

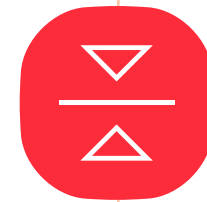
AUGUST 2024



Principles for **Responsible Banking**

THIRD REPORT





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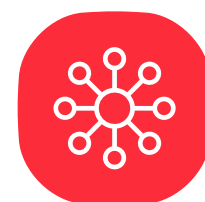
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Message **from the President**

To our shareholders, customers, and stakeholders in general:

At BAC we are proud to share with you our third report on the Principles for Responsible Banking, a unique global collaboration initiative between the United Nations and the global financial sector. We are very pleased to have aligned this report with the reporting requirements of the Partnership for Carbon Accounting Financials PCAF (checklist recently launched) and have carried out the PRB Compliance Assurance process, using the guidance defined by UNEP FI (PRB-Guidance-for-Assurance-Providers).

As signatories of this important alliance, we reaffirm our aspiration to become a Net Positive Bank, working every day to maximize not only economic value for our shareholders, but also to contribute to the creation of positive social and environmental value for the benefit of all our stakeholders.

The adoption of the Principles for Responsible Banking at BAC has allowed us to validate that our environmental, social and climate agenda is relevant and current. Using the Impact Analysis methodology, we periodically validate the way in which our strategic objectives allow us to manage our main risks, as well as enhance opportunities in each of the countries where we operate, in relation to our portfolio and our ability to be a catalyst for positive value in Central America. Actively participating in this group of leading global banks has allowed us to learn and share experiences that have been key in the implementation of this important standard.

In line with the principle of transparency and accountability to all our stakeholders, we present this report, where we share our main achievements during 2023 in the 6 countries we serve: Guatemala, El

Salvador, Honduras, Nicaragua, Costa Rica and Panama.

The results reflected in this report are the result of the efforts of the more than 20,000 people who work at BAC, motivated, committed and aligned to pursue our purpose and be a triple positive value bank. We achieved high profitability with lower risk exposure and continue to be positioned as market share leaders in Central America measured by assets, portfolio, deposits and utility. 2023 marked BHI's first full year of operation after BHI's spin-off from Banco de Bogotá in 2022, demonstrating a solid operation, a growing reputational asset accompanied by a strong brand positioning.

We work with the vision of offering financial solutions focused on life, and this has allowed us to reap results in our customer satisfaction measurements, increasing by more than 200% the number of opinions obtained in surveys at branches and contact centers. We also achieved more feedback from MSME customers, affiliated merchants and companies. Our transactional Net Promoter Score (NPS) closed 2023 well above the industry average.

Our corporate banking has seen significant growth compared to the previous year. In terms of payment methods, we grew by 15.5% versus 2022, and at the end of 2023, our corporate portfolio grew by 8.7%. As for corporate banking sight balances grew by 10% versus the previous year, and thanks to the implementation of a new API manager (application programming interfaces), we were able to incorporate more than 100 clients in Digital Corporate Treasury services. This allows us to offer companies more agility, security, and transparency

every day. We also began a segmentation journey for High Net Worth clients, with clear regional governance and strategic initiatives to focus on renewing the Private Banking experience.

Retail banking also evolved positively in 2023, serving 4.9 million people and providing e-commerce tools and payment methods, growing double-digit compared to the previous year. Our Fintech, with the Kash application, reached 2 million downloads and exceeds 8 million transactions as a cumulative historical figure. Our multi-country regional strategy allows us to offer simple, digital and sustainable financial solutions, which makes our leadership in the issuing and acquiring business compelling. In this way, our alliances with the world's leading card companies are strengthened.

This year we reached 2.8 million active digital customers and we have migrated 93% of monetary transactions away from a branch counter. In 2023, we grew by 340% in digital account openings and increased placement by digital origin. We have new functionalities that improve the digital experience, such as the card manager to view, block or restrict additional cards or holders, self-service for requests such as temporary card blocking, PIN change or point redemption, and the credit card summary box. All of this allowed our 2023 digital NPS to close at 64, that is, 20 points above the 2022 satisfaction level.

Comprehensive risk control continued to be managed with absolute rigor. In 2023, our net portfolio grew by 13%, but the annual risk cost remained at the same historical low levels as in 2022. In terms of efficiency, shared service centers, which provide specialized services in a centralized manner, provided significant operational benefits by standardizing and centralizing

more than 20 technological platforms. In addition, these shared service centers enabled more efficient processes, by taking advantage of economies of scale and savings by carrying out centralized negotiations; progress was also made in automation by putting more than 4,000 robots into operation and reducing fraud payments.

At the end of 2023, in the economic dimension, in addition to the excellent financial results, we achieved a positive impact thanks to successfully implemented initiatives. Among them, it is worth highlighting the design of more than 20 triple positive value financial solutions that were made available in the Central American region to provide more and better services with a positive impact to our corporate, MSME and personal banking clients.

As part of our climate strategy, we measure our operational footprints in the six countries of the region. In addition to CO2e emissions, we measure and manage the footprint of materials and waste and water consumption at all our sites. We also measure the financed emissions of our Auto and Mortgage portfolios, complementing this with an analysis of the Central American context to define our action plan for both assets and defining science-based decarbonization goals for the mortgage portfolio.

We are currently working on the implementation of our work plan for Corporate Banking clients in priority sectors, focused on: Financial solutions, Training and support for clients, Climate risk stress tests, Improvement in data management, and Internal capacity building. We continue to work to be the leading bank in promoting sustainable mobility in Central America, increasing the availability of electric chargers in our branches by 40%. Our BIO

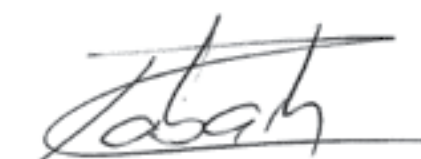
card, made from non-edible corn and the first to be composted at the end of its useful life, is available throughout the region and in 2024 we will expand the available brands in a second phase.

In the external social dimension, we served more than 300,000 MSMEs in the region. We strengthened the Mujeres BAC, Mujer Puede+ and CrediMujer programs in the six countries and, at the end of 2023, 39% of our SME portfolio had a gender component. For its part, through the Yo me Uno platform, we supported more than 300 affiliated NGOs and raised more than US\$850,000 in the year. We invested US\$4.65 million in environmental and social projects in the region and achieved that 90% of these were support related to the Net Positive strategy. Additionally, we relaunched our digital financial education platform: Finanzas Positivas and to advance our objective of Inclusion and financial health, we have defined a goal to strengthen our MSMEs, based on the segmentation of these clients according to their life cycle.

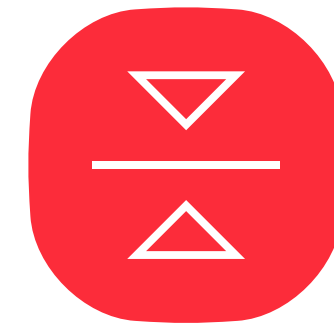
In the internal social dimension, we achieved an Employee Net Promoter Score (eNPS) of 83 at the regional level, higher than in 2022, which had been the best year in management, and we grew 32 points in five years. These results confirm that the value proposition for our BAC People: generating deep connections, holistic well-being, flexibility, personal development and shared purpose, have a high adherence and resonate with our team. To strengthen a diverse, equitable, inclusive and respectful organizational culture, we promoted the Allied Communities for Diversity and Inclusion, an effort led with the support of many of our top executives with more than 2,100 participants and we trained more than 80% of BAC People. Our BAC Possibilities program served 595 collaborators in

multidimensional poverty, providing them with comprehensive solutions for physical and emotional health, housing, employment and education for family members, among other initiatives to improve their quality of life.

With passion, integrity and excellence, we work to advance towards achieving our purpose of reimagining banking to generate prosperity in the communities we serve. We do so with a clear direction, a high level of commitment and alignment of our teams, motivated and convinced of wanting to transcend and take the economic success that has historically characterized us a step further to extend it to the environmental and social aspects, and thus achieve being catalysts of triple positive value in the Central American region.



Rodolfo Tabash
President and CEO



Principle 1

Alignment

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.



Our **business model**

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services.

Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

We maintain a significant presence in all Central American countries, which positions us as one of the main financial institutions at a regional level.

This has been possible due to the implementation of a strategy based on a more agile and digital philosophy, in addition to the alignment of our objectives in customer focus in each country where we operate.

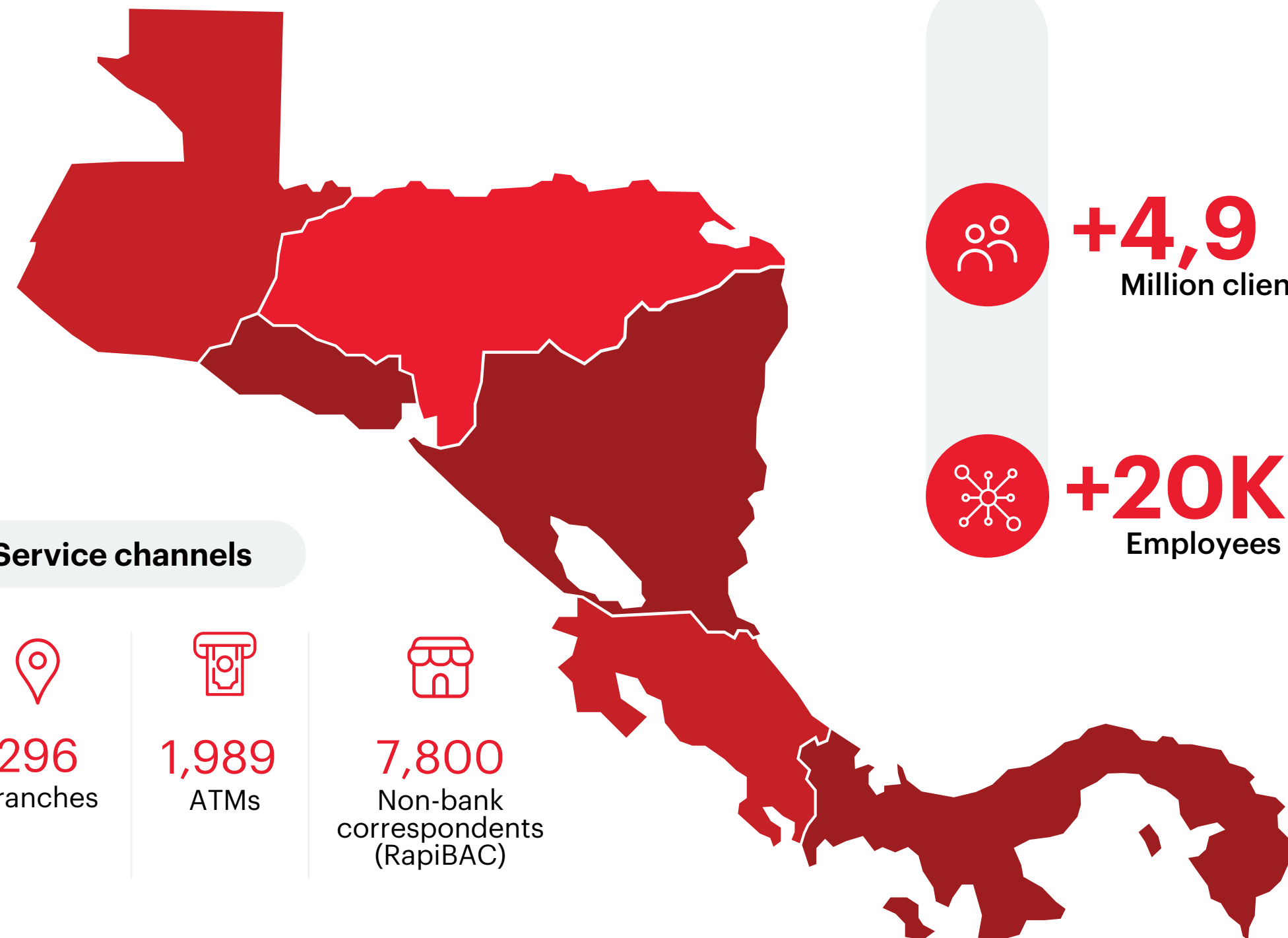
At the regional level, we lead market share in assets, portfolio, deposits and utilities, as well as the card issuing and acquiring business.

As of December 2023, we have a 10.4% share of the system's total assets, which represents an increase of 31 basis points compared to the same period in 2022.

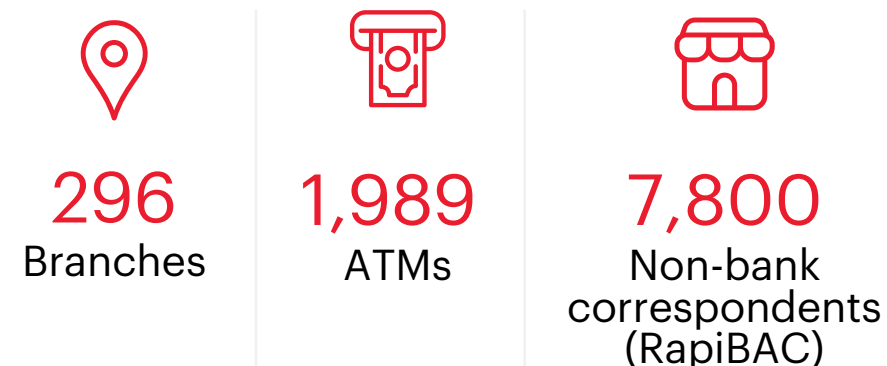
With respect to portfolio, we reached a regional share of 11.3% and maintained our lead in net loan placement, which we largely attribute to our customer loyalty strategy, creation of channels accompanied by a strong digital transformation strategy, in which we offer modern and versatile e-banking.

We also positioned ourselves as the leading bank in deposit capture with a 10.9% market share, up by 16 base points compared to 2022.

In addition, at December 2023, we led the regional market share in profit before taxes with 15.1% of all financial system profit before taxes.



Service channels



Market position



ROE 18.9% / ROA 1.8%

Key indicators	Assets	Portfolio	Deposits	Equity	Net Profit
	\$34 B	\$23 B	\$26 B	\$3.35 B	591 M

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Triple positive value strategy

We have integrated the management of environmental and social matters into our corporate strategy.

Aligning and complementing these initiatives with our business vision have allowed us to move towards a socially responsible company model, by identifying and addressing those business management areas that give rise to the positive and negative, real and potential impacts with the most importance for our stakeholders and our company.

We aspire to become a Net Positive Bank. Thus, with the same excellence and rigor with which we work to maximize economic value, aiming to create more environmental and social value than the footprints we produce to operate, thereby positively impacting our stakeholders.

In 2023, we worked to advance our Triple Positive Value model. By defining goals and measuring our progress in the economic, social, and environmental dimensions, we are advancing our life-centric vision, where we prioritize the lives of people and the planet.

Our Net Positive Strategy

Transform

Maximizing triple value: economic, environmental, and social.

Achieving net positivity in 3D.



Grow

Providing the best financial solutions "Life-centric"



Run

Comprehensive risk control

Efficiency

Our values



Passion

We love what we do because we know our work has a positive impact on people and our planet.



Integrity

We inspire confidence because we act ethically and transparently.



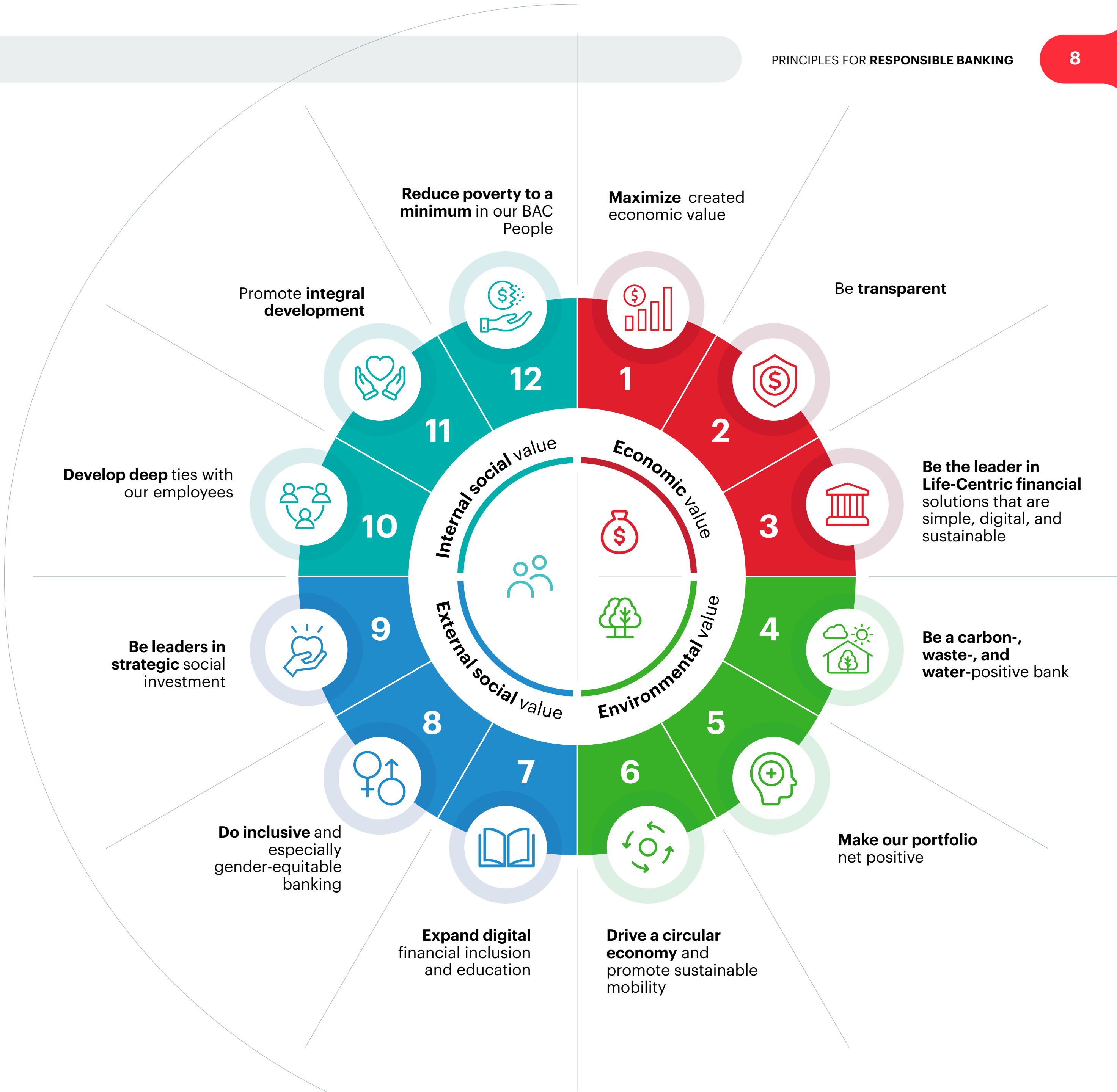
Excellence

We stand out because we go beyond what is expected of us and love to serve with excellence.

