program.

This initiative received the gold medal from the Association of MBAs in 2021.

“We realized that the digital component was really important. After these digital skills classes I put the store up onto Google Maps myself. I find it amazing to do a Google search and for my store to come up; I think “I did that!” That may not be much for many people, but for us every little thing counts and is an achievement. At the beginning we made a sale twice a week, and then three times. Now we sell something every day, and what's more, we don't just sell toys and accessories – we have food lines as well”, she tells us, while adding that she already has more plans to carry on growing her business”

Nadia Espinoza Arancibia, owner of Hunter, a pet shop in Chiclayo, Peru



I really liked the information we were given today; it's helpful to know these things when paying for advertising on Instagram and Facebook”

Yesenia María Barrios, Cúcuta, Colombia

“We help you get ahead” platform

At Bancamía we launched the online education platform *We help you get ahead*, in 2021, offering a self-directed continuous learning method so that participants acquire good financial habits.

The platform hosts four different training modules: financial education, digital literacy, business strengthening and empowerment capacities. Its contents are differentiated according to whether entrepreneurs are in urban or rural environments, and divided into four levels of attainment, depending on the

entrepreneurs' stage of development. All the contents are currently available for the first level.

At the close of December 2021, 572 people had registered on this platform (of whom 258 were clients). It was officially launched in Colombia at the National Financial Education Workshop on August 11, 2021.

These efforts will be supported during 2022 by financial education and leadership initiatives for those women entrepreneurs served by Bancamía, materialized through a series of *Conversaciones en la Banca* [Conversations at the Bank]. These include podcasts with Bancamía

women entrepreneurs and brief tutorials using infographics that are sent by WhatsApp. They will also be available on the platform.

Digital skills pilot program, Trust for the Americas

After the pandemic the importance of digital solutions to mitigate the impact on the businesses of the entrepreneurs we serve became very clear.

With this in mind, and with the aim of narrowing the digital gap suffered by the entrepreneurs and microentrepreneurs signed up for *Empropaz* program in Colombia, the

Foundation has worked with The Trust for the Americas' POETA OAS program, supported by USAID, to conduct a pilot program for 120 people. This enabled them to build up their skills so that they felt confident about using digital technologies and digital marketing, strengthening and developing their enterprises through digitalization, and thus promoting the online sale of their products and services. The online upskilling program was run for six months.



Upskilling women at ADOPEM

In 2021, over 80 activities were organized for nearly 2,000 women, organized around the following programs:

✓ Training in Support Centers for Intra-family Violence. As part of the National District Public Prosecutors' Office program to support abused women, virtual workshops were run for 24 women about "Writing your CV & How to handle yourself in a job interview".

✓ Women's Leadership & Economic Empowerment, run by ADOPEM ASFL, Banco ADOPEM and La Vega Chamber of Commerce & Production. Four training activities were covered, both online and face-to-face, helping 181 women.

✓ Anie Foundation's Training for Women Entrepreneurs. This comprised three webinars in its "Women: In control of their finances" program. The subjects covered were Women Changing the World; How to Manage your Money; and Understanding Financial Products, attended by 343 women.

✓ Beauty Salons- DEYER Academy. 10 face-to-face workshops were held on building up their enterprise and business management. Workshop titles were: "Customer service and finance", "Leadership & Business Empowerment", "Entrepreneurial & Empowered Women" and "Woman Entrepreneur 3.0".

✓ UBER- Women at the Wheel -. An online training program in which 20 women took part in all. Over the course of eight activities, they were given training in leadership, emotional intelligence, motivation, saving, budgeting and investment planning, managing debt and financial services.

✓ Women growing with Adopem, was set up in Dominican Republic in June 2021 by ADOPEM ASFL (Non-Profit Association). This online initiative has been developed by the JICA (Japan International Cooperation Agency). 24 women took part in the sessions over a three-month period, with a total teaching time of 24 hours,

led by experts in each of the subjects tackled. The modules were: i) Business leadership and sales, ii) Financial education, iii) Marketing & social media, iv) Group and individual advice, and v) Women's empowerment, a successful case history.



