# First Sustainability Bond Allocation and Impact Report (BACMEXT 23-3X, BACMEXT 23-4X)

2024

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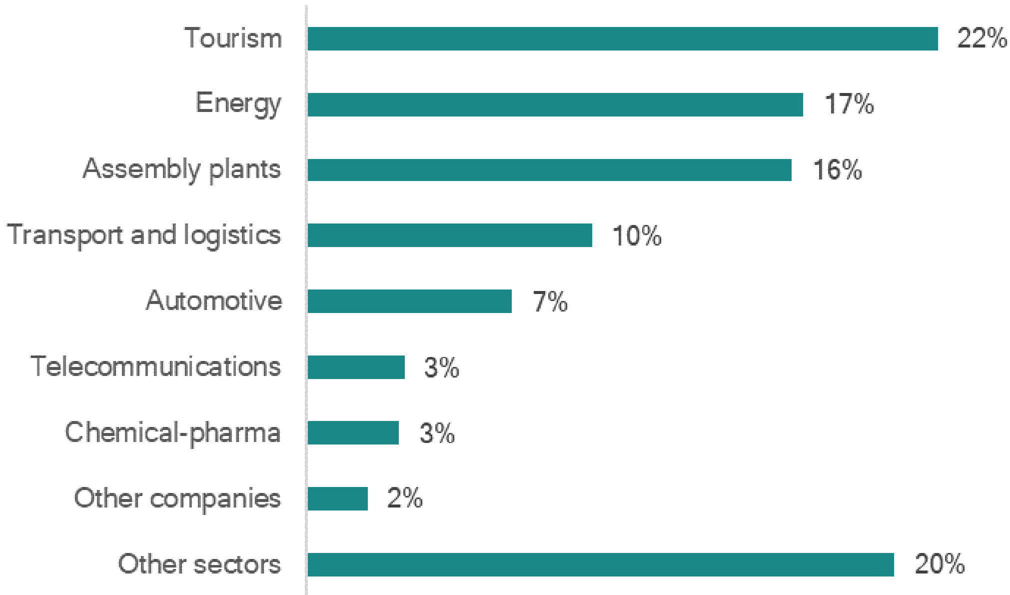
# Bancomext in a nutshell

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 million[1] 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.*

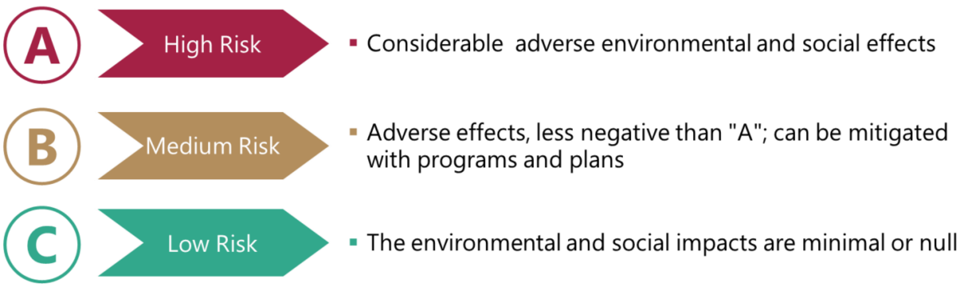
[1] Of which, only 2.4% was categorized as non-performing portfolio.
* This report version was updated on October 10, 2024.

# 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 values[2].

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 procedures[3] 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 standards[4]. The Framework is harmonized with a series of industry best practice standards such as ICMA's Sustainability Bond Guidelines[5], 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 | 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION |
| Employment generation | Social | 8 DECENT WORK AND ECONOMIC GROWTH |
| Socio-economic advancement and empowerment | Social | 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
| Renewable energy | Green | 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION |
| Energy efficiency | Green | 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION |
| Sustainable water and wastewater management | Green | 6 CLEAN WATER AND SANITATION |

[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 | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION |
| Green buildings | Green | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES |
| Environmentally sustainable management of living natural resources and land use | Green | 15 LIFE ON LAND |
| Pollution prevention and control | Green | 7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION |

*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 23-3X and BACMEXT 23-4X 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*

| *Issuer* | *Banco Nacional de Comercio Exterior* | |
|---|---|---|
| Issuer rating | Fitch AAA(mex)<br>Moody´s Aaa.mx | |
| Issued amount (MXN) | $4,835,789,400 | $5,948,610,800 |
| Date of issuance | October 20th ,2023 | |
| Maturity date | October 16th ,2026 | October 7th ,2033 |
| Tenor | 3 years | 10 years |
| Ticker symbol | BACMEXT 23-3X | BACMEXT 23-4X |

*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, 100.2% of the proceeds of BACMEXT 23-3X and BACMEXT 23-4X, are allocated to eligible projects or expenses. Of these, 21.7% of the total amount of proceeds are allotted to environmental projects and 78.3% to social projects. Specifically, the Socio-Economic Advancement and Empowerment category concentrates the vast majority of the issuance proceeds, followed by Sustainable Water and Wastewater Management[6].