Our **strategic objective of triple positive value**

To transcend the traditional definition of business success and redefine our role in creating prosperity, enhancing quality of life for people in Central America, and fostering harmony with the environment, we have set three ambitious objectives in each of the sustainable development dimensions.

In our Integrated Report 2023 you will find the details of each of the strategic objectives, and the goals defined to be executed in that period.



Our contribution to the Sustainable Development Goals

We have aligned our triple value objectives with the United Nations (UN) Sustainable Development Goals (SDGs), which strive to end poverty, protect the planet, and ensure peace and prosperity for all.

In accordance with this agenda, we have analyzed the Sustainable Development Goals with regard to our ability to impact, contribute, and add value. Due to the nature of our activities, and in line with our positive triple value strategy, we have aligned our material topics with the main challenges in our region.

- 1 No poverty
- 4 Quality education
- 5 Gender equality
- 8 Decent work and economic growth
- 12 Responsible consumption and production
- 13 Climate action
- 17 Partnerships for the goals

You can consult the details of the SDG targets mainly impacted by the development of our triple positive value strategy in our Integrated Report 2023.



Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: NZBA, PCAF, SBTi.
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones
- None of the above

International **commitments on environmental and social issues**

In search of excellence, rigor and transparency, we have adhered to the main international initiatives, which will allow us to adequately manage environmental and social issues, and climate change. Below is the detail of the commitments we have adhered to:



Additionally, each year we strengthen our transparency mechanisms with our stakeholders, we use the Global Reporting Initiative (GRI), the TCFD disclosure framework for the disclosure of climate-related financial matters, and the Sustainability Accounting Standards Board (SASB) to demonstrate our progress in this area.



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.



2.1

Impact Analysis

Key Step 1

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

A. Scope

What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Composition of our portfolio

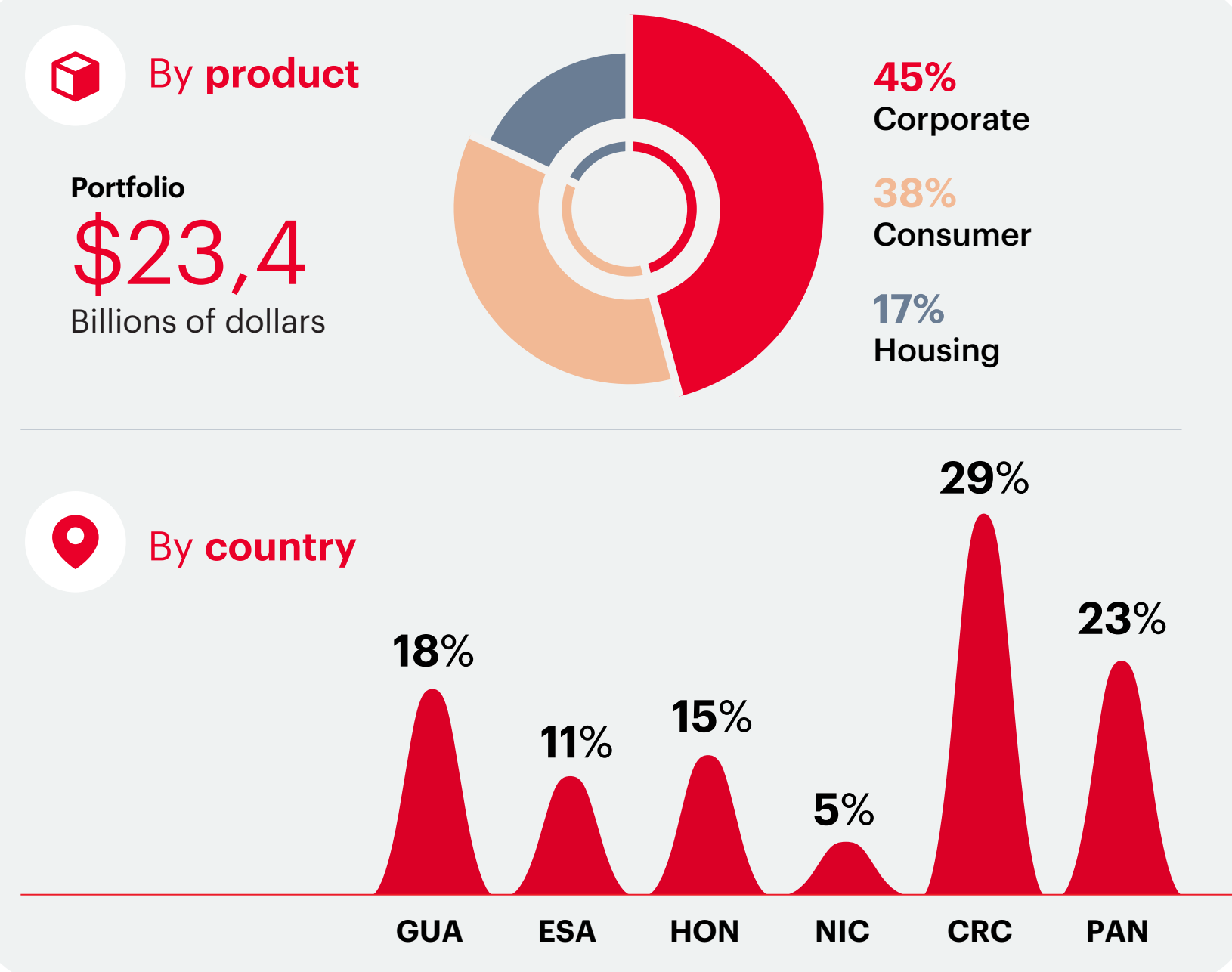
We have made a commitment to transform our portfolio of services. In addition to being simple, innovative, and digital, they will also become instruments that will permit our clients and users to achieve their objectives while simultaneously reducing their negative impacts, serving as tools for generating positive economic, environmental, and social value.

One of our main objectives is to establish long-term relationships with our clients. To achieve this, we make an effort to offer products and services that are tailor-made to their requirements and allow them to achieve their goals.

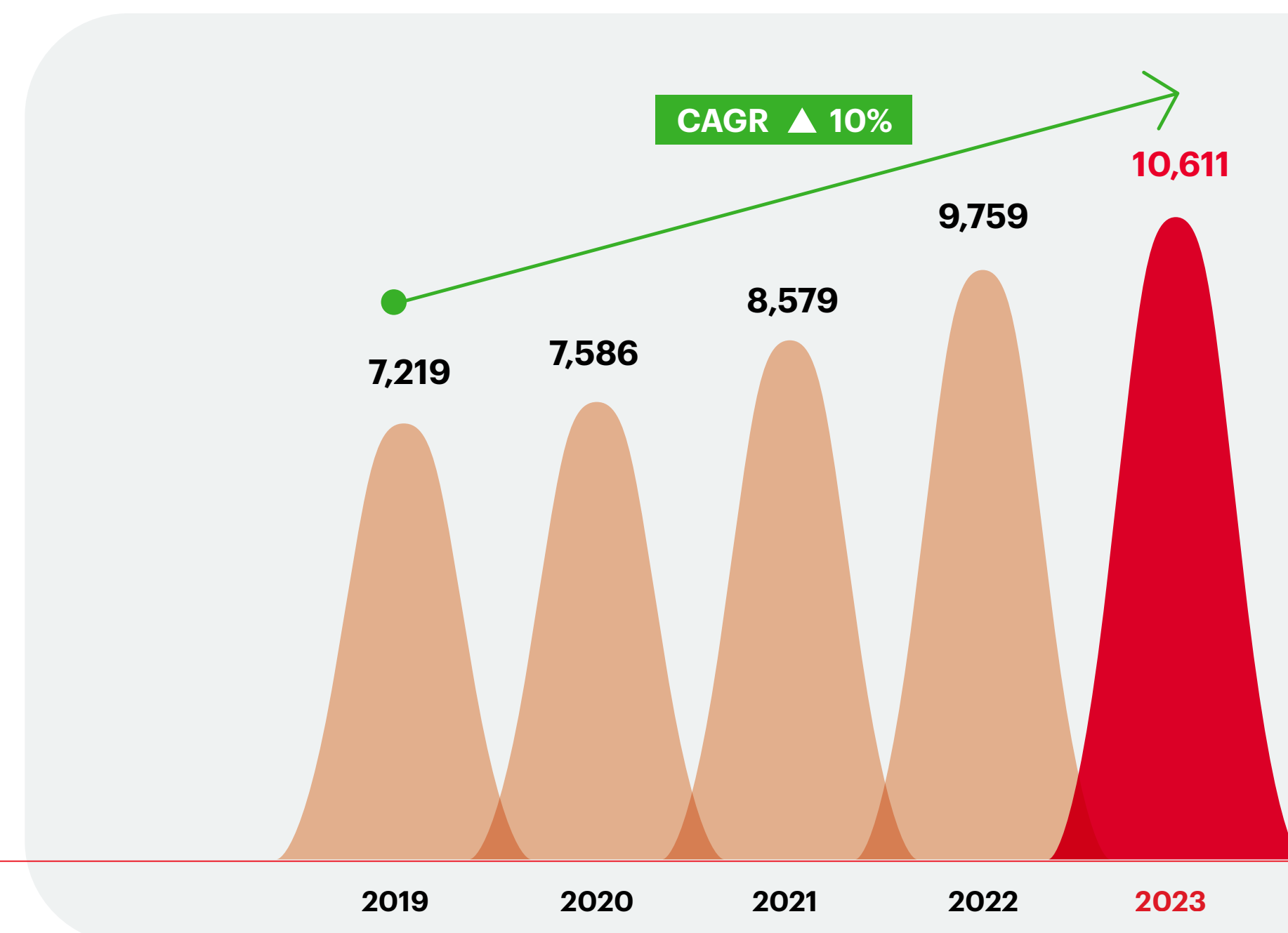
We carry out the impact analysis for our entire loan portfolio, both Business and Consumer portfolios, for the 6 countries where BAC operates.

Composition of our portfolio

Geographically diversified portfolio



Growth of our Business portfolio





Committed to people

B. Portfolio composition

Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope.

1 By sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or,

By products & services and by 2 types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

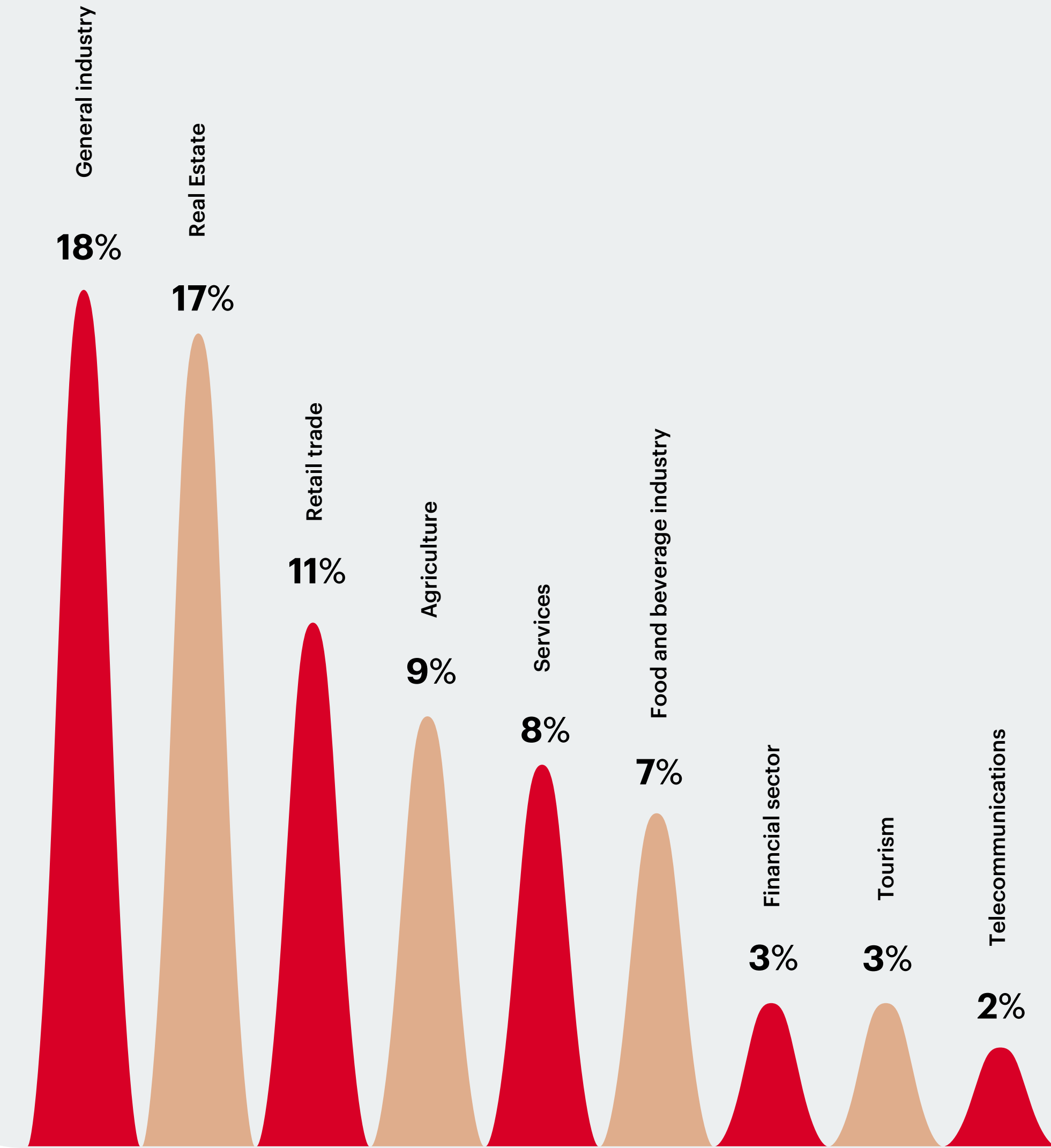
With more than 4.6 million customers, our Retail Banking division targets and serves individual customers in Central America.

Our goal is to establish profitable long-term relationships with this extensive customer base, using segmentation strategies that meet the specific needs of our individual clients. As of December 31, 2023, retail loans (including residential mortgage loans, car loans, and consumer loans) increased significantly to represent 31% of our total loan portfolio. Including the credit card portfolio, this figure rises to 55% of our total portfolio being allocated to individuals.

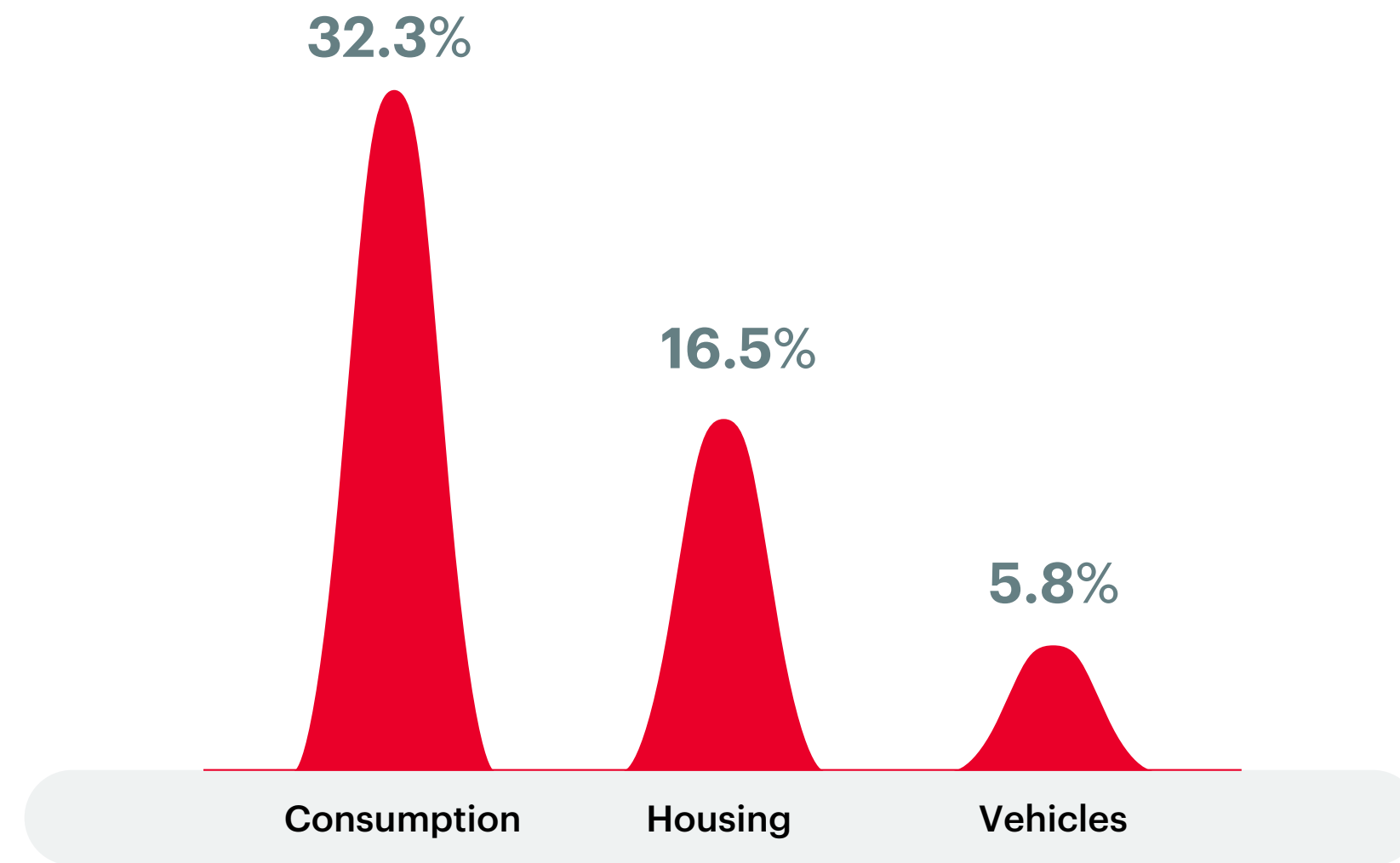
Our retail banking operations offer savings and checking accounts, term deposits, commercial and personal loans, brokerage services, offbalance sheet financing agreements, guarantees, mortgages, direct deposits, payroll services, electronic transfers, and ATM services, among others. We have also expanded our deposit base to offer alternative types of specific personal accounts for our customer's needs.

Our business strategy has allowed us to maintain a fairly balanced product mix, which favors prudent and sustained growth. The gross portfolio closed this year at US\$23,357 million.

