

Principles for  
responsible banking:  
**Progress  
report  
year 2**



**Banca****ía**  
El Banco de los que crecen

Fundación  
**BBVA** Microfinanzas



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# PRINCIPLES FOR RESPONSIBLE BANKING: PROGRESS REPORT YEAR 2

Bancamía, an entity of the BBVA Microfinance Foundation, reaffirms its commitment to sustainable development and purpose-driven banking by presenting its second 2024 Progress Report under the framework of the Principles for Responsible Banking (PRB) promoted by UNEP FI. This report reflects the progress and actions implemented to align the bank's strategy, operations, and products with the Sustainable Development Goals (SDG's) and the Paris Agreement, contributing concretely to financial inclusion, sustainable economic growth, and climate action.

As a bank with a social mission, its purpose of improving the quality of life of entrepreneurs in vulnerable conditions guides every decision. In this context, the adoption of the PRB has represented an opportunity to strengthen sustainable management, set measurable goals, and enhance governance mechanisms, impact measurement, and accountability.

During the reporting period, Bancamía has made progress in consolidating its climate strategy, in analyzing impacts to prioritize areas of action, in designing environmental and social goals aligned with its core business, and in progressively integrating Sustainability risks and opportunities into its management framework. Through this report, Bancamía shares with its stakeholders the progress made, the challenges identified, and the next steps toward more inclusive, transparent, and responsible banking.





# 1. ALIGNMENT

## OUR BUSINESS MODEL

Bancamía is a Colombian financial institution specialized in microfinance, whose business model focuses on promoting financial inclusion for people in vulnerable situations, especially low-income microentrepreneurs. Its purpose is to improve the quality of life of its clients by providing access to financial and non-financial services that strengthen the productivity and sustainability of their businesses.

The institution serves more than 1.6 million clients nationwide, of whom 210,000 are active microentrepreneurs accessing productive credit products. In 2024, Bancamía disbursed COP 1.43 trillion (approx. USD 324.5 million ) in productive loans, representing a 6% growth compared to the previous year. Of the total clients with credit, 56% are women, 43% live in rural areas, 38% have only primary education or less, and 81% are in situations of economic vulnerability, reflecting the institution's clear social focus.

Its operations span all 32 departments of Colombia, with a presence in over 890 municipalities, including hard-to-reach areas, thus bringing financial services to populations excluded from the traditional banking system. The productive sectors financed include commerce, production, agriculture, and services, with an emphasis on informal economic units that drive local economies.

In terms of products and services, Bancamía offers productive loans, savings accounts, certificates of deposits (CDs), insurance, digital products, and advisory services in health and financial education. The institution has consolidated a digital transformation strategy with over 491,000 active digital users (a 10% increase from 2023), expanding access to services through channels such as the mobile app, WhatsApp, and mobile branches. The bank has strengthened its savings portfolio, achieving 18% growth in savings accounts and 28% in certificates of deposits CDs, accumulating over COP 1.2 trillion (approx. USD 272.2 million) in liabilities.

## SUSTAINABLE MICROFINANCE MODEL

Bancamía's corporate strategy identifies and reflects sustainability as a central strategic priority by integrating it transversally into its business model, institutional purpose, and decision-making. Its sustainable approach is based on three pillars: social, environmental, and economic, and is operationalized through inclusive financial products, climate change adaptation solutions, and a strong culture of ethics and compliance.

The institution has formalized this commitment by adhering to UNEP FI's Principles for Responsible Banking and reinforces it through continuous materiality analysis that identifies key topics such as financial inclusion, climate change, diversity, and governance. Additionally, it publishes its annual Sustainability Report aligned with international frameworks such as GRI and SASB, consolidating its vision of sustainability as the central axis of the social and environmental impact it seeks to generate in the country.







# ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDG's)

Bancamía has strategically aligned its operations with several priority SDG's, including:



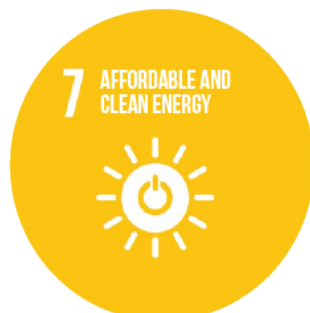
Serves mainly vulnerable populations, with 81% of clients in vulnerable conditions and 38% below the monetary poverty line.



Provides financing to agricultural producers and rural farming units, with over COP 320.000 MM (approximately USD 72.58 million) disbursed in rural areas in 2024.



Launched the Crediverde Agua line to finance access, storage, and distribution solutions for clean water in rural communities.



Through products like Crediverde Energía, supports microentrepreneurs in implementing clean technologies, including solar systems and energy efficiency improvements.



