

FIRST SUSTAINABILITY BOND ALLOCATION AND IMPACT REPORT (BACMEXT 23X, BACMEXT 23-2X)

2024



Banco de México
Banco de México



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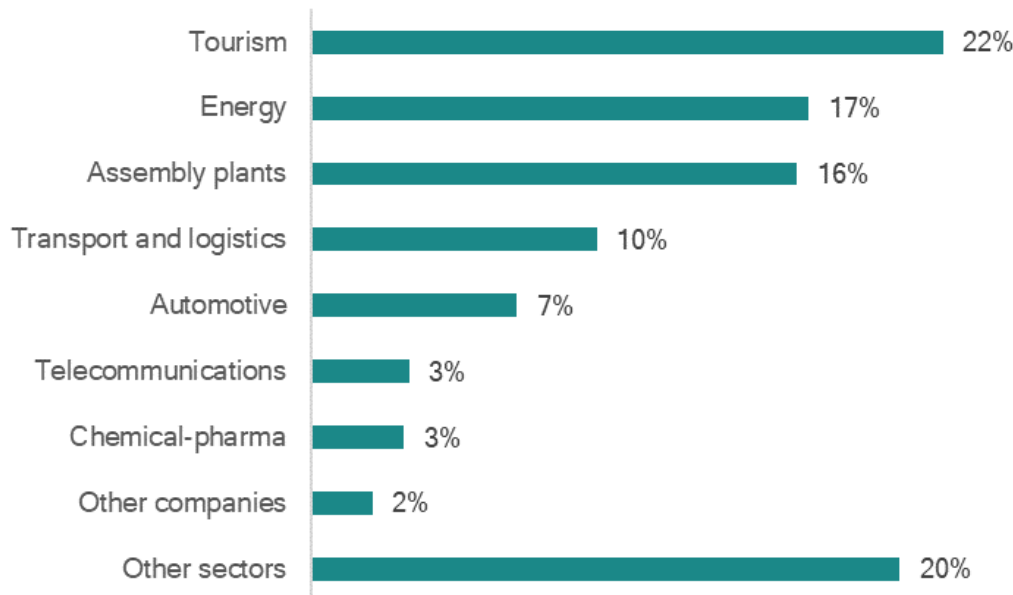
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Bancomext in a nutshell

Banco Nacional de Comercio Exterior, S.N.C. (also known as Bancomext) is a development banking institution with the mandate to contribute with the development and generation of employment in Mexico by promoting business growth through financial services to foreign currency-generating companies in the country. Founded in 1937, it operates by originating loans and issuing loan guarantees, directly or through commercial banks and non-banking financial intermediaries, to increase the productivity and competitiveness of Mexican exporting companies.

In 2022, Bancomext's total loan portfolio reached 252,034 MXN million¹ and it supported 4,263 companies, of which 88.1% were small and medium-sized. Our lending portfolio is diversified, with exposure to the Tourism Sector, Energy and Manufacturing (through Assembly plants), which together represent more than 55% of our current loan book.

Figure 1. Direct lending portfolio, by economic activity, 2022



Source: Bancomext.

¹ Of which, only 2.4% was categorized as non-performing portfolio.

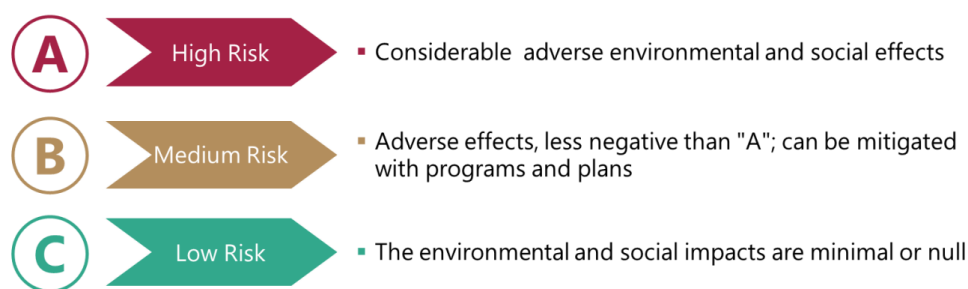
* This report version was updated on October 10, 2024.

Sustainability at Bancomext

As a development banking institution, Bancomext has assumed a proactive commitment to incorporate environmental and social sustainability principles in alignment with the national agenda. In particular, the Bank has made the commitment to have a larger and meaningful impact on society by prioritizing the financing of projects with high environmental and social responsibility standards and values².