BUSINESS PORTFOLIO BY PRODUCTIVE SECTOR



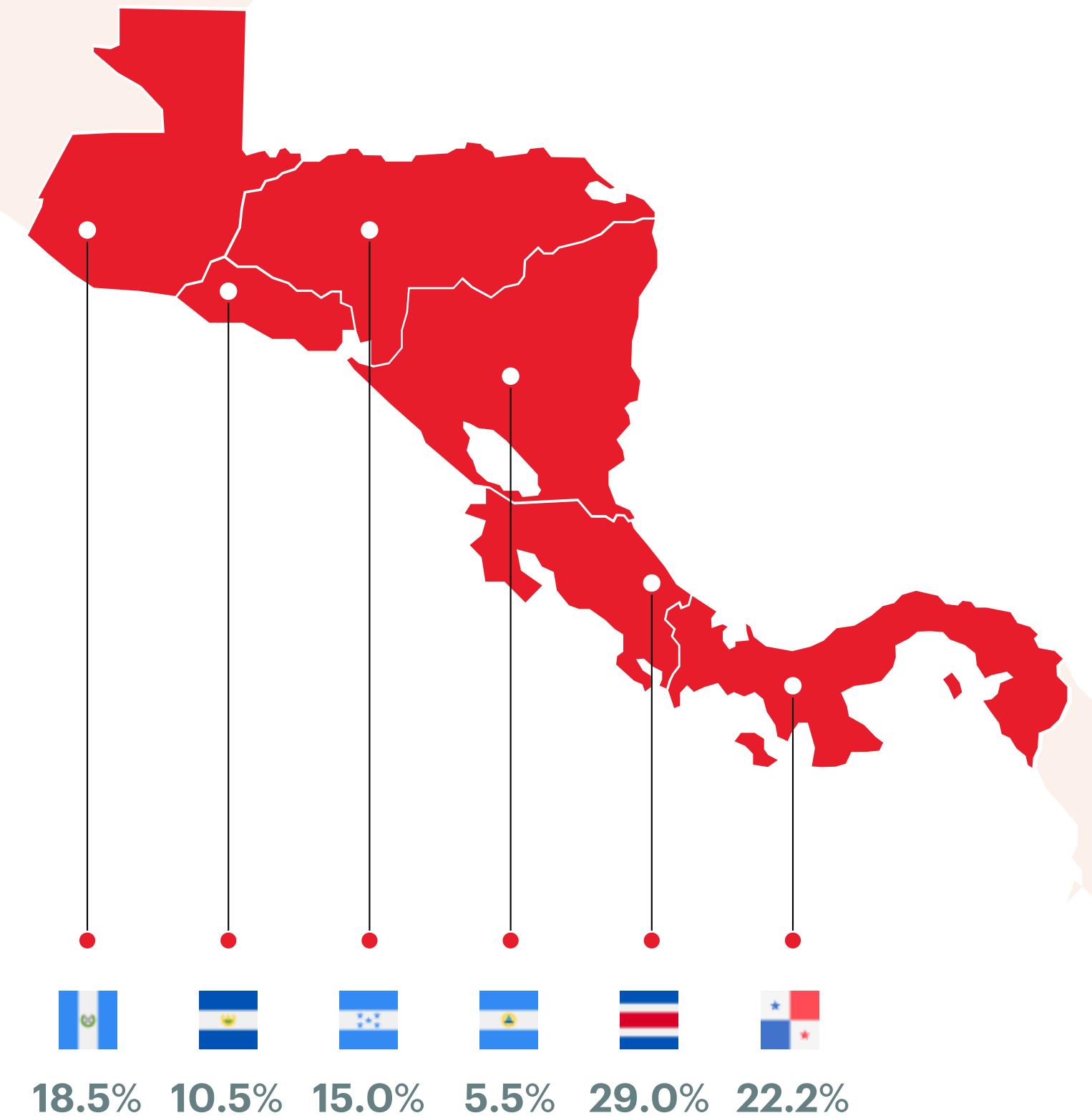
CONSUMER PORTFOLIO **BY PRODUCT**



We continue to grow our credit portfolio, contributing to economic and social development despite global economic uncertainty.

The product with the most significant increase in 2023 was the card product, growing by US\$873 million (23.6% over the previous year) and accounting for 23.4% of the total portfolio.

Por su parte, las carteras de autos e hipotecas presentaron crecimientos de 20,4% y 4,8%, respectivamente. La participación dentro del total de cartera de autos e hipotecas es de 5,8% y 16,5%, respectivamente.



Our car and mortgage portfolios grew by 20.4% and 4.8%, respectively. Their shares of the total commercial, car, and mortgage portfolio were 5.8% and 16.5%, respectively.

Geographically, we maintained a considerably diversified portfolio distribution. The three countries with the largest shares were Costa Rica with 29.2%, Panama with 22.2%, and Guatemala with 18.5%.

Operating in the entire Central American market gave us a significant competitive advantage, where the scale of our operations is quite large in each market that we serve, providing us the necessary linkages to continue growing. The following graph shows our portfolio diversification, where no one country exceeds 30% of the total consolidated loan portfolio.

Impact **analysis**

C. Context

What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

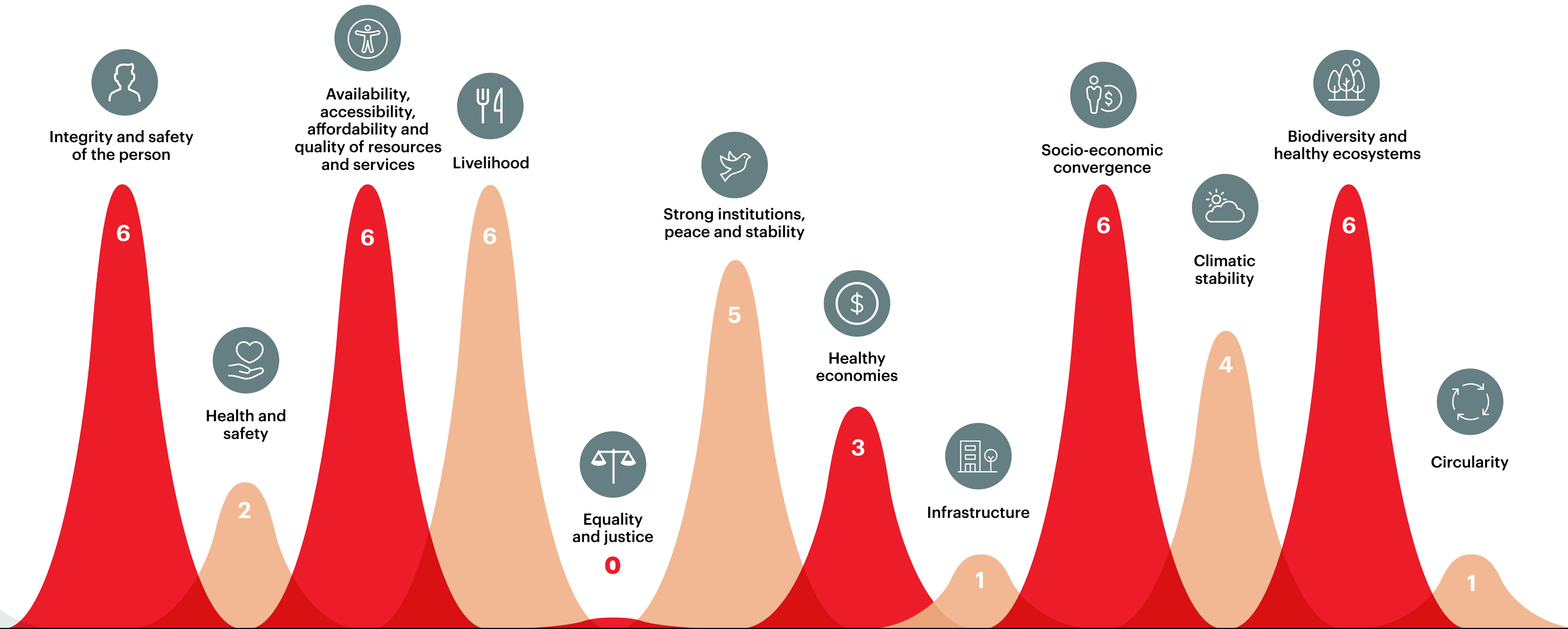
This step aims to put your bank's portfolio impacts into the context of society's needs.

In 2023 we updated our impact analysis using the **UNEP FI Impact Analysis Tool for Banks, version 3**.

The analysis includes the context of the six Central American countries where we operate: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, and incorporates in its scope our commercial, corporate, SME and consumer credit portfolios.

Information related to international resources is incorporated from the context module of the impact analysis tool, and the following priority areas are obtained as a result.

Regional priority areas for BAC



Business portfolio analysis results

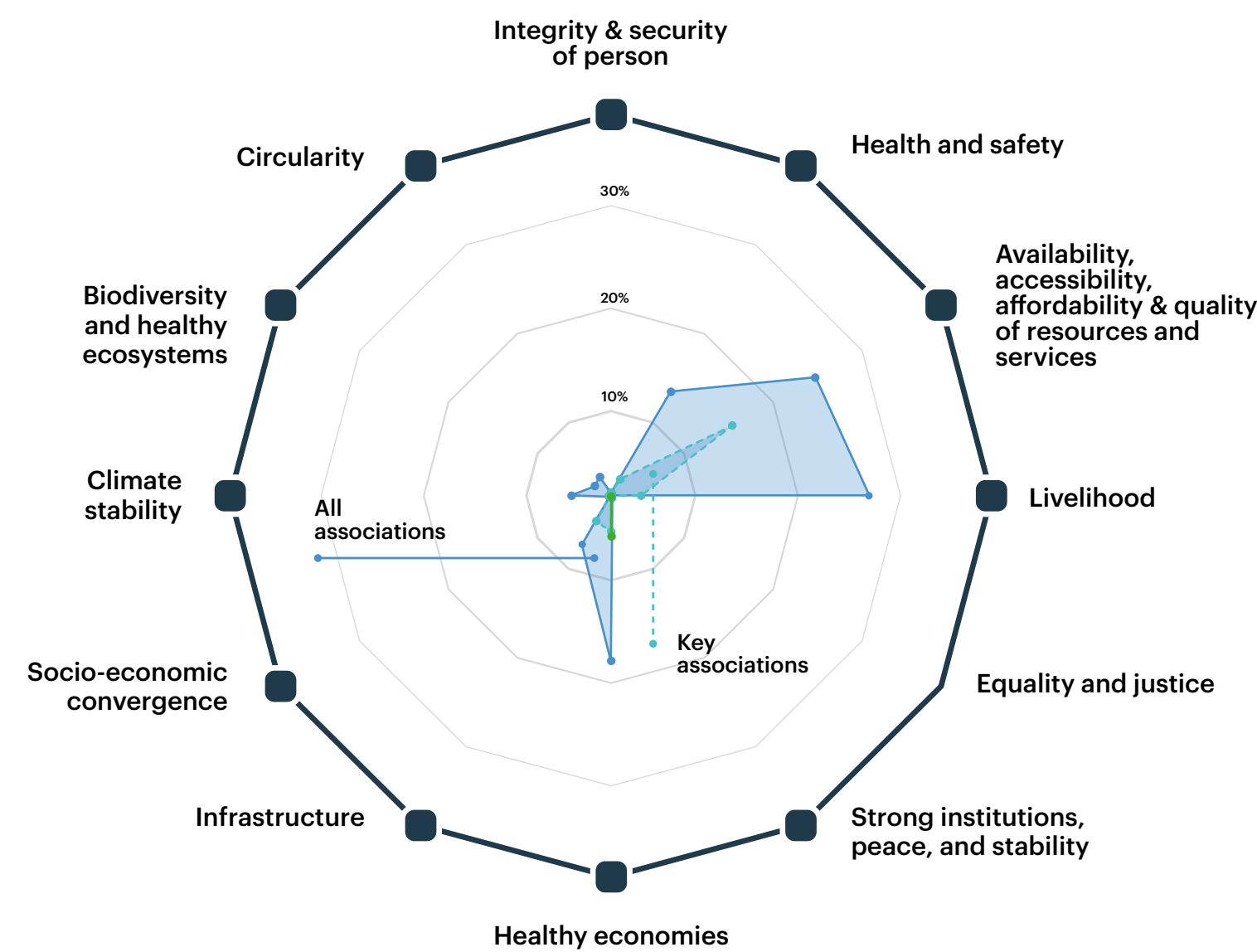
Below, we graphically detail the proportion of our portfolio associated with each area of impact. The light blue lines represent positive impact associations and the yellow lines represent negative impact associations. The turquoise and orange lines indicate "key" impact associations.

According to the exercise carried out and in line with the criteria defined in the analysis tool, in our region and according to the composition of our portfolio, the main areas of positive impact are: Health and safety, Availability, accessibility, affordability, quality of resources and services, Livelihood, Equality and justice, Strong institutions, peace, and stability, Healthy economies, Infrastructure, Climate stability, Biodiversity and healthy ecosystems, and Circularity.

quality of resources and services, Livelihood, Healthy Economies, Infrastructure, Climate stability, Biodiversity and healthy ecosystems, and Circularity.

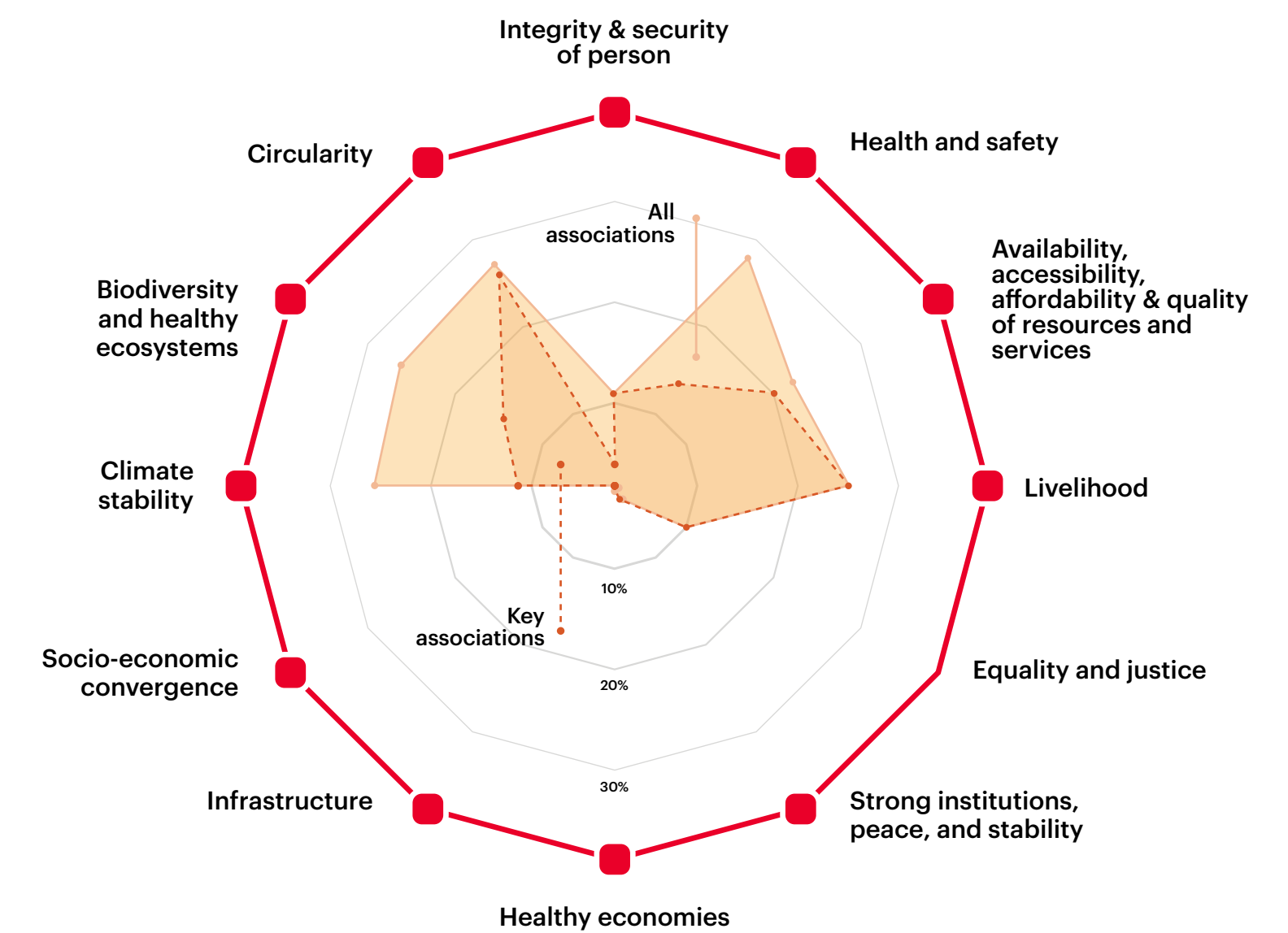
On the other hand, the most important areas that could have negative impacts are: Health and safety, Availability, accessibility, affordability, quality of resources and services, Livelihood, Equality and justice, Strong institutions, peace and stability, Healthy economies, Climate stability, Biodiversity and healthy ecosystems, Circularity and Integrity and security of person.

