

# Investment in the community

The support provided to the BBVA Mexico Group community is based on reciprocity between the Group and the institution; both sides are indispensable for their continuity and sustainable future.

The BBVA Mexico Group develops financial projects with a high social impact that allow all groups of people to make decisions to improve their financial well-being and recognize the risks and opportunities that their finances present. Projects and products for financial inclusion have a positive impact on the communities in which they operate.

# Investment in the community

## Financial Inclusion

Access to financial services, the economic growth of Mexican families and the fight against financial exclusion are key objectives of the BBVA Mexico Group's commitment as part of its investment in and contribution to the community. Its financial inclusion programs help people make informed decisions to improve their financial well-being and make them more aware of the risks and opportunities that exist, ultimately helping to achieve various SDGs.

Financial inclusion is a key factor that has a favorable impact on accessing better living conditions by the communities where the BBVA Mexico Group has a presence. In recent years, the institution has implemented great initiatives and made strides forward in this area to make its financial services available to everybody, through its financial inclusion model:

GRI FS13 and FS14



**1 NO POVERTY**

End poverty in all its forms everywhere.



**8 DECENT WORK AND ECONOMIC GROWTH**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for everybody.



**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

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



**10 REDUCED INEQUALITIES**

Reduce inequality within and among countries.

## Financial inclusion model

The following actions correspond to the strategy of the BBVA Mexico Group's model:

- Being relevant to the express segment and helping it to solve its most basic money-related needs:
  - Transfers to relatives who do not use banks living outside major urban centers, top up money on their cell phones reducing transfer times and costs, managing the amounts payable, etc.
- Providing basic financial services for cash operations through customer service in 1,467 towns and cities through banking correspondents, complementing the coverage of 547 towns and cities served by the BBVA Mexico Group's branches. This channel executed more than 86.2 million transactions for an average amount of MXN 1,423 per transaction in 2019.
- Facilitate the management of cash flows using digital tools ("Apartados") that emulate the use of "Sobres" by people to separate their money by type of expense.
- Connect banking services via the BBVA Mexico Group's digital channels. In 2019, the number of customers who used the Apps available to them in the last three months, at least once a month, increased by 93%. This type of customer accounted for 11% of the total in December 2018, increasing to 20% by December 2019.
- Supporting salaried customers through loans has been a positive trend. This share increased the number of loans associated with salaries by 33% and balances in TDC increased by 42%.

There were more than **317,000 activations on Apartados in 2019**, an increase of 109%.



## Initiatives in 2019



### Improving the family remittances collection experience by boosting receipt by deposits into accounts

This form of settlement grew from 51.4% to 58.6%; while the amounts settled using this means increased from 71.3% to 75.4%. This has allowed the beneficiary to obtain all or part of their money 24 hours a day, 365 days a year.



### Dissemination of how to use digital banking in the solution of everyday problems at branches

Such as money transfers to relatives who do not use banking services, collection of family remittances directly on account, cell phone balance top-up, fund management ("Apartados"), among others.



### Segment digitalization

Positioning the functionalities of digital banking as relevant solutions has seen the percentage of digital users in this segment surpass 23%.



### Simplification of the card replacement processes

More than 170,000 cards reported lost or stolen each month. This initiative minimizes the amount of time the customer has no access to their funds.



### Reduction of the costs involved in the settlement of family remittances by means of deposits

Starting in 2020, the incentive for the transferors of money to promote remittance on account among senders will increase.



### Decrease in time in terms of withheld balances

The call center promoter score increased by more than 15 points, as duplicate charges generated by repeated transaction caused by communication failures are now released in a shorter time.

## Financial Literacy (FL)

The BBVA Mexico Group has a clear commitment to supporting people to make better financial decisions, to which end Financial Literacy is one of the strategic priorities of the BBVA Mexico Group's Responsible Banking Plan. The institution has pioneered the design, implementation and execution of Financial Literacy programs, which provide customers and the general public with content, tools and best practices to help them obtain healthy finances.

The BBVA Mexico Group is using its Global Financial Literacy Plan to help people acquire financial knowledge and skills, thus contributing towards social development. The goal of Financial Literacy is to help society to make informed decisions to improve its financial well-being, to be more aware of the risks and opportunities that exist, and the correct use of the products or tools available to the institution to improve the quality of life of customers and interaction with their finances.

The groups impacted by the Financial Literacy strategy are children, youths, adults, customers and the general public; for each of them, there is a specific approach.