AND



Its business model promotes decent work, income generation, and financial inclusion for vulnerable populations. Among credit clients, 56% are women, 43% live in rural areas, 16% are youth, and 17% are elderly. Internally, it promotes employee well-being through health, training, work-life balance programs, and equity and inclusion policies, ensuring decent work conditions and diverse environments.



Bancamía promotes responsible practices within the organization through an institutional eco-efficiency policy, optimizing the use of natural resources (paper, water, energy) and managing carbon emissions through reduction initiatives and solar energy use in some bank branches.



Bancamía drives climate adaptation among rural microentrepreneurs through products like Crediverde Adaptación and other sustainable financial solutions. Additionally, it is progressing on its roadmap toward carbon neutrality, which includes measuring, reducing, and offsetting its carbon footprint, as well as gradually incorporating climate criteria into its operations and value proposition.



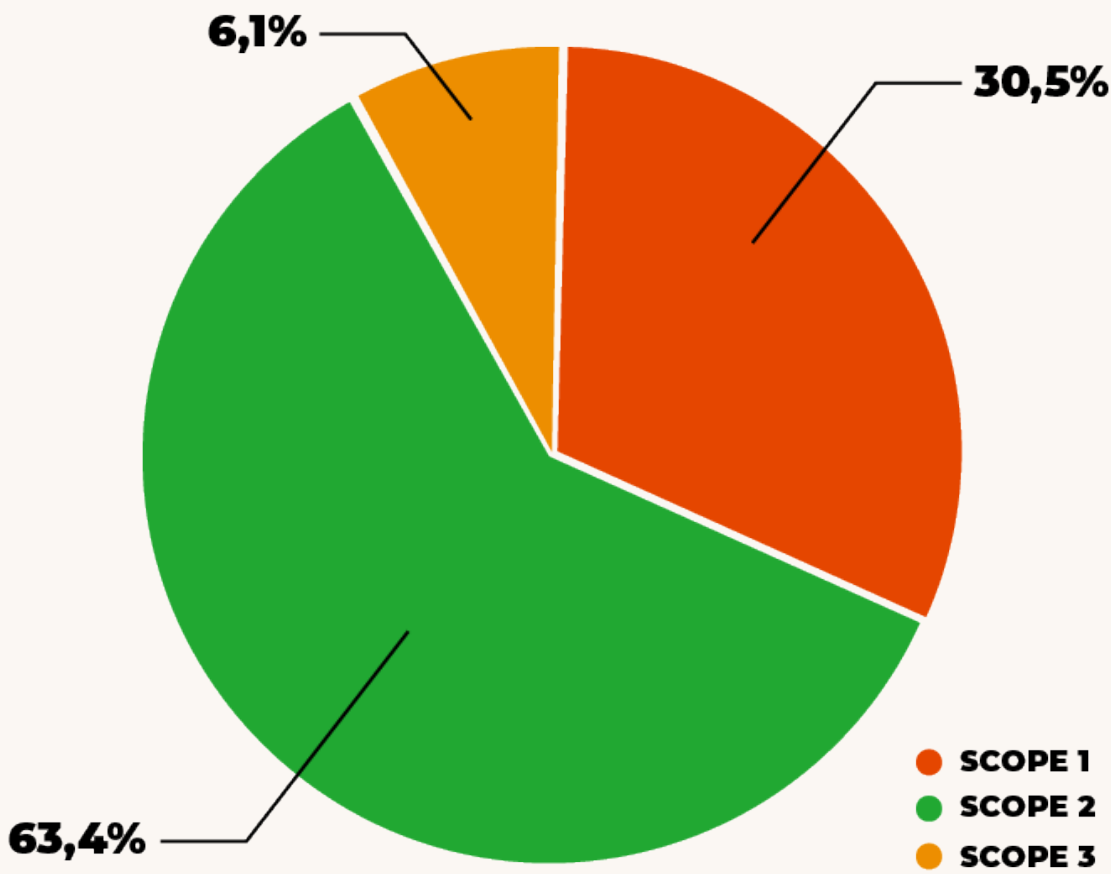
The bank promotes transparency, ethics, and accountability through strong corporate governance, regulatory compliance policies, and reporting channels. Furthermore, its presence in regions affected by armed conflict contributes to financial inclusion as a tool for development and territorial peace.