✓ Nestlé Neighborhood Young Entrepreneurs Plan is a training program to reactivate and motivate 51 micro-distributors who participate in the Nestlé Neighborhood Plan. Training sessions and advice were given online, with a total duration of 224 hours. 63% of the participants are Banco Adopem clients, whose loans have helped them secure their businesses.

✓ Community meetings

Every year Banco Adopem organizes community meetings, together with Adopem ASFL, for its clients and contacts in the communities where it has a presence. These are educational chats about subjects that are relevant for our clients, such as emotional health in times of crisis, and key guidelines for success in their businesses. There were eight such community encoun-

ters in 2021, with total participation of 200 clients and people with links to Adopem from the communities of Santo Domingo, Santiago, Barahona, Navarrete and San Cristóbal. 83% of attendees were women.

✓ Webinar, Lives and Masterclass

In 2020, because of the curfew imposed as a result of the COVID-19 pandemic, courses and workshops went online so that they could still make a contribution to developing professional and business skills. In 2021, Banco Adopem has continued to develop these capabilities with online sessions covering financial education, business management, human development, entrepreneurship, and women's empowerment, sessions in which over 700 women have taken part.

I learned that I can turn my mobile phone into my company; I learned about emotions, about time management, and teamwork. Also about how to handle our finances and what we should know before asking for a loan. We learned how to classify waste materials and how that protects our environment. I am using technologies for my business more often. I am improving my relationships with my partners and my customers. I have better ideas about how to manage my money. I am separating some of my trash”

Josefina Esmeralda Disla De Castillo, Nestlé micro-distributor



BBVAMF grants

Another year of the *Transforming Realities* grant, awarded by Bancamía and BBVA Colombia, has meant that five children of entrepreneurs have been admitted to university, demonstrating the value of education access for low-income young people.

Around 1,000 candidacies from 320 municipalities were received, 62% more than the year before. Of these, 72% were the children of women entrepreneurs, 81% were in economic vulnerability, 34% lived in rural areas, and 42% had primary education at best. The President of BBVA, Carlos Torres Vila, handed over the internships to the five winners. In 2022 this program will be extended to Peru.

Meanwhile, in 2021 we extended the invitation to apply for the III edition of the DIME internships (Development, Inclusion, Microfinance & Enterprise), which entails twenty young

people traveling to Latin America to learn about the Foundation's work on the ground. Despite the success of the previous two editions and having selected the 15 young people who were scheduled to travel in 2020, that trip never happened because of the pandemic. Nevertheless, those places were held over so that they could go in the summer of 2022. We also opened up additional places to give this chance to other university students – undergraduates or those studying a master's degree, who could not submit an application in 2020.

The internship, which lasts four weeks, is divided into three parts: a trip to the head offices of the Foundation's institution; training in microfinance; and a stage of working in the field. In this last phase, the interns accompany a loans officer on their visits, seeing at firsthand how they work, and the daily lives of the entrepreneurs served by the Foundation.

This experience has left its mark on those who have already been through it: *"It gave me the opportunity to learn about a totally different area of finance to the one I learned during my degree. This system is much more centered around the person and on qualitative factors. What made the biggest impression on me was seeing the conditions in which clients live, their creativity and strength of character to get ahead", said one of the interns, who traveled to Peru on an earlier edition of the program. Another intern, who was in Dominican Republic, thinks that "when they are awarded prudently, microfinance and microloans are the best solution to get someone out of extreme poverty and a uniquely useful opportunity to reverse their situation".*

2021 was a year in which we made great strides in the areas of health and education, adapting and integrating our value offering with new solutions”

In 2022 we will carry on with our journey, continuing to mentor and promote the development of the entrepreneurs we serve with a wider perspective, beyond financial services, for the progress of their businesses and the welfare of their households”

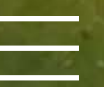
Respecting the ecosystem

Our journey does not end in our clients' homes. We are also aware of the critical moment facing humanity in terms of the health of our ecosystems. We must remain on high alert and make the transition to economic models that are more sustainable, not only from the economic, but also the social and environmental perspectives.