Financial Literacy is based on three strategic lines, thus promoting an improvement in the financial health of:



Clients



Governance



General public



Through these three focal points, FL seeks to have a positive impact on people and on the development and economic future of the country's business fabric. FL is fully aligned with the institutional strategy aimed at digital transformation, and its work therefore focuses on developing digital products and content. To achieve this, the initiative has partnered up with the different business areas to help ensure that these initiatives also promote the use of the digital tools and products developed by the BBVA Mexico Group.

**BBVA Mexico has been recognized by the Excélsior newspaper as the bank having made the biggest contribution to financial literacy.** It has excelled in terms of the design, implementation and roll out of financial literacy programs, placing an emphasis on offering knowledge, tools and best practices to facilitate an improvement in the management of personal finances.

## Financial Literacy programs

### Classroom workshop

Workshops delivered to payroll groups to acquire the skills and knowledge necessary to safeguard and correctly use financial products and banking apps. These workshops are imparted by a Financial Literacy facilitator for payroll and non-payroll groups and are held in mobile classrooms, digital spaces or on the company's premises.

For further details, please visit:

- <https://www.bbvaeducacionfinanciera.mx/EspaciosDigitales>
- <https://www.bbvaeducacionfinanciera.mx/Movil>

### Digital workshop

Generation of Financial Literacy content related to BBVA Mexico Group digital products and services. The aim is to have the best digital offering free of charge for customers and the general public focusing on the main financial issues. This workshop contains articles, videos, computer graphics, tips, definitions, advice, among others.

For further details, please visit:

- Financial Literacy Portal: <https://www.bbvaeducacionfinanciera.mx/>
- Online workshops: <https://www.bbvaeducacionfinanciera.mx/talleres>
- Digital and in-house media campaigns (social networks, dynamic marketing)

### Advice: coaching workshop

Financial coaching over the phone, where a qualified person will provide guidance and respond to the concerns that BBVA Mexico Group clients have concerning their finances and the institution's offering.

For further details, please visit: <https://www.educacionfinancierabancomer.com/CoachingFinanciero>.

## Results

BBVA Financial Literacy	Number of beneficiaries*	Number of participants**	Number of workshops delivered
Face-to-face initiatives	37,896	52,426	3,031
Online side	796	1,415	1,415
Coaching side	2,830	2,840	NA

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

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

## Website

One of the main pillars is the digital presence, which is a cornerstone for extending the Financial Literacy strategy across the digital world and aligning efforts with different actions for the BBVA Mexico Group to communicate with customers and the general public, in order to share quality content to achieve its healthy personal finance goals on its website <https://www.bbvaeducacionfinanciera.mx/>, which received a total of 1,038,458 visits.

Articles of interest, free online workshops and access to request face-to-face workshops from partners, customers and associates are available at <https://www.bbva.mx/educacion-financiera.html>.

## Online workshops

Online workshops offer a wide range of topics that can be completed at any time. Topics such as saving, digital banking, credit card use, mortgage loans, investments and creating a life plan are available 24 hours a day. It is an easy, simple way of acquiring knowledge and tools that help the general public and customers to improve their personal finances for free.

## Social service at Universities

To promote initiatives to support young university students and institutions generate a joint plan and expand financial education in communities and among the general public, the BBVA Mexico Group has generated partnerships with university students and institutions across Mexico.

This program seeks young people studying a bachelor's degree to undertake their social service by imparting financial education workshops, providing the student with different tools and skills for their professional life.

**12,555 beneficiaries and 735 face-to-face workshops held in 2019.**

## Young people building the future

This initiative is structured around a model of social co-responsibility between the public, private and social sectors to offer young people a space, support and structured activities and thus develop or strengthen work habits and technical skills that promote social inclusion and increase their employment opportunities in the future. The program lasts for one year: two months of online and face-to-face training in addition to 10 months to impart financial education courses in their community.

**31 young people formed part of the Young people building the future program in 2019.**

## National Financial Literacy Week

Forum dedicated to raising awareness of the importance of financial literacy to help participants soundly manage their finances. This event is organized by the Government of Mexico, through the National Commission for the Protection of Users of Financial Services (CONDUSEF). At the event, the BBVA Mexico Group held workshops and conferences with a national scope; furthermore, it had a stand located in the Chapultepec Forest, structured around the central theme of planning and personal challenges in finance. Savings and life plan workshops were held in the BBVA mobile classroom.

**3,080 beneficiaries attended the workshops**  
and 1,277 beneficiaries visited the stand  
in Chapultepec.

#### Liga BBVA sub 13

La Liga MX and the BBVA Group have been promoting financial literacy in under 13 football teams, showing children and youngsters from all clubs about the importance of financial training from an early age and providing them with the tools needed to become consistent savers, responsible borrowers and prudent investors.