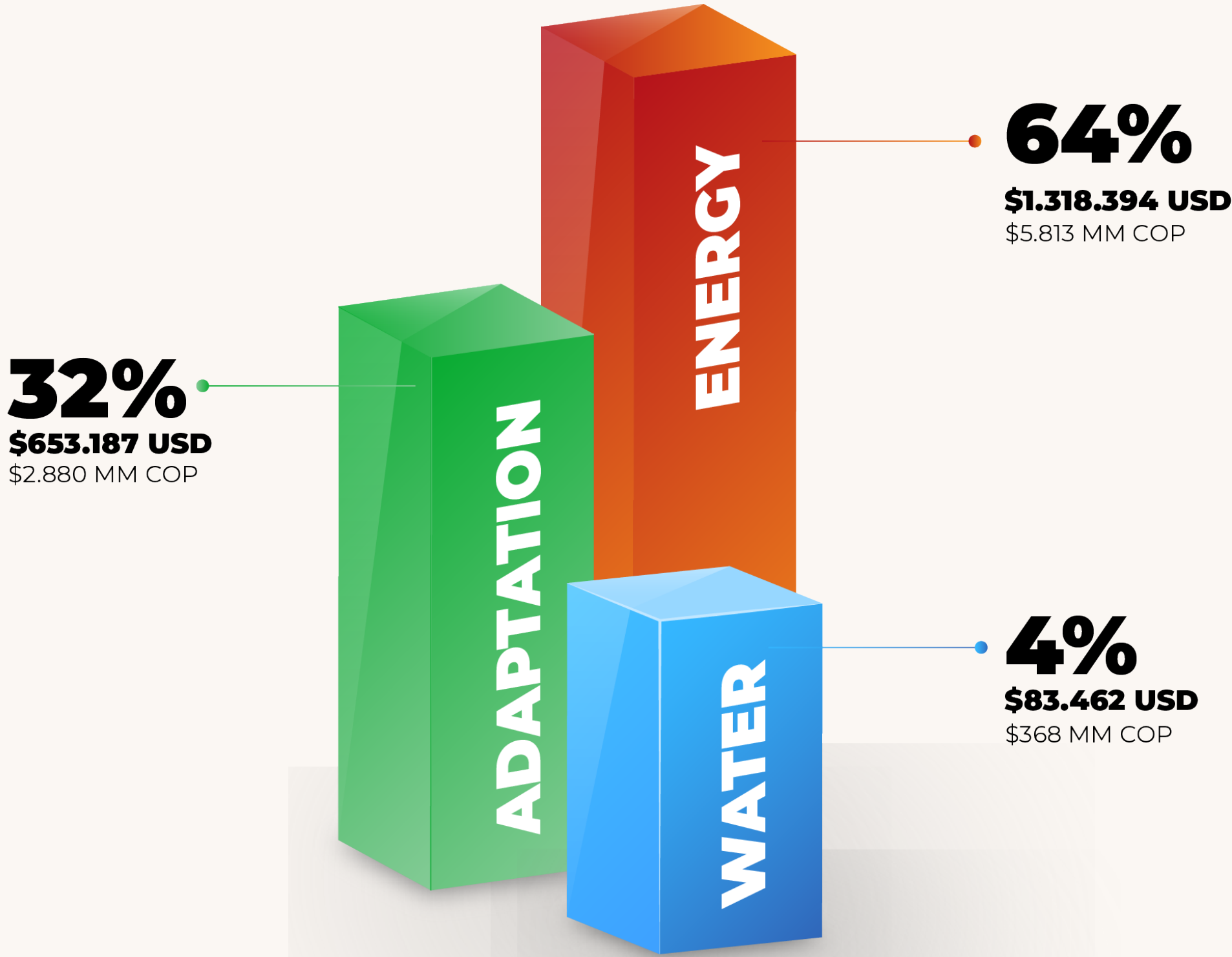
# 2. IMPACT MEASUREMENT AND GOAL SETTING

## CARBON FOOTPRINT

Bancamía's 2024 carbon footprint results: 1,360.39 tCO<sub>2</sub>e



Share of the amount disbursed through the green loans portfolio in 2024



## GREEN FINANCING



**LOAN DISBURSEMENTS:**  
**APPROXIMATELY USD**  
**2.06\* MILLION**  
COP \$9.061 MM

\*calculated using the TRM of COP 4,409.15 as of December 31, 2024





## FINANCIAL HEALTH

- **OBJECTIVE ADVISORY SESSIONS:** 259,520 IN-PERSON SESSIONS
- **PEOPLE BENEFITED:** 186.084
- **DIGITAL IMPACT VIA WHATSAPP BOT:** 230,360 USERS RECEIVED CONTENT ON BUDGETING, SAVING, CLIMATE CHANGE, AND MORE
- **IN-PERSON AND VIRTUAL WORKSHOPS:** 3.216
- **TOTAL ATTENDANCE:** 45.447
- **EFFECTIVE REACH:** 31.985 PEOPLE
- **NEW PARTICIPANTS IN THE SELF-LEARNING TRACK ON THE E-LEARNING PLATFORM:** 1,003 FOCUSED ON AUTONOMOUS EMPOWERMENT, COVERING KEY AREAS SUCH AS SUSTAINABLE FINANCE, BUSINESS SKILLS, AND DIGITAL EDUCATION.