By means of the commitment that we have taken on at the Foundation of achieving a more sustainable future, making environmental sustainability a strategic priority, the BBVAMF Group seeks to extend and improve

its value offering, promoting actions that have a positive effect on the environment through a green corporate culture and inclusive green finance.

This year we wanted to highlight some of the initiatives that reflect our commitment to a more sustainable future. We have made the necessary resources available to our clients so that they can put in place new technologies and measures that help them to mitigate for and adapt to the effects of climate change and to transform their businesses in search of greater harmony with our environment.



Crediverde Adaptation

In Bancamía (Colombia), with the support of UN Environment, as part of the *Microfinance for Ecosystem-based Adaptation* (MEbA) program, we designed and launched this product. It consists of a line of credit that provides vulnerable, rural and peri-urban populations with financial products and services that enable them to invest in activities relating to the sustainability of ecosystems. This means they can upgrade their productive units and increase their incomes, together with their resilience to the effects of climate change.

This is the case, for example, of Sandra Mendoza, head of the family and a smallholding entrepreneur who owns a coffee smallholding. With the support of a line of

credit, she has started introducing renewable energies, obtaining lighting cost-free and energy to cook from the biogas obtained from her pigs' manure. This means that fewer trees have been felled and the air quality is higher.

In 2021, with the aim of driving the economic recovery, Bancamía reactivated its green products and services offering, reinforcing its training programs around green finances and managing climate risk with maps that warn of extreme climate conditions.

With this product, by the end of the year we had helped over 1,270 clients with more than USD 900,000 to implement measures to mitigate and adapt to climate change, measures such as drip irrigation, organic farming production and using greenhouses, among others.

My Crops, Protected

Climate change is one of the main reasons causing farming producers in different parts of the world to suffer partial or total crop losses. This has affected their productive development and welfare, above all of those who are in a situation of economic, social and environmental vulnerability.

Bancamía, working with MAPFRE Seguros and Finagro (Agricultural Financing Fund), has made the "My Crops, Protected" insurance policy available to its clients, for this reason, to protect Colombian farmers. This policy looks to protect the crops of microentrepreneurs from natural risks deriving from climate change. Droughts, floods, heavy rain, fire, and hail, among

others, can affect them to the degree that it deepens the vulnerability in which many farmers live.



With the support of Finagro, microentrepreneurs who take out this insurance can access a subsidy worth between 70% and 90% of the cost of the premium, depending on the type of producer.

“My Crops, Protected” is initially targeting coffee crops, banana, maize and potato, but will be extended to a further 17 activities, with cover in 900 municipalities across the whole of Colombia. The cost of the insurance varies according to the crop type and location. MAPFRE has provided Bancamía with a digital tool that provides an online consultation service with Finagro. This tool, that is easy for the producer to use, validates a series of technical variables, which then generates a quote that the producer who is interested in taking out the insurance policy can assess.

ADOPEM ecoloan

In Dominican Republic, Banco Adopem has also launched a financial product that is tailored to the needs of small farmers who seek to improve their productive activities by making them more sustainable.

This allows them to put into action good farming practices, new technologies and more environmentally friendly models, thus mitigating and increasing their adaptation to adverse climate change effects with measures that have been adapted to the particular ecosystem of their smallholdings. Notable among these measures are organic farming, conservation farming, efficient irrigation systems and reducing chemical products to conserve biodiversity.

This product has been widely embraced and is being extended to new farming production areas. At the close of 2021 over 1,000 clients had signed up, who between them had received over USD 700,000. The number of clients increased by 33% over the year, while the financial resources made available were up by 57% from 2020.