Proportion of our portfolio under analysis associated with each area of impact:



Positive impacts

- All associations
- Key associations
- Country priorities
- SMEs



Negative impacts

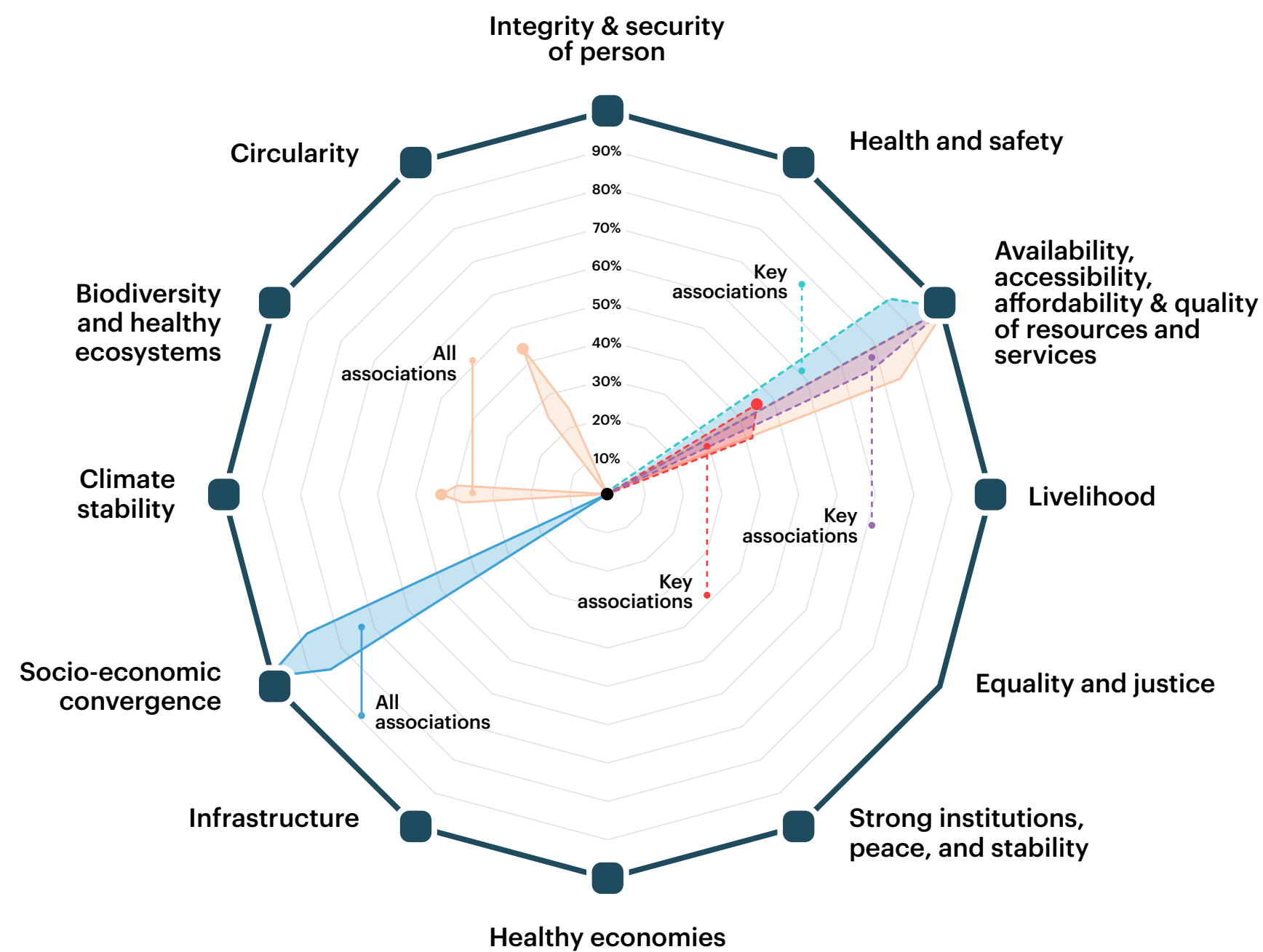
- All associations
- Key associations
- Country priorities

Note: The dots do not represent a value. They only show if an impact area is a priority in the countries/locations (based on data in the Context Module).

Consumer portfolio analysis results

In the case of the Consumer portfolio, the main areas of positive impact correspond to: Availability, accessibility, affordability, quality of resources and services, and Socioeconomic convergence. On the other hand, the most important areas that could have negative impacts are: Availability, accessibility, affordability, quality of resources and services, Availability, Circularity and Climate stability.

The following graphs show the proportion of our portfolio under analysis associated with each area of impact.



	All associations	Key associations
Positive impacts (credit)		
Negative impacts (credit)		
Negative impacts (current account and savings)		

Note: The dots do not represent a value. They only show if an impact area is a priority in the countries/locations (based on data in the Context Module).



Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2) ? Please disclose.

D. For these (min. two prioritized impact areas):

Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Our **priority issues**

Based on the results derived from the impact analysis, and in line with our triple value strategic objectives, we maintain the impact areas defined in our first results report as a priority:



SELF-ASSESSMENT SUMMARY

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

- Scope Yes In progress No
- Portfolio composition Yes In progress No
- Context Yes In progress No
- Performance measurement Yes In progress No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

- 1** Climate change mitigation
- 2** Inclusion and financial health

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:

For the analysis of the context, the NDC of each country where BAC operates is taken into account, as well as the National Strategy for Financial Inclusion and Education, see annex National Frameworks considered for country context analysis.

You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2

Target Setting

KEY STEP 2

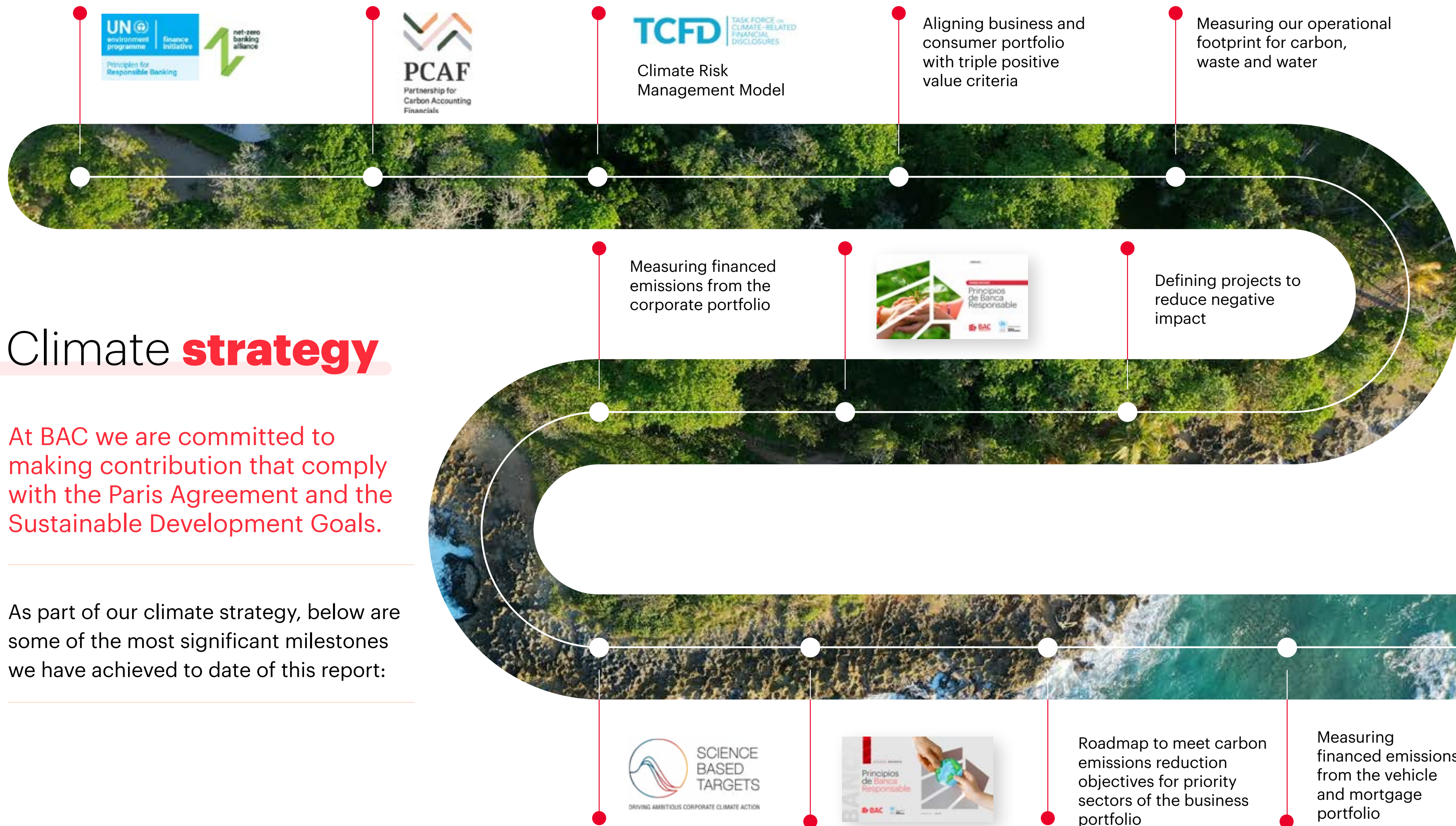
Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

A. Alignment

which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.



Climate **strategy**

At BAC we are committed to making contribution that comply with the Paris Agreement and the Sustainable Development Goals.

As part of our climate strategy, below are some of the most significant milestones we have achieved to date of this report:

B. Baseline

Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation

Impact area	Indicator code	Response
Financial health & inclusion

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Portfolio decarbonization

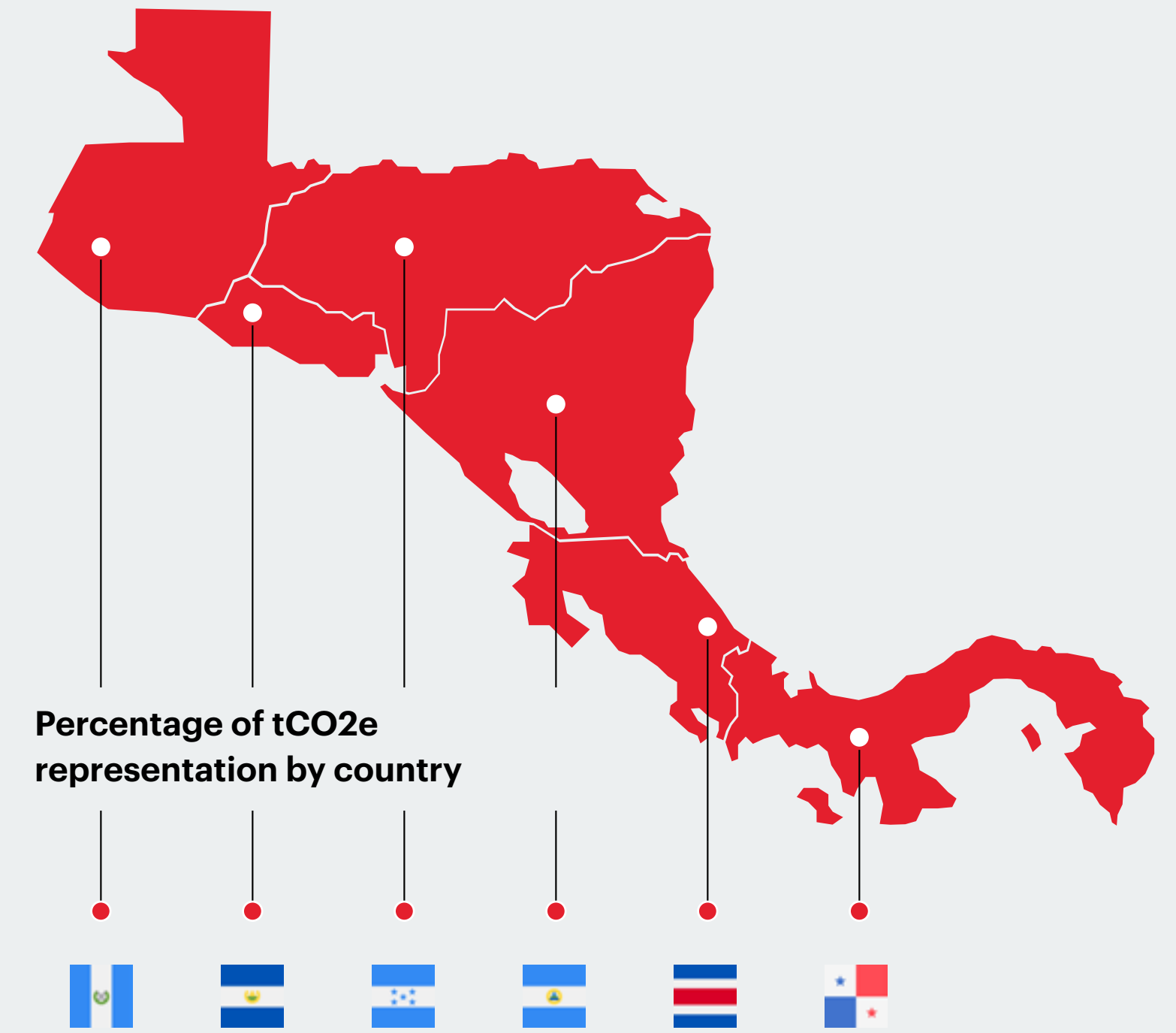
Measuring the financed footprint

In 2022 we began our process of measuring the financial footprint with the Business Banking segment: Corporate, Commercial and MSMEs, and in 2023 we measured our Vehicle and Mortgage portfolio:

Results of the measurement of the financed footprint

	Scope 1 and 2 emissions	Scope 1 and 2 emissions intensity
Business Banking	2.2M	243,5
Vehicles	164k	122,3
Mortgage	50k	15,3
Unit of measurement	tCO2e	tCO2e / M USD

M=millions / k=thousands



33%	10%	16%	6%	10%	24%
13%	8%	13%	8%	34%	24%
22%	22%	10%	7%	16%	23%

Results of measurement of the financed footprint by intensive sectors

Segment	Sector	tCO2e	% representation tCO2e	% representation portfolio balance
Business Banking	Power generation	1M	44,4%	5,6%
	Agriculture	462k	20,2%	5,2%
	Cement	167k	7,3%	0,6%
	Commercial real estate (including services)	102k	4,5%	51,6%
	Oil, coal and gas	12k	0,6%	0,0%
	Iron and steel	6k	0,3%	0,1%
	Aluminum	184	0,0%	0,0%
Personal Banking	Vehicles	164k		
	Mortgages	50k		

M=millions / k=thousands

Scope of measurement

	Business Banking	Vehicles	Mortgage
Portfolio measured at closing:	DIC 2022	DIC 2023	DIC 2023
% of total measured portfolio	98%	99%	85%
Exclusions	Contingencies, bank acceptances and factoring	Assets that do not match the vehicle description	Land purchase, construction and remodeling
Portfolio balance	9.3MM	1.3MM	3.2MM
Measured scopes	The measurement results include Scope 1 and Scope 2. The measurement of Scope 3, mainly in the Corporate Banking portfolio, is one of the greatest challenges facing the Central American region, due to the lack of availability of emission factors.		
Data quality	76% Level 4, option 3a 24% direct estimation by sector	3.6	4.9
Sectoral classification	ISICv4	n.a.	n.a.

MM=billions

- The measured portfolio corresponds to 68% of the total credit portfolio, with the consumer portfolio (including credit cards) being the one pending measurement, pending the creation of a methodology by PCAF.
- The measurement of the investment portfolio will be carried out starting in 2025.
- To date, we have not carried out any measurement of avoided emissions and/or emission absorptions, nor recalculation of the measurement of financed emissions.

C. SMART targets

(incl. key performance indicators (KPIs))

Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Decarbonization goals

In setting our decarbonization targets, we use as a guide the Science Based Targets initiative (SBTi) aimed at limiting global warming to 1.5 C to prevent the effects of climate change.

The tool provided by SBTi for defining the objectives uses scenarios based on data from the IEA (International Energy Agency), specifically the Net Zero Emissions by 2050 Scenario.

The definition of objectives is carried out taking into consideration two main criteria:

- 1** The sectors with the highest representation of emissions and/or portfolio balance.
- 2** The local reality of each country where we operate.

Segment	Sector	Scope	Metric	Base year 2022	Reduction to 2030
Business Banking	Power generation	1 y 2	tCO2e/MWh	0,357	71%
	Cement	1 y 2	tCO2e/ton cement	0,607	21%
	Commercial real estate (including services)	1 y 2	tCO2e/m2	0,078	64%
	Agriculture	With the recent launch of the SBTi-defined methodology to establish reduction trajectories for this sector, we will analyze the applicability of this methodology for our portfolio and region.			
	Oil, coal and gas Iron and steel Aluminum	These sectors together represent less than 1% of both financed emissions and portfolio balance, which is why reduction targets are not defined. Our efforts are focused on our priority sectors.			
Personal Banking	Vehicles	At the time of preparation of this report, there is no defined methodology to establish a reduction trajectory for personal use vehicles.			
	Mortgages	1 y 2	tCO2e/m2	0,020	42%



D. Action plan

Which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Business Banking Action Plan

During 2023, we are focusing our efforts on consolidating a multidisciplinary team made up of the Corporate Banking, Credit Risk and Sustainability areas. This group is leading the definition of an action plan that will allow us to advance in our objective of portfolio transformation and decarbonization.

Our strategy consists of five main axes:

01 Financial Solutions

Aimed at business clients to support their transition processes towards a lower-carbon economy, by financing the installation or modernization of systems, technologies and/or equipment that allow for the reduction of energy consumption and the use of fossil fuels. By the end of 2023, we financed renewable energy projects for more than US\$322 million, 56% more than at the end of 2022. In 2024, we are working to increase the financing of these products in all the countries where we operate, focusing on those clients with the greatest impact on carbon emissions generation.

02 Professional Development and Customer Support

We recognize the importance of supporting our clients in promoting the improvement of their production processes to reduce their carbon emissions, while taking advantage of the use of renewable energy. Therefore, we work to understand in greater detail the actions aligned with their decarbonization processes, which allows us to profile them and thereby offer them training or support tools that are more in line with the maturity of their processes. We carry out these actions with our clients from priority sectors that generate the most carbon emissions.

03 Climate Risk Stress Tests

We began our first exercise to analyze climate change risk stress scenarios in order to understand the possible impact in the sectors most exposed to the consequences of climate change, to identify the geographical areas most prone to different climate events, as well as to identify the main physical and transitional risks, with the aim of quantifying the possible effects at a financial level.

04 Improvements in Data Management

Having direct information from our clients, such as data on their production and measurement of their operational footprints (scope 1 and scope 2), is an objective that we have set ourselves in order to improve the quality of the data and to account for the financed emissions. To do this, we conduct one-on-one interviews with our clients and search for information in their Sustainability Reports or websites.

05 Capacity Generation at an Internal Nivel

In order for the actions mentioned above to be successfully executed, in the first half of 2024 we have started the development of several virtual training modules for the teams linked to the strategy, involving personnel from Senior Management, Business, Credit Risk Analysis and other operational areas directly related to our decarbonization strategy. The deployment of this training process will take place during the second half of the current year.

Financial Solutions



Guatemala
Sustainable Business



El Salvador
Green Credit



Honduras
Carbon Footprint Reduction



Nicaragua
Green Credit



Costa Rica
Solar Panels
Sustainable Construction



Panama
Solar Panels

Personal **Banking** **Action Plan**

At the end of 2023, we obtained the results of the financed footprint for our Vehicles and Mortgages portfolio, and in 2024 we began the development of our strategy for these assets, which is made up of two main axes.

01 Financial Solutions

Our portfolio includes financial solutions that enable our personal clients to reduce their emissions, mainly through financing of electric and hybrid cars, loans for LEED or EDGE certified sustainable construction, as well as credit for solutions based on solar panels.

	Electric or hybrid cars (mainly hybrids)	Sustainable construction (LEED, EDGE certification)	Solar panels
GUA	✓	✓	
ESA	✓		
HON	✓		✓
NIC	✓		✓
CRC	✓		
PAN	✓		✓

02 Context analysis – our reality in Central America

To advance our decarbonization agenda, it is necessary to understand the reality faced by each of the countries where we operate in relation to the supply and demand of the financial solutions mentioned above. Below are some findings from the analysis of the Central American context that we have carried out:

Electric vehicles

- The supply of electric vehicles is low in most countries in the region, with dealerships offering mainly hybrid vehicles.
- The electric vehicles currently offered are high-end, and are not very accessible to most consumers.
- At the infrastructure level, the availability of charging stations for electric vehicles is limited in most countries, which discourages demand for this type of vehicle.
- There are significant gaps in consumer knowledge regarding the benefits of an electric vehicle, as well as limited availability of information on medium- and long-term maintenance issues for these vehicles.