## PROGRESS ON ACTION PLANS

### OPERATIONALIZING THE ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM (ESRMS)

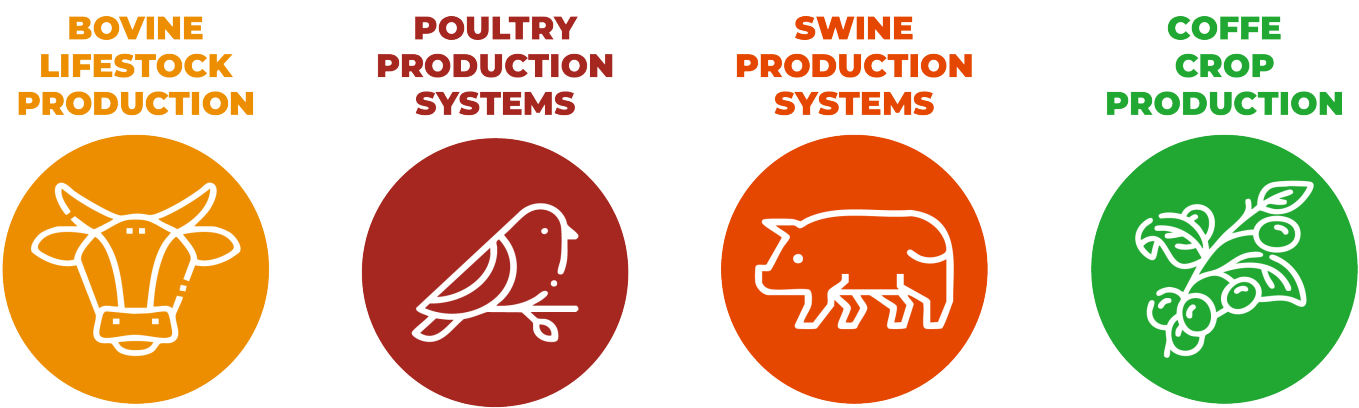
In 2024, Bancamía worked on structuring an Environmental and Social Risk Management Policy, which will come into force in 2025. This policy defines the operating guidelines of the Environmental and Social Risk Management System (here and after ESRMS), which is an integral part of the credit granting process.

The ESRMS policy enables the bank to identify, categorize, assess, control, and mitigate environmental and social risks related to credit operations, ensuring that microentrepreneurs receiving financing generate minimal or positive impact on the social and environmental context.

During the second half of 2024, pilot programs were implemented in selected branches to begin ESRMS deployment. Following these pilots, environmental and social risk analyses were conducted for 30 credit operations in prioritized sectors.

ESRMS will be officially launched in 2025, allowing for the development of:

- IMPROVED METHODOLOGIES FOR IDENTIFYING NEW POTENTIAL RISKS
- INCLUSION OF NEW ELIGIBLE ACTIVITIES PRIORITIZED IN THE RISK ANALYSIS PROCESS
- STRENGTHENED CAPABILITIES AND PROCESSES TO ADDRESS FUTURE ENVIRONMENTAL AND SOCIAL CHALLENGES.



Starting in 2025, ESRMS will come into effect, enabling the development of new enhancements to strengthen the methodology for identifying potential new risks, incorporating new eligible activities to be prioritized in the risk analysis process, and integrating the necessary capabilities and processes to address these emerging challenges.

### PROGRESSIVE IMPLEMENTATION OF TCFD RECOMMENDATIONS

In line with its commitment to advancing toward more robust and transparent climate management, Bancamía will present its first TCFD (Task Force on Climate-related Financial Disclosures) report to its stakeholders in the second half of 2025. This aims to strengthen the identification, assessment, and disclosure of climate-related risks and opportunities.

This initiative will enable the institution to align its practices with leading international standards in sustainable finance, improve strategic decision-making regarding climate risk, and provide greater clarity to stakeholders about its exposure and ability to respond to future climate scenarios.

### STRENGTHENING CARBON FOOTPRINT MEASUREMENT

In 2024, Bancamía enhanced its data collection and carbon footprint calculation methodology, which allowed for more accurate and reliable results regarding its actual emissions. This technical improvement provides a stronger foundation to advance along its roadmap toward carbon neutrality.

### STRUCTURING THE BANK’S CLIMATE STRATEGY

Throughout 2024, Bancamía made progress in developing its climate strategy, focusing on four key pillars: climate governance, identification and management of risks and opportunities related to climate change, strengthening of the Environmental and Social Risk Management System (here and after ESRMS), and the commitment to carbon neutrality.

These efforts reflect the bank’s purpose of progressively integrating climate action into its business model and institutional management, thereby building a sustainable vision aligned with long-term challenges and opportunities.

