

## Banco Bolivariano Reporting and Self-Assessment

Request	Bank's Response and Self-Assessment	Reference(s)
<p><b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Business model description</p>	<p>Founded in march, 1980; Banco Bolivariano operates in Ecuador as a private multiple banking institution. At the heart of our business and our focus is to provide our customers with the best service. This practice has allowed us to develop loyal customers who appreciate a personalized and professional interaction with their bank.</p> <p>Our core business is to attract resources from companies and individuals, and to provide different financial products in the Productive, Retail, Mortgage, and Education sectors.</p> <p>To December 2020, Corporate Banking constitutes 71.4% of our loan book, while Retail lending constitutes 25.4%.</p>	
<p>1.2 Business strategy alignment with sustainable development</p>	<p>In order to align with sustainability goals, we have been working to implement strategies such as Carbon Neutral Certification for our main agencies. In addition, we have joined initiatives aligned to sustainable finance such as the Sustainable Finance Protocol of Ecuador, the United Nations Environment Program Finance Initiative (UNEP FI), Sustainable Finance Committee (ASOBANCA) and Fondo de Agua de Guayaquil (FONDAGUA). Additionally, we have worked with consultants to develop our internal framework for an Environmental and Social Management System, based on the IFC Performance Standards and EDFI guidelines. In addition, we created Green Financial Products to provide better lending conditions for sustainable businesses and projects. We have recently been working to develop a Sustainability Strategy where these developments fit together and to help us align our business to the UN Sustainable Development Goals.</p>	

**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>2.1 Impact analysis</p>	<p>Using the Portfolio Impact Identification Tool V2.1, we have been able to identify the most significant impacts that come from our financing.</p> <table border="1" data-bbox="459 663 1023 913"> <thead> <tr> <th colspan="2">Positive</th> </tr> </thead> <tbody> <tr> <td>Employment</td> <td>Food</td> </tr> <tr> <td>Health &amp; Sanitation</td> <td>Education</td> </tr> <tr> <td>Mobility</td> <td>Housing</td> </tr> <tr> <td>Culture &amp; Heritage</td> <td>Inclusive, Healthy Economies</td> </tr> <tr> <td colspan="2">Economic Convergence</td> </tr> </tbody> </table> <table border="1" data-bbox="459 954 1023 1312"> <thead> <tr> <th colspan="2">Negative</th> </tr> </thead> <tbody> <tr> <td>Waste</td> <td>Biodiversity &amp; Ecosystems</td> </tr> <tr> <td>Resources Efficiency/ Security</td> <td>Climate</td> </tr> <tr> <td>Culture &amp; Heritage</td> <td>Soil</td> </tr> <tr> <td>Health &amp; Sanitation</td> <td>Quality - Water</td> </tr> <tr> <td>Availability - Water</td> <td>Integrity &amp; Security of person</td> </tr> <tr> <td colspan="2">Air</td> </tr> </tbody> </table> <p>We will be working to stablish goals that will be updated on future reports.</p>	Positive		Employment	Food	Health & Sanitation	Education	Mobility	Housing	Culture & Heritage	Inclusive, Healthy Economies	Economic Convergence		Negative		Waste	Biodiversity & Ecosystems	Resources Efficiency/ Security	Climate	Culture & Heritage	Soil	Health & Sanitation	Quality - Water	Availability - Water	Integrity & Security of person	Air		
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<p>2.2 Target setting</p>	<p>Banco Bolivariano has worked internally to determine the most relevant impacts from its lending portfolio and will continue to monitor these impacts to set goals SMART targets that can be quantified and reported in future reports.</p>																											
<p>2.3 Plans for target implementation and monitoring</p>	<p>Banco Bolivariano will be working on a plan to implement and monitor defined actions and milestones to meet the targets that will be set.</p>																											
<p>2.4 Progress on implementing targets</p>	<p>Following the implementation, progress will be shown in future reports.</p>																											

### Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

#### 3.1 Policies and practices to promote responsible relationships with customers

In order to develop long term, responsible customer relations, we have put in place programs that aid our main goal, to respond efficiently and with high standards to our customer's needs.

We have developed a green cashier solution, **Caja Verde**, for our customers who visit the agencies. It uses no papers and digitally expedites the process to handle check and cash deposits. Transactions have been growing at an average rate of 31% month over month to December 2020.

Our Financial Education program **Aula BB** has reached more than 50,000 people. It seeks to ensure the enhancement of financial knowledge for people of diverse age groups and economic backgrounds.

Our program for non-bank correspondents **Punto BB** was launched in 2014 and has since expanded to 270 service points to December 2020, with an annual growth rate of 32% in number of new locations. It is meant to be an access point to the formal financial system that is closer and easier to reach for our customers. This provides safe financial tools and products, such as payments and savings, which foster financial inclusion in the local community. Punto BB accounts for 30% of the transactions performed in conventional cashiers nationwide (taking into account only the transaction types available at this locations).

As part of our product offering, we have made available **Cuenta Kids** and **Cuenta Joven**, savings accounts focused towards kids up to 12 years and up to 17 years respectively with the purpose to teach them from a young age about the importance of savings and money management.

We have developed inclusive products geared towards women, **Contigo Mujer** Digital Pack, a range of products designed to fulfill women's needs without physically visiting the bank.

In terms of customer service quality control, we have set two pillars that guide our actions: 1. Arrange the means for customers to be able to provide feedback about their experience with our services. 2. Manage the quality control system (certified with ISO 9001:2015) to promote the continuous improvement that leads to a higher customer satisfaction.