Since 2017, the Bank established an internal Environmental and Social Risk Management System (ESRMS), referred hereafter as SARAS (Sistema de Gestión de Riesgos Ambientales y Sociales) with the purpose of identifying, overseeing, and administering potential negative environmental and social impacts in our financed operations. This process is formally part of Bancomext's credit approval procedures³ and allows the Bank to determine the social and environmental risk category of every potential loan, in alignment with the Equator Principles, the International Financial Corporation's performance standards, and current national environmental and social regulation.

Figure 2. SARAS environmental and social risk categories



Source: Bancomext's Sustainability Bond Framework.

In July 2021, Bancomext issued its Sustainability Bond Framework to set forth the following guidelines of these instruments: 1) eligibility criteria and categories for social and green bond projects, as well as an exclusion criteria, 2) the process of project evaluation and selection carried out by the Environmental and Social Management Unit (Unidad de Gestión Ambiental y Social or "UGAS"), 3)

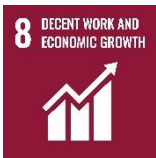
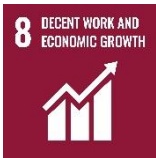
² Bancomext Sustainability Bond Framework.

³ The SARAS methodology was developed under the Equator Principles. The methodology is applied to direct loans offered by Bancomext.

management of proceeds, and 4) transparency and reporting standards⁴. The Framework is harmonized with a series of industry best practice standards such as ICMA's Sustainability Bond Guidelines⁵, the Green Bond Principles, the Social Bond Principles, and the United Nations 2030 Sustainable Development Goals (SDG's).

The issuance of Sustainable bonds contributes with our ESG objectives, particularly in the mobilization resources to fund Mexico's transition into a low carbon economy and a more equitable society.

Figure 3. Bancomext's Sustainability Bond Framework eligibility criteria

Bond project eligible category	Type of project	SDG Alignment
Access to essential services	Social	 
Employment generation	Social	
Socio-economic advancement and empowerment	Social	 
Renewable energy	Green	 
Energy efficiency	Green	 
Sustainable water and wastewater management	Green	

⁴ Bancomext's Sustainability Bond Framework presents a non-exhaustive list of KPIs applicable and aligned with the Harmonized Framework for Impact Reporting and the Harmonized Framework for Impact Reporting for Social Bonds, documents issued and continuously updated by ICMA.

⁵ Issued by the International Capital Markets Association (ICMA).

Bond project eligible category	Type of project	SDG Alignment		
Clean transportation	Green			
Green buildings	Green			
Environmentally sustainable management of living natural resources and land use	Green			
Pollution prevention and control	Green			

Source: Bancomext.

Issuance Summary

Bancomext is committed to keep investors updated regarding the use of proceeds of its bond issuances until the funds are fully allocated to eligible projects. Through this report, we disclose the following information concerning BACMEXT 23X and BACMEXT 23-2X bonds: 1) the amounts allocated to projects presented in aggregation based on portfolio categories as well as the amount of unallocated proceeds, and 2) the qualitative and quantitative environmental and social impact of the investment projects included in the allocation report. The details of the issuance are presented in Figure 4.

Figure 4. Issuance summary

<i>Issuer</i>	<i>Banco Nacional de Comercio Exterior</i>	
Issuer rating	Fitch Moody's	AAA(mex) Aaa.mx
Issued amount (MXN)	\$4,000,000,000	\$6,000,000,000
Date of issuance	February 17 th , 2023	
Maturity date	February 13 th , 2026	February 8 th , 2030
Tenor	3 years	7 years
Ticker symbol	BACMEXT 23X	BACMEXT 23-2X

Source: Bancomext.

Allocation report

In accordance with Bancomext's Sustainability Bond Framework, an amount equal to the net proceeds of the issuance will be allocated to existing or future investments that meet the established requirements of "Eligibility Criteria". Eligible projects include loans, investments, and expenditures made by Bancomext or any of its subsidiaries since the issuance date of the Sustainability Bond, or in the 36 months prior to any such issuance (in any of the categories defined in the Framework).

As of 2024, 100.7% of the proceeds of BACMEXT 23X and BACMEXT 23-2X are allocated to eligible projects or expenses. Of these, 10.9% of the total amount of proceeds are allotted to environmental projects and 89.1% to social projects. Specifically, the Employment Generation category concentrates the vast majority of the issuance proceeds, followed by Socio-Economic Advancement and Empowerment⁶.

