



Principles for **Responsible Banking**

FOURTH REPORT






AUGUST 2025




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MESSAGE FROM THE PRESIDENT

Dear shareholders, clients, employees

and stakeholders in general

It is with great enthusiasm and satisfaction that BAC shares with you our fourth report on the Principles for Responsible Banking, a unique global collaboration initiative between the United Nations and the global financial sector.

We reaffirm our purpose of “Reimagining banking to generate prosperity in the communities we serve”, working with passion, integrity and excellence, to create positive value, not only economically, but also to contribute to the creation of positive environmental and social value for the benefit of all the people with whom we interact.

Throughout these more than four years of being a member of the Principles for Responsible Banking, we have observed rapid evolution and changes in the regulatory context, as well as in the global standard and framework of environmental, social and governance issues. At the same time, this Responsible Banking community has allowed us to move towards transition in the economies of our Central American region.

We develop the capabilities required to better engage and advise our clients on relevant sustainability risks and opportunities in their industry, while continuously working on the development of sustainable financial solutions to promote and facilitate their transition.

In compliance with the principle of transparency and accountability to all our stakeholders, we present this report, where we share our main achievements during 2024 in the 6 countries we serve: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama.

The year 2024 was a period of growth and consolidation for BAC, reflecting our ability to generate value in all the dimensions in which we have set out to have a positive impact. Our Triple Value strategy has driven outstanding results in the economic, environmental and social fields, strengthening our leadership in the region.

At the end of fiscal year 2024, BAC achieved high profitability, and we consolidated our position as leaders in market share in Central America, measured by assets, portfolio and deposits.

We closed the year with significant growth in our customer base, reaching more than 5,3 million people, including more than 250,000 small and medium-sized enterprises (SMEs) and tens of thousands of corporate customers in the six countries of the Central American region. Our Life Centric approach has been key to improving our customers’ experience, reflected in a sustained increase in our satisfaction metrics. As a result, the transactional Net Promoter Score (NPS) has shown steady improvement and has reached levels comparable to industry benchmarks regionally and globally.

From a business perspective, 2024 was a year of expansion and strengthening for our Business Banking. In payment methods, we achieved growth of 10% compared to 2023, while our business portfolio closed the year with an increase of 14.5%. This growth reaffirms our commitment to building strategic and trusting relationships with our customers.



Personal Banking also evolved positively in 2024, through a comprehensive offer of products and services, we provided innovative tools for e-commerce and payment methods, which allowed sustained growth compared to the previous year. Our commercial strategy has allowed us to strengthen profitable long-term relationships, adjusted to the needs of each client and providing personalized solutions. As of December 31st, 2024, loans to individuals, which include mortgages, vehicles, and consumer loans, accounted for 30% of our total loan portfolio.

Our regional strategy, present in six countries, allowed us to consolidate our leadership in the areas of issuance and acquiring. Our partnerships with leading card brands globally continue to go from strength to strength, ensuring our customers have access to the best services and benefits available in the market. In addition, in line with our goal of improving the comprehensive experience of our customers, we relaunched the Mi Viaje platform, an exclusive benefit for BAC cardholders, which optimizes the planning and acquisition of tourism services through an intuitive and personalized digital platform, in a more comfortable and efficient way that is fully aligned with their expectations.

At BAC, we drive digital transformation, consolidating our leadership in innovation and enhancing your experience. In 2024, we reached 62% of frequent users on our digital channels, an increase of 5 percentage points compared to 2023, with our mobile application establishing itself as the preferred channel. The adoption of 100% digital solutions grew substantially and reached 95% of transactions made through ATMs, Online Banking, Rapibac and Mobile Banking, reflecting our customers' preference for the convenience, immediacy and efficiency of these services. This advancement has been possible thanks to our focus on active listening and constant innovation, which has allowed us to develop products and services aligned with your needs.

We reaffirm our commitment to sustainability, by offering simple, digital and sustainable financial solutions, generating economic, social and environmental value.

In the six countries where we operate, we offer credit solutions with positive environmental impact, such as financing for hybrid and electric vehicles, sustainable construction, solar panels and renewable energy projects. We also promote financial inclusion, with products designed for SMEs, women and students, which strengthen their access to tools for growth and development.

As part of our Triple Value strategy, we measured our operational environmental footprint for the third consecutive year, including greenhouse gas (GHG) emissions, water and materials consumption, and waste generation across the region. In 2024, we expanded our renewable energy generation capacity, with the installation of more than 3,700 solar panels at 31 sites, contributing to our goal of Carbon Neutrality.

In addition, we made progress in measuring the environmental impact of events, evaluating the carbon footprint and waste generated, in order to implement more sustainable practices in future editions. We also optimize materials and waste management, by promoting responsible consumption and waste reduction throughout our operations. These actions reflect our commitment to leadership in sustainable transformation in the region.

In 2024, we strengthened our commitment to the circular economy and sustainable mobility. We expanded the availability of the BIO Card, now with VISA and American Express, which allowed us to replace more than 334,000 PVC cards with versions made with PLA, a bioplastic derived from corn, which significantly reduces the environmental footprint.

In parallel, our BAC Electric Route reached 52 charging stations in the region, facilitating more than 27,000 charging sessions and promoting zero-emission mobility.

One of the biggest challenges in our sustainable agenda is the decarbonization of our loan portfolio. Since 2022, we have made progress in the measurement of financed emissions in Corporate Banking, and in 2024 we have reinforced the analysis process for our Vehicles and Mortgages portfolio, consolidating a comprehensive approach. Based on these results, we set reduction targets aligned with the SBTi methodology, prioritizing sectors such as energy, cement and commercial real estate. In addition, we strengthened the financing of renewable energy projects and solutions for the energy transition, with a placement of US\$385 million in 2024.

As part of our strategy, in 2024 we implemented our plan with Business Banking customers, from priority sectors, focused on: Financial solutions, training and customer support.

We are working on the consolidation of our Sustainable Finance Taxonomy, a fundamental pillar for the correct labelling of our credit operations with positive environmental value, as well as for the design of new financial solutions, under criteria that ensure a rigorous alignment of these solutions with the appropriate definitions to provide traceability and measure the impact of these products.

We also work on the identification of climate risks (physical and transitional) for our business portfolio of companies, as well as on the definition of a Taxonomy of climate hazards, by geography and by industry, with which we establish solid foundations to start with stress tests on our portfolio.

At BAC, we reaffirm our commitment to digital financial education and inclusion, by promoting savings habits, responsible consumption and informed decision-making. In 2024, we trained more than 352,000 people, achieving that 51% of participants formalized the use of financial products. In addition, our **Finanzas Positivas** digital platform exceeded 935,000 visits, consolidating itself as a key tool for financial education in the region.

In 2024, we promoted our **yomeuno.com** platform, to facilitate donations and impact campaigns. During the year, more than 310,000 visits, 194,000 users and a collection of more than US\$817,000 in donations directed to more than 300 organizations affiliated with Yo Me Uno, in addition to training 495 foundations in fundraising and management strategies.

We close this report with the most valuable thing in our organization: our *Gente BAC*. As of December 31st, 2024, 20,783 people work in our organization, a growth of 3.18% compared to the previous year. This growth responds to a sustainable strategy that guarantees stability and a solid value proposition for our staff and their families.

Our strength and organizational structure have been recognized in the Merco Business Ranking, highlighting us in 2024 as the bank with the best reputation and among the 3 companies with the best reputation in Central America and the Dominican Republic.

At BAC we understand that managing our business with a Triple Value vision allows us to offer greater value to our customers, shareholders and society. Our leadership position in the Central American region provides us with an opportunity to contribute positively to the prosperity of the communities we serve in the six countries of Central America.

Rodolfo Tabash
President and CEO



Responsible Banking Progress Statement

Summary



Principle 1

Alignment

We are a Bank that operates in Central America. The year 2024 was a period of growth and consolidation, reflecting our ability to generate value in all the dimensions in which we have decided to make an impact. We achieved high profitability and consolidated our position as leaders in market share in Central America, measured by assets, portfolio and deposits.

We aspire to be a Triple Value Bank

We integrate the management of environmental and social issues into our corporate strategy. The alignment and complementarity of these initiatives with the business vision allows us to move towards a socially responsible business model. Our strategy is made up of 5 main axes that frame our strategic priorities:

- 1 Sustainable Finance
- 2 Ethical Conduct
- 3 Climate and Nature
- 4 Communities
- 5 Well-being

We have aligned our triple-value goals with the United Nations (UN) SDGs, which aim to end poverty, protect the planet, ensure universal peace and prosperity. We prioritize considering our strategic axes, contributing mainly to the objectives:

- 1 No poverty
- 4 Quality Education
- 5 Gender Equality
- 8 Decent work and economic growth
- 12 Responsible production and consumption
- 13 Climate action
- 17 Partnerships

International commitments on environmental and social issues

We adhere to the main international initiatives related to environmental, social and climate change issues, such as: Global Compact, NZBA, PCAF, SBTi, FAW, WEPs.



Principle 2

Impact and target setting

Impact Analysis

We conduct our impact analysis using the UNEP FI Impact Analysis for Banks tool, including the six Central American countries where we operate and the portfolios: Business and Personal. Considering the priority areas of this analysis and the internal processes for updating our strategic axes, we keep prioritized the impact areas defined in our first results report, these being Climate Strategy and Inclusion and Financial Health, and we incorporate two additional priority areas: Nature and biodiversity, and Human Rights.

Climate strategy

We measured the financed footprint of our portfolio in Business Banking, and in Personal Banking: Cars and Mortgages. The measured portfolio corresponds to 68% of the total credit portfolio, with the consumer portfolio being the one that is pending measurement (no PCAF methodology to date).

