

Principles for Responsible Banking

Banco Promerica Third Report
March 2025

Geographic Footprint



Denotes ranking amongst other Banks in respective country excluding major Government banks

52% For dollarized economies, denotes share of PFC's total assets in country

Extensive Operational Network



9 countries



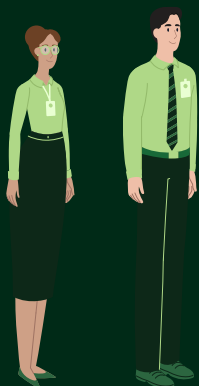
812 Branches



27,8 Agent & Pmt.



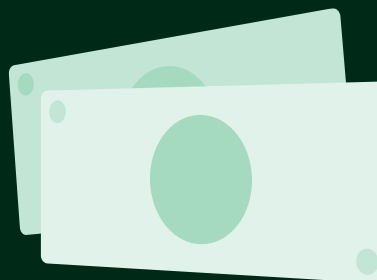
1,283 ATM's



15,88
Employees



3.7 million
Customers



3.3+ million
Depositors



1.7 million
Credit Cards

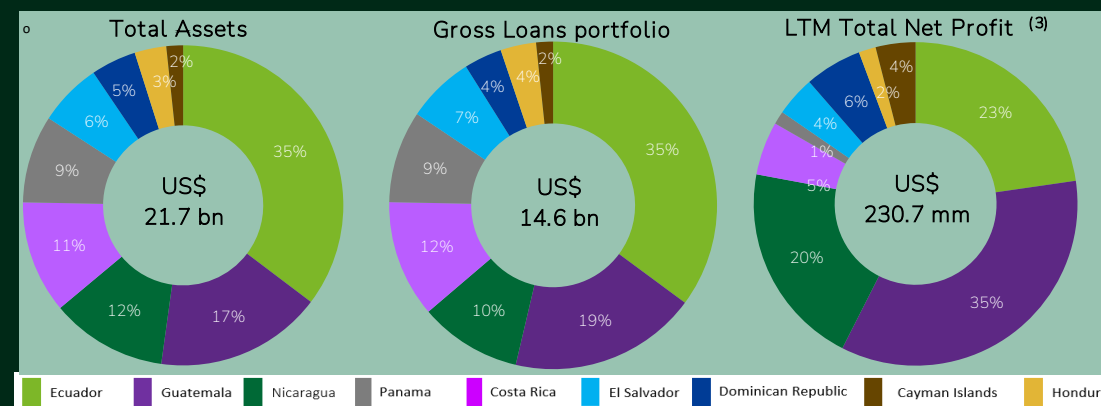


PFC At-a-Glance

Key consolidated financial highlights as of December 2023⁽¹⁾

PFC exposure by country⁽²⁾

Gross loan portfolio	US\$14.6bn	LTM net profit	US\$183.6mm
Total assets	US\$21.7bn	LTM ROATE	12.4%
Total deposits	US\$16.0bn	LTM ROAA	0.90%
Total equity	US\$1.8bn	Capital adequacy	12.7%



LTM Local GAAP:
US\$223.4mm⁽⁴⁾

Diversified group with a strong presence across 9 countries in Latin America

(1) Information on a Consolidated basis.
 (2) Only considers banking subsidiaries and excludes consolidation adjustments
 (3) Banking operations breakdown estimated on a combined basis
 (4) LTM Local GAAP on a combined basis.



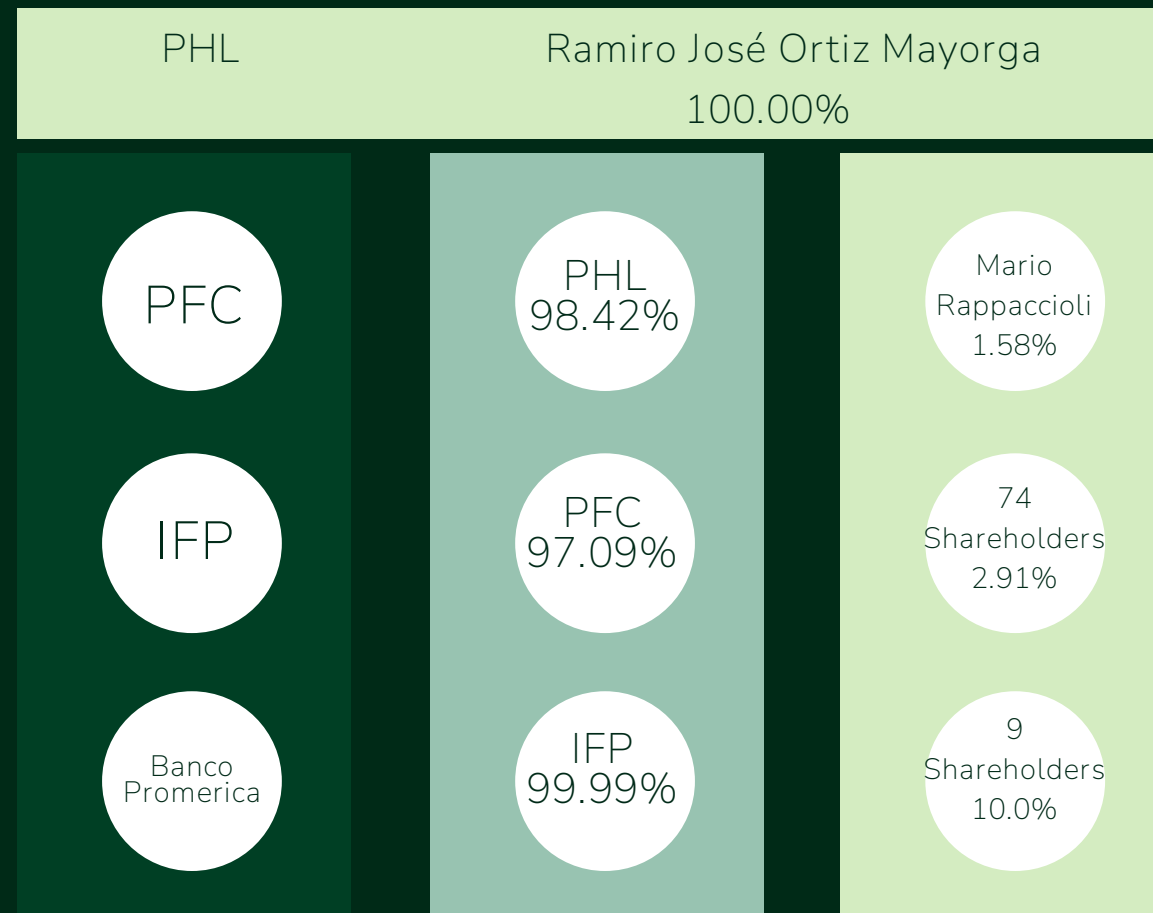
Strong Presence In El Salvador, 55 Service Points In The Country

- It has been one of the banks with continuous organic growth through the years.
- It is characterized for balance between disruption and solid risk management, profitability with a true customer focus. It is about innovation, relationship, trust and security.