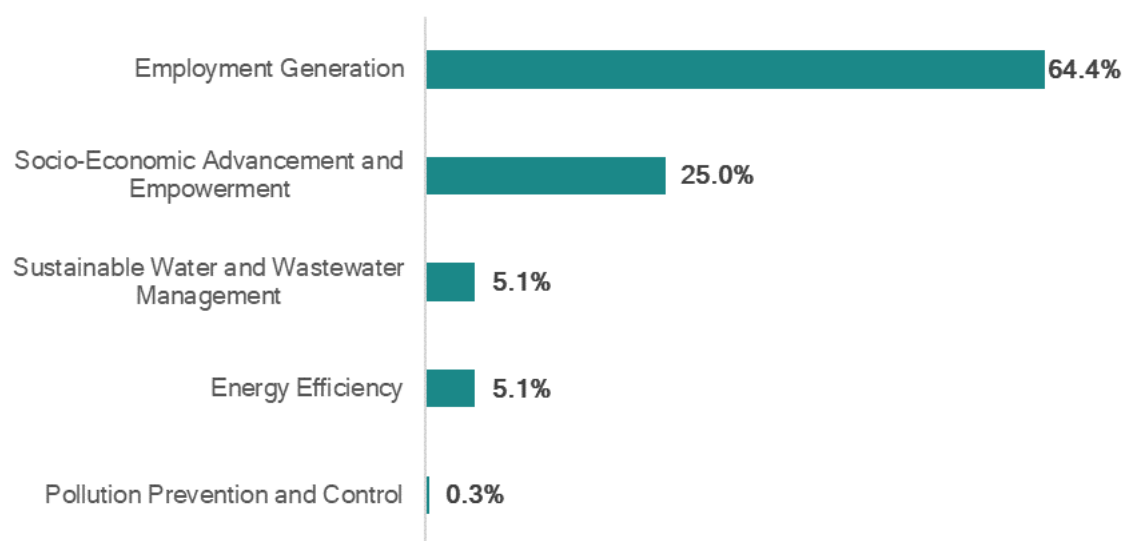
Figure 5. Issuance use of proceeds, by grand category

Total amount of proceeds allocated to eligible projects or expenses (MXN)		Total amount of unallocated proceeds
\$10,066,416,111.27 (100.7%)		\$ 0.00 (0%)
Social category	Environmental category	
\$8,968,842,711.27 (89.1%)	\$1,097,573,400.00 (10.9%)	

Source: Bancomext.

⁶ Bancomext matches the issuance maturity weighted average with the allocated projects lifetime weighted average. In this case, the weighted maturity of the bonds is 5.4 years, while the weighted credit term of the portfolio is 9 years.

Figure 6. Issuance use of proceeds, by green and social bond categories

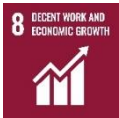
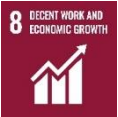


Source: Bancomext.

Impact report

The purpose of this section is to provide quantitative and qualitative performance indicators regarding the social and environmental impact associated with the use of proceeds of the issuance. Bancomext's Sustainability Bond Framework provides a non-extensive list of KPI's aligned with the Harmonized Framework for Impact Reporting and the Harmonized Framework for Impact Reporting for Social Bonds, documents issued and continuously updated by ICMA.

Figure 7. Detailed core indicators

Use of proceeds category	UN SDG	Amount of eligible projects/expenses (MXN million)	Impact reporting indicator	
Employment Generation		\$6,486.1	Number of jobs maintained and/or generated ⁷⁸	400
			MXN million in COVID-19 crisis alleviation financing	\$6,455.5
Socio-Economic Advancement and Empowerment	 	\$2,513.4	MXN million in loans to lower income regions / underserved populations	\$2,513.4
Energy Efficiency	 	\$518.1	KWh saved per year	233,970
Sustainable Water and Wastewater Management		\$518.1	M ³ of treated wastewater per year	10,950

⁷ For jobs maintained, the borrowers inform on a regular basis, and initially at the time of the loan application, the number of active employees. The number indicated in allocation reports corresponds to the initial number of jobs recounted by the borrower. For jobs created, these are reported on an estimated basis by the borrowers when the project is presented as part of the loan application. These are usually related to construction phases.

⁸ Considering our development bank orientation and the role played in promoting loans by private financial institutions, all employments maintained and generated by our clients are fully allocated in our reports. This is based on a deadweight assumption, taking into consideration that no loans had occurred by private institutions had Bancomext not participated.

