

5.5.4. Entrepreneurship

In 2016, entrepreneurship gained ground as a main priority. Isolated entrepreneurship support programs were grouped together into a single line of action that became a key part of the 2016-2018 Community Investment Plan. BBVA wishes to support, primarily, two types of entrepreneurs:

- The most vulnerable, which are supported through the BBVA Microfinance Foundation.
- Those who create high and positive social impact through their enterprises, and are supported by the BBVA Momentum program.

BBVA Microfinance Foundation

As part of its commitment to financial inclusion, in 2007 BBVA set up the **BBVA Microfinance Foundation**¹ (hereinafter, the Foundation). It is a non-profit institution whose mission is to promote sustainable and inclusive economic and social development for the most underprivileged people in society through responsible productive finance. This model seeks the professional development of its customers and offers vulnerable entrepreneurs a customized service by bringing a full range of financial products and services to their homes or companies, as well as advice and training related to the financial administration and management of their small businesses.

The Foundation publishes an annual **Social Performance Report**, entitled "Measuring What Really Matters". It presents

the main figures summarizing the impact of its activity on the life of its customers. This social measuring system has been highlighted by the UN and is a benchmark in the sector.

Since the Foundation was set up, it has disbursed an aggregate volume of US\$ 8,397m to low-income entrepreneurs in Latin America for the development of their productive activities. It is now one of the largest private philanthropic initiatives in the region.

BBVA Microfinance Foundation (Basic data)

	2016	2015	2014
Number of Customers	1,826,607	1,712,801	1,544,929
Social Impact (millions of people) ⁽¹⁾	7.3	6.9	6.2
Number of Employees	8,038	7,910	7,472
Number of Offices	507	509	488
Volume of credit portfolio (million euros) ⁽²⁾	1,009	936	907
Average amount for microcredits (euros) ⁽³⁾	1,161	1,046	1,026
Number of countries footprint	5	7	7

⁽¹⁾ It is calculated by multiplying the number of customers by the average family unit ratio.

⁽²⁾ Composed of current portfolio, portfolio in default and interest.

⁽³⁾ Weighted by cumulative number of operations.

In **2016**, the Foundation, which has more than 8,000 employees, continued to work on the most disadvantaged areas, serving 1.8 million customers. Over half of the entrepreneurs served by the Foundation are women, which directly helps to reduce gender inequality.

Data from a gender perspective of the BBVA Microfinance Foundation.

	2016		2015		2014	
	Number of Women Customers	Women/ Total Customers (%) ⁽¹⁾	Number of Women Customers	Women/ Total Customers (%) ⁽¹⁾	Number of Women Customers	Women/ Total Customers (%)
Emprende Microfinanzas (Chile)	6,469	58	6,386	60	8,548	63
Fondo Esperanza (Chile)	91,793	83	85,549	84	78,210	84
Bancamía (Colombia)	463,663	56	443,239	56	397,499	57
Financiera Confianza (Peru)	228,393	49	213,740	49	198,620	49
Microserfin (Panamá)	7,198	42	6,754	43	6,152	43
ADOPEM (Rep. Dominicana)	259,996	67	244,577	68	218,959	69
TOTAL	1,057,512	58	1,000,858	58	908,572	59

⁽¹⁾ For the percentage of women, both the assets and liabilities are informed (in net terms).

The mission and methodology of the Foundation have been acknowledged by the **United Nations** on various occasions

for their contribution to the Sustainable Development Goals (SDGs) of the 2030 Agenda, such as ending all forms of

¹The BBVA Microfinance Foundation was created as a response to BBVA Group's corporate responsibility, but as a non-profit institution it is independent of the Group in both governance and management. This is why BBVA Group makes it clear that the BBVA Microfinance Foundation is not part of the BBVA financial group. For this reason, BBVA Group neither manages nor is responsible for the activity undertaken by the Foundation or by those financial institutions that the Foundation may acquire in pursuit of its goals.

poverty, fight gender inequality and support decent work and inclusive, sustainable economic growth. In 2016, the United Nations Economic and Social Council (ECOSOC) granted the Foundation consultative status, with an acknowledgment of its work within its field of microfinance for development. The Foundation is consulted by the United Nations to steer and recommend actions conducive to sustainable development. The United Nations Sustainable Development Goals Fund (SDG Fund) has renewed the Foundation's membership of

its Private Sector Advisory Panel for 2017-2019. In April 2015, the Foundation became one of the 13 international institutions chosen as founding members of this Advisory Panel, which provides strategic support for the UN to achieve better results in sustainable development in coordination with the private sector. Since 2016, the Foundation has also participated in the Secretariat of the UN Secretary-General's High-Level Panel on Women's Economic Empowerment, which has selected the Foundation as a case study.