The bank is currently working to consolidate climate governance that engages various departments and reports progress to senior management. Regarding climate risk management, Bancamía continues to identify and analyze physical and transition risks, particularly in rural segments, using tools such as the ESRMS methodology.



As for carbon neutrality, Bancamía has outlined a roadmap that includes continuous improvement in carbon footprint measurement, implementation of reduction measures, and the design of compensation strategies.

AS PART OF ITS CLIMATE STRATEGY, BANCAMÍA HAS ALSO BEEN DEVELOPING INITIATIVES AIMED AT IDENTIFYING PHYSICAL RISKS ASSOCIATED WITH CLIMATE VULNERABILITY.

PHYSICAL RISK ASSESSMENT FOR CLIMATE ADAPTATION

Bancamía continues to develop initiatives to identify and analyze its clients' climate vulnerability using data on rainfall and droughts reported by IDEAM (Institute of Hydrology, Meteorology and Environmental Studies) in its quarterly reports. These serve as input to identify areas of the country under alert for excessive rainfall or drought, which is communicated to bank branches nationwide. This enables the development of strategies for the placement of products such as insurance and green loans aimed at adaptation and/or controlling credit allocation that could increase the financing risk of productive projects potentially affected by these phenomena during the climate alert period.



In 2024, additional analyses were also conducted to identify, based on these alerts, the departmental level of risk by correlating the geographical location of branches and clients who have experienced medium and high levels of risk according to IDEAM's quarterly climate threat reports.



1 ANTIOQUÍA (10)  
4 HIGH RISK  
6 MEDIUM RISK

2 BOYACÁ (6)  
5 HIGH RISK  
1 MEDIUM RISK

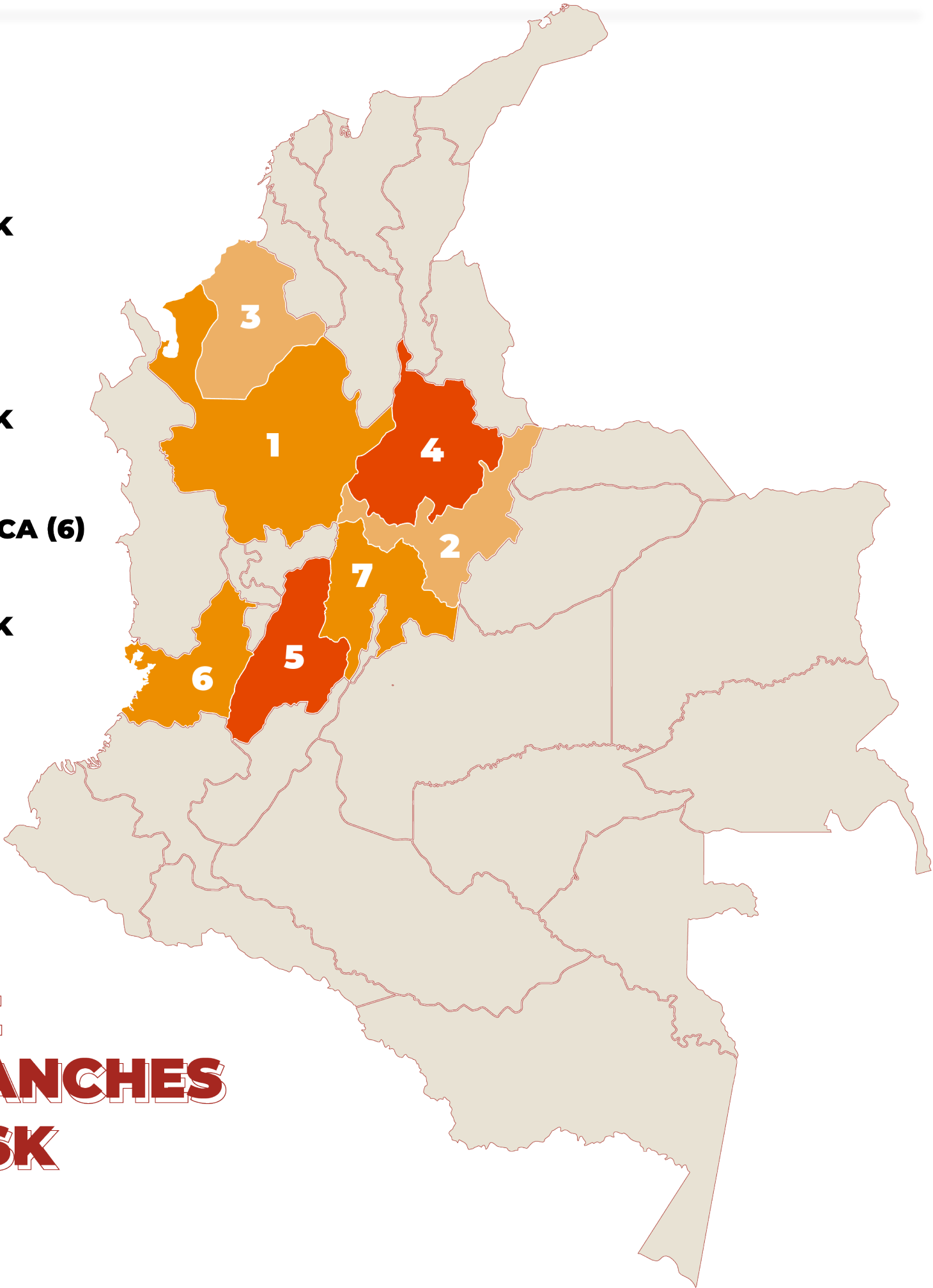
3 CÓRDOBA (6)  
1 HIGH RISK  
5 MEDIUM RISK