We defined science-based goals for the prioritized sectors: Energy, Cement, Commercial Real Estate, Mortgages, and developed an action plan focused mainly on climate financial solutions, customer support and training, climate risk stress testing, and training of our staff.

Financial inclusion

We support the high potential of women for the economic development of the region, since 2009 we have promoted initiatives for the economic empowerment of women, developing their skills, leadership and capacity for business management. Our goal of placement in financial products aimed at women by 2025 is US\$124 million.

Nature and biodiversity

We began the analysis of our Business Banking portfolio to determine the dependencies of ecosystem services and pressures exerted, using the ENCORE tool, and based on the LEAP approach of the TNFD.

Human Rights

We set the Corporate Human Rights Policy, and we also identified and prioritized potential impacts, covering the bank's direct operations, supply chain and Business Banking.



Principle 3

Clients and customers

Our goal is to establish profitable and long-term relationships with our broad customer base, implementing segmentation strategies to meet the specific needs of our customers.

We are moving towards the sustainable management of our supply chain, with a mapping to get to know our business partners, how they incorporate sustainability in their operations, in order to recognize these efforts in our contracting processes and accompany them in addressing gaps in matters that are relevant to their sustainable management.

Simple, digital and sustainable financial solutions

In Business Banking, 11% of the portfolio, corresponding to US\$1,350 million, has been financed for the development of projects with environmental or social impact, such as renewable energy, sustainable construction, sustainable agriculture, circular economy, clean transport, among others. On the other hand, in Personal Banking we have financed US\$340 million, representing 4% of this portfolio, for affordable housing, clean transportation, programs aimed at women, and sustainable construction.

We created the BAC Sustainable Finance Taxonomy, aligned with international standards and regional taxonomies, to standardize the criteria for the labeling of our credit operations, as well as guidance for the design of financial solutions to progressively transform our loan portfolio, in order to generate greater positive impacts.



Principle 4

Stakeholders

Our stakeholders are those people, social groups and organizations, whom we could significantly impact by our activities, products and/or services, and/or whose actions could impact our ability to successfully develop the strategies defined to achieve our objectives.

To identify our stakeholders, we analyse the components of our value chain, using an internal methodology. We periodically review these results to ensure their validity and validate the level of engagement of each stakeholder in our main value generation processes, examining their level of influence and relevance.

In 2024 we positioned ourselves among the top 2 places in the MERCO ESG ranking in 4 of the 6 countries where we operate, considering the results of the national banking sector, highlighting our performance in the management of our environmental and social impacts.

Consulting clients on prioritization of environmental and social issues: we incorporate questions regarding our main initiatives into the satisfaction survey (relational NPS), in order to know the prioritization that our clients consider in terms of their impact. The results are as follows:

Environmental Impact
16,989 responses

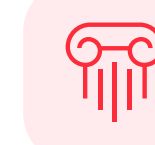
Prioritized issues

Environmental impact generated by the projects we finance, Paper consumption and Electricity consumption.

Social Impact
17,639 responses

Prioritized issues

Creation of financial solutions for prioritized groups, Promotion of entrepreneurship, Creation of digital platforms to promote financial inclusion.



Principle 5

Governance and Culture

Our strong corporate governance structure ensures the protection of the interests of our company, shareholders and customers. It includes boards of directors, senior management, committees and control bodies, both at the corporate level and in each country where we operate. Their role is to oversee management, monitor value generation, and ensure the efficient use of resources.

These corporate governance bodies are responsible for defining the main policies and strategies of the organization. They also ensure that we operate with integrity, ethics, and in compliance with current laws and regulations to ensure the quality of our financial solutions.

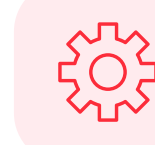
Governance of environmental and social affairs

The organizational alignment of environmental and social issues is led by a high-level body: the Sustainability Forum, responsible for advising the Board of Directors on the strategic approach that guides the implementation of responsible business practices and sustainability issues. Some of its functions are:

- ◆ Collaborate and coordinate with Corporate Governance committees, issues related to responsible business practices and sustainability.
- ◆ Supervise BAC's performance in terms of sustainability and that its good governance, environmental and social practices are in line with the strategy and policies approved by the Board of Directors.
- ◆ Monitor BAC's actions to contribute to the achievement of the SDGs of the United Nations, UN.
- ◆ Be informed and advise the Board of Directors about the latest trends and best ESG business practices.

Climate risk management

We defined a maturity model composed of four main sections, categorized into four maturity levels, with defined actions, deadlines and responsible parties, to monitor our progress and report regularly to the Regional Committees for Integrated Risk Management, the Regional Credit Committee and the Board of Directors.



Principle 6

Transparency and accountability

Assurance

In August 2024, in compliance with the requirements established on the date of implementation of the Principles for Responsible Banking, we 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 of the Principles for Responsible Banking".

Methodology and standards used for reporting

We use the Global Reporting Initiative (GRI), Task Force on Climate related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) to report our impacts on ESG issues.

In 2024 we applied the Corporate Sustainability Assessment (CSA) of the Dow Jones Sustainability Index for the second time, and in 2025 we will carry out our third exercise.



Principle 1

Alignment

We will align our business strategy to be consistent and contribute to the needs of individuals and the goals of society, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant regional and national frameworks.





Business model

Describe (high-level) your bank's business model, including the main customer segments served, the types of products and services provided, the main sectors and types of activities in the main geographies in which your bank operates or provides products and services. Quantify the information also by revealing, for example, the distribution of your bank's portfolio (%) in terms of geographies, business areas, or by revealing the number of customers served.



OUR BUSINESS MODEL

The year 2024 was a period of growth and consolidation, reflecting our ability to generate value in all the dimensions in which we have decided to make an impact. Our Triple Value strategy has driven outstanding results in the economic, environmental and social dimension, strengthening our leadership in the six countries in the region where we operate: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama.

We achieved high profitability and consolidated our position as leaders in market share in Central America, measured by assets, portfolio and deposits.



Assets

As of December 2024, our total assets stood at US\$37,97 billion, representing a growth of 10.1% compared to 2023.

With respect to the gross portfolio, in the distribution of assets it increased its participation from 68.0% in 2023 to 69.7% in 2024, closing at US\$26,45 billion.

Despite global economic uncertainty, we achieved continued growth in the credit portfolio, which contributes to economic and social development. Our business strategy has allowed us to maintain a balanced mix of products that fosters prudent and sustained growth.

The product with the most significant increase in 2024 was the commercial segment, with a growth of US\$1,544 million (14.5% compared to the previous year), reaching a share of 46.1% of the total portfolio.



Liabilities

At the end of 2024, our total liabilities stood at US\$34,15 million, which represents a growth of 9.7% compared to the previous year. Total deposits represent 83.1% of total liabilities, consolidating itself as the most important item in the funding structure, it continues to be the main source of funding, which allows us to manage resources more efficiently, by taking advantage of lower-cost sources of financing for liquidity management.

As of December 2024, we led the market in pre-tax profit, with a 15.5% share of the total profits of the regional financial system.



↑ 19.5% ROE ↑ 2.0% ROA

+5M Clients

+20K Employees



Key indicators

Assets	Portfolio	Deposits	Equity	Profit Before Tax
\$37.97 B	\$26.45 B	\$28.40 B	\$3.81 B	\$922.82 M



Business Position

Regional leader in the card issuing and acquiring business

Regional ranking

#1 In Assets #1 In Portfolio #1 In Deposits



Service channels

312 Branches

1,947 ATMs

8,090 Non-bank correspondents (RapiBAC)