Green Cashier  
"Caja Verde"  
<https://www.bolivariano.com/servicios/caja-verde>

Aula BB  
<https://www.bolivariano.com/aula-bb>

Punto BB  
<https://www.bolivariano.com/personas/canales-de-atencion/punto-bb>

Cuenta Kids  
<https://www.bolivariano.com/personas/cuentas/cuenta-kids>

Cuenta Joven  
<https://www.bolivariano.com/personas/cuentas/cuenta-joven>

Contigo Mujer  
<https://www.bolivariano.com/personas/cuentas/contigomujer>

Cuenta Ahorros Online

	<p>We have implemented a digital transformation strategy, to integrate our core service offering into digital platforms to guarantee the derivation and self-management of our financial products, seeking for a smooth transition for our customers.</p> <p>As part of our digital product offering, customers can now open savings accounts <b>Cuenta Ahorros Online</b> and <b>Cuenta Más Online</b> without visiting the bank. These two products have been growing incrementally showing a 124% growth in number of accounts opened and a 118% growth in cash balance (during the last semester of 2020).</p> <p>Also, our digital lending product <b>Credimax Online</b>, which is a loan geared towards individual customers and is handled online, shows a 163% growth in cash loaned (during the last quarter of 2020).</p>	<p><a href="https://www.bolivariano.com/personas/cuentas/cuentas-ahorros">https://www.bolivariano.com/personas/cuentas/cuentas-ahorros</a></p> <p>Cuenta Más Online <a href="https://www.bolivariano.com/personas/cuentas/cuentamasonline">https://www.bolivariano.com/personas/cuentamasonline</a></p> <p>Credimax Online <a href="https://www.bolivariano.com/personas/creditos/credimax-online">https://www.bolivariano.com/personas/creditos/credimax-online</a></p>
<p>3.2 Work done to encourage clients and customers to perform sustainable practices and enable sustainable economic activities.</p>	<p>Banco Bolivariano has put in place an environmental policy and internal frameworks that promote a complete E&amp;S management of our portfolio. Our main framework is the Environmental and Social Management System (ESMS), which allows us to work alongside our customers to ensure an effective control of the potential E&amp;S risks associated to their operations. As part of this, we conduct transaction screenings using our Exclusion list (fully compliant with EDFI requirements) and using a risk categorization tool. In addition, we perform a Due Diligence based on the E&amp;S risk category, this allows us to enhance our knowledge of their business and its impacts, as well as, to better control and mitigate potential risks.</p> <p>As an alternative to our normal loan offering, we have created green lending products <b>Crediplus Verde</b> and <b>Credimax Verde</b>. These products have more convenient rates and terms so that they serve as a way to support our customers' transition to a more sustainable way of doing business.</p> <p>We have worked alongside IFC to encourage our customers in the building industry to implement the EDGE certification on their projects, resulting in a more efficient and sustainable built environment. To support this purpose, one of our staff members holds the LEED Green Associate and EDGE Expert certifications. This allows us to provide guidance and expert technical assistance as an added value.</p>	<p><a href="#">Environmental Policy</a></p> <p>Credimax Verde <a href="https://www.bolivariano.com/personas/creditos/credimax-verde">https://www.bolivariano.com/personas/creditos/credimax-verde</a></p> <p>Crediplus Verde <a href="https://www.bolivariano.com/empresas/crediplus/crediplus-cr%C3%A9dito-verde">https://www.bolivariano.com/empresas/crediplus/crediplus-cr%C3%A9dito-verde</a></p>

Furthermore, we have been building capacity among our commercial associates for them to be able to perform basic E&S analysis, as well as, to be able to identify potential green loan projects.

**Principle 4: Stakeholders**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder engagement and collaboration

**Community**

In an effort to give back to our community, we have collaborated with Enseña Ecuador (Members of Teach for All), a nonprofit devoted to promote equal opportunities and access to quality education for all kids. We believe that social transformation starts with education, giving everyone the tools to achieve their peak potential.

**Customers**

We are constantly engaging with our customers to direct our services towards their real needs.

**Multilateral Agencies**

We are constantly working alongside multilateral agencies such as IDB, FMO, IFC, PROPARCO, DEG to foster the development of different market segments, especially SMEs.

**Social Actors/ Business Associations**

We are members and supporters of the local water conservation fund "FONDAGUA".

**Employees**

Through constant capacity building sessions focused in different areas of the business we look to enhance our employees' knowledge to better serve the needs of our customers.

**Principle 5: Governance & Culture**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance structure

Within our established governance structure, people from different areas in the bank are in process of integrating the implementation of the principles into their workflow.

In terms of Corporate Social Responsibility, the bank is promoting volunteering opportunities for the personnel to get involved and give back to the local community.

	Internally, a Corporate Sustainability Plan is being developed and the bank will implement it during the following years. This plan includes internal strategies such as recycling, reducing resource consumption and internal communications raising awareness and sharing best green practices.	
5.2 Initiatives and measures to foster a culture of responsible banking among employees.	<p>The Bank has put in place an internal and external communication initiative EcoBB to foster responsible social and environmental practices among our customers. These are shared on all our social media platforms that have a countrywide reach.</p> <p>Among our responsible banking initiatives, the Bank also promotes the carbon neutral certification for its main agencies, Financial Education programs, blood donation events that are scheduled every 6 months and works in partnership with Junior Achievement Program to foster professional and personal growth in the local community.</p>	
5.3 Governance Structure for the Implementation of the Principles	The Bank is in process of building capacity in order to create a governance structure that can integrate the implementation of the principles.	

**Principle 6: Transparency & Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Progress on Implementing the Principles for Responsible Banking	<p>We have been working to align our ESMS to international best practices, following IFC Performance Standards and EDFI guidelines.</p> <p>Our financial products have been in a constant evolution to offer a green version of them with better loan conditions geared to SMEs, Corporates and Individual customers.</p> <p>We will continue to implement strategies that help us align with the PRB.</p>	
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