

BBVA Microfinance Foundation

The BBVA Microfinance Foundation is a non-profit entity, created by BBVA Group in 2007 with the mission of promoting the economic and social development of vulnerable people, through financial inclusion. The Foundation has two main lines of activity:

First, the consolidation of its group of microfinance institutions in Latin America. With nearly 8,000 employees and more than 500 branch offices throughout Latin America and the Caribbean it is providing Responsible Productive Finance to 1.8 million vulnerable

people. It has disbursed more than USD 8.1 billion in productive loans to low-income entrepreneurs since its establishment.

Second, the BBVA Microfinance Foundation actively works on the development of the microfinance sector through good corporate governance, human capital training, promoting appropriate regulations and social impact measurement.

“The BBVA Microfinance Foundation recognizes the magnitude of the challenge that poverty alleviation and financial inclusion mean. In recognition of this challenge, numerous actors must be involved, and joint public and private efforts need to be made.”

Case Study: Responsible Productive Finance

“Responsible Productive Finance” is the methodology of the Foundation, where financial services, as well as accompaniment are provided to support its clients’ economic activity, pursuing their sustainable development. The aim of this model is that clients and their economic activities become successful, not only through financial services (credit, savings, insurance, remittances...), but also through comprehensive and continuous support, enhancing their business abilities and financial literacy.

“Savings for All”, a program in Peru for vulnerable groups in rural high Andes areas implemented through its microfinance institution (Financiera Confianza) is an example of Responsible Productive Finance. It seeks to improve the living conditions of the least advantaged rural populations by means of financial education in

their indigenous language (Quechua) using puppets and a programmed savings product designed with their needs in mind. In two years of operations, the program has taken financial education to over 13,650 people in 52 rural communities in the Apurímac and Cusco regions. Of the people receiving training, 23% valued the security provided by the formal financial system when they decided to open a savings account, with 80% of those being women. Clients define their savings aims when they open their account: most were saving for the primary purpose of paying for their children’s education, viewing this decision as the opportunity for the latter to achieve a better standard of living. This program and its findings showed that financial inclusion play a critically important role in reducing poverty.