**1,032 participants.**

#### KidZania

This is an interactive city for children aged between 2 and 16 that mixes inspiration, fun and learning through various different activities. The initiative gets kids to role-play different job positions, allowing them to build their skills and increasing their financial literacy in a fun and entertaining way.

**582,303 children participated\*.**

\*Only considering children over the age of three.



# Social Programs

The BBVA Mexico Group continued its undertaking with the Secretariat for Rural Development (SADER), consisting of supporting 1,400,000 farmers in rural areas (direct assistance to grain producers to raise production) and the Secretariat of Welfare to support for the elderly, with a view to contributing to the well-being of beneficiaries by granting a non-contributory pension.

## Replacing expired debit cards

Each year, debit card maturities are presented in the two main social programs that are registered with the BBVA Mexico Group.

Between March and August, efforts are made across Mexico to provide them with the service without beneficiaries having to travel to other cities or municipal capitals to change their card.

Program	# Cards renewed in 2019
SADER Agropecuario	33,249
Welfare (elderly)	3,557

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





## SADER Agropecuario

- February-May 2019.
- Target set: 46,422 debit cards.
- Actual figures: 71.6% with 33,249 renewals in 20 states.
- Five main states: Puebla, Chiapas, Chihuahua, Hidalgo and State of Mexico.

## Welfare (elderly)

- Target set: 10,513 people across 23 branches.
- Presence mainly in Mexico City and the Metro Sur area.
- Actual figures as at August 2019: 33.8% with 3,557 debit cards renewed.

## Financial literacy learning pills for beneficiaries of social programs

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

Objective: Provide information and answer questions about the use of debit cards in a timely manner.

### Expected benefits:

- Bolster the proper use of digital channels.
- Link with telephone advice and products.
- Presence of brand, loyalty and reputation.

### Goals:

- Reduce the number of inquiries at the teller.
- Increase the use of SMS services.
- Increase cash withdrawals at bank correspondents.

The Financial Literacy information capsules benefited **9,454 people** from the SADER Agropecuario program and **611 people** from the Welfare Program.





# Community

The BBVA Mexico Group generates opportunities for the Mexican community by having a positive impact on their lives. Investment in social programs serves an educational, cultural, social and environmental purpose, promoting a sustainable Mexican community where peace and justice are prioritized. Through its programs, the institution enforces its commitment to society.

## BBVA Foundation

The BBVA Foundation is responsible for bringing the social action initiatives of the BBVA Mexico Group to life. To this end, it has developed innovative educational, cultural and entrepreneurship initiatives for Mexican society.

The Foundation provides economic or in-kind support to beneficiaries to promote, encourage and undertake activities aimed at education, entrepreneurship and culture to help people achieve their full development.

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



**1 NO POVERTY**

End poverty in all its forms everywhere.



**4 QUALITY EDUCATION**

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



**5 GENDER EQUALITY**

Achieve gender equality and empower all women and girls.



**11 SUSTAINABLE CITIES AND COMMUNITIES**

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



**15 LIFE ON LAND**

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



**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

Promote fair, peaceful and inclusive societies.

## Investment in social programs

In 2019, the Foundation received a total investment of MXN 941 million and, over the past 13 years, MXN 6 billion have been allocated to Social Responsibility matters, in the following lines of action:

- Educational grants
- Strategic partnerships and schools
- Cultural outreach

### Scholarship Program for "Chavos que Inspiran"

With the aim of providing comprehensive support to vulnerable talented young people from across the country, the scholarship program accompanies them in their education and training process from high school to university, to boost their academic and personal development.

The program supports remaining in education by selecting young people entering their first year of secondary school. Thus, it grants economic scholarships and accompaniment that includes mentoring, academic training and extracurricular training at different stages of young people's school lives.

**"Chavos que Inspiran" scholarships promotes academic excellence and encourages the creation of a community of agents of change.**

## Beneficiaries

Level	Number of beneficiaries in 2019
Chavos que Inspiran - Secondary School	17,659
Chavos que Inspiran - High School	13,535
Chavos que Inspiran - University	4,273

\*Total beneficiaries at the start of the 2019-2020 class of the Chavos que Inspiran program.

## Volunteer work

Indicator	2019
Hours of volunteering (One Team)	14,076
Mentoring Hours for university scholars	839

\*Mentoring hours are as at November 2019. The mentoring program runs up until the end of the 2019-2020 school year in July 2020. The figure reported corresponds to hours up until November.

