

BBVA Microfinance Foundation

A foundation and six microfinance institutions of reference, united by a common aim

BBVA Microfinance Foundation (BBVAMF or the Foundation) is a non-profit institution set up by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) as part of its corporate social responsibility mission. It is the majority shareholder of six microfinance

entities across five countries. They all share a common purpose: the sustainable development of vulnerable entrepreneurs who are engaged in productive activities.

Leading microfinance initiative in Latin America

USD 1,149 M Gross portfolio	2.8 million clients served
With a solid capital structure	With an impact on over 7 million people



Our purpose

The sustainable development of people under vulnerable conditions who own productive activities.



Our model

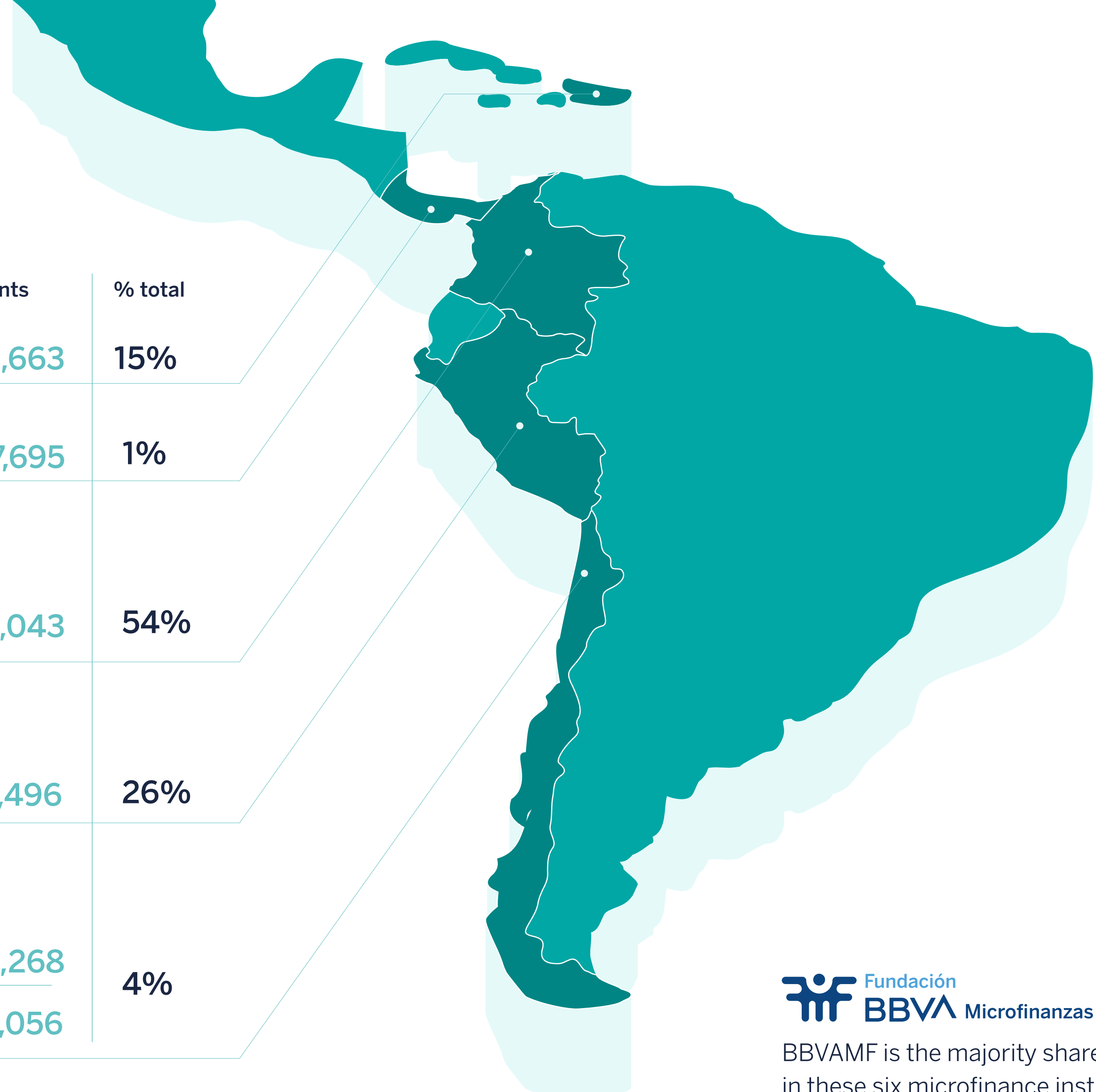
Productive Finance: financial services, training and advice for people who live in vulnerable conditions, so they can make progress with the net income derived from their productive activities.



BBVAMF entities provide a complete range of financial products and services to over two million entrepreneurs who are also offered upskilling. In 2021 they delivered USD 1.3 million in loans to entrepreneurs.