Carbon footprint

With a view to making efficient use of the natural resources employed, and with the commitment of reducing the impact this generates on the environment, following the GHG Protocol guidance, we have managed the measuring of the carbon footprint of our activities as a Group.

Carbon footprint - Breakdown		
	Resource	2021 results
Consumption	Water (m³)	104,413
	Paper (kg)	212,380
	Electricity (kWh)	8,611,044
Consumption per capita	Water (m³)	12
	Paper (kg)	26
	Electricity (kWh)	1,070
TnCo ₂ eq emissions	Scope 1	139
	Scope 2 (located based)	2,624
	Scope 2 (market based)	2,610
	Scope 3	119
Total		2,869.9
Total per employee		0.36

The carbon footprint calculation entails:

- **Scope 1:** Direct emissions from activities by BBVAMF Group institutions.
- **Scope 2:** Indirect emissions generated by power stations to supply energy to BBVAMF Group institutions.
- **Scope 3:** Other indirect emissions resulting from activities occurring in sources that do not belong to, nor are controlled by, Group institutions, e.g. air travel.



By rolling out eco-efficiency programs and incorporating digital transformation into our processes, we are endeavoring to make efficient use of natural resources.

In 2021, and for the second year in a row, we succeeded in neutralizing the emissions generated in our central office in Madrid, to offset all our carbon dioxide-equivalent (CO₂eq) emissions. This was achieved by buying carbon credits certified by the Verified Carbon Standard through certified environmental enhancement projects.

Bancamía Sustainable office pilot

To mitigate the emissions generated, eco-efficiency initiatives have been developed to reduce them and, as a result, shrink our carbon footprint. To this end, work has begun to:

- ✓ Monitor electricity consumption performance in the branch office and management network, and to prepare action plans in those offices with excessive consumption.
- ✓ Implement clean technologies (efficiency and renewable energy) that enable rational energy use such as, for example, swapping out lighting for LED bulbs, and installing motion detectors.

A pilot office in Colombia, the Molinos branch office, which is powered by solar energy, started operating in 2021. The success of this has led to plans to extend this project into 2022 in the Arauca and Centro Medellín offices, with the following targets:

OFFICE	SELF-SUFFICIENCY	REDUCTION IN ENERGY CONSUMPTION (kWh – year)	PROJECTED SAVING (25 years)	CO ₂ eq AVOIDED (Tonnes / year)	RETURN ON INVESTMENT (years)
Molinos	100%	7,260	COP 212 MM	3	6
Arauca	100%	29,952	COP 901 MM	11	<1
Medellín	57%	11,819	COP 669 MM	8	2

This monitoring procedure and the action plans are taking place in the context of permanently training and creating awareness among all colleagues, using campaigns to encourage good environmental habits and rational energy use. This will all contribute to a service that is increasingly environmentally friendly.

03

Recognitions & institutional activity

Social impact and inclusion	61
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Environment	64
Digitalization	65
Partnerships	66
On-site visit	67
Recognitions	68



01

Social impact and inclusion

19-23

April



IV Symposium on Investment Security in Ibero-America

Microfinance and sustainable development in Ibero-America. General Council of Notaries

22-23

April



17th Global Microfinance Forum

- “What does it mean to be a microclient today? The pandemic and its complications for MF customers”
- “No, refugees are not risky clients for microfinance institutions!”
- “Microfinance for migrants. BBVA Microfinance Foundation’s perspective”

05-06

May

Financiera Confianza Internal event

Virtual conference: “We build the future with trust” celebrating Financiera Confianza’s 8th anniversary

19

May

Trade and Sustainability in the Andean Region

CEOE, CEIB, ICEX and Business Europe

19

May

EduFin Summit BBVA 2021

Financial vulnerability and how to reduce it

20

May

CGAP: Unfinished Business

The Impacts of Small Business Finance

02

September

Rural finance impact evaluation Global best practices

CGAP, FAO and CABFIN Network



Internal events BBVAMF:

01

July

2020 Balance
2021 Challenges

14

July

2020 Social Performance
Report Presentation

15

July

BBVAMF Event
2020 Social Performance
Report Presentation
to DIME scholars

14

October

Microfinance in the face of a new post pandemic reality

Covelo Foundation

26-28

October

BID LAB Forum

Innovations in financial services for migrants

02

November



Financial Inclusion Week 2021

Impact Performance Data in Times of COVID-19

30

November

Impact Investment: an opportunity for financial cooperation

“Ecosystems in Latin America: challenges and opportunities” SpainNAB

01

December



Transforming Realities scholarship awards ceremony

Bancamía & BBVA Colombia

02

Women's empowerment



29
January



OECD netFWD Gender Working Group

Unleashing philanthropic investments at the grassroots level for women's empowerment
OECD netFWD Gender Working Group 2021 Online Meeting
29 January 2021 | 14.00 - 16.00 CET

09
March



Business Fights Poverty Gender Summit

How can we challenge ourselves to unleash the power of women's enterprises?

08
March



FAO #RuralWomen Campaign

15-26
March



UN Commission on the Status of Women

18 March - Digitalization for Women and Girls in the Context of the Covid-19 Pandemic.
Chile, Canada, Finland, Estonia, Tunisia, India and Microsoft.

02

Women's empowerment

23
March



Microserfin Event

Digitization in microfinance with gender lens: Innovating to reach rural women With UN Women.

29
April



Coffee with **FinEquity ALC** (World Bank)

18
May



BBVAMF & ICEX Event

Women's entrepreneurship as a development engine

24
May

"Women's entrepreneurship" Session

Master in International Development
UN Staff College & IE



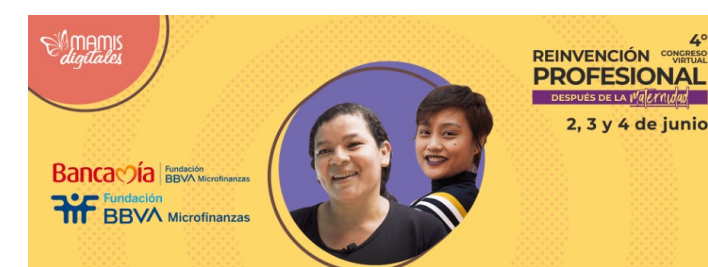
FinEquity Workshops: BBVAMF's case

26 May: Workshop 1. Designing financial products and services with gender lens.

16 June: Workshop 2. Insurance and health care for women in vulnerable conditions. Experiences from Bancamía, Financiera Confianza and Microserfin.

30 June: Workshop 3. Financial products for rural women in Panama and the Dominican Republic.

02
June



Professional reinvention after maternity

Mamis digitales (Digital moms)

10
June



FinEquity Global webinar

Deconstructing the Monolith:
Segmentation of Women Clients

30 - 02
June July



UN Women, Generation Equality Forum

High-level event on the Technology and Innovation for Gender Equality

28-30
October



She Is Global Forum

- Inclusive finance for women's development, advances and post pandemic challenges
- The power of investment for women's sustainable development
- Financial Sector and the path towards a sustainable economic recovery from women's perspective

08-12
November



Woman Impact Summit

"Constructing Social Innovation through global talent, digital transformation and entrepreneurial spirit"

08-09
December



FinEquity 2021 Annual Meeting

"Keeping women front and center in financial inclusion in Latin America and the Caribbean"



03

Environment

15
January



Meeting with Mónica Silvana González, Member of the European Parliament, member of the Development Commission

Climate change impact on vulnerable populations in developing countries

31
March



Regional dialogue

Gender equality and women's empowerment for the transformation of food systems in Latin America and the Caribbean. FAO