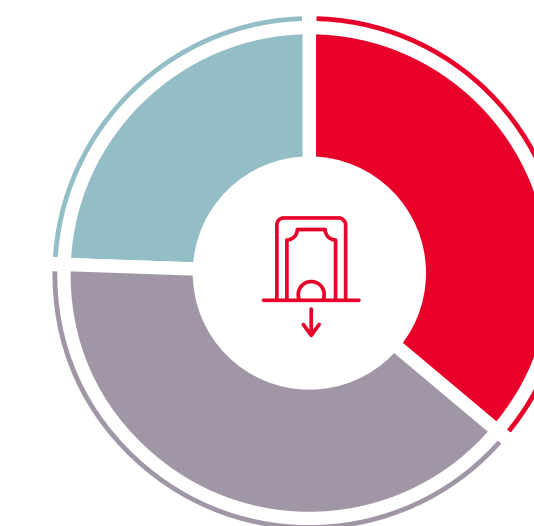


Highly geographically diversified portfolio



Portfolio
\$26.4 B

46% Business 38% Consumer 15% Housing



Deposits
\$28.4 B

39% Term 36% Current 24% Savings

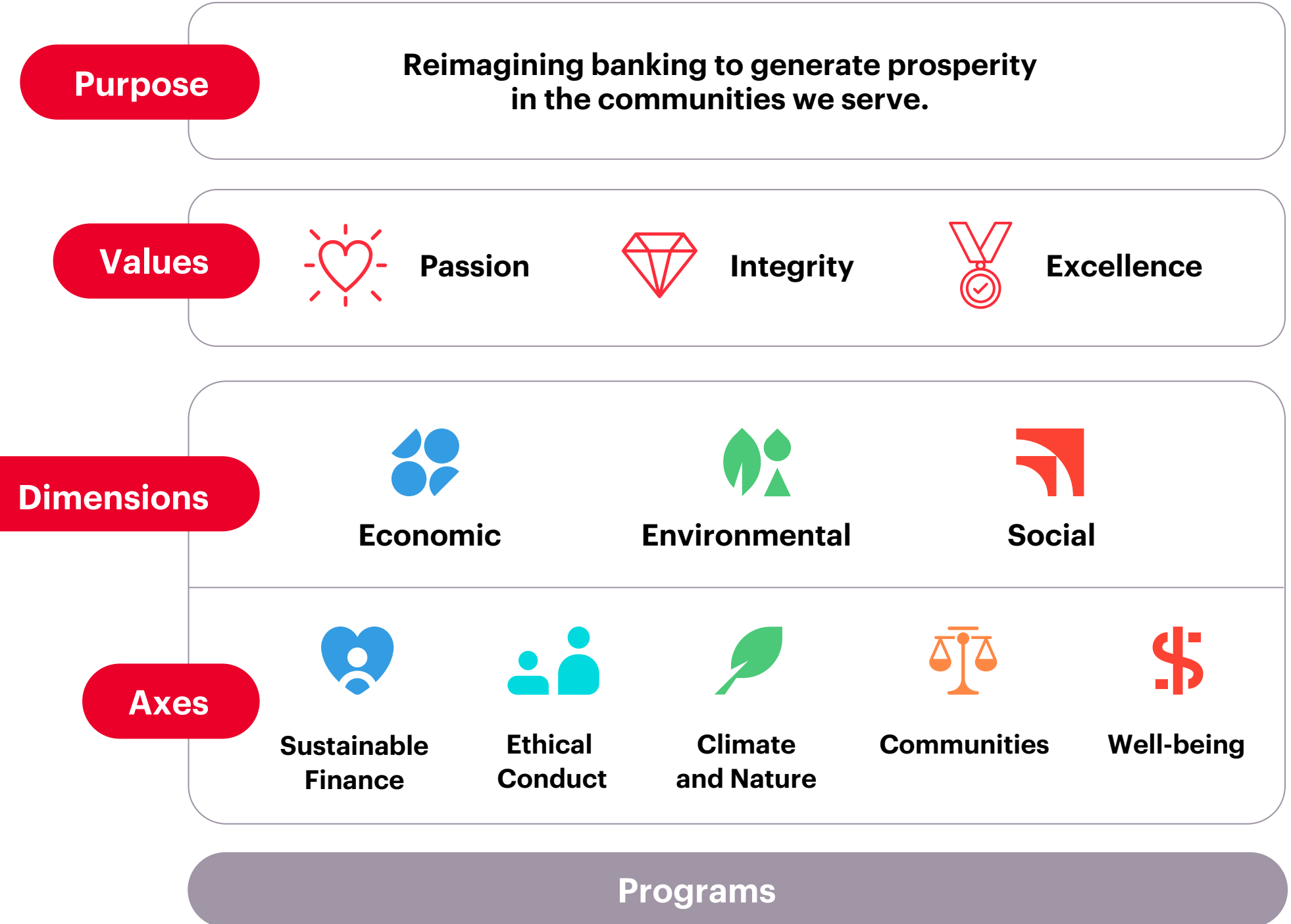


A TRIPLE VALUE BANK

At BAC we integrate the management of environmental and social issues into our corporate strategy. The alignment and complementarity of these initiatives with the business vision allows us to move towards a socially responsible business model, by identifying and addressing aspects of the business from which possible impacts, positive and negative, real and potential, more relevant to our stakeholders and to our company, are derived.

We aspire to become a Triple Value Bank, we work with passion, integrity and excellence to maximize economic value, while creating more environmental and social value than the footprints we produce to operate, positively impacting all our stakeholders.

Our strategy is made up of 1 Purpose, 3 Values that govern our day-to-day, 3 Dimensions and 5 main axes that frame our organizational priorities.



Our 5 strategic axes:

Sustainable Finance

We facilitate solutions that contribute to the financial inclusion of people, prosperity, and the sustainable development of the communities we serve.

Ethical conduct

We act ethically and responsibly, encouraging a culture of transparency and fair treatment with all the people with whom we interact.

Climate and Nature

We promote a transition to a lower carbon economy that promotes actions for the sustainable development of the region.

Communities

We mobilize our own resources and those of third parties for the development of projects that contribute to generating positive impacts in our region.

Well-being

We promote the development and integral well-being of all the people with whom we interact throughout our value chain.



OUR CONTRIBUTION TO THE **SUSTAINABLE DEVELOPMENT GOALS**

We have aligned our triple-value goals with the United Nations (UN) SDGs, which aim to end poverty, protect the planet, ensure universal peace and prosperity.

In line with this agenda, we have analysed the SDGs in relation to our capacity for impact, contribution and value contribution. Due to the nature of our activities and in line with the Triple Value strategy, we have aligned material issues with the main challenges in our region.

The details of the SDG goals mainly impacted by the development of our triple value strategy are available in our 2024 Integrated Report.





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 properly manage environmental and social issues, and climate change. Below is the detail of the commitments we have adhered to:

Each year we strengthen our transparency and accountability mechanisms with our stakeholders, using the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosure (TCFD), and the Sustainability Accounting Standards Board (SASB), to inform our progress on the matter.

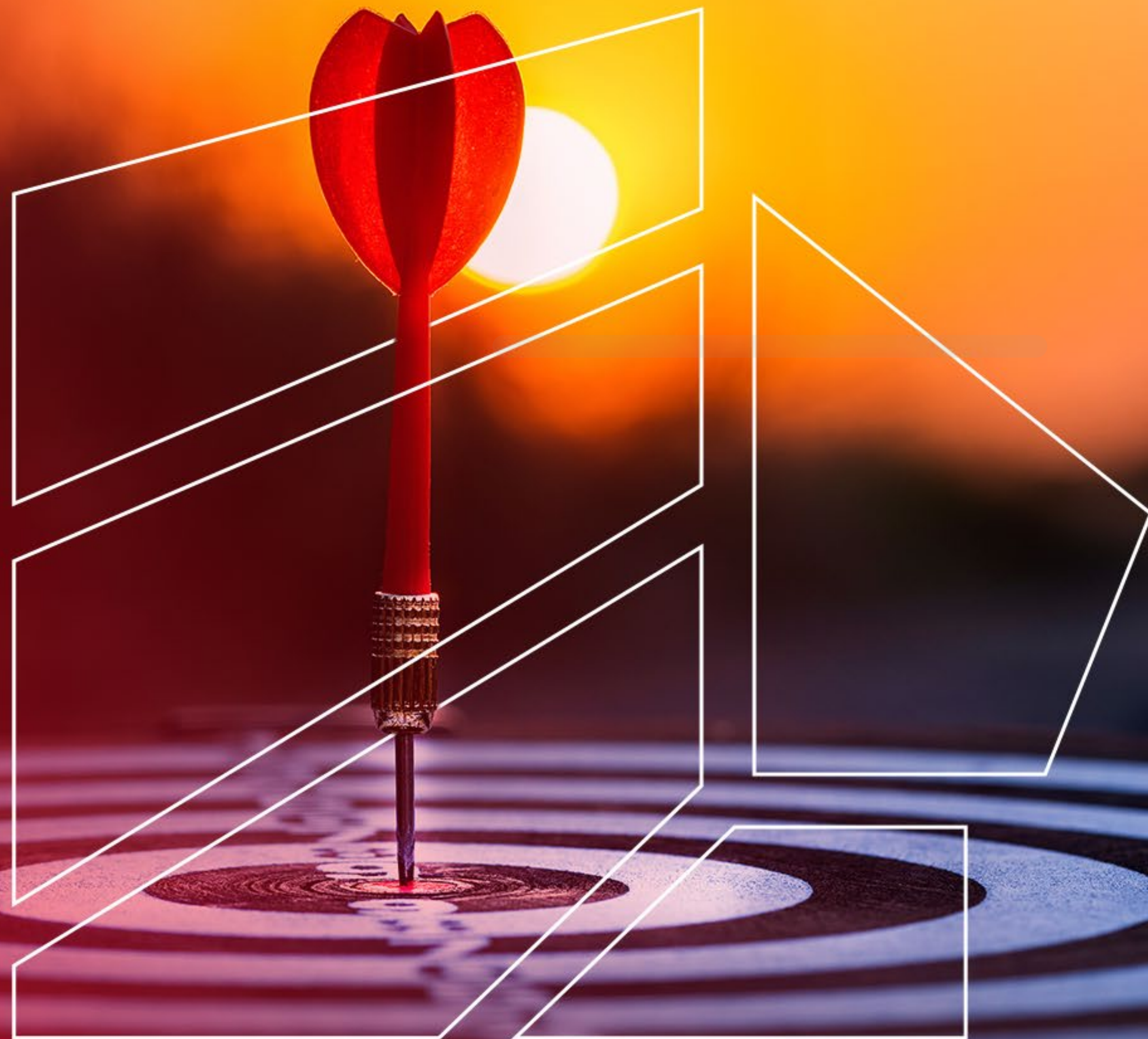




Principle 2

Impact and target setting

We will continuously increase our positive impacts while reducing negative impacts and managing risks to people and the 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.