👤 | Total clients
2,773,221

	Clients	% total
Dominican Republic Banco Adopem	👤 408,663	15%
Panama Microserfin	👤 17,695	1%
Colombia Bancamía	👤 1,503,043	54%
Peru Financiera Confianza	👤 731,496	26%
Chile Fondo Esperanza	👤 109,268	4%
Emprende Microfinanzas	👤 3,056	



BBVAMF is the majority shareholder in these six microfinance institutions



Our values



We create social impact



The entrepreneur at the core



We aim higher



We are one team

The Foundation combines its knowledge and global banking experience with the expertise of the microfinance entities working for vulnerable people operating across several Latin American countries. This not only adds value, but also ensures compliance with the Group's purpose, together with optimal financial and economic management. In turn, the entities are experts in microfinance methodology. Their proximity to the client, extensive capillarity, and a significant innovation capability differentiates them from the other entities in their field in their respective countries.

So that the development of their activity is inclusive (scope) and can help as many vulnerable people as possible (scale), it must be underpinned by business sustainability. This means that four

factors are essential: solid financial performance, risk control, an organizational model that nurtures human talent, and transparent governance.

Proof of this reliable management is visible in the leadership position in microfinance –individual methodology– enjoyed by the BBVAMF Group in Latin America. It has become the philanthropic initiative with the greatest social impact in the region.

According to the latest OECD report on the subject, the BBVA Microfinance Foundation is recognized as an international leader in development financing, after only the Bill & Melinda Gates Foundation.

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Total clients	Disbursements in 2021	People receiving financial education
2,773,221	1,021,152	551,138
Gross portfolio (USD mill.)	Average disbursement in 2021 (USD)	Branches & express offices
1,149	1,285	559
Total disbursed in 2021 (USD mill.)	Client assets under management (USD mill.)	Employees
1,312	657	7,619

Reinforcing social performance

At the Foundation we aspire to reducing inequality. That is why we possess the interest, the will and the capacity to understand vulnerable entrepreneurs and to look for solutions –whether financial or non-financial– that enable them to make progress. We do this by applying research to our business. This entails combining research studies, experimentation (pilot projects on the ground) and continuous learning (targets and monitoring with specific indicators) that feed back into one another.

We work to maximize the social and economic impact on entrepreneurs in a situation of vulnerability by means of applied research ”

Applied research at the service of the client

The impact of microfinance on vulnerable entrepreneurs is the outcome of a complex interaction between several factors, which include our financial transactions. As such, the success or failure of the entrepreneur cannot be solely attributed to him or her. Studies and analyses will help us to find out the precise role our way of working plays in achieving these results. Achieving this requires deep understanding of the client, but also of their house-

hold and the community in which they are operating (context). We conduct research in three fields: household welfare, financial health, and the expansion of microenterprises. The knowledge acquired will enable us to generate maximum impact for the client, as well as the expansion and stabilization of their incomes, and access to greater welfare, whether tangible or intangible (empowerment, better business management, financial capabilities, etc.).

Only by studying the needs and reality of our clients can we enhance our impact on their lives and economies ”



We want to identify the client’s differential factors (attributes, contexts, behaviors, etc.) and establish causal relationships (selection, channels, products and services). In other words, research studies must lead increasingly to concrete proposals that can be linked to the entrepreneur’s activity. This allows us to test an idea, reducing the attendant uncertainty and risk when we apply it in the micro-finance entity. It is a major source of infor-

mation that helps to establish and meet our impact goals.

Over the next few years, our studies will pursue two lines of enquiry: some will help to identify success factors and attributes that these entrepreneurs share, while others will address how to create incentives and product designed to link this success to a tailored value offering.

The analysis is based on the information we manage on a daily basis and is crucial in designing targeted interventions that increase social impact ”

We reinforce impact through the knowledge of the client

We aim to strengthen this impact along three dimensions that guide our current strategy



Robust databases	Research using new methodologies	Value creation & new proposals	Tracking & monitoring
<ul style="list-style-type: none"> • Socio-demographic variables and geolocation • Business and operational data • Financial system data • Etc. 	<ul style="list-style-type: none"> • Profiling and impact surveys to evaluate • Clustering • Predictive models 	<ul style="list-style-type: none"> • Channels • Products / services • Third-party value offering (partnerships) • Processes 	<ul style="list-style-type: none"> • Policies • Business integration • Reporting



Sharing in order to find a solution together

Experience has shown us that there is no one-size-fits-all solution for everyone, and that we need the help of other stakeholders (corporations, NGOs, etc.) if we are to achieve inclusive and sustainable development.

In their turn, in those places where micro-finance does not reach, advanced analytics helps to share conclusions with impact measuring specialists, or with the actors themselves, opening the way for mutual help and learning exchange.

The key for maximizing impact entails active incorporation of the assessment results with the aim of triggering new interventions and interdisciplinary strategies. More agile, flexible studies with faster turnaround times will enable us to self-assess, so as to improve the service we provide.

The need to combine research with pilot tests will let us use agile proposals and make gains in managing impact ”