Use of proceeds category	UN SDG	Amount of eligible projects/expenses (MXN million)	Impact reporting indicator	
Pollution Prevention and Control	7 AFFORDABLE AND CLEAN ENERGY  11 SUSTAINABLE CITIES AND COMMUNITIES  13 CLIMATE ACTION 	\$30.5	Tons of annual recycled, reduced, or reused waste	54.8

Source: Bancomext.

Success case study

Manufacture of cardboard packaging with recycled fiber

Bancomext provided financing to a company dedicated to the manufacturing of packaging and cardboard boxes from recycled fiber. With 20 industrial plants in operation, across 9 states, the company maintains over 8,000 direct jobs, serving more than 900 clients from 190 countries. The company has a strong social and environmental commitment, supporting diverse community initiatives and green reconstruction projects.

On top of producing 100% of paper and cardboard boxes from recycled fibers, the company has implemented strategies, overseen by third parties, to reduce gas emissions, save water consumption, and reduce the incidence rate of workplace accidents.

Contact Information

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Exhibit 1. Detailed report of portfolio investments⁹¹⁰

Project internal ID	Social / Environmental	Eligible project category	Allocated amount (MXN million)	Project lifetime (years)	Core indicator #1	Core indicator #2	Other indicators
Emi12	Social	Employment Generation	\$ 1,922.0	11	1,922 MXN million in COVID-19 crisis alleviation financing		
Emi170	Social	Socio-Economic Advancement and Empowerment	\$ 1,738.7	12	1,738.7 MXN million in loans to lower income regions / underserved populations		
Emi20	Social	Employment Generation	\$ 1,200.0	10	1,200 MXN million in COVID-19 crisis alleviation financing		
Emi82	Environmental	Energy Efficiency Sustainable Water and Wastewater Management	\$ 850.0	7	56.7% reduction in energy consumption		
Emi11	Social	Employment Generation	\$ 657.6	4	657.6 MXN million in COVID-19 crisis alleviation financing		
Emi23	Social	Employment Generation	\$ 654.5	10	654.5 MXN million in COVID-19 crisis alleviation financing		
Emi15	Social	Employment Generation	\$ 625.0	10	625 MXN million in COVID-19 crisis alleviation financing		
Emi110	Social	Socio-Economic Advancement and Empowerment	\$ 333.0	1	333 MXN million in loans to lower income regions / underserved populations		
Emi24	Social	Employment Generation	\$ 291.2	10	291.2 MXN million in COVID-19 crisis alleviation financing		
Emi31	Social	Employment Generation	\$ 288.2	3	288.2 MXN million in COVID-19 crisis alleviation financing		
Emi16	Social	Employment Generation	\$ 262.1	7	262.1 MXN million in COVID-19 crisis alleviation financing		

⁹ Aligned with ICMA's Green and Social Impact Reporting Templates.

¹⁰ This table includes projects allocated in previous reports and newly allocated ones. Bancomext updates the projects' effective lifetime, and ensures that the portfolio weighted average matches the issuance lifetime throughout the bonds' maturity.



Project internal ID	Social / Environmental	Eligible project category	Allocated amount (MXN million)	Project lifetime (years)	Core indicator #1	Core indicator #2	Other indicators
Emi106	Social	Socio-Economic Advancement and Empowerment	\$ 260.8	5	260.8 MXN million in loans to lower income regions / underserved populations		
Emi1	Social	Employment Generation	\$ 184.3	12	184.3 MXN million in COVID-19 crisis alleviation financing		
Emi5	Social	Employment Generation	\$ 166.0	13	166 MXN million in COVID-19 crisis alleviation financing		
Emi14	Social	Employment Generation	\$ 161.0	1	161 MXN million in COVID-19 crisis alleviation financing		
Emi196	Social	Socio-Economic Advancement and Empowerment	\$ 128.7	10	128.7 MXN million in loans to lower income regions / underserved populations		
Emi63	Environmental	Energy Efficiency Sustainable Water and Wastewater Management	\$ 125.0	3	6% reduction in cubic meters of fresh water used per ton of production		
Emi192	Environmental	Employment Generation Energy Efficiency Pollution Prevention and Control Sustainable Water and Wastewater Management	\$ 122.6	11	233,970 KWh saved per year	54.8 tons of annual recycled, reduced, or reused waste	*10,950 m ³ of treated wastewater per year *400 jobs maintained and/or generated
Emi180	Social	Socio-Economic Advancement and Empowerment	\$ 52.2	5	52.2 MXN million in loans to lower income regions / underserved populations		
Emi13	Social	Employment Generation	\$ 43.7	13	43.7 MXN million in COVID-19 crisis alleviation financing		