Legal Structure | Banco Promerica El Salvador

Property structure as of December 2024



Corporate Values | Banco Promerica El Salvador

Vision:

At Grupo Promerica we believe that all people and businesses in our communities should push their limits to achieve the success they deserve.

Mission:

Promote a bank that develops relationships and offers products and services to our communities, to help them overcome their limits, be they cultural, economic, personal or geographical.

Values:

Permanent Empathy

Putting ourselves in the place of the other, understanding their goals is our essence to find solutions together. We promote relationship banking that develops ethical and profitable businesses in the long term.

Entrepreneurs by Nature

We were born with the vision and work of entrepreneurs who never gave up when facing cultural, economic, personal or geographical borders. With this nature we want to inspire others

Values:

Shared Trust

Our actions in the markets we serve strengthen the trust and credibility that identifies us.

Common Culture

We are from here, we know our communities, we know the challenges that we need to overcome. We use our experience, energy and creativity to overcome prejudices and setbacks, thus helping our clients achieve their dreams.



Corporate Governance Standards

Comply with the Corporate Governance Technical Standards (NRP-17) issued by the Central Reserve Bank of El Salvador, and the Corporate Governance Code approved by its Board of Directors, considering the following aspects:

1. Shareholders

The General Shareholders' Meeting is the highest authority within the entity. Its primary functions include adopting various agreements regarding governance and ensuring compliance with the Articles of Incorporation.

2. Board of Directors

The Board of Directors is tasked with strategically leading the Bank. They must supervise and control Senior Management to ensure that objectives are met, strategic guidelines are followed, risk levels are approved, and the general interests of the entity are maintained.

3. Senior Management

Responsible for implementing the policies and internal controls approved by the Board of Directors. They must ensure these are executed and reported on at least annually. Additionally, they are accountable for ensuring that the financial information accurately reflects the true financial situation of the entity.

4. Committees

The Board of Directors has established Committees that operate in accordance with the Corporate Governance Code and the regulations set by the Central Reserve Bank. The Committees' sessions are documented in clear and detailed minutes that outline the basis of their agreements, which are accessible to the Board members.

5. Corporate Governance Code

The Board of Directors has approved the Corporate Governance Code that contains the pre-established and formal internal governance guidelines related to the Bank's corporate governance model. Its content complements the provisions of the Bank's Articles of Incorporation and the applicable legal framework.

6. Code of Ethics

The Board of Directors has approved the Code of Ethics, which contains the guidelines to guide the actions of the Board of Directors, Senior Management and, in general, that of all Bank employees, through five principles, aligned with corporate values.

7. Annual Corporate Governance Report

Within the first 90 days of each year, the Corporate Governance Report is prepared. The Board of Directors is responsible for its content, approval, and publication, following the Corporate Governance Technical Standards (NRP-17). The report is sent to the Superintendence of the Financial System within ten days of approval.

8. Transparency of Information

The Banco Promerica website has a section called "Corporate Governance", which includes documents, reports and standards.



Policy and Statutory Committees



Audit Committee



Assets and Liabilities Committee



Compliance Committee



Comprehensive Risk Management
Committee/CAIR



Committee of Business Continuity





Ethical and Conduct Standards

Ethics code is summarized in 5 principles applicable to all employees:

- Complies with laws, rules, regulations, policies and procedures.
- Respects confidentiality and protects the integrity and security of assets, communications, information and transactions
- Acts with honesty and integrity
- Treats all with fairness, equity and respect
- Avoid situations of conflict of interest

[Código de Ética \(promericanet.com.sv\)](http://promericanet.com.sv)



Strategic Plan 2020 - 2025

1 Primero El Cliente

1. Client Comes First

- 1- Relationship banking- commercial model "Acción"
- 2- Process optimization
- 3- New structure – retail, corporate

2 Eficiencia y Manejo del Riesgo

2. Efficiency and Risk Management

- 1- Functional structure
- 2- 3 lines of defense
- 3- Audit E2E based on risks
- 4- Risk appetite
- 5- Disciplined follow-up on accounts integration and conciliation

3 Crecimiento Rentable y Sostenible

3. Profitable and Sustainable Growth

- 1- Scale economies, grow more than market
- 2- Better mix – core deposits and risk appetite
- 3- Sustainability strategy implementation across areas

4 Transformación Digital

4. Leaders in Digital Adoption

- 1- Digital culture
- 2- Best in customer experience
- 3- Digital sales
- 4- Advanced digital analytics
- 5- Super app UX

5 Talento Humano

5. Preferred employer and high performance culture

- 1- Performance evaluation
- 2- Development and succession plan
- 3- Competitive compensation plan
- 4- Women advance
- 5- Certified Great Place to Work for 4 consecutive years

Awards and Recognition 2024

- One of the Best Places to Work Awarded by Great Place to Work
<https://www.promerica.com.sv/noticias/articulos/por-quinto-ano-consecutivo-banco-promerica-es-elegido-como-uno-de-los-mejores-lugares-para-trabajar-en-centroamerica-y-el-caribe-por-great-place-to-work-gptw/>
- Platinum Award for Financial Innovators by Fintech Americas
<https://www.promerica.com.sv/noticias/articulos/fintech-americas-otorga-a-banco-promerica-el-premio-platino-a-los-innovadores-financieros-2025/>
- Banco Promerica's Super App Recognized as the Best Banking and Financial App in the Top Customer Experience
<https://www.promerica.com.sv/noticias/articulos/super-app-de-banco-promerica-reconocida-como-la-mejor-app-bancaria-y-financiera-en-el-top-customer-experience-2024/>
- Banco Promerica Honored with the Prestigious "Platinum" Award in the Innovation in Product or Service Category by Fintech Americas
<https://www.promerica.com.sv/noticias/articulos/banco-promerica-recibe-reconocimiento-a-la-innovacion-tecnologica-en-fintech-americas/>
- Banco Promerica Recognized as a "Committed Company" by Aldeas Infantiles SOS
https://www.facebook.com/story.php?story_fbid=999718272183800&id=100064369102276&_rdr
- Banco Promerica Wins Gold Award Globally in the Sustainable Bond of the Year Category at the SME Finance Forum Awards
<https://www.elsalvador.com/noticias/gente-y-empresas/banco-promerica-bancos-bcr-/1170975/2024/>





Our Commitment to Sustainability

“At Banco Promerica, we believe that financing sustainability means guaranteeing the future of new generations. We are a Group that seeks to achieve a positive impact by offering a portfolio of products and social investments in our communities that generate a balance between social equity, environmental viability and economic development in a sustainable manner.”