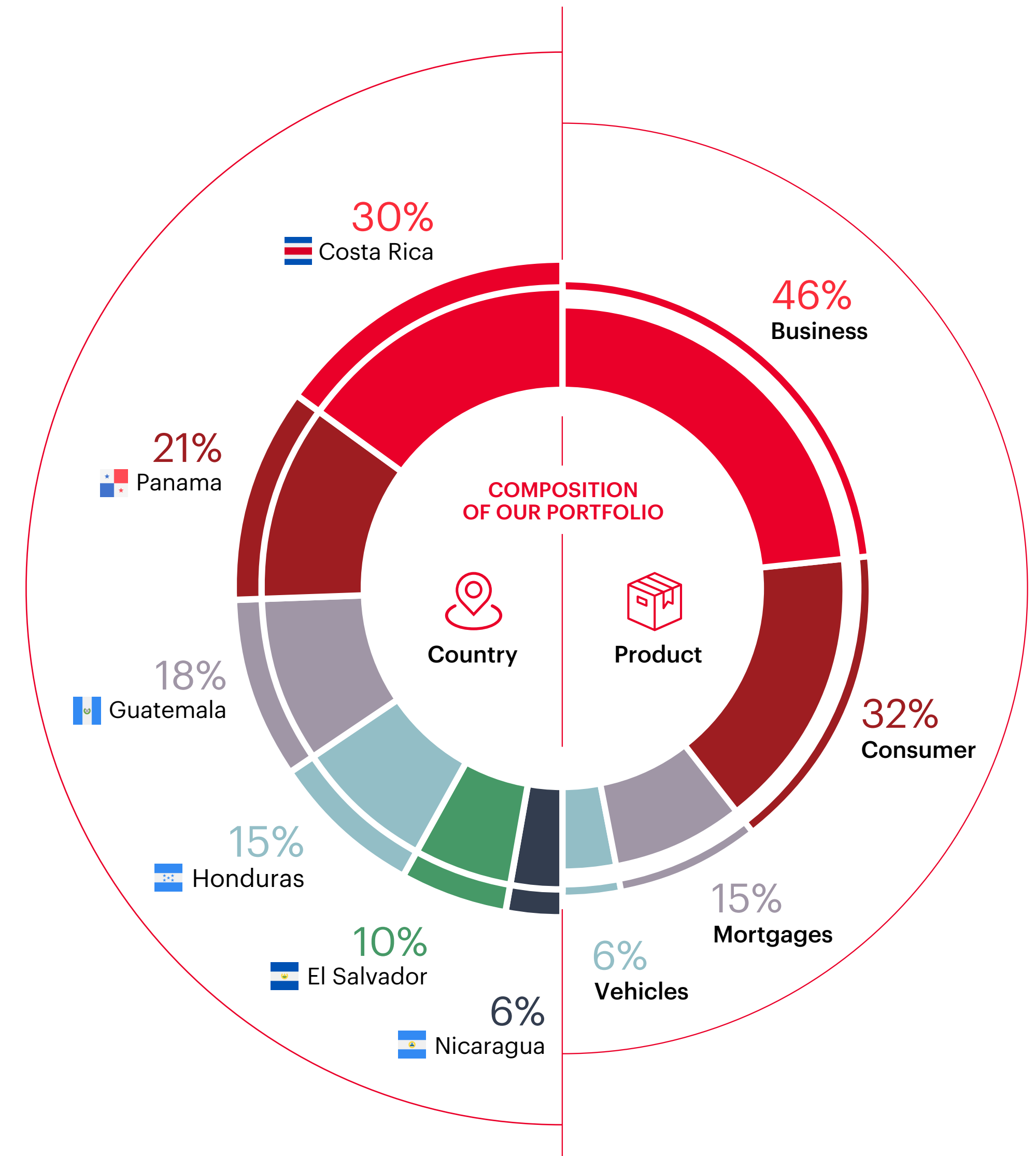
COMPOSITION OF OUR PORTFOLIO

At BAC we are committed to the transformation of our portfolio of services in such a way that our financial solutions, in addition to being simple, innovative and digital, allow our customers and users to meet their goals, while reducing their negative impacts and serving as an instrument to generate positive economic, environmental and social value.

We seek to establish long-term relationships with our clients, and to achieve this we strive to offer financial solutions that fit their needs and facilitate them to achieve their goals.

Our credit portfolio remains broadly diversified geographically. The three countries with the highest participation are: Costa Rica, Panama, Guatemala with representation percentages of 29.5%, 21.2% and 18.0%, respectively. No single country exceeds 30% of the total consolidated credit portfolio.

Operating in Central America gives us a significant competitive advantage, by allowing our operations to maintain a relevant scale in each market served. This regional presence facilitates the strategic linkages necessary to sustain continued growth.



Impact Analysis

Show how your bank has identified, prioritized, and measured the most significant impacts associated with your portfolio (both positive and negative). Determine priority areas for goal setting. Include details on: scope, portfolio composition, context, and performance measurement.

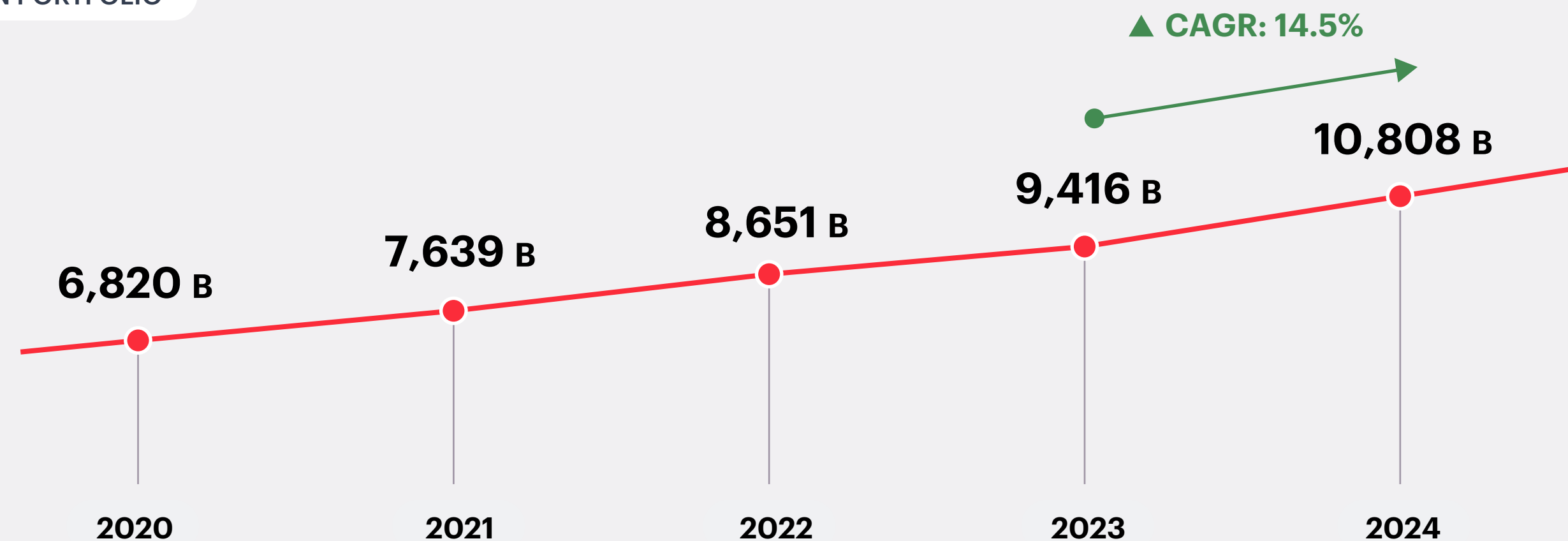


Business Portfolio

At Business Banking, our success is based on the ability to listen to and understand customers' challenges. Over the last year, we have dedicated significant efforts to identifying your needs and developing solutions that generate value, with the commitment to anticipate your expectations.

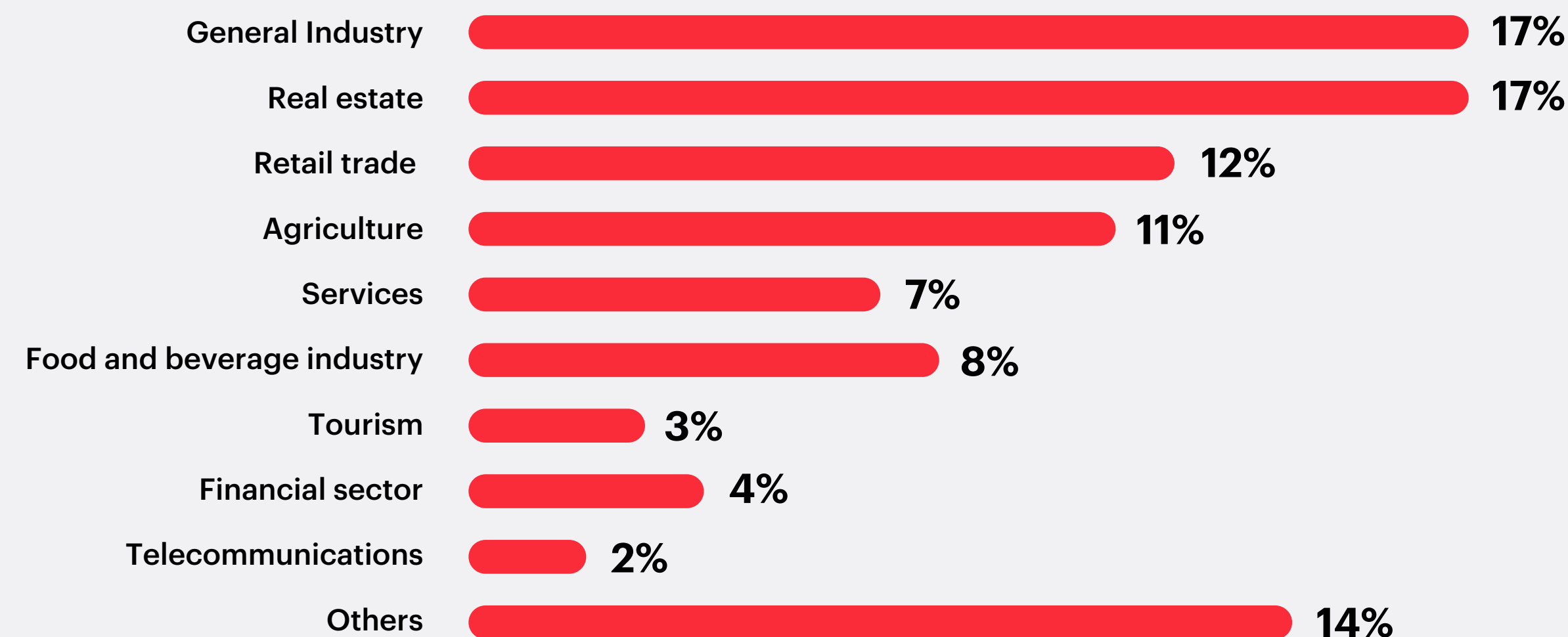
In 2024, our business portfolio registered a growth of more than 14.5% compared to 2023, reflecting a management focused on innovation and the development of financial solutions adapted to market needs. Looking ahead, we reaffirm our commitment to adapt to emerging trends and evolving customer needs. Our strategic focus is on sustainability, digitalization and cybersecurity, consolidating our leadership in the business sector.