Disaggregated data by microfinance institution of the BBVA Microfinance Foundation

	2016			2015			2014		
	Customers	Employees	Offices	Customers	Employees	Offices	Customers	Employees	Offices
Emprende Microfinanzas (Chile)	11,106	163	21	10,568	159	21	13,641	145	26
Fondo Esperanza (Chile)	110,817	560	53	102,141	514	52	92,605	499	53
Bancamía (Colombia)	828,499	3,542	199	785,535	3,583	200	698,642	3,290	187
Financiera Confianza (Perú)	468,902	2,137	149	435,879	2,168	153	408,413	2,225	155
Microserfin (Panamá)	17,084	243	11	15,674	224	11	14,197	200	9
ADOPEM (Rep. Dominicana)	390,199	1,393	74	361,722	1,238	70	316,324	1,085	56
TOTAL	1,826,607	8,038	507	1,712,801	7,910	509	1,544,929	7,472	488

In **2017**, the Foundation will continue working on the development of its scale and scope, with an extended value proposition that allows its entrepreneurs to develop and

progress through technology-based solutions, as well as to improve efficiency and processes.

Credit portfolio data by microfinance institution of the BBVA Microfinance Foundation

	2016			2015			2014		
	Average Loan Amount (euros) ⁽¹⁾	Default Rate (%)	Volume of Credit Portfolio (thousand euros)	Average Loan Amount (euros) ⁽¹⁾	Default Rate (%)	Volume of Credit Portfolio (thousand euros)	Average Loan Amount (euros) ⁽¹⁾	Default Rate (%)	Volume of Credit Portfolio (thousand euros)
Emprende Microfinanzas (Chile)	1,262	6.36	13,861	909	4.87	10,473	828	7.4	10,672
Fondo Esperanza (Chile)	691	0.59	61,308	566	0.66	46,895	492	0.8	35,885
Bancamía (Colombia)	1,205	5.33	354,004	999	5.1	329,843	1,153	4.7	377,731
Financiera Confianza (Peru)	1,871	2.85	434,566	1,820	2.24	419,894	1,709	3	383,776
Microserfin (Panama)	1,397	4.43	25,888	1,278	4.28	22,167	1,043	4.8	16,656
ADOPEM (Rep. Dominicana)	669	3.66	119,571	584	3.48	104,809	486	3.2	80,557

⁽¹⁾ Calculation. Microcredit average amount: amount disbursed accumulated in the current year, divided by the number of accumulated operations of the same period. Volume of credit portfolio: Profitable Portfolio + Past-due Portfolio (Change of approach, excluding accrued interests as of 2Q16).

Momentum Project

Alongside the Foundation, there are other initiatives that support entrepreneurship, such as the **Momentum Project**, a social entrepreneurship support program aimed at promoting the growth and consolidation of innovative social enterprises. The program is carried out by coordination with top business schools and with the participation of BBVA executives, who provide a strategic mentoring service. Created in 2011 and developed in three countries (Spain, Mexico and Peru), it was remodeled in 2016 and became BBVA Momentum, an updated version of the program that has been simultaneously launched in five countries in February 2017.

Since the launch of the program, 112 companies have participated in the integrated training, strategic mentoring, visibility, financing and follow-up program for the social entrepreneurs taking part, to consolidate and extend the social impact they generate. In 2016, the program was only run in Mexico and benefited 20 entrepreneurs.

[Annex 18: BBVA Momentum](#)

Other initiatives

It is important to mention initiatives adapted to the local environment, such as the **Women Entrepreneur Executive School** program, implemented in 2012 by Garanti Bank in Turkey for training women entrepreneurs through the Boğaziçi University Lifelong Learning Center. As part of the program, women entrepreneurs receive 100 hours of training on subjects such as business creation, innovation and sustainable management. Since 2015, initiatives have been developed in collaboration with various local organizations to drive the process of digitalization in Turkish SMEs.

In Colombia, the **Emprendimiento Met Colombia** (Colombia Met Entrepreneurship) program was developed in 2016, promoting sustainable, responsible and innovative female

entrepreneurship through training, support, networking and communication. It fosters the intensive use of technology and is particularly focused on social innovation. This program has been developed in partnership with the Met Community organization and has benefited 550 women entrepreneurs.

Lastly, **BBVA Open Talent** is a program for entrepreneurs, which was run for the eighth time in 2016, when 1,217 startups from 77 countries took part. Open Talent is the mechanism that connects these startups to BBVA, seeking partnership options that lead to the disruption of the financial industry. When mutual interest exists for both sides, they explore areas that are mutually beneficial to startups, customers and BBVA. Over 350 BBVA executives and experts from around the world also took part in this year's program, allowing them to meet the entrepreneurs in person.