4 SANTANDER (5)  
2 HIGH RISK  
3 MEDIUM RISK

5 TOLIMA (5)  
4 HIGH RISK  
1 MEDIUM RISK

6 VALLE DEL CAUCA (6)  
3 HIGH RISK  
3 MEDIUM RISK

7 CUNDINAMARCA (8)  
5 HIGH RISK  
3 MEDIUM RISK



DEPARTMENTS WITH THE HIGHEST NUMBER OF BRANCHES EXPOSED TO CLIMATE RISK

CLIMATE RISK ACCOUNT

As a strategy to mitigate climate risk among credit clients and in line with its risk identification processes, Bancamía has developed parametric climate insurance products, both embedded and voluntary. In this regard, the institution has been implementing campaigns aimed at providing coverage to its clients, mainly in agricultural activities, which are more exposed to climatic events both physically and economically.

This demonstrates that Bancamía not only identifies climate risks and their geographic distribution but also manages products and mechanisms that strengthen clients' ability to face these threats. This is done through the promotion and sale of parametric climate insurance policies to rural and urban clients, with a total of 23,642 policies issued in 2024.





# QUALITY FINANCIAL INCLUSION

Bancamía committed to transitioning from financial education to financial health, aiming to ensure that knowledge is transformed into sustainable habits and actions. The application of learned concepts to make smart decisions, avoid over-indebtedness, and plan for a sustainable future took shape in the “Creciendo Juntos” strategy. This initiative represents collective progress toward a stronger economic future, where knowledge, discipline, and planning enable stability and well-being—facilitating a solid financial future without compromising the quality of life for future generations. It also aims not only at individual growth but at the development of more prosperous and equitable communities.

The strategy included the following components:



## SEGMENTED AND STRATEGIC CONTENT

Bancamía advanced in building an educational content schedule tailored to the profile and needs of its target audiences (microentrepreneurs, entrepreneurs, youth, etc.). These contents address, in a practical and contextualized manner, the responsible use of financial products, business sustainability, the strengthening of entrepreneurial skills, and the adoption of digital capabilities—with a behavioral and approachable focus.



## SPECIALIZED, MULTICHANNEL WORKSHOPS FOCUSED ON EMPOWERED CLIENTS

Autonomy and capacity building among microentrepreneurs is promoted through thematic workshops designed around their specific needs and contexts. These learning experiences—available virtually—are designed to make clients the protagonists of their own learning journey, enabling them to identify opportunities to improve their businesses and make more informed and sustainable financial decisions.



## DIGITAL TOOL FOR OBJECTIVE FINANCIAL ADVICE

An accessible, interactive, and inclusive digital solution that enables users to receive objective financial health guidance. This tool, a WhatsApp chatbot, allows users to navigate a menu and explore the topics most valuable to them. It offers practical recommendations and tips to support informed financial decision-making.





# 3. CLIENTS AND CONSUMERS

Bancamía, committed to sustainable development and the resilience of microentrepreneurs, has consolidated a green loan portfolio —Crediverde Energía, Adaptación, and Agua— to finance projects that mitigate and adapt to climate change, promote efficient water management, and support renewable energy initiatives.

In 2024, the strategy focused on overcoming adoption challenges through specialized training for the commercial network and clients, as well as strategic alliances that strengthened the value proposition.