LOAN PORTFOLIO



OUR BUSINESS PORTFOLIO IS COMPOSED AS FOLLOWS

CAGR: Compound Annual Growth Rate





Committed to people

At Personal Banking, we focus on offering comprehensive financial solutions to individual customers throughout Central America. Our wide range of products and services allows us to establish profitable long-term relationships, through segmentation strategies to respond to the specific needs of each client.

At the end of 2024, loans to individuals, including residential, automotive, and consumer mortgages, accounted for 30% of the total loan portfolio. When incorporating the credit card portfolio, the total balance amounted to US\$14,2 billion, which is equivalent to 54% of the total credit portfolio. This solidifies our commitment to financing for individual customers.

Personal Banking operations include a wide range of products and services, such as savings and checking accounts, credit cards, time deposits, remittances, insurance, business and personal loans, brokerage services, structured financing, guarantees, mortgage loans, direct deposits, payroll services, and transfers.



The performance of the product and services portfolio reflected sustained growth, driven by the following key areas:

- ◆ **Credits and loans**
Generated US\$2,732 million, representing 64% of our total revenues. This segment experienced a growth of 16% compared to the previous year, driven mainly by the credit card portfolio (US\$1,154 million, 27% of revenue).
- ◆ **Card fees**
Reached US\$305 million (7% of total revenue), with an increase of 8% compared to the previous year, as a result of loyalty strategies, targeted promotions and the expansion of digital channels.
- ◆ **General commissions**
Contributed US\$848 million, equivalent to 20% of total income. Year-on-year growth was 11%, driven by commissions on insurance and foreign exchange purchase and sale. These results reflect a constant focus on reviewing and evolving the product portfolio, aligned with market trends and customer expectations.

Our business strategy has allowed us to maintain a fairly balanced product mix, which favors prudent and sustained growth.



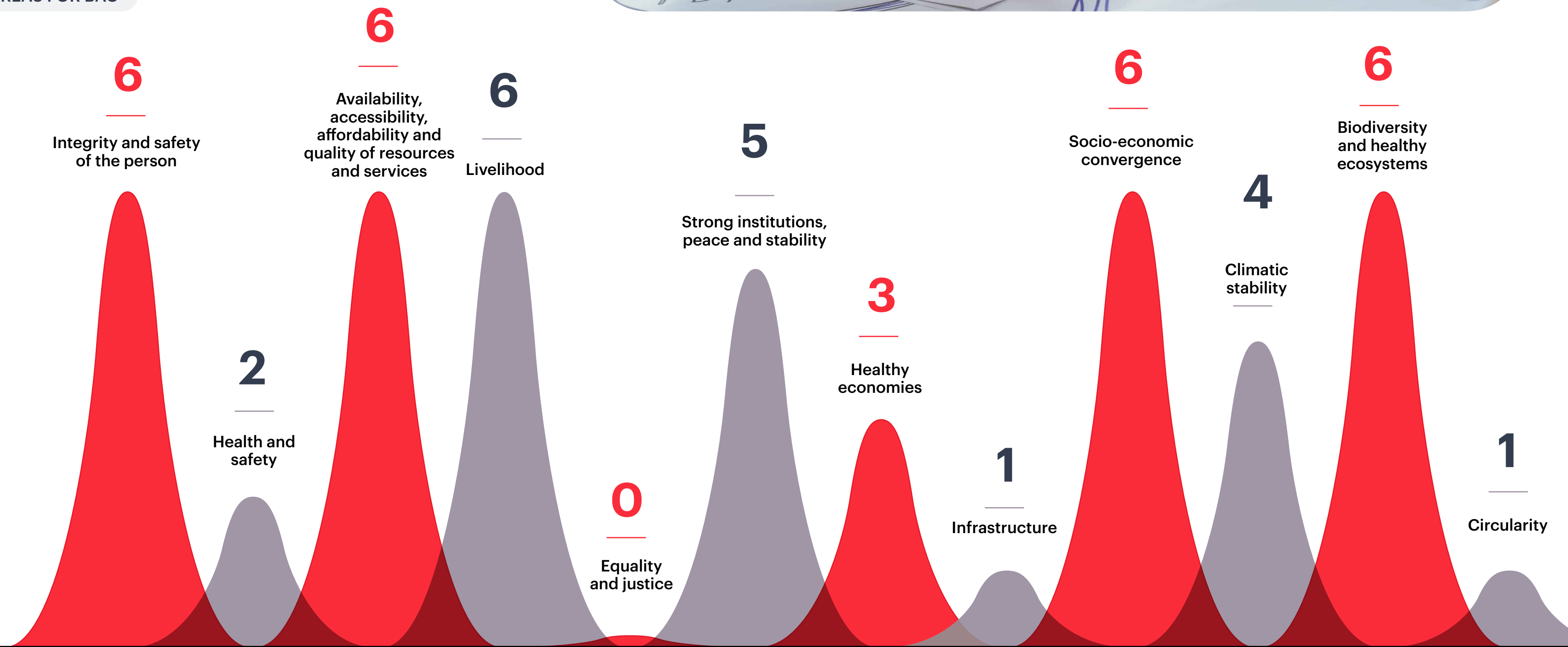
IMPACT ANALYSIS

In 2023 we updated our impact analysis using the UNEP FI Impact Analysis for Banks tool, version 3. The context of this analysis includes the six Central American countries where we operate and considers the portfolios: Business (which includes Corporate, Commercial and SMEs) and the People portfolio.

This analysis identifies some priority areas in the countries where we operate:



REGIONAL PRIORITY AREAS FOR BAC



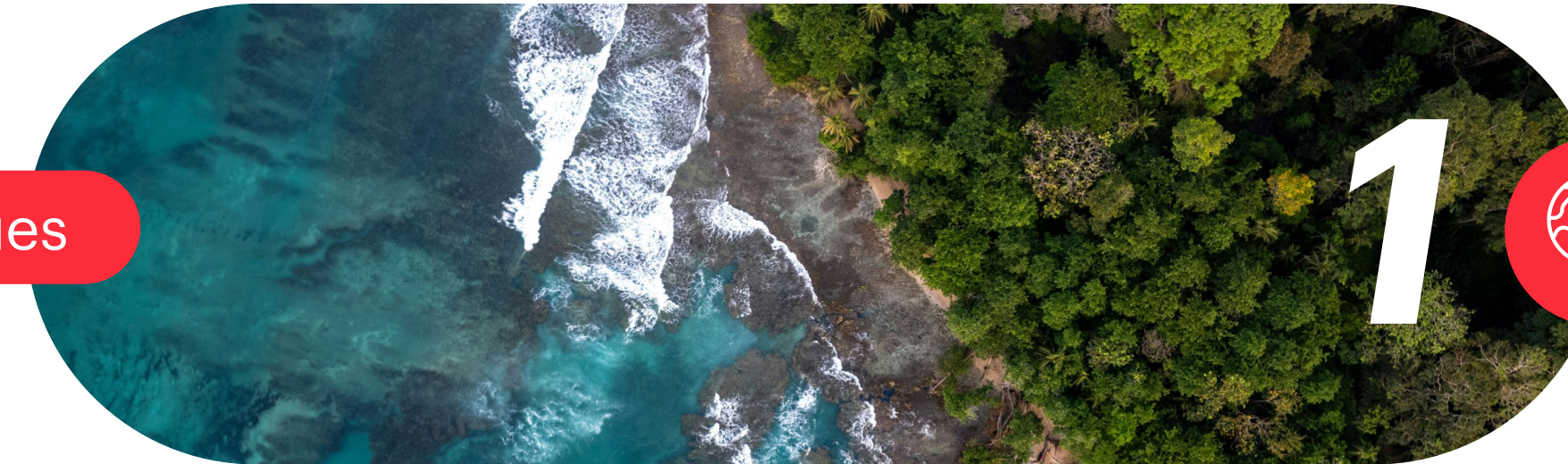


Our priority issues

Considering the priority areas in the previous graph, and the internal processes for updating our strategic axes, being a socially and environmentally responsible bank, which seeks to generate positive results and meet the needs of our customers and users and in the region of the planet where we operate, we maintain prioritized the areas of impact defined in our first results report. these being **Climate Strategy** and **Inclusion and Financial Health**, and we incorporated two additional priority areas: **Nature and Biodiversity**, and **Human Rights**.