Lázaro Figueroa

Executive President of Banco Promerica El Salvador



Signatories of Principles of Responsible Banking

The United Nations Principles for Responsible Banking represent a unique context for the sustainable banking industry, developed through a partnership between banks around the world and the United Nations Environment Programme Finance Initiative (UNEP FI).

The Principles are the fundamental framework to ensure that banks' strategy and practice can be aligned with the vision society has set for its future, within the UN Sustainable Development Goals and the Paris Climate Agreement. Banks that have signed this document commit to being ambitious in their sustainability strategies, working to prioritize and embed sustainability at the heart of their business, while enabling them to remain at the forefront of sustainable finance. Banco Promerica signed the commitment in 2021.



News: <https://www.promerica.com.sv/noticias/art%C3%ADculos/firma-de-pbr-con-la-unep/>



Strategic Plan | Sustainability Model

This is the set of products and services the Bank offers that are aligned with development goals such as green lines, EE & RE, women-led companies, green accounts and other instruments such as sustainable bond and green account.

Support to the communities where we are present – donations to causes, support to foundations, volunteer days and programs for financial education. Corporate Social Responsibility programs, support to non-profit organizations and financial education, especially Actuar es Vivir, foundation to prevent cancer in women.



Processes and systems to keep track of development indicators for measuring the accomplishments in Sustainability. Sustainable strategy implementation, reporting and partnerships.

This refers to the actions internally adopted to contribute to reduce the impact of the bank's activities such as efficient use of water and electricity, waste management and recycling, and digital solutions for reducing the use of paper. This also includes wellness programs for employees and equality between women and men at the workplace.

Enviromental, Social and Governance Risk Management (ARAS-G)

This framework integrates ESG considerations into the bank's decision-making processes to enhance long-term resilience and compliance with regulatory standards.



Sustainable Banking | Grupo Promerica

The sustainability strategy of the Group is aligned to Sustainable Development Goals and to other international frameworks and commitments.

GOVERNANCE

- Creation of regional and local bodies to enable the implementation of the objectives and organizational synergies

SUSTAINABILITY LEADERS

- Responsible for implementing the sustainability strategy in the Banks of Grupo Promerica
- Coordinate with bank and PFC senior management for regional actions

LINES OF ACTION

- Sustainable products
- Impact measurement
- Lead by example
- Social Investment
- Environmental and Social Risk Management and Governance

Pro- Sustainable Regional Commission

Objective: Develop PFC's Sustainable Banking strategy



Ramiro N. Ortiz



Karla Icaza



Jean Paul Rigalt
Director JDs



Oscar Delgadillo
Director JDs



Denise Henriquez
Director JDs



Mario Rappaccioli
Director JDs



**Local
Sustainability
Committee |
Banco Promerica
El Salvador**

**Sustainability
Strategy**

Sustainable
Products

Sustainable Products

Green lines
Women-led businesses
Young-led businesses
Green account

Financing and sustainable bond

Mobilization of green and social funds
Technical assistance programs

Lead by
example

Administration and strategic sourcing

Recycling program
Resource efficiency in offices

Talent and Protagonista Program

Culture
Policies and gender equality (internal)
Internal communication

Social
Investment

Financial Education

Support to Fundactuar and donations

Promerica volunteering program

ESG

Policies and ESMS manuals

Implementation of NRP-53

Multilateral work plans in ESMS

Progress indicators – local dashboard

Impact
measurement

Status of projects

Impact Measurement system

Impact measurement System (SIMIPROS)



Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



The 2030 agenda for Sustainable Development defines 17 global goals with 169 targets that seek to promote development along 3 factors: economic, environmental and social, with a focus on equity and inclusion.

We contemplate our activities considering the contribution to Sustainable Development Goals, especially those related to ensuring prosperity for all.

The bank has a commitment with 10 objectives with their respective indicators of impact.



International and Local Commitments



We are signatories of Principles for Responsible Banking since 2021

"The signing of the Principles of Responsible Banking with UNEP FI is a reflection of our commitment to incorporate sustainability as a strategic priority, thus providing long-term value for our clients, employees, shareholders and society in general." -Lázaro Figueroa, Executive President of Banco Promerica El Salvador

We are signatories of Women Empowerment Principles (WEPs) since 2022

WEPs are based on international labor and human rights standards and are based on the recognition that businesses have an interest and responsibility in gender equality and women's empowerment.

Sustainability Protocol since 2019

On October 01, 2019 Salvadoran Banking Association through its bank members signed their Sustainability Protocol as a way of institutionalizing support for the country's sustainable development.

The agreement contemplates 4 work lines with the objective of positively impacting environmental conservation and resource sustainability:

- integral management of resources and value chain
- development of specialized products and services
- consideration of portfolio impacts
- programs for the sustainable development of communities.

Sustainable Banking Manifesto since 2017

On July 29, 2017, we assumed a commitment to make the world a better place through leaders from the Banks where Grupo Promerica is present. We established the values and basis for our sustainable bank.

An extract of the declaration: "To the ones that understand it takes compassion, co-creation and courage, and the involvement of all, to understand what PRO-Sustainability means to me"

Relationships With Stakeholders

Banco Promerica interacts with different stakeholders and has these approaches:

- Visits to customers: we value relationship banking and through these visits we identify needs to structure a proposition, solution or collaboration. We maintain a close relationship with customers, especially corporate and SMEs, they are consulted in market studies or interviews.
- Participation in business associations: it is an opportunity to meet and network with different industries, leading to collaboration, new business opportunities and partnerships.
- Feedback to regulators: we have actively participated in the construction of the recently published NRP-53 Technical Standards for Environmental and Social Risk Management. We are also in constant communication with the Superintendence of the Financial System and the Central Bank.
- Shareholders: The bank maintains a transparent and communicative relationship with its shareholders, providing regular updates on financial performance, strategic initiatives, and corporate governance. By aligning the interests of the shareholders with the bank's long-term objectives, the institution seeks to build trust and confidence among its investor base, ensuring a mutually beneficial relationship that supports sustainable growth.
- Board of Directors: permanent consult in board meetings and different committees.
- Employees: engaged by improving the culture of sustainability in and out of the organization, expanding sustainability with their families, friends and clients as well as in the organization.
- Development Financial Institutions (DFIs) and Sustainable Investment Funds: engaged by providing funds to finance sustainable loans and technical assistance for the bank and its clients. DFIs are consulted and reported constantly.