15
September



Microfinance and climate change in Latin America

Swiss Cooperation COSUDE, Helvetas, Avina Foundation, IISD and FIDA

14
October



European SDG Summit

Sustainable Finance to Boost the Digital & Green Transition

17-19
November



European Microfinance week 2021

Green Inclusive & Climate Smart Finance Action Group Meeting

15-18
March



ECLAC Latin American & Caribbean Countries Forum

2021 Sustainable Development

14
April



Project closing "MEBA Biodiversity Platform" for Latin America

UN Environment Programme

07
October



IICA-COLEACP Caribbean Agrifood Business Series Post-COVID-19

Building stronger linkages between agriculture and tourism: the key role of SMEs and businesses

03-05
November



Green Finance Regional Forum

Microfinance resilience in the face of Climate Change in Central America and the Caribbean

"Adopting the climate approach in microfinance institutions" REDCAMIF & Climate Smart Finance Action Group

04

Digitalization

22-26
March



World Savings Week

- The challenge of promoting savings culture in the context of COVID
- BBVA Microfinance Foundation and Financiera Confianza's experience. Peruvian Banking, Insurance & Private Pension Funds Administrators Authority (SBS)

19-20
April

XIII Ibero-American Corporate Meeting in the framework of the XXVII Ibero-American Summit

Innovation and technology: catalysts for gender equality

27-29
April

Discussion on Digital Financial Services

Bill & Melinda Gates Foundation and FinEquity Global (CGAP)

20
May



FIGI Symposium

Increasing women leaders' representation in digital finance. "Financial Inclusion Global Initiative". International Telecommunication Union, World Bank, Bank for International Settlements, and Bill & Melinda Gates Foundation

08-10
July

2nd Microfinance Congress in the digital era

Challenges of socially responsible finance in the new normal
Gan@Más and +Finanz@s

23
September

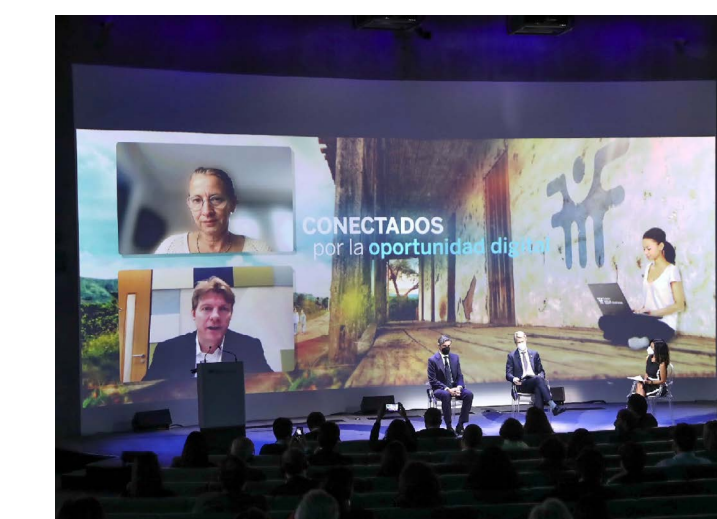
Unlock the True Power of Data Analytics

Quistor and Oracle

10
November

BBVAMF event with H.M. the Queen

"Conectados por la oportunidad digital"
(Connected through digital opportunity)



05

Partnerships

THE TRUST | LIVE

SERIE DE CONFERENCIAS

LÍDERES DE LAS AMÉRICAS

FINANZAS Y SECTORES VULNERABLES

OEA
Mis derechos para más gente

Javier M. Flores,
Director General de la Fundación Microfinanzas BBVA, en conversación con Scarlett Álvarez, Vicepresidenta de Relaciones Institucionales y Sostenibilidad, AES Corporation.