Central America is home to an important concentration of biodiversity in the world, the basis of the sustenance of families, as well as a source of income in our communities. This natural wealth is threatened by activities such as deforestation, agricultural expansion, uncontrolled urbanization and climate change. Key sectors such as agriculture, tourism and energy, mainly hydropower, depend directly on the health of these ecosystems; Their degradation directly impacts productivity and has a negative effect on the profitability and viability of projects that we finance or could finance. Faced with this context, we have incorporated into our strategy the active management of risks and opportunities related to Nature and biodiversity.

On the other hand, we operate in a region with high levels of poverty, social exclusion, conflicts over the use of land, water and other resources. Significant high percentages of indigenous populations, as well as other vulnerable sectors, drive us to continue working in an accelerated manner in the management of Human Rights, both in our direct activities and in our supply chain.



1



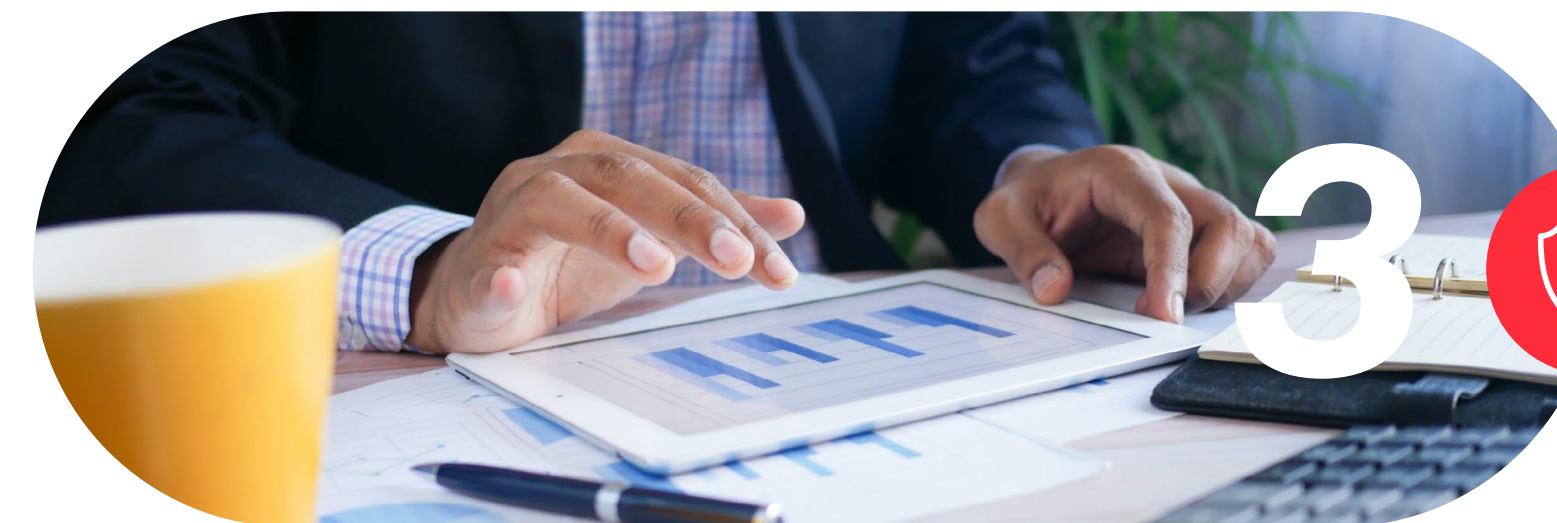
Climate strategy



2



Nature and biodiversity



3



Inclusion and financial health



4



Human rights



Objectives, implementation of objectives and action plans/transition plans

Demonstrate that your bank has established and published a minimum of two SMART targets that address at least two different areas of most significant impact that your bank identified in its impact analysis. Once the objectives have been set, explain the actions taken and the progress made. Include details on: alignment, baselines, goals, implementation and monitoring of goals (and KPIs), action plans/transition plans, and milestones.



CLIMATE STRATEGY

At BAC we are committed to contributing to the fulfilment of the Paris Agreement and the Sustainable Development Goals. As part of our climate strategy, here are some of the most relevant milestones we have achieved as of the date of this report:

Adherence to international standards and application of ESG reporting and assessment frameworks

International standards

Reporting frames

ESG assessment

- 1

Creation of a Climate Change Risk Maturity Model
- 2

Creation of a Sustainable Finance Taxonomy and portfolio marking with environmental, climate, and social impact
- 3

Changes to systems for capturing information required for climate and environmental management
- 4

Measurement of our operational carbon, waste, and water footprint, and definition of projects to reduce negative impact
- 5

Portfolio decarbonization strategy:
 - Measurement of financed emissions from our Corporate, Vehicles, and Mortgage portfolio
 - Definition of carbon emission reduction targets for priority sectors
 - Development of a strategy with clients for carbon emission reduction
- 6

Climate change risk management:
 - Creation of a Climate Event Taxonomy
 - Climate risk stress tests

Creation of products to contribute to environmental and climate impact

Management of ESG financing with multilaterals



Decarbonization of the loans portfolio

As members of the Net Zero Banking Alliance (NZBA) and the Partnership for Carbon Accounting Financials (PCAF), in 2022 we started the path to decarbonize our portfolio, since then, we have implemented the good practices recommended by both initiatives and reported our progress considering their reporting requirements.



RESULTS OF THE MEASUREMENT OF THE FINANCED FOOTPRINT

	Scope 1 and 2 emissions	Scope 1 and 2 emissions intensity	PERCENTAGE OF CO2E TONS REPRESENTATION BY COUNTRY					
Business Banking	2.2M	243,5	33%	10%	16%	6%	10%	24%
Vehicles	164k	122,3	13%	8%	13%	8%	34%	24%
Mortgage	50k	15,3	22%	22%	10%	7%	16%	23%
Unit of measurement	tCO2e	tCO2e / M USD						

M millions K thousands



Results of measurement of the financed footprint by intensive sectors

Next, the composition of emissions and portfolio representation for the priority sectors by their impact on emissions generation.

In the Transport sector of Business Banking, tCO2e represent only 1.28% of the total emissions of this portfolio, our greatest impact is in the financing of Consumer Banking Vehicles, for managing this sector from the perspective of financing vehicles for personal use.

Business Banking




	tCO2e	% representation tCO2e	% representation portfolio balance
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



	 Business Banking	 Vehicles	 Mortgage
Portfolio measured at the end of	December 2022	December 2023	December 2023
% of total portfolio measured	98%	99%	85%
Exclusions	Contingencies, bank acceptances and factoring	Assets that do not match the vehicle description	Land purchase, construction and remodeling
Portfolio balance	9.3B	1.3B	3.2B
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
Sector classification	ISICv4	n.a.	n.a.

- ◆ The measured portfolio corresponds to 68% of the total credit portfolio, with the consumer portfolio (including credit card) being the one that is pending measurement, pending the creation of a methodology by PCAF.
- ◆ As of the date of writing this report, we have not measured avoided emissions and/or emissions removals, nor recalculated the measurement of financed emissions.
- ◆ In the process of direct information management with our Business Banking customers, in order to carry out a new portfolio measurement in the medium term, hoping to achieve better data quality. This improvement means that our customers have correctly functioning emission measurement processes. We are currently working with our clients in priority sectors to identify their level of management.



Decarbonization goals

We use the Science Based Targets initiative (SBTi) to limit global warming to 1.5 C to prevent the effects of climate change as a guide.

The tool provided by SBTi for defining the targets 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:

- ◆ The sectors with the highest representation of issuances and/or portfolio balance.
- ◆ The local reality, of each country where we operate.



Business Banking

Personal Banking

	Scope	Metric	Base year 2022	Reduction to 2030
Power generation	1 and 2	tCO2e/MWh	0,357	71%
Cement	1 and 2	tCO2e/ton cement	0,607	21%
Commercial real estate (including services)	1 and 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	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.			
Iron and steel				
Aluminum				
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 and 2	tCO2e/m2	0,020	42%



Business Banking Action Plan

This work plan composed of 5 main axes made significant progress during 2024:











01 Financial Solutions

With a multidisciplinary team made up of the areas of Business Banking, Credit Risk and Sustainability, a robust action plan was defined to advance our goal of portfolio transformation and decarbonization. This work plan composed of 5 main axes made significant progress during 2024:

We create financial solutions aimed at our business clients, to support their transition processes towards a lower carbon economy, through financing for the installation or modernization of systems, technologies and/or equipment that allow the reduction of energy and fossil fuel consumption.

In 2024, we will increase the financing of these products in all the countries where we operate, focused on those customers with the greatest impact on carbon emissions.

Below, the main financial solutions by country, as well as the placement achieved and the corresponding links to learn more about these products.

Product		Placement 2024	
	Sustainable Business	\$134M	
	Green Credit	\$43M	
	Solar Panels	\$2M	
	Green Credit	\$37M	
	Solar Panels and Clean Transportation	\$31M	
	Solar Panels and Clean Transportation	\$3.6M	



02 Training and support for customers

We recognize the importance of accompanying our customers by promoting the improvement of their production processes to reduce their carbon emissions, while taking advantage of the use of renewable energy.

In 2024 we developed a tool to measure progress on decarbonization issues, which qualifies 5 main themes:

A

Metrics

Allows you to know the level of progress in measuring your carbon footprint.

B

Goals

Qualifies if the customer has emission reduction goals.

C

Governance

Measures the level of governance in matters related to climate change.