The next step will be a double materiality study to include the point of view from relevant stakeholders with 3 main objectives:

1. Financial materiality: risk assessment and value creation
2. Non-financial materiality: align initiatives to core business
3. Integration of both perspectives: strategy validation and holistic decision-making



Financing for the Implementation of El Salvador's Climate Agenda – Sep 2024



Context:

In 2021, El Salvador committed to reducing 50,857.5 Kt CO₂ Eq in emissions by 2035-2040, subject to securing national and international funding, with private sector participation. The Ministry of Environment, with support from UNDP, developed a climate finance catalog identifying priority actions and sectoral needs, opening investment opportunities to achieve the country's climate goals. Implementing the NDC mitigation and adaptation measures requires \$1.05 billion, of which only 11% is currently secured.



Event Objective:

Disseminate El Salvador's Climate Agenda, along with the actions and results achieved in implementing its NDC during the 2021-2024 period, to encourage resource mobilization from international cooperation and local partners of the partnership for NDC implementation.

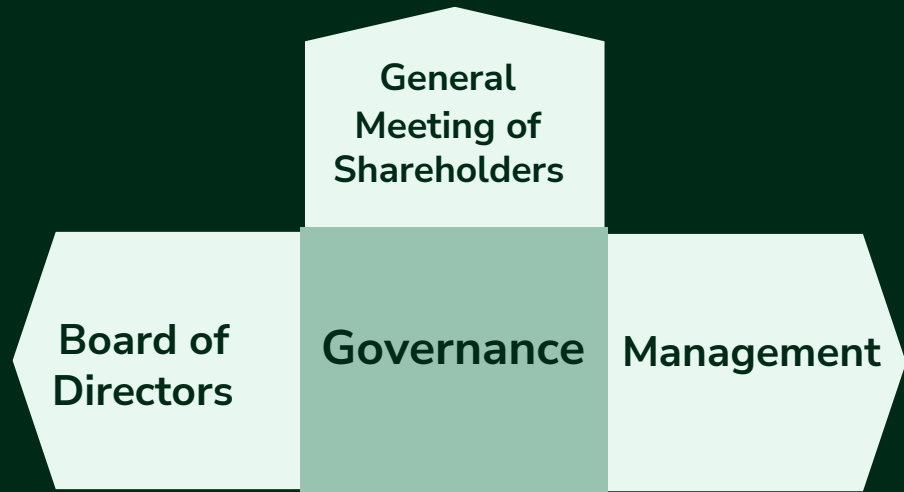


Highlights:

Private banks are expected to be invited in the future to evaluate collaboration opportunities in achieving these goals.



Governance: Sustainability as a Key Driver

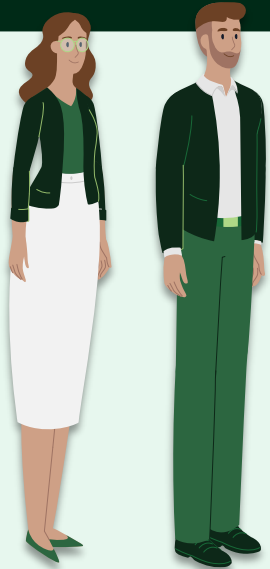


Sustainability strategy shared at all levels:

- Sustainability strategy and advances is shared with the Board of Directors once a year
- Local sustainability roundtable: bimonthly follow-up on sustainability agenda with Senior Management
- Sustainable bond local roundtable: commission of key areas in the implementation of post-emission plan
- Designated champions across key areas that integrate sustainability local roundtable
- Training for new employees, twice a month, main topics: reasons for Banco Promerica to commit to sustainability, international framework, governance and how to support sustainability initiatives on a daily basis.
- Sustainability strategy was shared during the June 2022 Town Hall. In June 2023 we had a Sustainability themed Town Hall and in 2024 we have implemented a training program in sustainable strategy for 100% of the staff.



Local Sustainable Roundtable



The main objective is to become a support body for the Board of Directors for the establishment, monitoring and evaluation of sustainability management.

1. Ensure the implementation of previous agreements and coordinate activities aligned with the four pillars of the sustainability strategy, according to each department's functions.
2. Guarantee compliance with commitments under UNEP FI's Principles for Responsible Banking and UN Women's WEPs (Women's Empowerment Principles), integrating them into corporate strategy and monitoring key indicators.
3. Facilitate communication between the Sustainability Committee and PFC's sustainability governance, ensuring strategic alignment and informed decision-making.
4. Assess and implement technical assistance projects based on project type.
5. The roundtable will be composed of sustainability champions from the following areas: SMEs, Corporate Banking, Risk, Products, Treasury, Human Resources, Administration & Real Estate, and CSR & Sustainability.
6. Meetings are held bimonthly, with participation from Banco Promerica's Presidency and Directors.



Sustainable Bond Committee



Its goal is to implement the commitments of the Sustainable Bond Framework and meet requirements for each tranche as per contractual agreements.

Functions:

1. Establish and verify internal processes and documentation to track loans under the framework. Ensure compliance with eligibility criteria for relevant segments and incorporate impact indicators throughout the credit approval process.
2. Develop an impact report template to centralize reporting and prepare sustainability reports.
3. The committee will include representatives from Sustainability, Business, Treasury, Risk, and Business Intelligence, with the support of Banco Promerica's Senior Management.
4. Meetings will be held monthly for the first year after bond issuance, then quarterly, and later as needed





Assets

Segmentation of the sustainable portfolio:

- SMEs45%
- Women- led32%
- Young-led8%
- Green Loans 15%



Liabilities

- Green Account
- Sustainable Bond
- Development Institutions & Funds



Technical Assistance

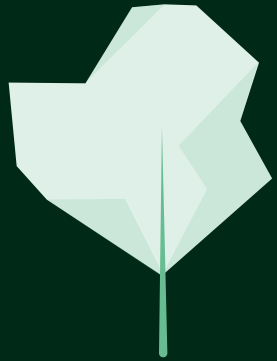
- CABEL Green MSMEs Initiative
- BID Invest Impact Measurement System



Green Lines

OBJECTIVE:

Generate credits, products and services aimed at financing productive activities and investment projects that seek savings through energy efficiency, renewable energy, and negative environmental impact prevention.



Green lines represent 10% of the productive loan portfolio

ACTIONS

- Develop and/or enhance green credits in all countries
- Automate green segmentation
- Develop and replicate best practices within Promerica Group to standardize the product features in the region
- Identify green allies in each country for new partnerships and business development
- ESMS enforcement
- Technical support from multilaterals and development banks

RESULTS

- Green Portfolio Growth of 40% from June 2024 to December 2024
- Visits to a sample of clients in green portfolio with development banks
- Signing of agreement under Green SMEs Initiative with BCIE, KFW and EU
- Advance in work plan with ESMS
- Energy efficiency training and climate finance introduction for SMEs and corporate executives
- Segmentation and definition for green categories with the support from external validators



Women-Led SMEs

OBJECTIVE:

Socioeconomic advancement and empowerment of women through access to financing.