## Bi project

National platform of exchange and collaboration, which provides economic stimulus to outstanding art and culture initiatives, as well as new government programs. It operates through an annual call, under the structure of an expert committee, with the aim of promoting cultural professionals, artists and cultural managers with a proven track record.

**12 projects supported during the third edition of "Proyecto Bi".**

## MACG: Museo de Arte Carrillo Gil

Biennial interdisciplinary, post-academic training program, in partnership with the Museo de Arte Carrillo Gil, which supports the development, production and exhibition of projects by well-known visual artists under the age of 35. It aims to open spheres of reflection and critique of art, as well as to encourage the professionalization of the younger generations, through discussion among peers and specialists in different areas.

**10 artists supported during the sixth edition of the BBVA-MACG program.**

### "Hazlo en Cortometraje" university competition

In collaboration with Fundación Cinépolis, this competition promotes the creation of small-format films in communities of young people under the age of 30. The initiative inspires solutions to different social problems, promoting reflection through a critical look.

**44 beneficiaries from the six winning teams as part of the 12<sup>th</sup> edition of the "Hazlo en cortometraje" short film university contest.**

## Laboratorio de Inmersión BBVA-CCD

Pioneering training program in Mexico; in collaboration with the Centro de Cultural Digital, it aims to promote the development of immersive technologies (virtual, augmented and mixed reality).

**45 beneficiaries** of the first edition of the "Laboratorio de Inmersión BBVA-CCD" program.

### School reconstruction

For BBVA Foundation, the goal of the school reconstruction program is to deliver safer and better equipped schools to educate a new generation of talented Mexicans.

During 2019, 23 schools were rebuilt, supporting more than 12,000 students from six entities across the country. Seed capital amounted to MXN 180 million and the total investment came to MXN 358 million.

**Reconstruction of 23 schools and support for more than 12,000 students** in six entities across the country during 2019.

## Target 2020

Include 6,000 new high school students in the BBVA "Chavos que Inspiran" scholarship program, granting 40,000 secondary school, high school and university scholarships to the 2019-2020 generation of BBVA scholars.

To learn more about BBVA Foundation and its programs visit its official website: <https://www.fundacionbbva.mx/>.

## BBVA Momentum

This is the largest acceleration program for social and environmental entrepreneurs in Mexico. BBVA Momentum aims to promote companies and entrepreneurs that offer solutions to social and environmental problems, in an innovative and sustainable way. In this way, growth (through training and networking mentoring) and the visibility of projects that seek to resolve these problems are supported.

### Results of the seventh edition

- 99 entrepreneurs completed the program.
- 72 men and 27 women participated, with an average age of 38.
- They received 222 hours of mentoring and 20 hours of online training.
- Funding of MXN 45.250 billion was obtained.
- 190 relevant stakeholders were in attendance.

## Mejora Mutualista

The project has been running for eight years and serves as a clear example of the institution's responsible business activities.

The mission of "Mejora Mutualista" is to help recover the social, financial and urban environment in parts of the country that have been abandoned or neglected. This idea came about because the BBVA Mexico Group felt it needed to do more for the community, as part of its social responsibility, given the rising number of defaults on mortgage loans and foreclosures of homes in certain developments; events that caused a downward spiral in three areas:



**Urban degradation**



**Financial deterioration**



**The breaking down of the social fabric**

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

### 8 years of results



**10,205 homes assisted.**



**40,000 inhabitants and 10,000 beneficiary families.**



The program has supported **12 divisions in Tijuana, Baja California.**

### Social Rescue

- Creation of 177 neighborhood committees
- 17 urban wall paintings
- 718 plastic arts workshops
- 1,054 days of cleaning
- 3,589 Financial Literacy workshops

### Recovery of the urban environment

- 103 house walls
- 144 chain-link fences
- 44 eco-friendly containers
- 120 properties with internal lighting
- 48 properties with painted facades
- 16 public parks rehabilitated
- 6 watchhouses

The BBVA Mexico Group has invested **MXN 18 million in "Mejora Mutualista" programs.**

## Volunteer work

### Reforestation of Mexico City

The BBVA Mexico group performed pine and tree reforestation activities in the metropolitan area of the Valley of Mexico. These activities were performed thanks to the participation of employees, their family and friends, with a total of 559 people participating.

Another reforestation initiative was performed in Chiapas, where 235 volunteers from the BBVA Mexico Group participated.

### Association of Mexican Banks

Employees and their relatives performed activities to support civil associations to help children from care homes by painting classrooms and repairing benches, among other initiatives, involving a total of 71 volunteers: 46 in Querétaro, 14 in Tijuana and 11 in Guadalajara.