Green Mortgages, based on international environmental certifications such as LEED or EDGE

- There are few construction companies in Central America that carry out real estate developments or that plan to do so in the short or medium term, under these certifications.
- The individual demand for housing construction outside of real estate projects with environmental certifications is zero at the market level.
- There are significant gaps in consumer knowledge about this type of construction and the medium and long-term benefits that could be obtained.
- Central America has social development indicators with great challenges, since additional costs such as those associated with an environmental certification when building a home do not favor the interest in obtaining these.

Inclusion and financial health

Strengthening MSMEs

We have prioritized the MSME segment to define our SMART objective on issues of Inclusion and Financial Health, considering the following criteria:

- ▶ The positive impact that MSMEs generate in the economy of our region.
- ▶ The more than 250 thousand micro, small and medium-sized companies that make up our client portfolio.
- ▶ The goals defined by the countries where we operate in their National Strategies for Inclusion and Financial Health .

Our goal

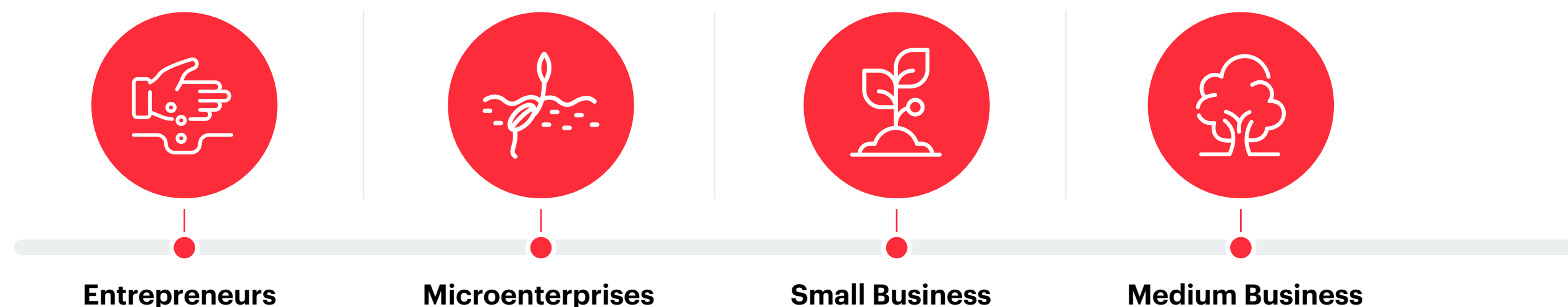
Increase the engagement of our MSME clients by at least 2%*, according to their life cycle, by the end of December 2024.

* Regarding the closing of Dec23



The aim of the engagement is to ensure that customers have preference and obtain greater benefits by covering their needs for financial and non-financial solutions in the same banking entity.

To achieve our engagement objective, we have classified our MSMEs into four sub-segments, with a personalized approach according to their life cycle:



For each life cycle, we have identified the solutions that will drive these companies to mature and achieve growth

Our Financial Inclusion strategy aims to:

- ▶ Provide more effective access to financial solutions according to the specific characteristics of each MSME.
- ▶ Intentionally direct specialized support to each type of MSME client according to the stage they are in.
- ▶ Drive our MSMEs towards their economic growth.
- ▶ Facilitate their digital access through the catalog of digital solutions we offer.



Non-financial solutions for MSMEs

At BAC we facilitate tools that allow for effective strengthening of MSME business models. Through training workshops, as well as technical consultations and discussions, we manage actions that promote the development of this important economic sector, strengthening growth in areas such as digital trade, human capital, digital marketing, business social responsibility and investment, among other highly important matters that will help secure us as a sustainable business which generates new employment and more economic development.

In 2023, we provided professional development for 13,458 small and medium enterprises throughout business development and strengthening programs, thus consolidating more than 160,000 MSMEs in the six countries in the region since 2009.

Conversion metrics

For the second year running, in 2023 we measured the effectiveness of SME training sessions regarding specific matters pertaining to the application and use of financial solutions that work as tools for development. Thus, we have linked the decision to acquire or use a specific product with participation in training sessions. During this period, we provided professional development for 9,291 MSMEs under this approach, and ended up with 50% of enterprises that formalized their decision to use or acquire a service or product related to electronic trading and digital financial services.

MSMEs trained in 2023

Period	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica	Panama	Total for the region
2009 – 2022	27,042	19,956	19,497	15,334	56,738	8,269	146,836
2023	4,377	916	3,174	1,274	2,586	1,131	13,458
Total	31,419	20,872	22,671	16,608	59,324	9,400	160,294

Action Plan

To achieve our goal of financial inclusion, we offer a wide range of financial solutions, such as affiliated merchant products, debit and credit cards, loans, payroll payments, savings, certificates, e-commerce, among others.

Gender **Inclusive** Banking

At BAC we recognize the high potential of women in the economic development of the Central American region.

Since 2009 we have promoted initiatives for the economic empowerment of women, developing their skills, leadership and their capacity in business management, through support with professional mentoring, workshops and training, promoting their growth and achievement of objectives based on their productive ideas and business models.

In most of the countries where we operate we have special programs that include financial and non-financial solutions aimed at the women's segment.

 **Mujeres BAC**
Guatemala

 **Mujeres Puedes +**
El Salvador

 **Mujeres BAC Sin Límites**
Honduras

 **CrediMujer**
Nicaragua

 **Mujeres BAC**
Costa Rica



This specialized value proposition that we have achieved through a constant effort to analyze internal and external data and an information segmentation process has allowed us to use these inputs to strengthen our programs and for two consecutive years to be awarded by the Financial Alliance for Women as:

ESG Champion
en 2023

Gender Data Champion
en 2024





Education and Digital Financial Inclusion for Individuals

2023 was our second year measuring the effectiveness of financial education training, with specific topics linked to the responsible use of financial products and services. In this manner, we link the decision to purchase or use a specific product with participation in training.

During this period, we trained 107,819 people in financial education, out of which 58,710 people were trained under a financial inclusion approach, resulting in 33% of people who formalized a decision to use or acquire a service or product. This indicator is linked to opening programmed savings accounts, an increase in electronic transactions, and the digitization of users through online banking.

Number of people who received financial education training - End of 2023

Period	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica	Panama	Total for the Region
2009 - 2022	183,518	235,241	192,190	99,008	507,843	98,491	1,316,291
2023	12,450	33,894	18,295	6,796	27,429	8,955	107,819
Total	195,968	269,135	210,485	105,804	535,272	107,446	1,424,110

Launching the digital educational platform - Positive Finances

With the purpose of keeping digital format educational content up to date, this year we once again launched the digital education platform [Positive Finances](#), successor to [Aprendiendo](#), which was a website that supported virtual training initiatives for over five years.

Positive finances includes a new and intuitive graphic line and organizes available contents by segments to improve user experience and the way in which they use educational content.

At the time of this report, the platform had registered 253 thousand users and 434 thousand visits. At BAC, we aim to generate positive value by facilitating people's access to financial education through our digital tools.

Public-Private Partnerships

Public-Private Alliances in four countries: Guatemala, Honduras, Costa Rica and Panama, allowed us to establish agreements regarding educational matters with ministries of public education or governing entities, to develop programs aimed at young high school students. In addition to providing them with tools for proper management of their personal finances, we offer them technical training that expands their employability opportunities in financial positions, as well as their knowledge and skills for entrepreneurship and productivity.

SELF-ASSESSMENT SUMMARY

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it)	... second area of most significant impact: ... (please name it)	(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Baseline	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
SMART targets	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Action plan	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No

2.3

TARGET IMPLEMENTATION AND MONITORING

KEY STEP 2

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

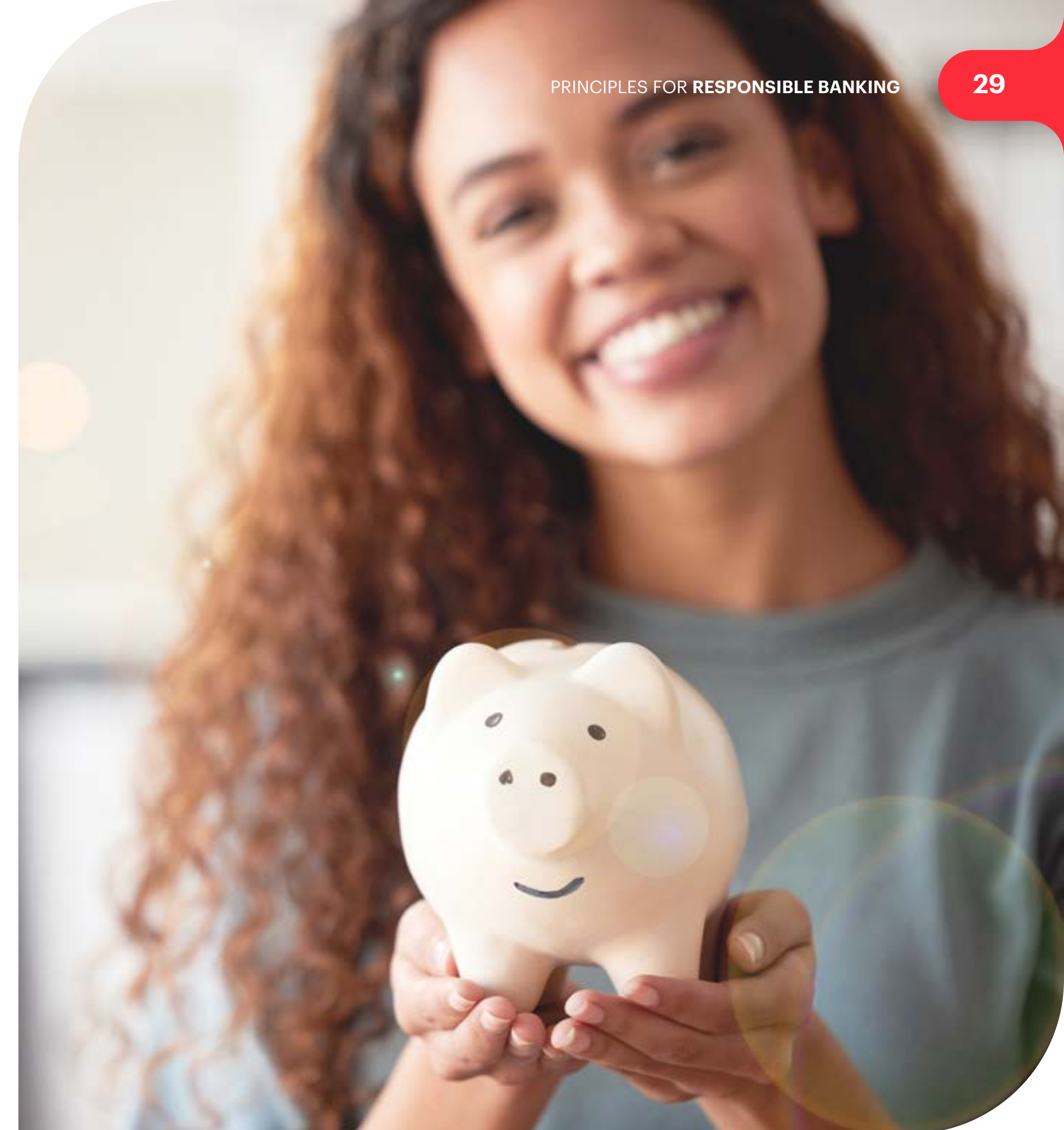
Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.



Climate strategy

In 2023, we defined a roadmap for our decarbonization process, and these activities are being carried out during the current year. In our next PRB report, we will include the results of the implementation of this strategy and our progress towards the stated objectives.

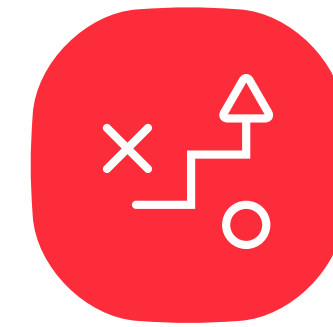
We are currently working on profiling our priority clients and how they are progressing in their decarbonization processes. These activities are essential to define specific actions according to the type of client and their status on the path to decarbonization.



Inclusion and financial health

In 2023, we set out to achieve 30% conversion associated with digital financial education with 2 products defined per country, achieving a conversion of 33% at the end of that period.

In 2024, we defined our SMART goal for the MSME segment. In our next report, we will report on the progress of this goal.



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

Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Our clients

Our goal is to establish profitable long-term relationships with this extensive customer base, using segmentation strategies that meet the specific needs of our individual clients.

As of December 31, 2023, retail loans (including residential mortgage loans, car loans, and consumer loans) increased significantly to represent 31% of our total loan portfolio. Including the credit card portfolio, this figure rises to 55% of our total portfolio being allocated to individuals.

Our core focus is to offer the best financial solutions for people, making them simple, digital and sustainable.



3.2

Business opportunities

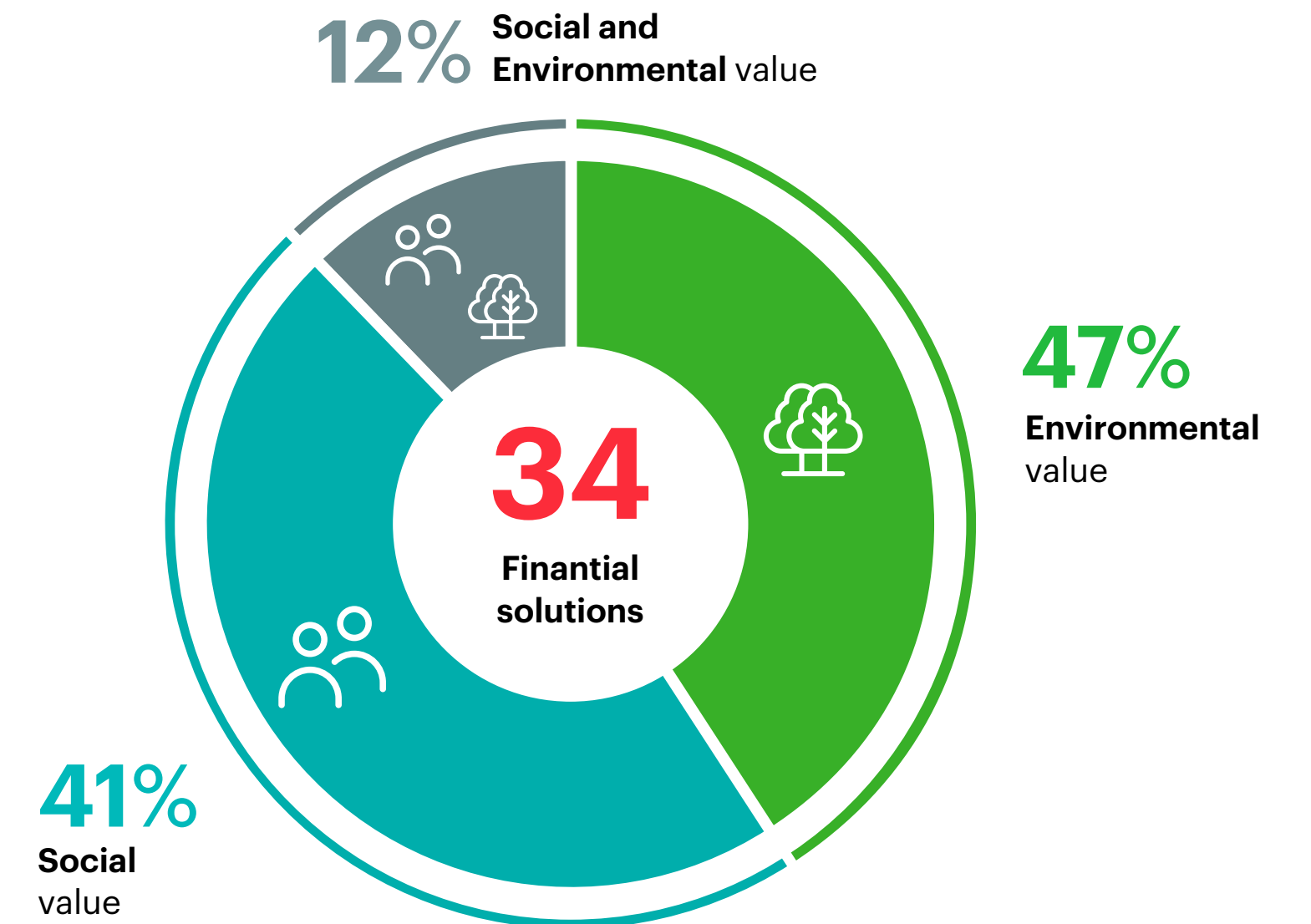
Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Triple value solutions

Offering customers simple, digital, and life-centric financial solutions is one of our main objectives in becoming a Net Positive Bank.

That's why in 2023, we progressed in the design and launch of financial solutions that enable people to adopt production and consumption practices that are more sustainable for the environment and that create a positive social impact in the communities we serve.

By the end of 2023, we had incorporated more than 34 financial solutions into our portfolio at a regional level, with 41% providing social value, 47% providing environmental value, and 12% providing both social and environmental value. Within this portfolio, 20% of solutions include a gender component, offering lines of credit for housing, mobility, business strengthening, education, and services, and providing access to pension funds and insurance designed specifically for this segment.



The circular **economy** and **sustainable mobility**

BIO Card

In 2023 we launched our BIO card, made with 82% of material derived from inedible corn (PLA: acid polylactic), whose production process requires 26% less energy and emits 66% less greenhouse gases, as compared to plastic derived from oil.

The natural origin of this material makes it industrially compostable. For this reason, we have created alliances with MSMEs and third parties to separate materials, compost PLA, and recycle other non-compostable materials. We have replaced the cards' packaging with one made from more environmentally friendly materials.







At the time of writing this report, 205,000 BIO cards were delivered to BAC clients throughout the region.



BAC Electric Route

In 2023, the Central American BAC electric route, inaugurated a year earlier, added 13 more charging stations for electric vehicles, and in 2024 we have installed 4 more chargers, allowing us to offer our customers 48 free-to-use electric chargers.

Electric vehicle chargers

 3 Guatemala	 2 El Salvador
 2 Honduras	 1 Nicaragua
 36 Costa Rica	 3 Panama

 **47** Total

Alignment of the **loan portfolio with Triple Positive Value**

With the aim of progressively transforming our loan portfolio so that the financing we offer to clients generates a positive impact, we have defined lines of action and a robust work plan.

We have developed an internal taxonomy of environmental categories, climate change and social and gender criteria, based on the dynamic regulatory context of the countries where we operate, as well as international taxonomies. We constantly conduct reviews to guarantee validity and alignment.

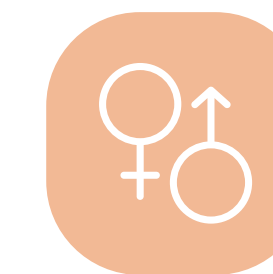
We hold periodic training in the areas that participate in credit processes, including business executives, credit analysts and personnel from operational areas, to improve their abilities to identify projects that generate positive impact.