Women-led
SMEs represent
20% of the
productive loan
portfolio

ACTIONS

The product that targets women-led SMEs is a loan with an integral value proposal that includes:

- credit for working capital or innovation
- creation of the online shop to enter the world of e-commerce
- SME credit card
- access to the e-learning site among other benefits

The guarantees cover up to 70% of the amount granted.

The process starts with the campaign of the credit through SME executives and the credit request goes through a QR code to the next phase, which is the initial contact and the regular process of approval.



Non-Financial Initiatives for WSMEs

Camarasal Entrepreneur Week: Topics included Digital Transformation, SME Growth with AI, and Digital Leadership (270 participants: 98 men, 172 women).

Digital Savings Account launch: 1,500 accounts opened monthly by women.

“Soy Protagonista” Event: Focused on women-led SMEs and female bank employees.

Webinar on emotional intelligence: hosted by ABANSA's Women's Advancement Committee.



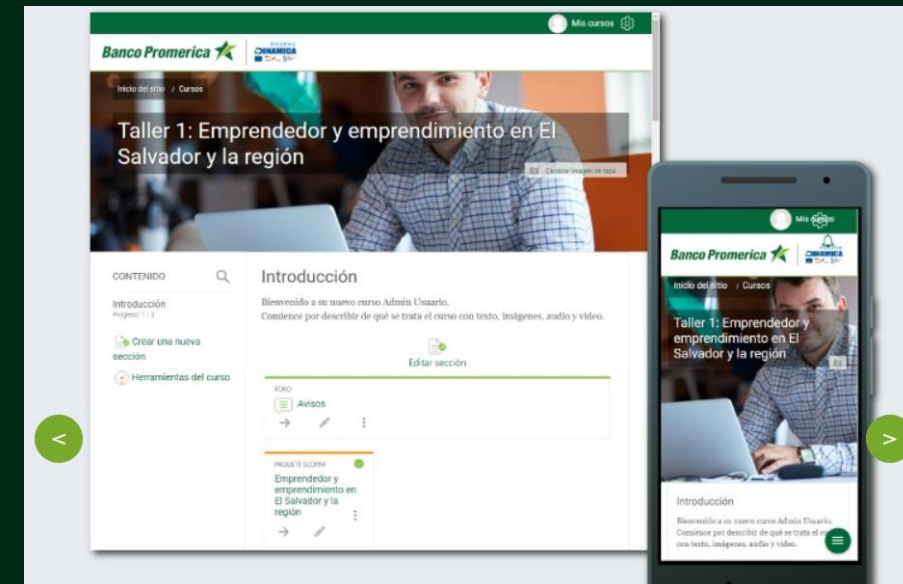


Networking Platform “Protagonistas”

Banco Promerica El Salvador has been improving its platform to offer training for SMEs. It has integrated new modules based on 2 market studies to better serve women-led businesses.

Features will facilitate business matchmaking between clients and suppliers. They will also facilitate access to products and services as they become available.

Launch planned for Q2 2025.



Segment Goals:

Women-Led SMEs

- This segment is classified within Grupo Promerica as a “High-Potential Segment”.
- 2025 Origination: \$18 million in new financing (\$1.5M per month).



Women's Banking Growth Goals

- New women clients with accounts: target of 88,020 new accounts (growth of 8,200 accounts, 683 per month).
- New women clients with Loans/Credit Cards: target of 4,090 new loans/cards (growth of 398 women, 33 new products per month).



Green Account

The Green Account is an account that contributes to environmental care. It allows clients to save and at the same time finance activities that contribute to the environment in a sustainable and long-term way.

This is a product that directs resources for sustainable projects or the green portfolio. It also allows the users to know the destination of the resources.

The funds are directed to finance Green Lines Program, the customers receive a bulletin indicating the projects the Bank is investing in. It was launched in December 2022.

In 2024, the green account has grown to 15,014 accounts with a balance of \$2.7M.

<https://www.promerica.com.sv/cuenta-verde/>



Sustainable Bond

OBJECTIVE:

The objective of the sustainable bond emission for the bank is to leverage financial resources for projects aligned with the Sustainable Development Goals (SDGs), focusing on addressing climate change and promoting environmental and social solutions. The bank aims to contribute to sustainable development in El Salvador by financing green and social projects while adhering to ethical and responsible investment practices.

ACTIONS

1. Allocate Funds Responsibly: use proceeds from the sustainable bond to finance new credits for the social and green portfolios.
2. Collaborate with Partners: work with institutions like the El Salvador Stock Exchange to ensure successful and official bond placement.
3. Reaffirm Commitment to Sustainable Development: channel financial resources into projects that benefit social, environmental, and economic aspects.

RESULTS

1. Improved Access to Long-Term Financing: enhance financing for businesses with positive social and environmental impacts.
2. Injection of Resources: support economic growth in El Salvador through new financial resources.
3. Promotion of Best Practices: encourage industries to pursue profitable projects that respect the environment and society.
4. Demonstrated Commitment to Quality of Life Improvement: reflect dedication to improving quality of life by supporting development and minimizing risks for women-led businesses and other segments.



As of December 31, 2024, 56 projects have been funded, totaling USD \$18,449,887, with a balance of USD \$16,162,237.

Of the current balance, 41% are for women-led businesses, 5% for renewable energy projects, 41% for SMEs, and 13% for youth-led businesses.



Leading by Example: Environmental



Savings with environmental initiatives

Solar panels



LED illumination



Air Conditioners



E-mailing



Plastic use
reduction projects



- Reduction of CO2 tons 23.1 TON
- Recycling Paper 3,835 KG
- Paper Consumption Reduction 24,366.4 KG

Projects

- Expanded service capabilities with Punto Ágil and modernized electronic lobbies.
- Strengthened business continuity with crisis management, and disaster recovery plans.
- Cost optimizations through strategic sourcing
- Updated occupational health and safety systems and launched a SharePoint site for improved communication.
- Other projects for optimizations: electronic signature, electronic bill transactions through “Super App”, account statement by email and client update project.