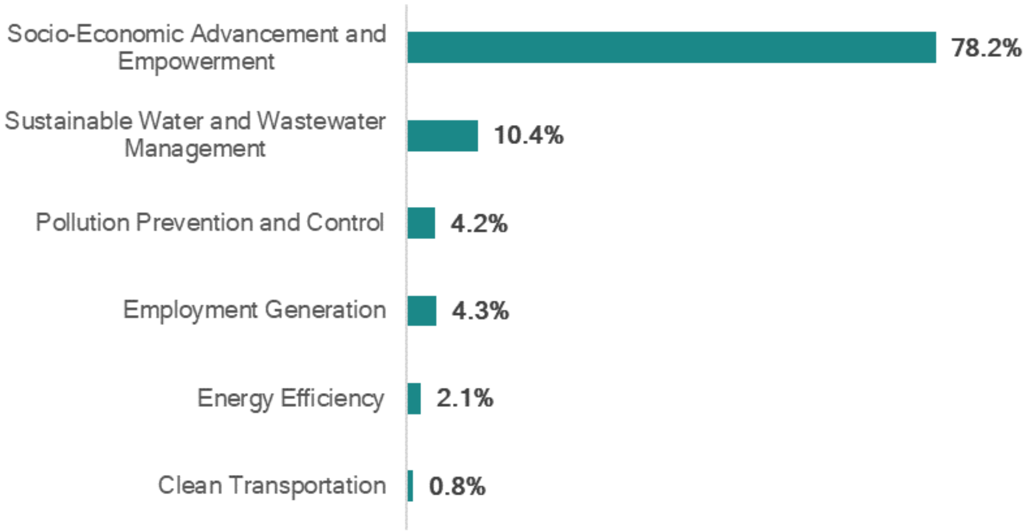
*Figure 5. Issuance use of proceeds, by grand category*

| Total amount of proceeds allocated to eligible projects or expenses (MXN) | | Total amount of unallocated proceeds |
|---|---|---|
| $10,807,113,459.44 **(100.2%)** | | $ 0.00 **(0%)** |
| Social category | Environmental category | |
| $8,463,798,459.44 **(78.3%)** | $2,343,315,000.00 **(21.7%)** | |

*Source: Bancomext.*

[6] Bancomext matches the issuance maturity weighted average with the allocated projects lifetime weighed average. In this case, the weighted maturity of the bonds is 6.9 years, while the weighted credit term of the portfolio is 8.2 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 | |
|---|---|---|---|---|
| Socio-Economic Advancement and Empowerment | 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | $8,449.6 | MXN million in loans to lower income regions / underserved populations | $8,449.6 |
| Sustainable Water and Wastewater Management | 6 CLEAN WATER AND SANITATION | $1,126.6 | M³ of treated wastewater per year | 108,000 |
| Employment Generation | 8 DECENT WORK AND ECONOMIC GROWTH | $464.8 | Number of jobs maintained and/or generated[7][8] | 2,800 |
| | | | MXN million in COVID-19 crisis alleviation financing | $14.2 |
| Pollution Prevention and Control | 7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION | $450.6 | Tons of annual recycled, reduced, or reused waste | 40.7 |

[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 | |
|---|---|---|---|---|
| **Energy Efficiency** | 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION | $225.3 | KWh saved per year | 1,381,596 |
| **Clean Transportation** | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION | $90.1 | MXN million in financing to companies that are part of the value chain in the production of electric, hybrid, or zero-emission vehicles | $90.1 |

*Source: Bancomext.*

# Success case study

## Supplier of parts for electric cars

Bancomext granted financing to a TIER 1 company in the automotive sector, specializing in the manufacturing of die-cast aluminum parts, which are integrated into the manufacturing process of electric vehicles. Additionally, the company moved part of its production to the state of Coahuila, contributing to the development of the region and the creation of jobs.

# Contact Information

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# Exhibit 1. Detailed report of portfolio investments[9][10]