D

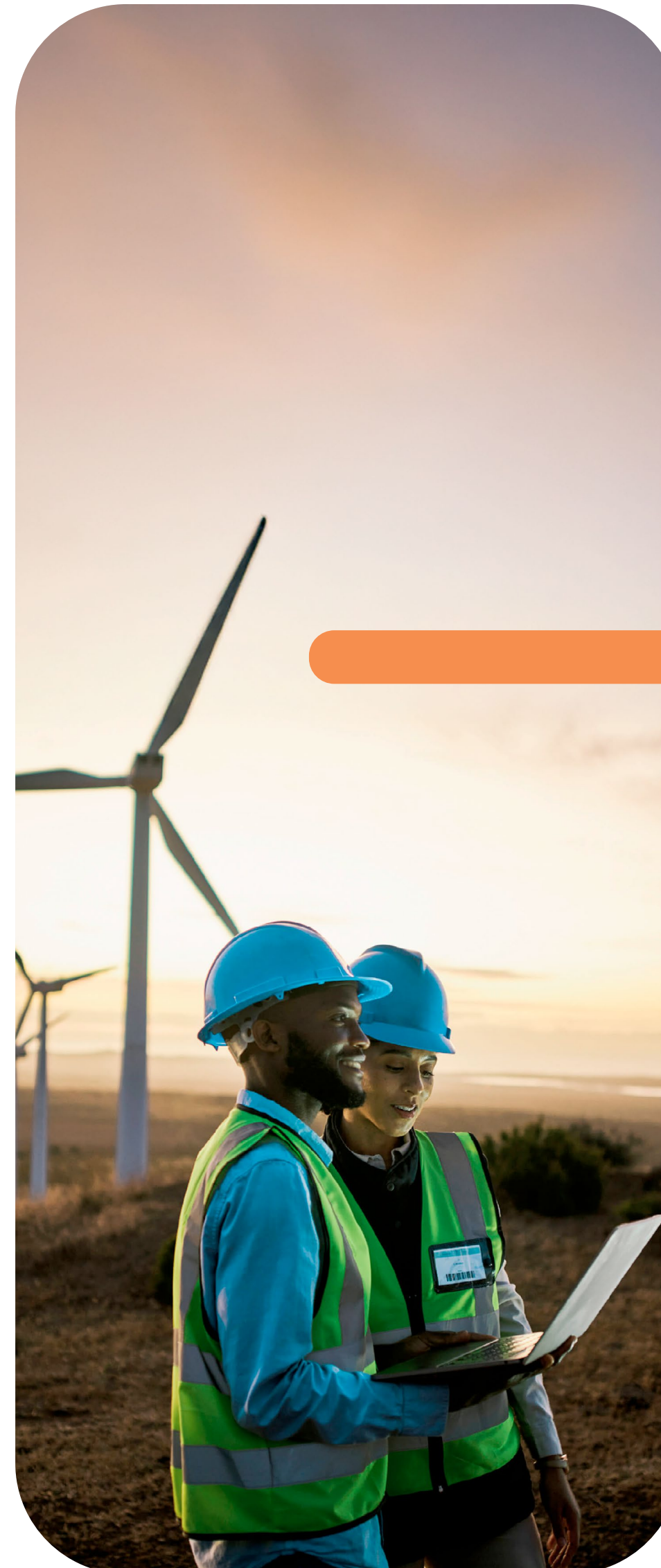
Strategy

Based on the progress associated with the mitigation measures that are being implemented or are on the medium-term roadmap.

E

Management

Considers whether the internal carbon price is considered in internal decision-making.



As a result of this approach to our business clients in priority sectors, through this measurement tool, we obtained valuable information regarding the current status of their carbon footprint reduction processes, as follows:

STATUS IN THE PROCESS OF DECARBONIZATION PRIORITIZED CUSTOMERS

92%

7%

1%

To be started

In development

Advanced

This first consultation shows us that most companies in sectors with the highest carbon emissions generation have not yet strategically integrated the management of their carbon footprint. This opens up opportunities for us to provide them with specialized training and advice that allows them to advance in the measurement of their footprint, make their processes more efficient and reduce operating costs, while contributing to reducing their climate risks.

During 2025 we are working on expanding the base of prioritized customers, and on the creation of management proposals, with the aim of accompanying them on their path to decarbonisation in accordance with their needs and different realities.



03 Climate Risk Stress Testing

Climate Risk Analysis Business Portfolio

In 2024, we designed our Taxonomy of Climate Events, with the aim of identifying potential impacts on the different industries and geographical areas in which we operate. The taxonomy includes:

Country Impact Assessment

- ✓ Qualitative analysis of the impacts of different climatic events for the 6 countries where we operate.
- ✓ Analysis of the historical frequencies of climatic events in the countries, considering the probability of occurrence and assigning a level of impact.

Assessment of impacts on industries

- ✓ Qualitative analysis of the impacts of different climatic events for each industry analyzed, considering the prioritized industries of our portfolio.
- ✓ Analysis of the degrees of impacts, forming a scale that allows assigning a level of impact.



Impact assessment in geographical areas

We evaluate the impacts in geographical areas, based on the research, we determine the potential impacts of each climate event in the different countries, and through the average annual frequencies we assign a level of impact for each event per country, the above we do considering:

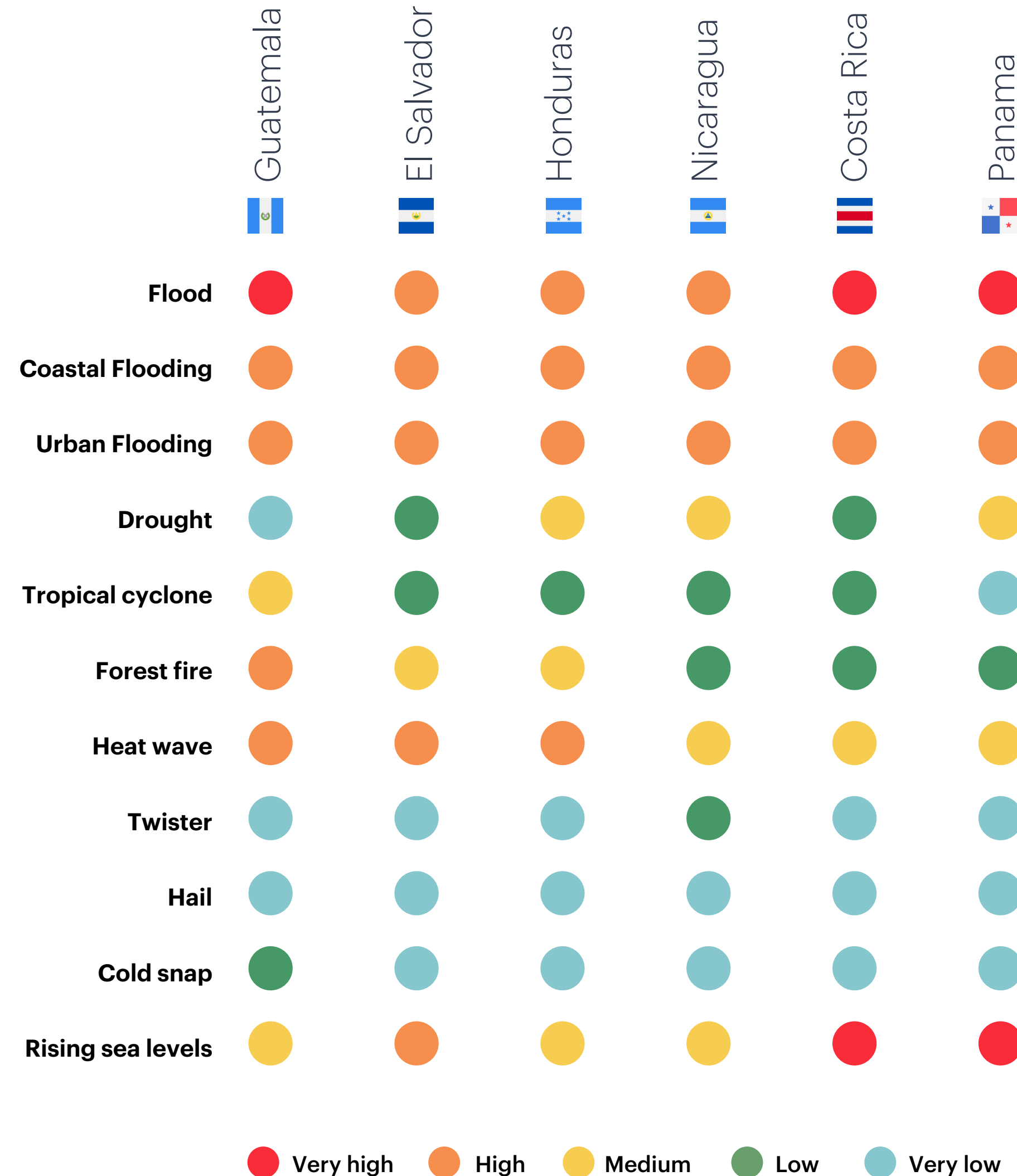
- A** The portfolio and countries where we have exposure.
- B** We investigate possible climatic phenomena to study.
- C** We calculated the historical average frequencies and the probabilities of occurrence of such climatic events.
- D** We seek reports and information on the historical occurrence and impacts of events on countries. We consulted sources such as: DesInventar Database (UNDRR), information provided by the World Bank on its Climate Change portal, risk profiles for Costa Rica and Panama, reports issued by entities such as UNEP FI, ECLAC, World Meteorological Organization (WMO), National Communications on Climate Change of each country analyzed, information from Meteorological Institutes, Ministries of Environment, National Emergency Commission of some countries, reports on climate risks in various sectors developed by UNEP FI.