Leading by Example: Social

OBJECTIVE: internal program and initiatives to promote women empowerment and gender equality in the workplace

ACTIONS

- Employer Brand and Recognition:
 - Recognized as a Great Place to Work and Great Place to Work for Women for 4 consecutive years.
 - Emphasizes gender equality in job postings and selection processes.
- Training and Awareness Programs:
 - Conducts webinars and local training initiatives (Protagonistas Program).
 - Focuses on educating employees on gender equality issues.
- Diversity and Leadership Development:
 - Actively promotes diversity in leadership roles.
 - Implements succession plans and mentorship programs for women.
- Flexible Work Environment:
 - Provides facilities for lactation.
 - Supports work-life balance with flexible hours and maternity leave benefits.
- Community Empowerment Initiatives:
 - Engages in local initiatives to empower women in 4 areas: Social Responsibility Programs: education, advancement of women, communities and environment.
 - Employees contribute to Fundación Actuar es Vivir since 2023.
- HR Policies and Principles:
 - Adheres to HR policies ensuring a harassment-free workplace.
 - Commits to UN Women's Women Empowerment Principles (WEPs).



Protagonistas 2023:

<https://www.promerica.com.sv/noticias/art%C3%ADculos/soy-protagonista/>



Women's Banking Network – “Mujer Avanza” (ABANSA)



Mujer Avanza - ABANSA

Launched in March 2024, this initiative aims to provide networking opportunities for women in banking.

A space for growth for women who aspire leadership roles in the future.

Objectives:

- Reduce the gender pay gap
- Increase the percentage of women in Executive Boards

Mentoring Culture

Second edition of the Cultural Mentoring SV Program focused on women's advancement (internal).

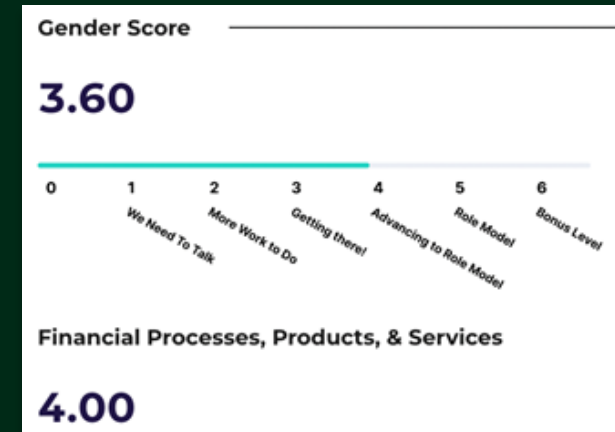


Collaborations with Stakeholders on Women Empowerment

Study by ONU Mujeres in the framework of the Program Inclusive Financial Ecosystem where Promerica participated in webinars for data analysis with gender lens.

Auto diagnostic tool on women inclusion with results of 87% out of 100%

Results from gender assessment from a DFI: 3.6 out of 6 “Advancing to A Role Model”. Best performing aspects: workforce participation, professional development and gender lens in policies. Areas to improve: procurement and business ownership.



Social Investment: “Banca con solidaridad”



Banco Promerica reinforced its commitment to sustainability through its social responsibility program called “Banca con solidaridad”. Key initiatives included support to FUNDACTUAR (cancer prevention for low-income women), raising over 10% through employee contributions, and organizing the "Kilómetros Rosa" run annually.

The bank also engaged in environmental efforts by sponsoring a beach cleanup and providing community support. Financial education remained a cornerstone, with the financial education program “Aprende con Promerica”.

Other notable activities included supporting non-profit organizations, participating in Global Money Week, and various community donations and events, all driven by the dedicated efforts of Banco Promerica and its employees.

More information:

<https://www.promerica.com.sv/media/593068/memoria-2023-completa-web.pdf>



4 pillars in Banca con solidaridad

 Financial education



- Program “Learn with Promerica” to promote financial health

 Environment



- Héroes Promericanos: Volunteering for activities like beach clean-up/ reforestation

 Women Advance



- Fundactuar: prevention and treatment for cancer in vulnerable women

 Community



- Support to non-profit organizations



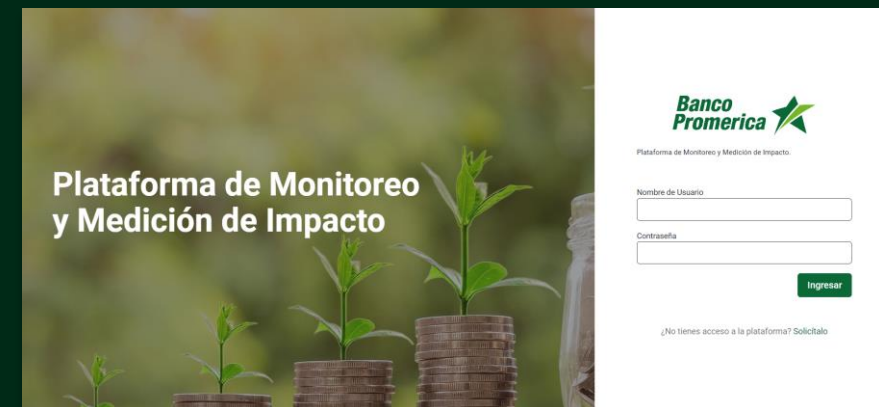
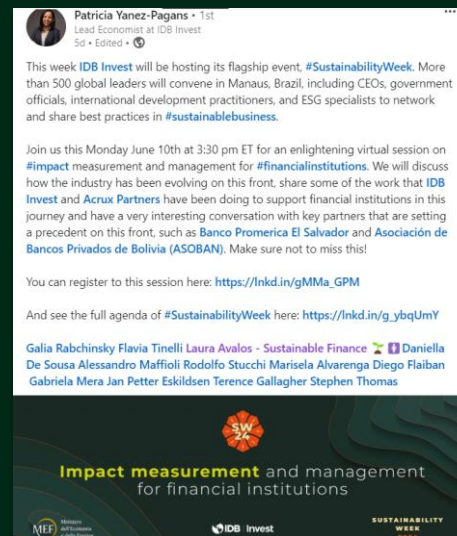
First Private Bank to Implement an Impact Measurement System



Impact measurement system for sustainable projects funded by BID Invest

Deliverables:

- User manual
Training for users and system administrators
- Process adjustments:
New user data collection process for each loan
New impact data collection process for SME and corporate loans



Environmental, Social and Governance Risk Management (ARAS-G)

Grupo Promerica's ESG Evolution

FMO

Entrepreneurial
Development
Bank

FMO

Entrepreneurial
Development
Bank

ESG 1.0

ESG 2.0

ESG 3.0

Stewart Redqueen assistance

With the
support of:



2006



2008



2014



2016



2021



2023



2024-2025



Costa Rica starts with ARAS 1.0, as a pioneer country of Grupo Promerica.



The first update of SARAS is carried out, each subsidiary began to work on its policy.