EN ALIANZA CON:
 NTN24 Noticias

22 de septiembre
facebook.com/NoticiasRCN

02
February



Seminar between Civil Society and European Investment Bank Board of Directors

03
March



1st Development Cooperation Working Group meeting

Commission on International Relations, Confederation of Spanish Industry, CEOE

14
May



Women's Empowerment Working Group Private-Sector Partners Roundtable

IDB

28
July



Signing of MOU with The Trust for the Americas – OAS

15
September



International Trade Centre - She Trades

E-coffee with financial institutions

23
September



"Leaders in the Americas" Lecture Series

The Trust for the Americas – OAS

01-03
December



III Specialized Inter-American Council for the Integral Development (CIDI) Meeting of High-Level Authorities on Cooperation

"Cooperation and partnerships as an engine for regional post-COVID19 recovery"
 Virtual dialogue between Ministers and High-Level OAS Cooperation Authorities with private and non-government sector

06

On-site visit

30

November

Ate and Santa Anita Districts

BBVA Chair, Carlos Torres Vila, visits Peruvian entrepreneurs



María del Carmen Trejo
"Emprendiendo Mujer" [Entrepreneurial Woman]



DM Group
"Mujeres Unidas de Alameda" [United Women of Alameda]



Isabel Rivero Ortiz, teacher and member of the group
Palabra De Mujer (PDM) "Mujeres Unidas de Alameda" [Woman's Word "United Women of Alameda"]



Wilder Osorio
"Emprendiendo Confianza" [Entrepreneurial Confianza]



07

Recognitions



BBVAMF

2021 EQUALS IN
TECH AWARD
—
ACCESS CATEGORY

IS HEREBY PRESENTED TO

**FUNDACIÓN
MICROFINANZAS
BBVA**

For improving women's lives through
access, connectivity and security

VANESSA EROGBOGBO
EQUALS Steering Committee Chair
Head of Women and Trade Programme,
ITC

- **EQUALS IN TECH Award** "Access" category
- Honorable Mention as "Responsible Digital Innovator of the Year" in the **2021 IFC & G20 Global SME Finance Awards 2021 (Global Partnership for Financial Inclusion)**
- Finalists **Corresponsables Awards** in the Communications category

07

Recognitions



Colombia
XXI Codespa Awards



Dominican Republic
Central American Economic Integration

Colombia Bancamía

- **V Latin American Awards RedEAmérica Sustainable Community Transformers**, “Business and Sustainable Communities” category: Empropaz
- **10 Best social innovation initiatives in 2020** for its work in financial inclusion during the pandemic. **CAF and Compromiso Empresarial**
- **Latin Finance Award** Microfinance Institution of the year
- **Asobancaria Award** “Social Dimension” category and finalist in “Equity Diversity and Inclusion”
- **She Is Global Awards – Lifetime Achievement Award** to Margarita Correa, president of Bancamía’s Board of Directors
- **Finagro** Recognition in non-traditional banking class, “Highest growth in small producers” and “Highest growth in placement”
- **Sparkassenstiftung** Award for the “Training institution with the best use of a virtual platform to monitor learners and trainers” for its dual training program

- **XXI Codespa Awards** “Social Innovation for Inclusive Businesses” category

Peru Financiera Confianza

- Finalist **Corresponsables Awards** “Best practice in internal communication”
- **Awards of Happiness** Recognition for a gender equity corporate culture
- Finalist **Good Labor Practices MTPE** (Ministry of Labor and Employment Promotion)

Chile Fondo Esperanza

- **7th Rafa Álvarez Awards** for **Deusto Business School’s** “Fondo Esperanza” dissertation project by university students

Dominican Republic Adopem

Central American Economic Integration (BCIE) Awards – SOLIDARIOS 2021

- Financial Inclusion Institutional Management Award
- Special recognition of Mercedes de Canalda, Vice Chair of Banco Adopem’s Board of Directors, for her contribution to empowering Dominican women

Panama Microserfin

- Recognition from the **Gender Parity Initiative** and the **Ministry of Social Development** for its drive towards gender equality
- **SDG Seal in Panama Award** “Employment and Entrepreneurship” and Honorable Mention in “Digital Transformation”
- Finalist **Corresponsables Awards** SME category
- **Whole Planet Foundation Award** to outstanding field officers in Latin America and the Caribbean