24 environmental categories



10 social categories



Gender component

Aligned with the following topics



Inclusion and socioeconomic empowerment



Food security and sustainable food systems



Job creation, crisis relief and unemployment prevention



Access to essential services



Legal representation



Shaping the Board of Directors



Shareholding



Shaping Senior Management

Business banking

By the end of 2023, we identified amounts of more than US\$900 million in the business portfolio, regarding operations with some environmental and/ or social component.

Active business portfolio with positive social or environmental value

35%

Renewable energy

\$322M

\$US 900M

Balance December 2023

9% of the portfolio

17%

Essential services

\$158M

9%

Circular economy

\$85M

9%

Sustainable agriculture

\$84M

9%

Sustainable construction

\$79M

5%

Clean transportation

\$42M

3%

Job creation

\$29M

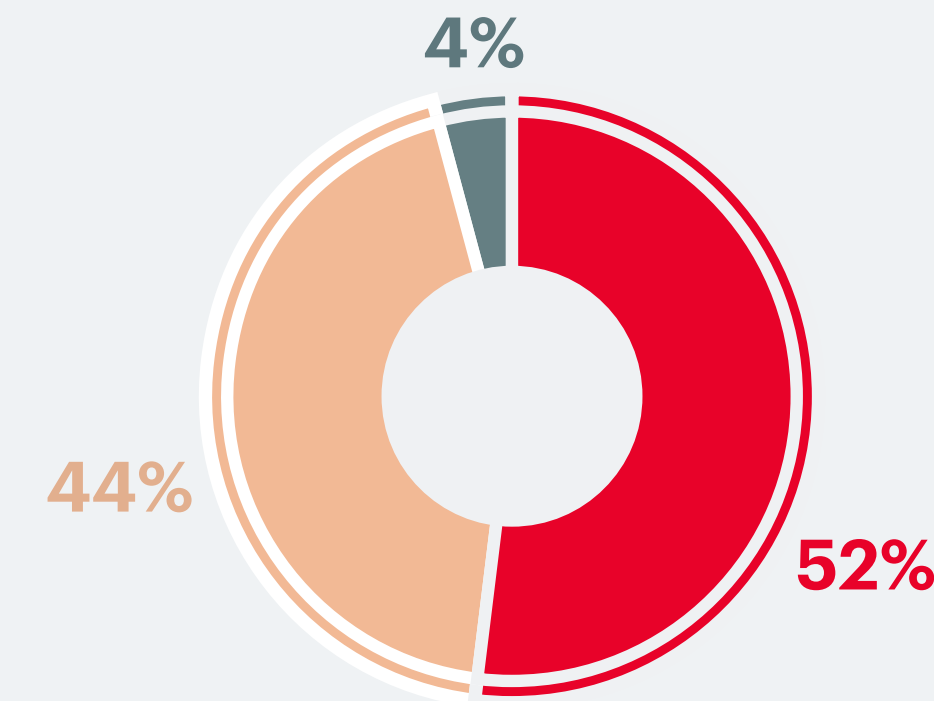
3%

Development Associations and Cooperatives

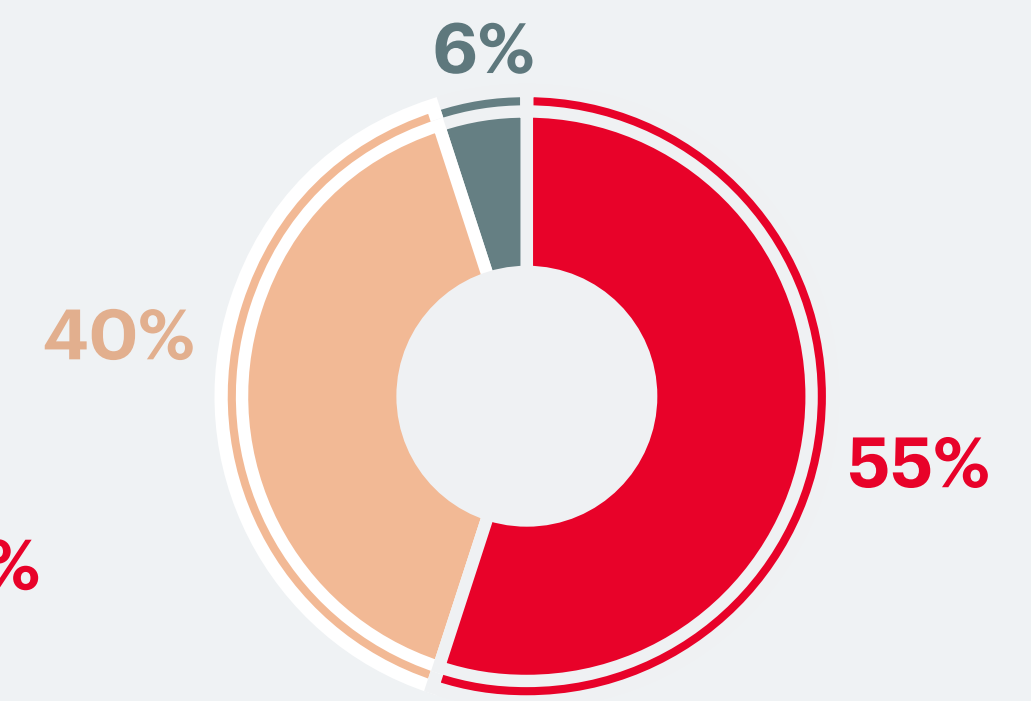
\$26M

Additionally, we identify which clients belong to companies led or owned by women.

Corporate Portfolio



SME Portfolio



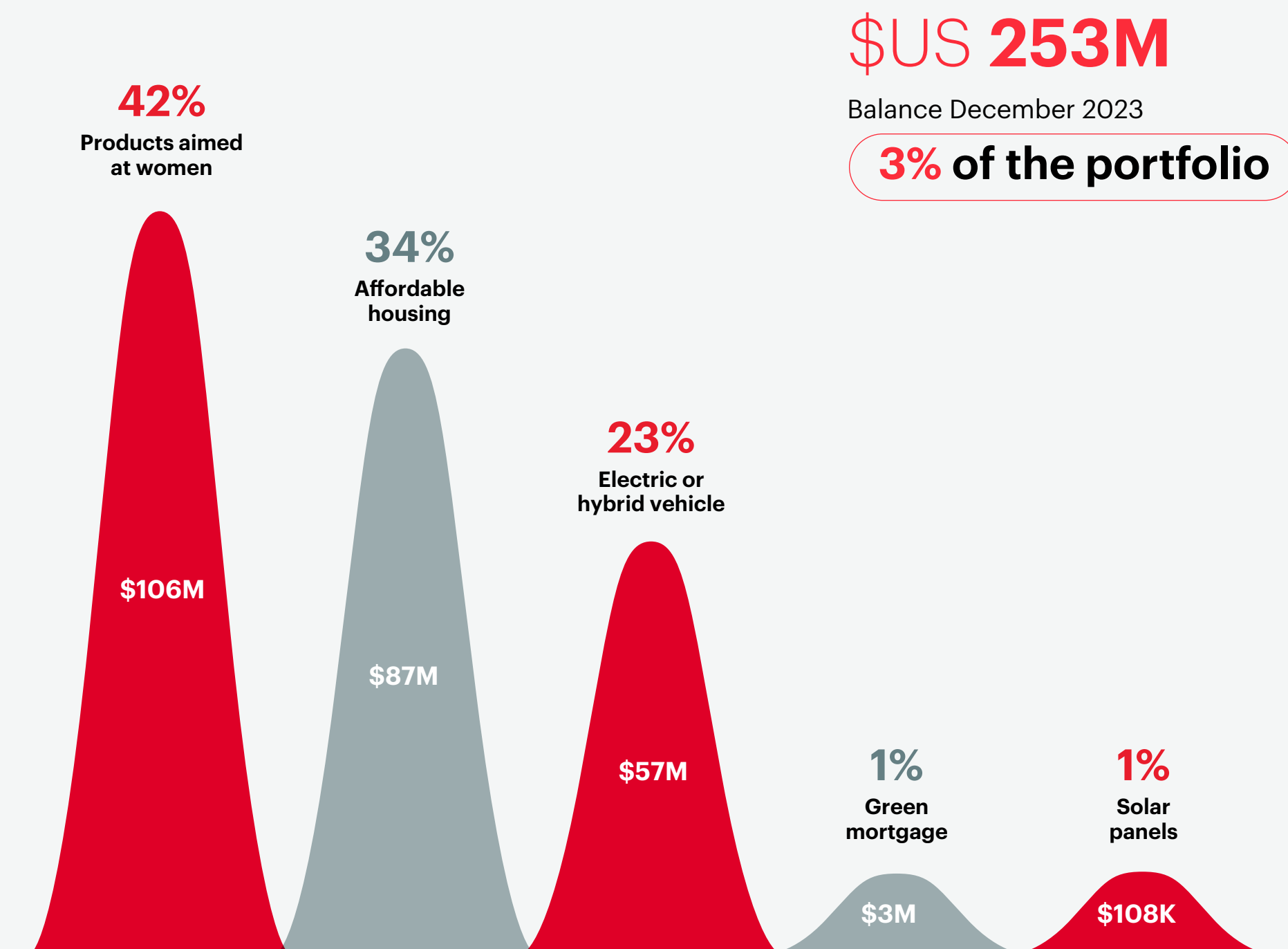
● Without a gender component ● With a gender component ● Unclassified

Personal banking

Through the people portfolio, at the end of 2023 we identified products that contribute to the care of women. They were offered differentiated benefits, such as housing and a vehicle, to help them develop various stages of their lives.

We expanded the financing offer, which makes it easier for clients to adopt more sustainable practices, such as the use of clean energy in their homes and transportation with lower emissions (electric or hybrid). We also offered credit solutions with social impact, such as affordable housing.

Active consumption portfolio with positive social or environmental value



Resource management for financing sustainable projects

With the purpose of investing in sustainable projects, we sign agreements with financial and multilateral entities that provide resources for the use of funds in projects with environmental and social impacts.



BAC Guatemala

We signed an alliance with the Dutch Development Bank (FMO, for its acronym in Dutch) at the end of 2022. We agreed to financing amounting to US\$200 million that will allow us to promote green loans and support small and medium-sized businesses throughout the country. The objective is to promote job creation by strengthening capacities in order to operate and grow in a sustainable, transparent and responsible manner, from a social and environmental standpoint. This financing is also intended to support projects committed to caring for the environment, reducing energy consumption and various sustainable initiatives to mitigate climate change.



BAC Panama

In May 2023, we established a historic agreement for US\$270 million with two leading banks that execute global operations: Wells Fargo and Standard Chartered. This operation marks a milestone in the region, since it includes the first sustainable syndicated financing for an entity in the banking sector in the history of Panama and the American continent, without the participation of a Financial Development Institution. 50% of the signed agreement, that is, US\$135 million, will be used to promote social and environmental projects, through financial solutions focused on promoting the use of clean energy and sustainable mobility in Panama and Central America. Qualifying projects will be selected by BAC Panama in accordance with the Green Loan Principles and the Social Loan Principles of the Trade and Loan Syndication Association.



BAC Costa Rica

In July 2023, we received a loan from DEG Invest (KFW DEG Invest) for US\$120 million to promote a sustainable portfolio and projects involving a gender component. This is the third transaction between both institutions, and one of the highest bilateral loans issued so far by the said German financial entity. This loan will allow us to strengthen the sustainable credit portfolio by financing projects that integrate sustainable construction criteria, energy saving models, purchase of electric vehicles, as well as initiatives focused on reducing gender gaps aligned with the #2XChallenge. This last initiative was promoted at the G7 Summit in 2018 and fosters the mobilization of resources from the private sector to different countries as a means of driving initiatives that allow women to improve their leadership, quality of employment, financing, business support and other products and services.

Digital services that promote financial inclusion and education

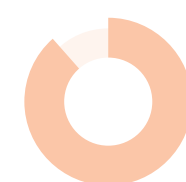
Our bank is characterized by offering our clients the best financial solutions based on cutting-edge technological infrastructure, unified and robust digital platforms, and the best service.

We work to improve the quality of life of our clients, offering them inclusive and easily accessible financial solutions. Our digital solutions aim to help our clients minimize risks, increase awareness about the use of their money and, thus, provide greater financial inclusion and education for our BAC clients.

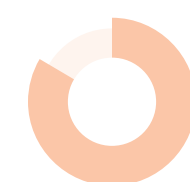
In 2023, the results were very positive and allowed us to reach more than 2.8 million active clients:

- We have migrated 93% of monetary transactions outside of a branch teller.
- In 2023, we grew 340% in digital account openings compared to the results of the previous period, and we increased placement by digital origin.
- We have new features that improve the digital experience, such as the card manager to view, block or restrict additional cards or holders, self-service in requests such as temporary card blocking, pin change or point redemption, and the credit card summary box.
- We are working on enabling new functionalities for Mobile Banking focused on service for MSMEs, such as loan payments, service payments, lobby management and international transfers. Additionally, we had an increase of nearly two million transactions compared to last year.
- We develop innovative solutions for our business clients, such as the Digital Corporate Treasury, which transforms the operations of clients for their supplier payments, payroll, business services, acquiring, among others.
- All of this allowed our 2023 digital NPS to close at 64, that is, 20 points above the 2022 satisfaction level.

Digital Transformation

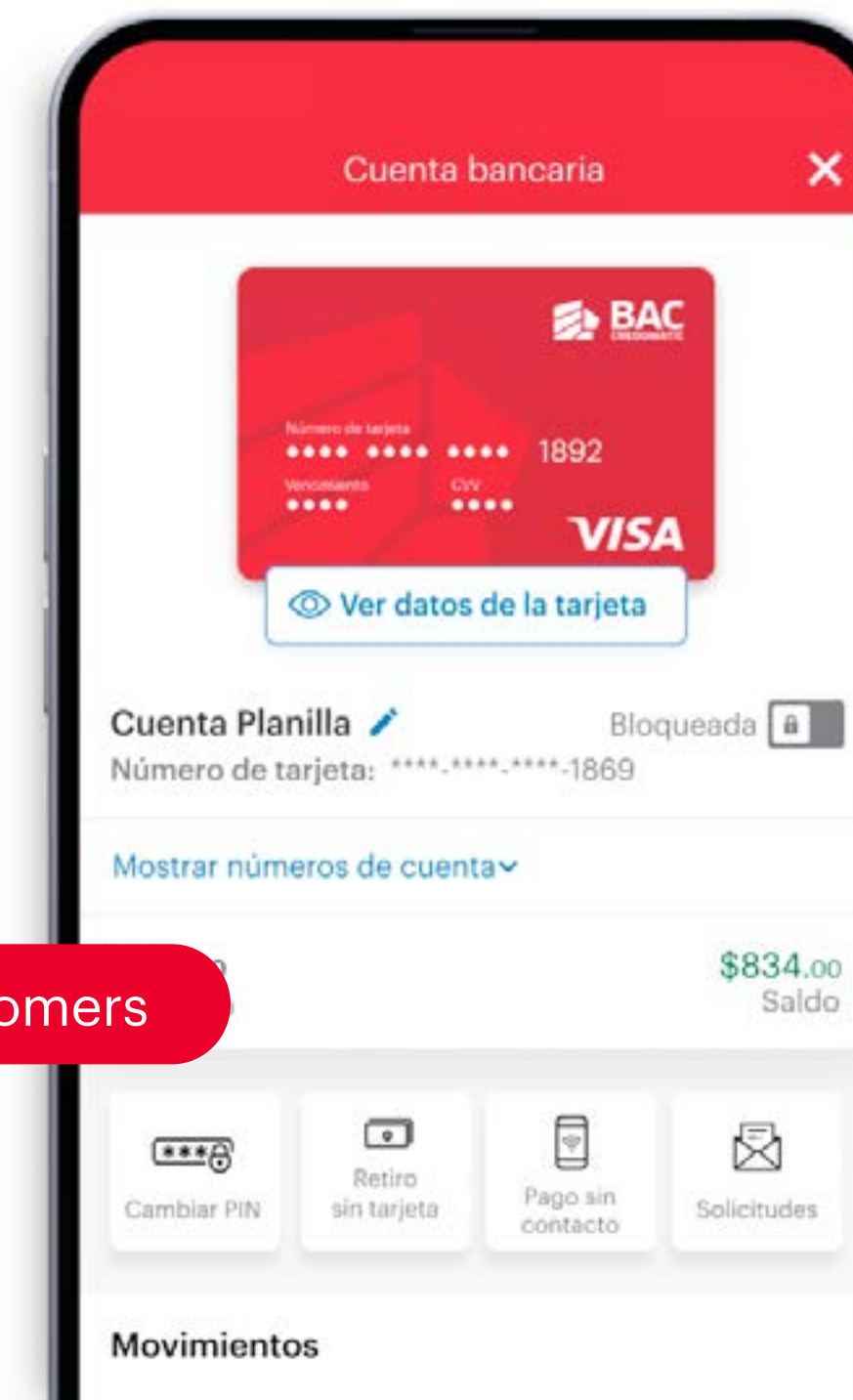
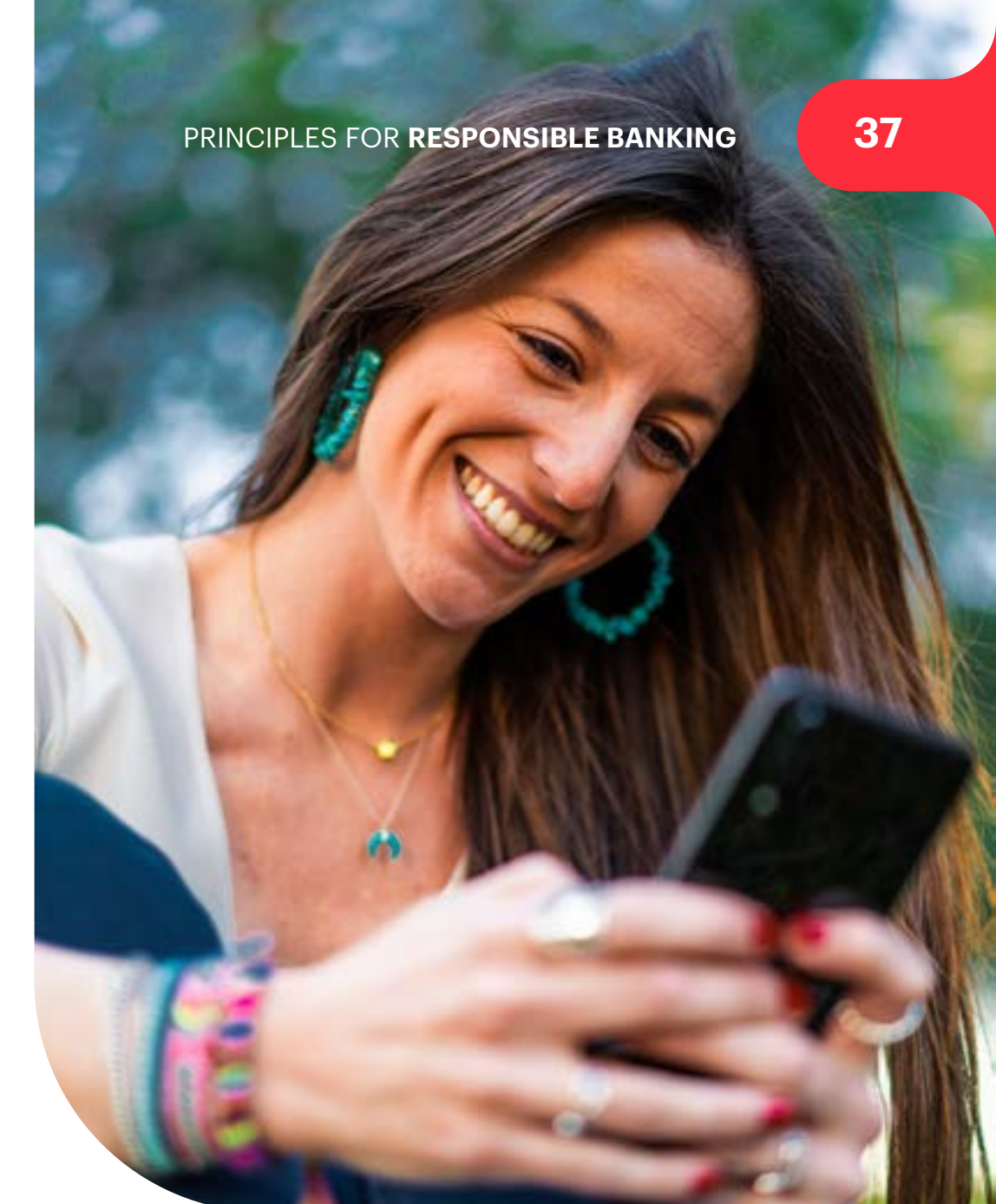