Costa Rica, Nicaragua and Panama lead the way in the ARAS 2.0 shift



Joins Grupo Produbanco and Banco Promerica GT merges with Citi Bank Guatemala, starting with ARAS 2.0 on all subsidiaries



Costa Rica, Nicaragua, Ecuador lead the new version of ARAS 3.0 that incorporates IFC PS and prepares roll out for the Group



All subsidiaries start the implementation of ARAS 3.0 and it is planned to introduce climate risks (physical and transition)



Physical hazards transition risks TCFD



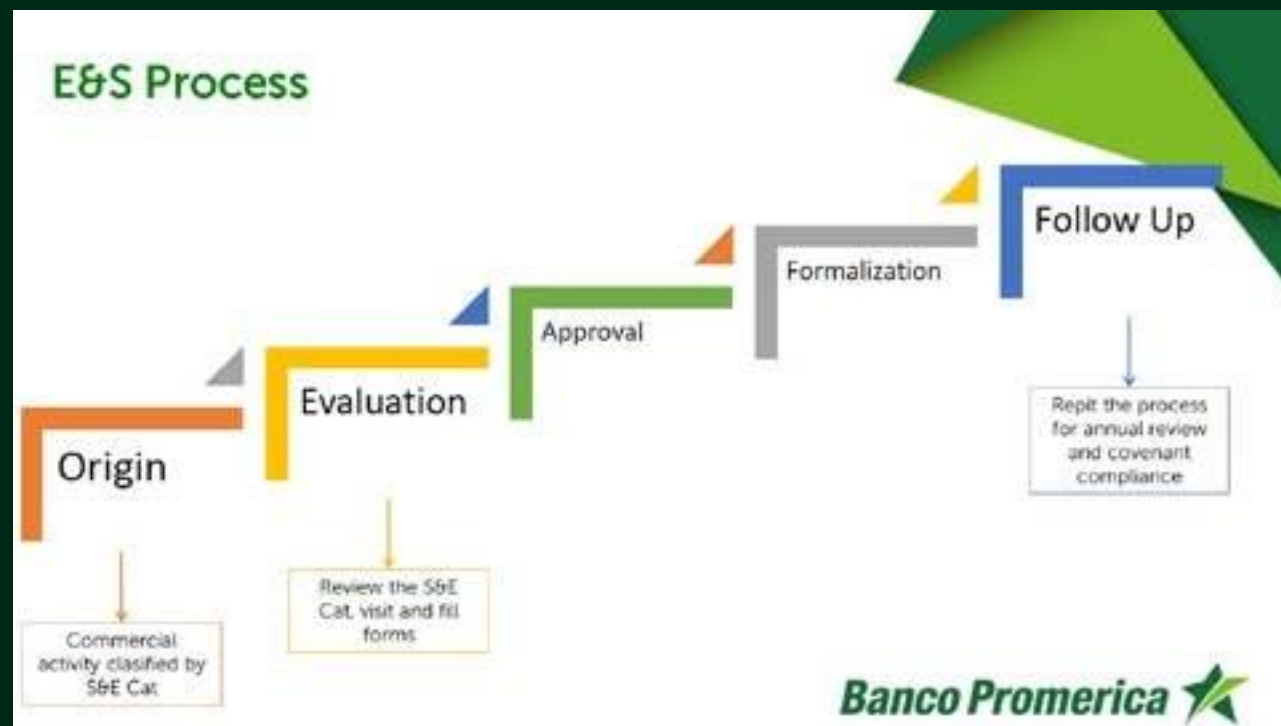
Environmental and Social Management System

The Implementation of the ESMS methodology for credit rating at the beginning of the granting process has not only created value for the Green Lines Program, but also for the bank's portfolio since all commercial credit operations are analyzed with the same parameters.

Objectives

Banco Promerica assumes the principles of environmental and social responsibilities with special focus in the analysis of the company sector, and therefore issues the following policies for:



- Establishing a performance space that integrates the principles of the referred environmental and social responsibilities principles in the Bank's strategy.
- Issuance of policies of Environmental and Social Risks Management, that contribute to preserve the quality of the credit portfolio.



Financed Emissions Using JIM – PCAF Methodology

3 Grupo Promerica banks are signatories of the Net Zero Banking Alliance (NZBA). Through this commitment, the rest of the Group's banks have decided to adopt this knowledge before making a formal decision to join.

Key Objectives:



- Paris Agreement: limit the temperature increase to 1.5°C over pre-industrial limits.
- Transition to net zero emissions for 2050



Overview of the JIM PCAF – IO Modelling Methodology

- Developed by Wassily Leontief, Nobel Prize-winning economist.
- Used to quantify indirect impacts based on the links between financial information and economic activity
- Statistical representation: Social Accounting Matrix (SAM)

General approach to emissions calculation

Enfoque general de cálculo

Financed emissions

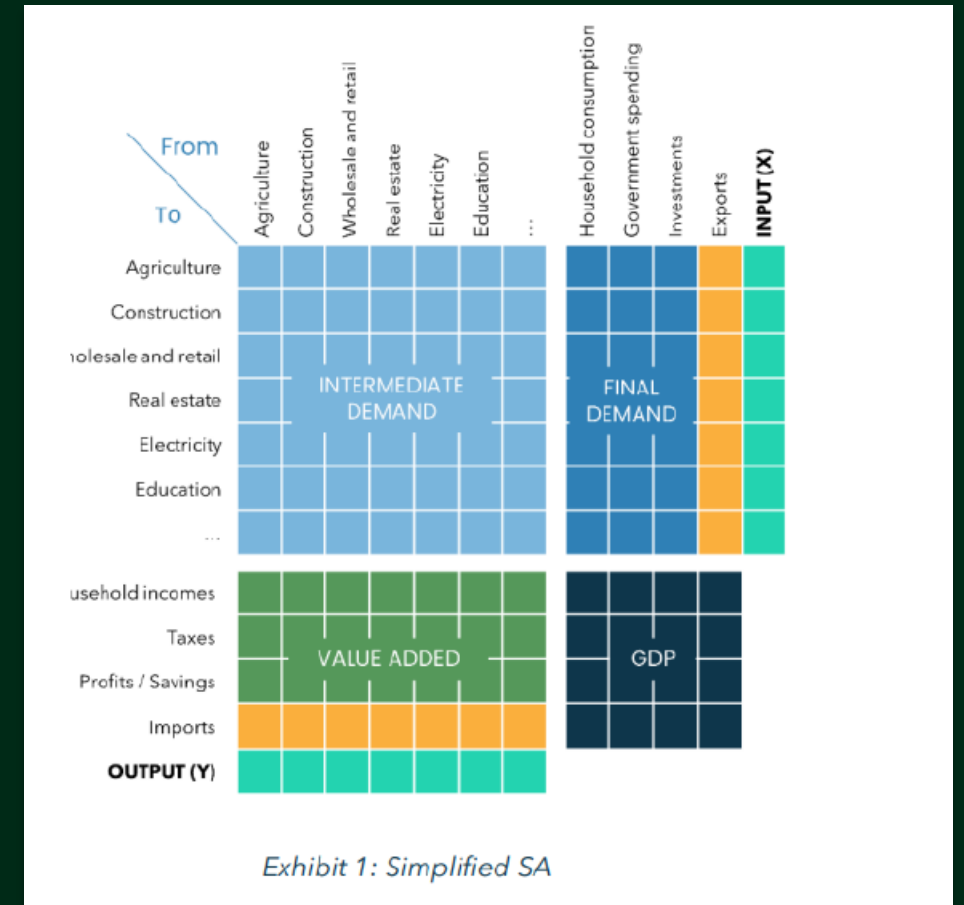
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$$\sum_i \text{Attribution factor}_i \times \text{Emissions}_i$$