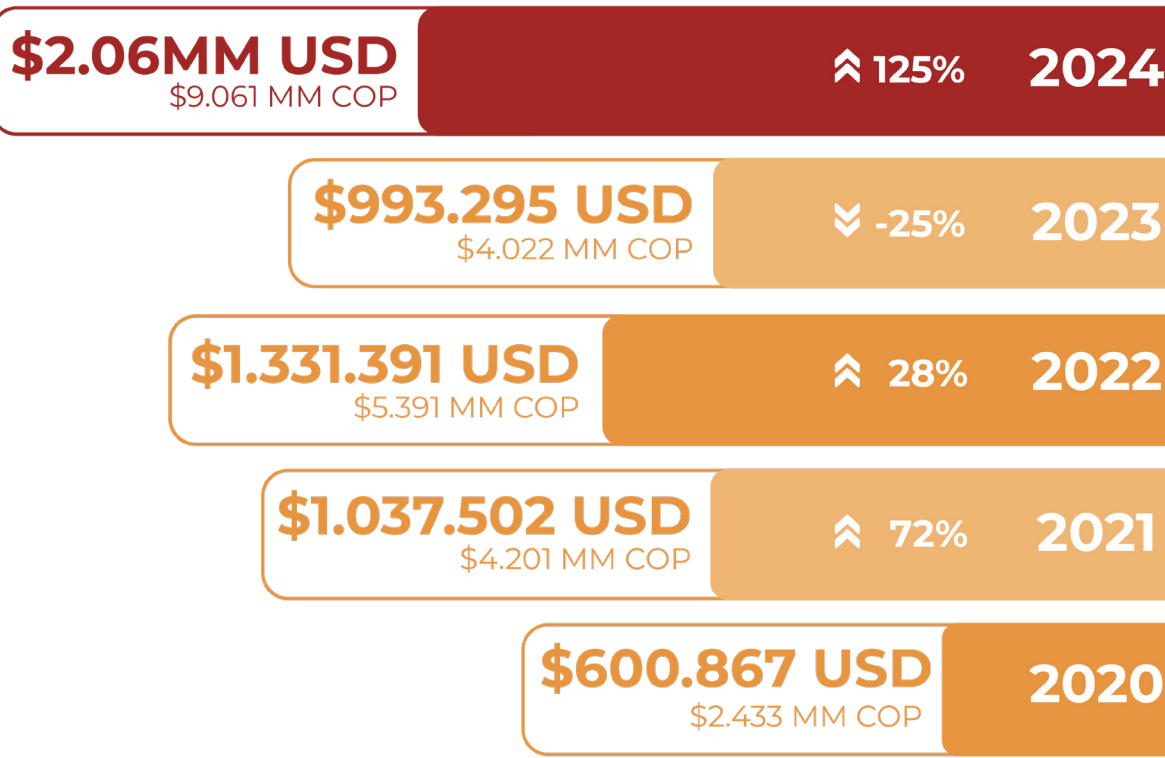


THE GREEN LOAN PORTFOLIO GREW BY  
**125,3%**  
**COMPARED TO 2023,**



SINCE 2016, MORE THAN  
**COP \$30.191 MM**  
**(APPROXIMATELY USD 6.85 MILLION)**  
**HAVE BEEN DISBURSED TO 7.384 BENEFICIARIES,**  
**WITH 30% OF THE HISTORICAL LOAN BALANCE PLACED IN 2024.**

## EVOLUTION OF ANNUAL DISBURSEMENTS BY GREEN CREDIT LINES



Bancamía also made progress in developing internal criteria and methodologies to evaluate the environmental contribution of its products, initiating the creation of its Green Financing Guidelines, which are expected to begin implementation in 2025.

In addition, climate change adaptation content was incorporated into its Financial Health strategy. These contents were disseminated through the Mía WhatsApp chatbot, in-person workshops, specialized YouTube workshops, and the

CRECIENDO JUNTOS

self-learning platform, thereby strengthening microentrepreneurs' capabilities to address climate risks and solutions.

\*Calculated using the December 31, 2024 exchange rate of COP 4,409.15 per USD





Gender equality and financial inclusion remain top priorities: 42% of agricultural credit clients are women, and

THE **INCLUYE RURAL** PROGRAM TRAINED MORE THAN

**1.200** PEOPLE

67% OF WHOM WERE WOMEN, MANY ACCESSING THE FORMAL FINANCIAL SYSTEM FOR THE FIRST TIME.



LASTLY, BANCAMÍA EXPANDED ITS PARAMETRIC **INSURANCE MODEL TO ADDRESS CLIMATE THREATS,**

**19.385**

PRODUCERS IN 801 MUNICIPALITIES ACROSS THE COUNTRY.

This represents a 903% increase in insured clients and a 456% expansion in geographic coverage, with 13,350 claims activated for a total amount of COP COP 5.486 MM (approximately USD 1.35\* million).

These actions enable the bank to identify and manage business opportunities that provide real solutions to the structural challenges faced by the agricultural sector—a key pillar for the country’s economic and social development.

\*Calculated using the exchange rate of COP 4,409.15 on December 31, 2024.