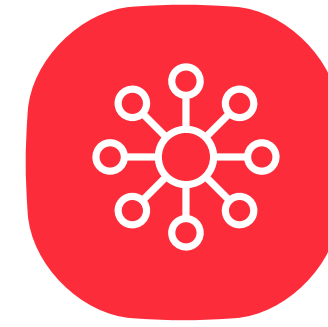
94% Digital customers who use Mobile Banking



93% Monetary transactions made through remote channels

2,8 million active digital customers





Principle 4

Stakeholders

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



4.1

Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Map of **our stakeholders**

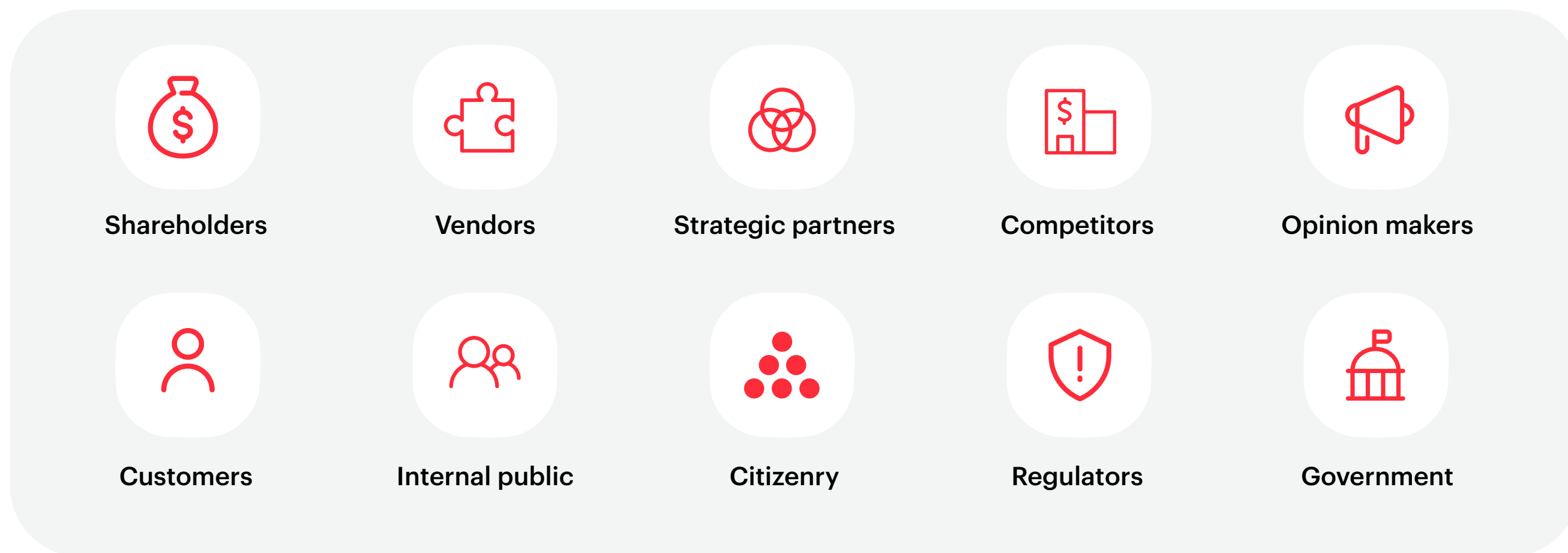
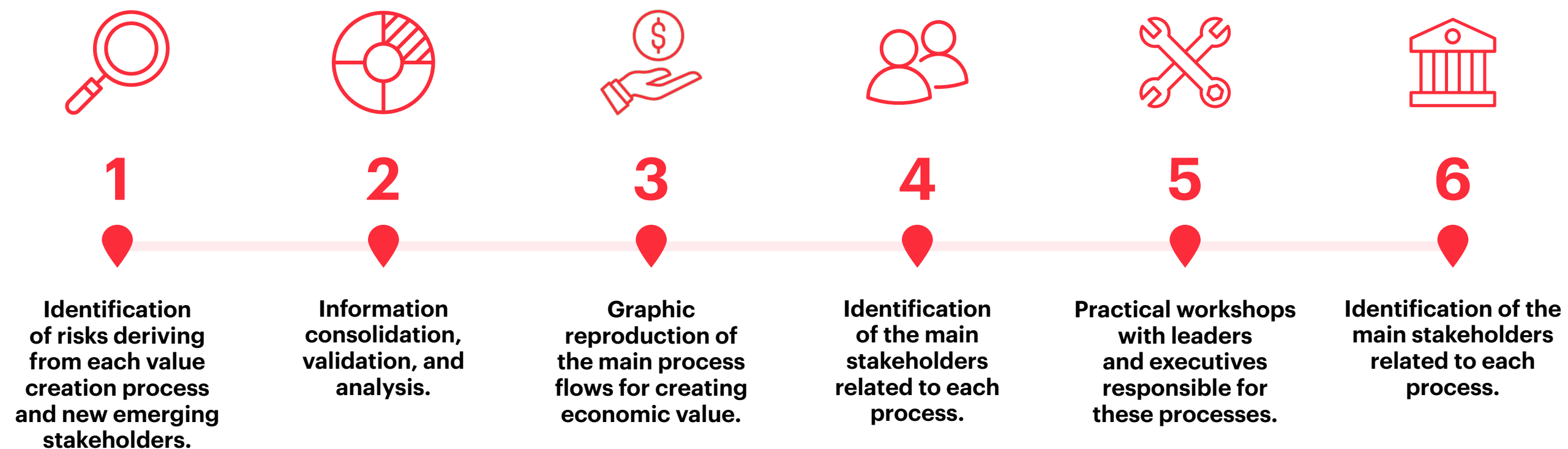
We understand our stakeholders as being those individuals, social groups, and organizations that may be significantly affected by our company's activities, products, and/or services and/or whose actions may impact our ability to continue our successful development of the strategies defined to achieve our objectives.

The complete stakeholder identification process involved a clear understanding of the components of our value chain.

We periodically reviewed previously obtained results to ensure they were still current and to validate each stakeholder's ties to the company's main value creation processes, examining their degree of influence and relevance.

This exercise helped us significantly improve the identification and mapping of our stakeholders and led us to a more in-depth analysis. We saw that, in order to comply with our commitment to transparency and accountability, we had to better understand what stakeholders expected of the bank and identify potential impacts and topics that concerned them about our company.

For this, we designed the following methodology:



Consult **our stakeholders**

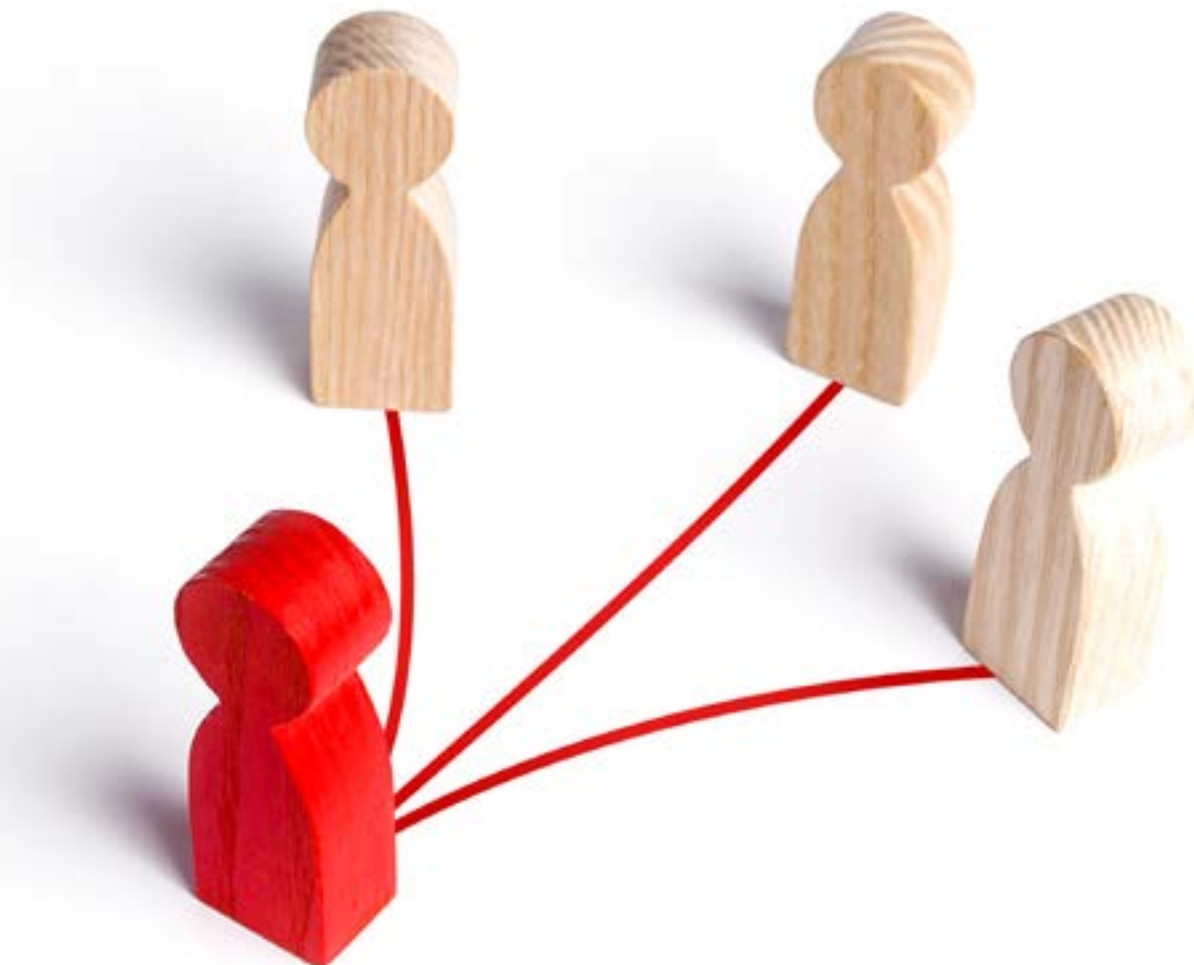
In 2023, for the third consecutive year, we measured BAC's reputation regionally, applying a reputational assessment instrument based on a multiple stakeholder methodology consisting of six evaluations and more than twenty information sources.

This study also looks at BAC's financial leadership with respect to leading companies in each of the countries where we operate. It includes a business ranking by country and an analysis of key variables of the different management areas: Sustainability, Brand and reputation, Economic-financial results, Quality of business offering, Talent, Ethics Transparency, Corporate responsibility, International dimension of the company Innovation, etc.



Relationship mechanism

Having a clear idea of who our main stakeholders are, we have set up a wide array of information, consulting, and dialogue mechanisms to achieve different relationship levels with them.



1 LEVEL 1 Information

- Financial and sustainability reports
- Corporate website: baccredomatic.com/es-cr/nuestra-empresa
- Social media:
 - /BACCredomatic
 - /baccredomaticnetwork
- Leaflets, posters and screens in branches

2 LEVEL 2 Consultation

- Customer service studies, reputation study, surveys, focus groups, etc.
- Transaction and relationship surveys to evaluate the NPS (Net Promoter Score)
- Organizational climate evaluation
- Voice of Employee program, eNPS, Pulses
- Innovation system, competitions

3 LEVEL 3 Dialogue

- Call centers
- VoC (Voice of Customer) program
- Web chats, email, online contact forms
- Ombudsperson program, Ethics Line
- Social media:
 - /BACCredomatic
 - /baccredomaticnetwork
- Formal and informal meetings, conferences, talks, and workshops
- Round table discussions with internal and external stakeholders

4 LEVEL 4 Participation

- Prototyping with customers
- Installed capacity creation through advisory, co-creation, and networking
- Ideas campaign



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 for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about.

- Which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to).
- Details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as.
- Remuneration practices linked to sustainability targets.

Governance structure

With the goal of safeguarding the interests of BAC, its shareholders, and its customers, we have established a solid Corporate Governance structure consisting of Boards of Directors, Senior Management, support committees, forums, and control bodies at the corporate level and in the countries where we operate, to supervise management and monitor value creation and efficient resource use.

Our corporate governance bodies are responsible for defining BAC's main policies and strategies and ensuring that the organization operates ethically, with integrity, and in compliance with current laws and regulations, thereby maintaining the excellent quality of the products and services we deliver. Our control areas, comprised by Internal Auditing and the different risk management supervisory areas, are key pieces in our corporate governance system to affirm our commitment to promoting a culture of compliance, transparency, and risk management in each area of the organization.

This corporate governance structure is aligned with best international practices and maintains deep respect for local regulations.

It is comprised, as follows:

Body name	Goal
Board of Directors	<p>Define guidelines that allow for achieving strategic objectives, risk management, and compliance with BAC's values, creating value for our shareholders, clients, and other stakeholders, while complying with applicable regulations and regionally established codes for the entities that comprise BAC. It is primarily responsible for making decisions on economic, environmental, and social issues for the bank.</p> <p>The organization's main administrative, management, and oversight body.</p> <ul style="list-style-type: none"> ○ Monitors the strategic plan, approves policies, directs, assesses and manages risks, and ensures compliance with BAC values. ○ Comprised by directors with extensive experience in Central America and the banking industry.
Management team	<p>Implements the strategy and ensure resources for maintaining high standards of quality and compliance.</p> <ul style="list-style-type: none"> ○ CEO Organization's highest-level executive. Designs and directs the strategy and is responsible for management. ○ Local management team Country Manager. Responsible for managing the local operation and relationships with regulators and customers. ○ Regional management team Regional directors. Manage the regional operation, evaluate and monitor management, and propose policies and standards.
Local Boards of Directors and Committees	<p>Implement the strategy, provide knowledge of the local market, and monitor the companies' risk concentration limits.</p> <p>Participants</p> <ul style="list-style-type: none"> ○ Local directors. ○ CEO. ○ Members of the Regional Boards of Directors. ○ External advisors and guests, as applicable.

Governance bodies

Each corporate governance body has a specific function to fulfill strategic objectives and ensure transparency to our shareholders.

<p>Regional Audit Committee</p>	<p>Advises Board members on complying with their responsibilities with regard to the quality and integrity of the financial reports generated by BAC for use by shareholders, potential shareholders, investors, and customers. It also provides guidance on the effectiveness and efficiency of the internal control system, governance measures, and matrix risk management. Additionally, it reviews and evaluates the work of external and internal auditors.</p>
<p>Regional Integrated Risk Management Committee</p>	<p>Advises the Regional Boards of Directors on definition and compliance with guidelines, processes, methodologies, and controls for BAC's integrated risk management, supervising risk management in all the countries where BAC operates as well as the SARAS (Credit Environmental and Social Risk Assessment System).</p>
<p>Regional Compliance Committee</p>	<p>Advises the Regional Boards of Directors in its responsibilities to oversee the proper functioning of the system for managing the risks of money laundering, terrorism financing, and financing for the proliferation of weapons of mass destruction and to encourage a culture of compliance in all jurisdictions where BAC has a presence. Additionally, it ensures that BAC's actions in these jurisdictions fully comply with local laws and regulations concerning compliance.</p>
<p>Regional Compensation and Appointment Committee</p>	<p>Establishes the action framework for appointing Board members and external corporate governance committee members in order to ensure candidates meet the qualifications. Additionally, it is responsible for overseeing the design and operation of BAC's compensation system.</p>
<p>Regional Credit Committee</p>	<p>Evaluates and approves loans according to the established authority matrix. Additionally, the Boards of Directors has delegated to this committee the formulation of proposed improvements to policies, processes, and procedures for approving loans and charge-off provision.</p>
<p>Regional Assets and Liabilities Committee (ALICO)</p>	<p>Advises the Regional Boards of Directors on the definition of and compliance with asset and liability management policies, methodologies, and limits in order to keep liquidity risk, market risk, and other related risks under control.</p>



Governance of **environmental and social matters**

At BAC, we recognize the importance of having a high-level body to lead our organizational alignment, both regionally and in each of the countries where we operate.

In 2020, we therefore created the Sustainability Forum, the main purpose of which is to advise the Boards of Directors on the strategic responsible business practice approach and sustainability matters. This Forum meets at least once every quarter.