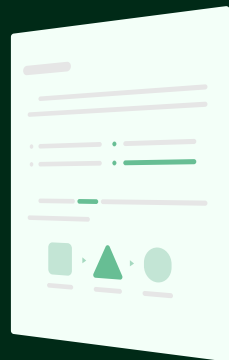
(with i = borrower or investee)



$$\frac{\text{Outstanding amount}_i}{\text{Total equity} + \text{debt}_i}$$

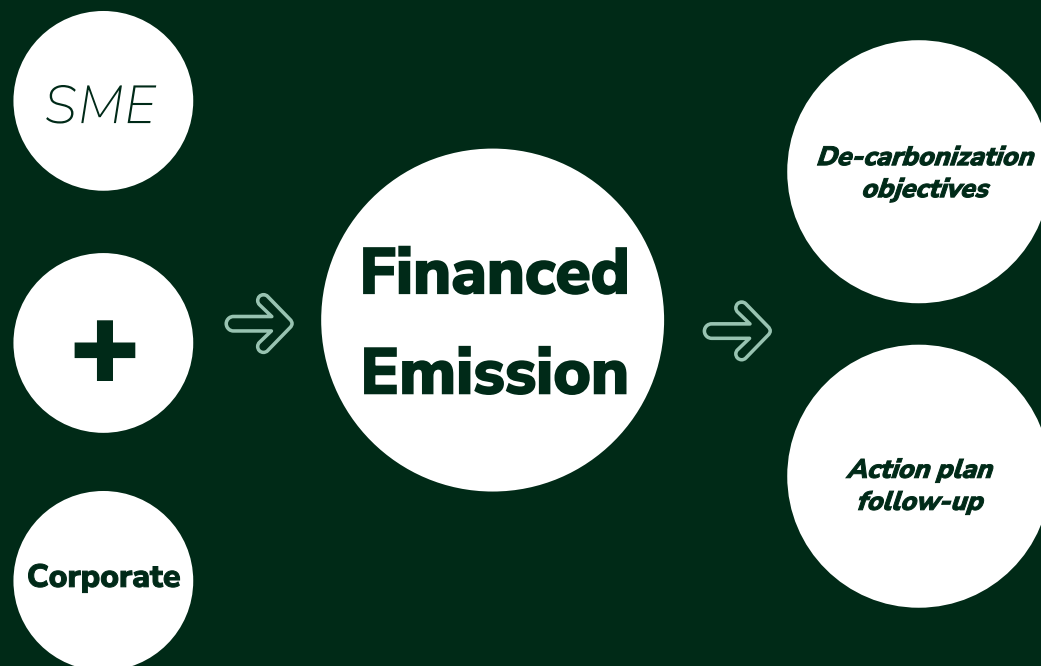


The goal is for all countries to quantify financed emissions in their portfolios and use this data to develop action plans and objectives.



Productive Portfolio Emissions Results

⇒ New data is expected to be quantified by 2025.



Results: El Salvador

Balance	Sum of Attributed Emissions (S1)	Sum of Attributed Emissions (S2)	Sum of Attributed Emissions (S3)	Total Emissions (S1 + S2)
408,527,084.49	45,032.91	35,263.54	182,884.65	80,296.44

⇒ 0.19 tCO₂eq / per thousand USD

CIU SECTORS (LEVEL 1)	Total Emissions (S1 + S2)
REAL ESTATE ACTIVITIES.	21947.44
LAND TRANSPORT & PIPELINES.	20132.32
PUBLIC ADMINISTRATION & DEFENSE; MANDATORY SOCIAL SECURITY PLANS.	8277.37
RETAIL TRADE (EXCLUDING MOTOR VEHICLES & MOTORCYCLES).	3999.50
FINANCIAL SERVICES (EXCLUDING INSURANCE & PENSION FUNDS).	3076.64
WHOLESALE TRADE (EXCLUDING MOTOR VEHICLES & MOTORCYCLES).	2753.55
AGRICULTURE, LIVESTOCK, HUNTING & RELATED SERVICES.	2405.10
FOOD PRODUCT MANUFACTURING.	2273.99
MACHINERY & EQUIPMENT REPAIR & INSTALLATION.	1933.55
COMMON METAL MANUFACTURING.	1436.08

Data Quality Level
Level 5 = 39%
Level 4 = 61%



Jobs Created:
259M

Contribution to
local GDP: \$2.89 B





Next Steps:

- Review activities to improve data quality
- Incorporate client emissions data
- Acquire supplementary information on renewable energy



Reporting

- A calendar with progress on sustainability-related projects is presented bimonthly to Senior Management.
- To measure progress, key indicators are tracked monthly from a cross-cutting perspective and the 4 pillars according to the regional sustainability strategy are included.
- The dashboard is shared with the members of the local sustainability board so that we are aware of the performance of key projects and initiatives, which allows us to adjust or accelerate them along the way.
- The dashboard includes indicators for the performance of green lines, portfolio by segment, human talent, CSR and internal environmental initiatives.
- We have published the third report on the use of funds from the sustainable bond with third-party verification. As of December 31, 2024, 56 projects have been funded, totaling USD \$18,449,887, with a balance of USD \$16,162,237. Of the current balance, 41% are for women-led businesses, 5% for renewable energy projects, 41% for SMEs, and 13% for youth-led businesses.

Segundo reporte de gestión del bono sostenible.

Al cierre de diciembre de 2023

Contenido

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3. Categorías elegibles para el uso de
4. Criterios de elegibilidad
5. Contribución a los Objetivos de Desarrollo Sostenible
6. Mesa del bono sostenible
7. Uso de los recursos
7. Conclusión