| Project internal ID | Social / Environmental | Eligible project category | Allocated amount (MXN million) | Project lifetime (years) | Core indicator #1 | Core indicator #2 | Other indicators |
|---|---|---|---|---|---|---|---|
| Emi90 | Environmental | Employment Generation<br><br>Energy Efficiency<br><br>Pollution Prevention and Control<br><br>Sustainable Water and Wastewater Management | $2,253.2 | 15 | 1,381,596 KWh saved per year | 108,000 $m^3$ of treated wastewater per year | *40.7 tons of annual recycled, reduced, or reused waste<br><br>*2,800 jobs maintained and/or generated |
| Emi113 | Social | Socio-Economic Advancement and Empowerment | $1,300.0 | 4 | 1,300 MXN million in loans to lower income regions / underserved populations | | |
| Emi172 | Social | Socio-Economic Advancement and Empowerment | $1,160.2 | 11 | 1,160.2 MXN million in loans to lower income regions / underserved populations | | |
| Emi190 | Social | Socio-Economic Advancement and Empowerment | $1,008.5 | 10 | 1,008.5 MXN million in loans to lower income regions/ underserved populations | | |
| Emi94 | Social | Socio-Economic Advancement and Empowerment | $695.5 | 5 | 695.5 MXN million in loans to lower income regions / underserved populations | | |
| Emi139 | Social | Socio-Economic Advancement and Empowerment | $508.8 | 4 | 508.8 MXN million in loans to lower income regions / underserved populations | | |
| Emi173 | Social | Socio-Economic Advancement and Empowerment | $433.9 | 4 | 433.9 MXN million in loans to lower income regions / underserved populations | | |

[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.

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| Project internal ID | Social / Environmental | Eligible project category | Allocated amount (MXN million) | Project lifetime (years) | Core indicator #1 | Core indicator #2 | Other indicators |
|---|---|---|---|---|---|---|---|
| Emi88 | Social | Socio-Economic Advancement and Empowerment | $347.7 | 2 | 347.7 MXN million in loans to lower income regions / underserved populations | | |
| Emi95 | Social | Socio-Economic Advancement and Empowerment | $313.0 | 3 | 313 MXN million in loans to lower income regions / underserved populations | | |
| Emi38 | Social | Socio-Economic Advancement and Empowerment | $269.5 | 7 | 269.5 MXN million in loans to lower income regions / underserved populations | | |
| Emi87 | Social | Socio-Economic Advancement and Empowerment | $260.8 | 5 | 260.8 MXN million in loans to lower income regions / underserved populations | | |
| Emi193 | Social | Socio-Economic Advancement and Empowerment | $260.8 | 10 | 260.8 MXN million in loans to lower income regions / underserved populations | | |
| Emi71 | Social | Socio-Economic Advancement and Empowerment | $260.0 | 5 | 260 MXN million in loans to lower income regions / underserved populations | | |
| Emi182 | Social | Socio-Economic Advancement and Empowerment | $230.7 | 11 | 230.7 MXN million in loans to lower income regions / underserved populations | | |
| Emi134 | Social | Socio-Economic Advancement and Empowerment | $208.8 | 5 | 208.8 MXN million in loans to lower income regions / underserved populations | | |
| Emi121 | Social | Socio-Economic Advancement and Empowerment | $204.5 | 5 | 204.5 MXN million in loans to lower income regions / underserved populations | | |
| Emi89 | Social | Socio-Economic Advancement and Empowerment | $173.9 | 4 | 173.9 MXN million in loans to lower income regions / underserved populations | | |
| Emi36 | Social | Socio-Economic Advancement and Empowerment | $170.0 | 8 | 170 MXN million in loans to lower income regions / underserved populations | | |
| Emi120 | Social | Socio-Economic Advancement and Empowerment | $163.0 | 5 | 163 MXN million in loans to lower income regions / underserved populations | | |

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| Project internal ID | Social / Environmental | Eligible project category | Allocated amount (MXN million) | Project lifetime (years) | Core indicator #1 | Core indicator #2 | Other indicators |
|---|---|---|---|---|---|---|---|
| Emi60 | Social | Socio-Economic Advancement and Empowerment | $150.0 | 9 | 150 MXN million in loans to lower income regions / underserved populations | | |
| Emi119 | Social | Socio-Economic Advancement and Empowerment | $121.7 | 4 | 121.7 MXN million in loans to lower income regions / underserved populations | | |
| Emi166 | Social | Socio-Economic Advancement and Empowerment | $100.0 | 4 | 100 MXN million in loans to lower income regions / underserved populations | | |
| Emi144 | Environmental | Clean transportation | $90.1 | 5 | 90.1 MXN million in financing to companies that are part of the value chain in the production of electric, hybrid, or zero-emission vehicles | | |
| Emi80 | Social | Socio-Economic Advancement and Empowerment | $50.0 | 4 | 50 MXN million in loans to lower income regions/ underserved populations | | |
| Emi152 | Social | Socio-Economic Advancement and Empowerment | $30.0 | 5 | 30 MXN million in loans to lower income regions / underserved populations | | |
| Emi76 | Social | Socio-Economic Advancement and Empowerment | $17.4 | 4 | 17.4 MXN million in loans to lower income regions / underserved populations | | |
| Emi132 | Social | Employment Generation | $14.2 | 5 | 14.2 MXN million in COVID-19 crisis alleviation financing | | |
| Emi65 | Social | Socio-Economic Advancement and Empowerment | $10.8 | 4 | 10.8 MXN million in loans to lower income regions / underserved populations | | |