Duties and Responsibilities of the Sustainability Forum

- ▶ **Collaborate and coordinate with corporate governance committees** on matters of responsible business practices and sustainability.
- ▶ **Supervise and ensure processes for risk identification, management, monitoring, and control** and opportunities for improving business sustainability and stakeholder expectations.
- ▶ **Supervise and evaluate the stakeholder relationship strategy**, informing the Boards of Directors of their interests and expectations with regard to social and environmental aspects and BAC's responsible and ethical behavior.
- ▶ **Supervise BAC's actions in sustainability matters** and particularly that its good governance, environmental, and social practices align with the strategy and policies approved by the Boards of Directors.
- ▶ **Monitor BAC's actions towards achieving the Sustainable Development Goals (SDGs)** approved by the United Nations.
- ▶ **Supervise and approve BAC's incorporation in the most recognized international sustainability indices and certifications.**
- ▶ **Be informed and advise the Boards of Directors of the latest trends and best business practices** such as innovation, customer satisfaction, financial inclusion, responsible marketing, inclusion and diversity, nondiscrimination, climate change, and others that are related to business sustainability and contribute to the region's social and economic development.
- ▶ **Evaluate BAC's sustainability situation**, periodically informing the Boards of Directors of progress made in matters of responsible business practice and sustainability, providing advisory, issuing reports, and implementing procedures within its area of competence.
- ▶ **Ensure the suitability of the structure** and functionality of sustainability management.
- ▶ **Issue reports and take the sustainability actions for which it is responsible** and in accordance with the corporate governance system or as requested by the Boards of Directors or its president.

This Forum meets at least once every three months

Evaluation and compensation mechanisms

In keeping with best international practices, at BAC we use evaluation mechanisms at every level. In keeping with our strategic objectives, we have set out to measure our performance and that of our working group from the highest level. This measurement is not limited to the economic sphere, but rather involves setting targets and indicators to systematically evaluate our environmental and social objectives with the same level of rigor and excellence.

Evaluations using the Balanced Score Cards (BSC), a performance evaluation tool, now include a weighting of up to 15% for environmental and/or social targets. These evaluations are applied to our CEO, Country Managers, Regional Directors, Area Vice Presidents, and Managers. The results of this evaluation will be linked to the compensation of the leadership team.



5.2

Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Triple positive **value guidelines and manual**

In keeping with best practices for Corporate Governance and Management Systems, we have documentation system at BAC that describes internal policies, guidelines, and procedures.

We have a Triple Positive Value Guideline and Manual aligned with our business strategy. Both documents are structured in four dimensions: economic, environmental, internal social, and external social.

The Guidelines contain high-level information on the guiding principles, while the Operating Manual contains information on every initiative, the roles and responsibilities of every related party, and procedures. It also goes over evaluation mechanisms that we created in order to achieve our corporate strategy of Triple Positive Value.





5.3

Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Climate change **risk management**

Maturity Model

The development of this maturity model - aligned to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), including four main sections categorized into four maturity levels, with actions, deadlines and responsible parties - allows us to monitor progress and report regularly to the Regional Comprehensive Risk Management Committees, the Regional Credit Committee and the Board of Directors.

		To be developed	Partially established	Established	Advanced
Governance	Governance and Supervisory Bodies		●		
	Relevant Stakeholders			●	
Strategy	Coherent Business Strategy			●	
	Risks and Opportunities in Business Development		●		
	Identification of Operations			●	
Risk Management	Risk Management Policies and Models		●		
	Different Types of Management Analysis	●			
	Defined Risk Appetite Level		●		
	Financial Sustainability and Continuity	●			
Reporting and Disclosure	Adoption of Reporting and Disclosure Initiatives				●
	Disclosure of Objectives and Metrics		●		

SELF-ASSESSMENT SUMMARY

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes En curso No



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
Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

6.2
Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other :....

Assurance

In compliance with the implementation requirements of the Principles of Responsible Banking, we have carried out the external assurance audit process of requirements 2.1, 2.2, 2.3 and 5.1.

The results are detailed in the annex Audit Report on the Principles for Responsible Banking.

Methods and standards used for reporting

The importance of carrying out a rigorous, clear, transparent and timely exercise of accountability implies a great deal of internal coordination with many areas of the bank.

At the same time, the requirements of interested parties such as investors, shareholders, regulators, risk rating agencies and multilaterals are becoming more demanding and extensive; It is essential to also identify the appropriate means and models for the public of interest, so that the reporting exercise is one more vehicle to build trust and that, in turn, is used as a management tool, to identify gaps and challenges, that allow us to share with our interested parties our work, progress and commitments on the road to becoming the Bank to which we aspire.

We use the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB).

In 2023, we applied the Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment (CSA) for the first time, and in 2024 we will carry out our second exercise.



6.3

Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

Next steps

In 2024 we will focus our efforts on:



Climate strategy

- Promote financial solutions to support our clients' decarbonization processes.
- Train and support clients in priority sectors to drive improvements in their production processes and reduce their emissions.
- Identify the physical and transition impacts of the different sectors of our portfolio to apply stress tests to our Business Banking portfolio.
- Obtain direct information on our clients' emissions (Scope 1 and Scope 2) to improve data quality as part of our financed footprint measurement processes.
- Strengthen the capabilities and knowledge on decarbonization-related topics for our BAC People involved in the process.



Inclusion and financial health

- Define a financial health index for our clients, in order to identify and prevent high levels of debt, as well as savings opportunities; taking timely actions to advise them and contribute to their financial well-being.

Implement updates to our digital platform, FinanzasPositivas.com, which

- will allow us to offer educational content in multiple formats for different customer segments.

Promote business strengthening and financial education initiatives,

- aimed at entrepreneurs with special emphasis on financial solutions appropriate for the stage they are in and how this can help them boost their entrepreneurship.

Strengthen financial education and inclusion actions for MSMEs according

- to their life cycle stage, with a special focus on the digitalization of this important segment.

Deepen the management of data segregated by sex to achieve a better

- understanding of the needs and opportunities for inclusion of the women segment.

6.4
Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|---|
| <input type="radio"/> Embedding PRB oversight into governance | <input type="radio"/> Customer engagement |
| <input type="radio"/> Gaining or maintaining momentum in the bank | <input type="radio"/> Stakeholder engagement |
| <input type="radio"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="radio"/> Data availability |
| <input type="radio"/> Conducting an impact analysis | <input checked="" type="radio"/> Data quality |
| <input type="radio"/> Assessing negative environmental and social impacts | <input type="radio"/> Access to resources |
| <input type="radio"/> Choosing the right performance measurement methodology/ies | <input type="radio"/> Reporting |
| <input type="radio"/> Setting targets | <input type="radio"/> Assurance |
| <input type="radio"/> Other: It is important to consider the reality of the different regions and how this could have implications for compliance with the requirements of methodologies such as PCAF, SBTi, NZBA outside of financial institutions. | <input type="radio"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these.





Annexes

Audit Report on the Principles for Responsible Banking



INDEPENDENT LIMITED ASSURANCE REPORT FOR THE DISSEMINATION OF THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE BANKING

To the Management of BAC,

We have carried out a *Limited Assurance* service of the Principles for Responsible Banking for BAC, in accordance with the Principles for Responsible Banking Assurance Guide.

The scope of our work includes:

The information provided in the third report "BAC Principles for Responsible Banking" and Self-Assessment Template ("UN PRB Template") for the year ended August 2024 related to:

- 2.1 Impact analysis
- 2.2 Goal Setting
- 2.3 Implementation plans and monitoring of objectives
- 5.3 Governance structure for the implementation of the Principles
- NZBA Intermediate Target Disclosure Checklist

1. Inherent limitations

The scope of our procedures does not include an assessment of the adequacy of the design of BAC UN PRB impact management systems and processes, to achieve alignment with the United Nations Principles for Responsible Banking or their operational effectiveness and, therefore, our procedures do not guarantee the design and operational effectiveness of impact management systems and processes or the resulting impacts achieved. The scope of our work on the UN PRB template was limited to assessing whether the bank's selected responses show an accurate reflection of the steps and activities the bank has undertaken.

The UN PRB template and reporting criteria have been developed to assist BAC in preparing the disclosure required by the UN Principles for Responsible Banking. Finally, the future projection of impact management systems and processes and their alignment with the United Nations Principles for Responsible Banking is subject to the risk that impact management systems and processes may change.

2. BAC Responsibilities

BAC is responsible for:

- Design, operate, and maintain internal controls relevant to the preparation and presentation of the UN PRB template that is free from material errors, whether due to fraud or error.
- Select and/or develop consistent Assurance Criteria.
- Measure and report the Selected Information in accordance with the Assurance Criteria.
- The contents and statements contained in the Report and the Assurance Criteria.

3. PCS Responsibilities

We are responsible for planning and carrying out the activities necessary to develop a limited assurance process to demonstrate that the **information subject to assurance** has been adequately prepared in all material respects and in accordance with the **assurance criteria**. Likewise, to express to BAC an **independent conclusion of limited assurance** based on the activities carried out and the evidence obtained.



PCS's commitment to impartiality and quality assurance is set out in its policies, procedures and management structure, including the management of information in accordance with the International Standard for Assurance Engagements (ISAE 3000), established by the International Board of Audit and Assurance (IAASB) of the International Federation of Accountants (IFAC).

The nature, timeliness and scope of the procedures selected depend on our judgment, including an assessment of the risk of material errors, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions of limited assurance.

4. Our independence and quality control

Pacific Corporate Sustainability, within the framework of its services for the verification of sustainable finance instruments, also applies the International Standard on Quality Control for companies that perform audits and reviews of financial statements and other assurance engagements and related services, and consequently maintains a comprehensive quality control system that includes documented policies and procedures with respect to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Summary of the processes carried out

- In relation to **Principle 2.1 Impact Analysis**, we verified that the business areas and scope of BAC are clearly described, and the composition of the portfolio reconciled to the management information; it has also been verified that the challenges and priorities have been analyzed, including the justification of the business areas in which the analysis was not carried out. In addition, it has been verified that BAC has disclosed the method for determining its impact areas and has selected how the two most significant impact areas were determined¹. For the impact areas Climate and Inclusion and financial health, it was reconciled with the published information referenced in the response and with supporting Management Information. Finally, supporting evidence was verified, including meeting minutes that show that the declared government process was followed;
- With respect to **Principle 2.2 (Setting targets)**, Based on the verifications conducted, the information obtained and reviewed, it was verified that BAC establishes SMART² targets for its two significant impact areas: Climate and Inclusion and Financial Health. We verified that BAC has identified frameworks to align with and explains how it contributes to the relevant targets and action plans for meeting the established targets. For both significant impact areas, SMART targets have been set, and we verified that the base year is no more than two full years of reporting before the year in which the targets were set;
- With respect to **Principle 2.3 (Implementation and monitoring of objectives)**, based on consultations conducted in relation to internal processes and stakeholders, we reviewed supporting evidence to assess whether the disclosures within the responses selected in the PRB Reporting and Self-Assessment Template reflect the Bank's assessment of the implementation stage of the PBRs;
- With regard to **Principle 5.1 Governance structure for the implementation of the Principles**, on the basis of the research conducted and the information obtained and reviewed, the consistency of supporting evidence, including organizational charts and meeting minutes, was checked. In addition, we have reviewed the supervision of the Bank's governance structure in relation to the implementation and monitoring of the Principles with existing governance structures as defined by BAC.

¹ The two most significant impact areas identified by BAC are: Climate and Inclusion and financial health.
² SMART targets are those that meet the following characteristics: Specific, Measurable, Achievable, Relevant, and Time-bound.
PACIFIC CORPORATE SUSTAINABILITY
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- With respect to the NZBA Intermediate Target Disclosure Checklist, based on the information obtained and reviewed, it was verified that BAC is aligned with the standards reviewed in the checklist, identifying a good level of performance in this regard.

In our view, the examinations conducted provide a sufficient basis for our conclusion.

6. Conclusion

According to the evidence obtained in the assurance process, we are not aware of any erroneous statement in the responses to the UNEP FI Self-Assessment and PRB Reports Template of BAC, which would lead us to believe that the Principles for Responsible Banking of the United Nations Environment Program Finance Initiative are not complied with.

Lima, Peru.

August 15, 2024

Diana Via Aronez
Head of Sustainability

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Correo electrónico: dvia@pcslatam.com

National Frameworks considered for country context analysis

Nationally Determined Contribution (NDC)



2021
Guatemala



2021
El Salvador



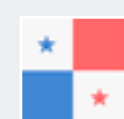
2020
Nicaragua



2021
Honduras



2020
Costa Rica



2020
Panama

Commitments to Inclusion and Financial Education

Country	Commitment name	Year of issue
Guatemala	National Strategy for Financial Inclusion	2024
El Salvador	National Financial Education Strategy	2022
Honduras	National Strategy for Financial Inclusion	2015
Nicaragua	Inclusion and financial education: International experience and challenges in Nicaragua	2017
Costa Rica	National Survey on Financial Inclusion Results Report	2020
Panama	Proposal for the Financial Inclusion Strategy in Panama	2019

A. Climate strategy

	Indicator	Response
1 Action indicators	A.1.1 Climate strategy: Does your bank have a climate strategy in place?	Yes, since 2021 we have started developing our Climate Strategy by joining NZBA. Section 2.2 Target Setting mentions the main advances.
	A.1.2 Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	We have defined science-based reduction targets for our priority sectors. The targets are shown in section 2.2 Target Setting / Decarbonization Goals.
	A.1.3 Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	<p>Yes, during 2023 we focused our efforts on consolidating a multidisciplinary team made up of the Corporate Banking, Credit Risk and Sustainability areas. This group led the definition of an action plan that will allow us to advance in our objective of portfolio transformation and decarbonization by working hand in hand with our clients in priority sectors.</p> <p>Mainly through financial solutions focused on supporting the transition processes towards a lower carbon economy, and providing training and support to our clients, with the aim of promoting the improvement of their production processes to reduce carbon emissions.</p>
	A.1.4 Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	<p>Yes, we measure the financed emissions of our portfolio of companies, we define our priority sectors, and we develop an action plan.</p> <p>On the other hand, we measure the financed emissions of our portfolio of vehicles and mortgages, we offer financial solutions to help our clients transition and generate less environmental impact and we are carrying out a context analysis to take into consideration the greatest risks and opportunities that we have in the context of the countries where we operate.</p> <p>Yes, one of the twelve objectives we have set in our new Triple Positive Value strategy is the progressive transformation of our portfolio into simple, digital and sustainable financial solutions.</p> <p>Our main advances are mentioned in section 3.2 Business opportunities.</p>

A. Climate strategy

	Indicator	Response
2 Output indicators	A.2.1 Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes, we have defined objectives in our priority sectors for Corporate Banking, we have defined our work plan focused on the most representative clients in these sectors, and in 2024 we are developing this work plan. In section 2.2 Target Setting / Business Banking Action Plan, you will find an explanation of the 5 main axes defined. Additionally, once the vehicles and mortgage portfolio has been measured, we are strengthening the placement strategies in our financial solutions for hybrid and electric cars, sustainable construction and solar panels.
	A.2.2 Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	More details can be found in section 2.2 Target Setting / Measuring the financed footprint.
	A.2.3 Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	More details can be found in section 2.2 Target Setting / Measuring the financed footprint.
	A.2.4 Proportion of financed emissions covered by a decar-bonization target: What proportion of your bank's financed emissions is covered by a decar-bonization target, i.e. stem from clients with a transition plan in place?	More details can be found in section 2.2 Target Setting / Measuring the financed footprint.
3 Outcome indicators	A.3.1 Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	Section 3.2 Business Opportunities details our portfolio with environmental and social impact.
	A.3.2 Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities ? How much does your bank invest in transition finance?	
4 Impact indicators	A.4.1 Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	In 2022 we carried out our first measurement and definition of financed emissions objectives. In 2023 we defined our roadmap to be implemented in the following years. Within the main axes of this roadmap we have defined a process of continuous data improvement, which will allow us to measure the impact in terms of reduction.
	A.4.2 Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	More details can be found in section 2.2 Target Setting / Measuring the financed footprint.

B. Financial health • C. Financial Inclusion

	Indicator	Response
<div style="background-color: red; color: white; padding: 2px 5px; display: inline-block; margin-bottom: 5px;">1</div> Action indicators	B.1.1 / C.1.1 # of products and services in the portfolio with a focus on financial health / C.1.1 # of products and services in the portfolio with a focus on financial inclusion	In our new Triple Positive Value strategy, we have established the progressive transformation of our portfolio into simple, digital and sustainable financial solutions. Section 3.2 Business Opportunities mentions our Triple Value Financial Solutions as well as our digital services that promote financial inclusion and health.
	B.1.2 / C.1.2 % of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	33% of our employees were trained in health and financial inclusion issues in 2023.
	B.1.3 / C.1.3 # of partnerships active to achieve financial health and inclusion targets	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>Guatemala</p> <ul style="list-style-type: none"> Public-private alliance with the Ministry of Education, to collaborate with the study plans, making available to the national educational system, contents and methodologies in matters of personal finance and entrepreneurship for productivity, at the levels of secondary education and cycle of basic education. The contents are taught in the public schools of the country by their own teachers, as part of the official curriculum of the institution. We have executed training and updating programs for teachers, as well as the design and production of guides and manuals. Participation in work groups for financial inclusion led by the Superintendence of Banks of Guatemala. Participation in the National Strategy for Financial Inclusion (ENIF). <p>El Salvador</p> <ul style="list-style-type: none"> Initiatives such as the National Financial Education Strategy and Technical Cooperation Agreement on Financial Education issues in conjunction with the Central Reserve Bank. <p>Honduras</p> <ul style="list-style-type: none"> Alliance with the Ministry of Public Education, to strengthen financial education aimed at children, youth, teachers, fathers and mothers. The Professional Vocational Diploma in Banking and Finance (BTP) is created, a three-year program that enables graduate students to opt for jobs not only in the banking sector but also in financial areas of any company. Financial education activities promoted by the National Bank and Insurance Commission. Among which are mentioned: Global Money Week, World Savings Day, Financial Education Week. </div> <div style="width: 48%;"> <p>Costa Rica</p> <ul style="list-style-type: none"> Alliance with the Ministry of Public Education, the subject of personal and family finances for daily life was incorporated into the national curriculum in the ninth year and in professional technical colleges the specialty of Middle Technician in Banking and Finance was created. Seeds of Change, is a collaborative group in charge of promoting entrepreneurship and productivity in high schools located in rural areas. Agreement with the Ministry of Economy, Industry and Commerce, the use of content, talks, tools, education and financial inclusion website is encouraged and made available to the inhabitants, and education and information programs for the consumer are formulated. Synergies with other entities such as the Office of the Financial Consumer and the Chamber of Banks. <p>Panama</p> <ul style="list-style-type: none"> Initiative Finance for the Future, endorsed by the National Directorate of Curriculum and Educational Technology of MEDUCA, seeks to empower young people in the assertive management of their finances. It facilitates education in personal finance through a novel model of experiences in workshops and debates among students, which allows a participatory construction of financial knowledge. </div> </div>

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	Indicator	Response
2 Output indicators	B.2.1 / C.2.1 # of individuals supported with dedicated and effective financial and/or digital education initiatives	You can find the details of our main advances in 2022 in section 2.2 Target Setting / Inclusion and Financial Health.
	B.2.2 / C.3.3 % of customers actively using the online/mobile banking platform/tools	By the end of 2023, we have 2.8 million active digital clients. 94% of our digital clients use Mobile Banking. 93% of monetary transactions are carried out through remote channels.