# 4. STAKEHOLDER ENGAGEMENT

Bancamía manages its Sustainable Microfinance strategy with a focus on meeting the expectations of its 14 prioritized stakeholder groups, both internal and external. The bank fosters ongoing, transparent dialogue with these stakeholders through various channels, including its website, social media, media outlets, and direct relationships.\*

Additionally, through collaborative partnerships, we develop and implement financial health strategies aimed at clients, suppliers, communities, and employees, with the goal of strengthening their ability to make informed and sustainable economic decisions.

This coordinated approach not only contributes to individual and collective financial well-being, but also enhances the resilience and sustainability of the value chains of many partners. It enables broader reach, knowledge generation, and the promotion of informed decision-making that drives transformational impact across regions.



\*For more information, see page 22 of the 2024 Sustainable Management Report.





# 5. GOVERNANCE AND CULTURE

The management of social, environmental, and governance (ESG) matters at Bancamía is supported by various mechanisms that ensure Board of Directors approval, enabling the oversight of alignment with institutional strategy, monitoring of key metrics and action plans, identification and management of sustainability risks, and the promotion of internal awareness and transparent disclosure of results.

Senior management actively promotes participation in sustainability initiatives and partnerships, ensuring effective compliance and follow-up on the Principles for Responsible Banking (PRB), particularly regarding the significant impact areas identified—climate change adaptation and mitigation, financial health, and inclusion across the organization.

These efforts are primarily led through the Management Committee, Board of Directors, and the Corporate Governance and ESG Committee.

## PROMOTING A RESPONSIBLE BANKING CULTURE

In 2024, the strategy focused on addressing challenges related to awareness and adoption of green financing lines by Bancamía's Commercial Network and its clients. To achieve this, continuous training and communication processes were established to reinforce understanding of green credit products, highlighting the opportunities they present for clients and the Bank.

These training initiatives included specialized workshops on sales skills and project analysis, helping commercial executives identify viable and financially attractive solutions for clients. In addition, educational content on climate change adaptation and mitigation was disseminated through digital channels such as the “Creciendo Juntos” learning platform—Bancamía's own initiative—and through virtual workshops shared on social media about sustainable financing mechanisms to address climate challenges.

In 2024, to foster institutional commitment, Bancamía developed the



concept as part of its Sustainable Microfinance Strategy. This aimed to make sustainability initiatives more relatable and accessible for clients, communities, employees, and stakeholders, while building a distinct identity for the Bank's sustainability efforts. It also encouraged cross-departmental interaction, showing how each sustainability pillar and material topic is embedded in daily operations throughout the Bank.

Ultimately, these efforts demonstrate that sustainability at Bancamía is a shared responsibility, and every day is an opportunity to work towards these goals.

## DUE DILIGENCE PROCESSES IMPLEMENTED:

### ● CONTEXT ANALYSIS AND EXCLUSIONS:

Identification of activities excluded from financing and classification of the loan portfolio based on environmental and social risk levels, with a focus on sectors such as pig farming, poultry, livestock, and coffee cultivation.

### ● RISK IDENTIFICATION AND CATEGORIZATION:

Assessment of key dimensions such as water, air, waste, fauna, labor conditions, and occupational health, categorizing loan applications into high, medium, medium-low, and low-risk levels.

### ● MITIGATION AND ACTION PLANS:

Based on risk levels, preventive measures are implemented, including contractual clauses, communication on climate risks, and linking financial products such as insurance and green loans.

### ● MONITORING, REPORTING, AND GOVERNANCE:

The Sustainability Department and Commercial Network collect and assess socio-environmental data starting from the credit application stage, ensuring integrated risk management.

### ● TRAINING AND CONTINUOUS IMPROVEMENT:

In 2024, commercial network training and pilot tests on 30 loan operations were conducted, improving tools and methodologies. In 2025, the Bank plans to expand coverage and strengthen capacity to manage emerging risks.





# 6. TRANSPARENCY AND ACCOUNTABILITY

In 2024, Bancamía made progress in verifying its sustainability data, ensuring the quality and reliability of reported information. As part of this process, certain indicators under the GRI Standards were reviewed by the third party firm Bureau Veritas, supporting the assurance of the Sustainable Management Report. These indicators also underpin content reported under the UNEP FI Principles for Responsible Banking.

Additionally, the Sustainable Management Report was formally disclosed to shareholders and regulatory bodies within the timelines established by Colombian regulations, reaffirming Bancamía's institutional commitment to transparency, accountability, and regulatory compliance.

For the next 12-month reporting period, Bancamía will continue implementing actions to strengthen its climate strategy, including concrete steps toward carbon neutrality, such as measuring, reducing, and offsetting its carbon footprint. Simultaneously, the Bank will enhance impact analysis through more robust metrics to assess the environmental and social effects of its products and services in terms of climate change adaptation, mitigation, and the promotion of sustainable financial inclusion.





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