The taxonomy provides us with a better understanding of the vulnerability of each country and industry to various climatic events, allowing us to identify which are the most relevant considering the exposure we have to them, which allows us to select the climatic events to be deepened through the application of the physical risk methodology that is under development



Obtaining the following results

Climate event



We are currently in the process of migrating the methodology mentioned above based on the Exposure Scores information provided by Climanomics, a tool from S&P Global, which takes into consideration forward-looking information for a broader spectrum of climate events for different scenarios and timeframes.

This score indicates exposure to the different physical risks given a location, setting, and temporality, ranking the different risk measures in a range of 1 to 100 globally, to allow comparability between the different risks.

Additionally, it calculates a composite indicator that considers exposure to physical risk considering all weather events with a methodology that ensures that assets with high exposure to one hazard, but low exposure to others, have a moderate to high composite score and avoid underestimating risk exposure.

Assessment of impacts on industry

For the assessment of impacts on industries we have followed the following process:

- A We consider the industries defined by the UNEP FI methodology complementing those in which our portfolio has exposure.
- B We complement the data with reports and information on the historical impacts of climate events on the different industries.
- C Through expert criteria we determine a scale with different levels of impact.
- D We consider the main events selected according to the taxonomy by country.



From this research, conclusions were drawn about the potential impacts of each event in the different industries, and the level of low/medium/high impact was assigned for each event by industry. Obtaining the following results:



Data Enhancement Management

To strengthen the risk analysis for our Business portfolio, the improvement in data capture is vital to obtain more accurate exposure scores, for this, we have implemented a new functionality in our internal customer information capture tool, programming a catalog with the coordinates associated with the different levels of geographical distribution in the region, which will facilitate the operation related to the capture of information from the geolocation of customers, in this way, we will give continuity and follow-up to the different climate risk analyses in a more efficient and accurate way.

Next steps

Below are the main actions that we have defined in the medium term, to strengthen the analysis of climate risks in our Corporate Banking portfolio:

A

Use of the Climonomics tool as the main source of information for all analyses for climate risk management, as it considers a greater number of climatic events, allows a prospective analysis, has a more complete modeling of the different impact pathways that can generate losses according to the different types of assets analyzed and is constantly updating its methodology and sources of information for better results.

B

Inclusion of the client's physical risk exposure classification within the corporate rating model.

C

Monitoring of physical risk exposure by the percentage of the portfolio that corresponds to the highest risk exposure classification.

D

Implementation of a new climate stress test methodology using the information extracted from Climonomics as inputs.

E

End the collection of geolocation data in our internal systems.

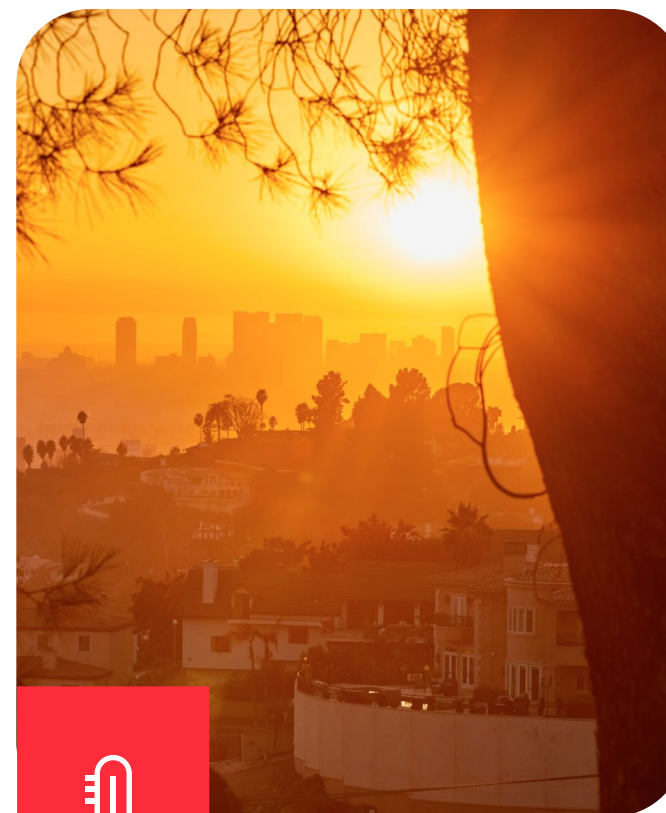


Physical Risk Analysis BAC Offices

We have initiated the analysis of physical risks of climate change in our own offices throughout the 6 countries where we operate, we consider it essential to advance in this analysis due to the high vulnerability of the region to phenomena such as hurricanes, floods, droughts and landslides. Assessing these risks allows us to anticipate potential operational disruptions, protect the integrity of facilities, and ensure continuity of financial service.

We are currently working on the collection of initial information on the value and type of assets, latitude, longitude, among others. Using the Climanomics tool we will be able to know the physical risks according to each location, as well as the scenario and temporality of these, classifying the different risk measures in a range from 1 to 100 at a global level, considering the following climatic events:

After capturing the information,
we will define the following actions
considering the results obtained



Extreme heat



Drought



Forest fires



Water stress



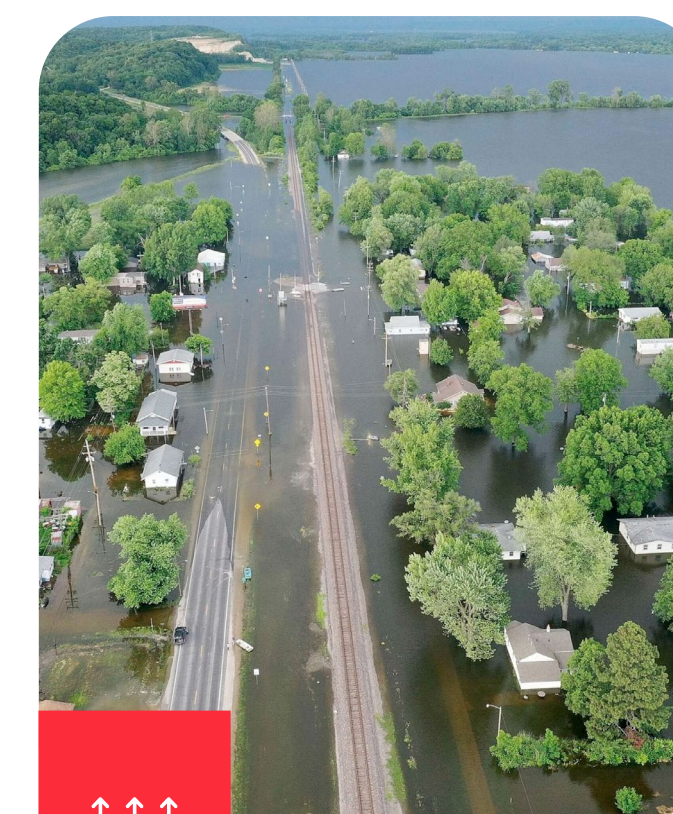
Storm floods



Tropical cyclone



River flooding



Coastal flooding



04

Improvement in data management

Having direct information from our customers, such as production data, measurement of their operational footprints (Scope 1 and Scope 2), is a goal we have set ourselves to improve data quality and account for financed emissions.

Through our decarbonization progress measurement tool, we collect direct footprint measurement information from clients in prioritized sectors to improve data quality levels by applying science-based measurement methodologies and goal definition, considering whether the client has this process formalized internally and is willing to share such information.

05

Internal capacity building

For the actions mentioned above to be successfully executed, we implement training processes that involve personnel from Senior Management, Business, Credit Risk Analysis and other operational areas directly related to our decarbonization strategy.

In 2024, we trained more than 650 BAC employees, totaling 815 hours of training, on the following topics:

- 1 Introduction to climate risks, differences with environmental risks
- 2 Main impacts and consequences of climate risks for companies in different industries
- 3 Cross-cutting challenges in the economy in the face of climate change
- 4 Carbon footprint
- 5 Financed Emissions
- 6 Creating robust decarbonization plans
- 7 Mitigation measures
- 8 Climate Change Opportunities for the Financial Sector
- 9 Path to decarbonisation for priority sectors

By 2025, we established staff training goals on topics such as: Sustainable Financing, Climate Risks, Environmental Footprint Management, among others.



Consumer Banking **Action Plan**







In 2023 we carried out the measurement 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.

Financial Solutions

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



Here are the placement data for 2024

	 Guatemala	 El Salvador	 Honduras	 Nicaragua	 Costa Rica	 Panama
Electric or hybrid cars (mainly hybrids)	\$13,6M	\$2,1M	\$1,4M	\$2,0M	\$33,0M	\$11,3M
Sustainable construction (LEED, EDGE certification)	\$4,9M					
Solar panels				\$272k		\$1M

In 2025, we set ambitious goals to continue expanding our portfolio of financial solutions with environmental and climate impact.

M millions K thousands



Climate risk adaptation

Given the context of high exposure to climate events in Central America, it is key to incorporate climate change adaptation management into our loan portfolio, this implies identifying sectors and clients that are particularly vulnerable mainly to physical risks and supporting resilience through processes of accompaniment, training and financial solutions aimed at and focused on contributing to the development of adaptation strategies according to the needs of each industry.

In 2025, we made progress in prioritizing sectors and incorporating adaptation criteria into the environmental and climate risk analyses we carry out as part of our Environmental and Social Risk Analysis System (SARAS).



NATURE AND BIODIVERSITY

Central America faces significant challenges in the protection of nature and biodiversity, due to the high pressure on its ecosystems caused by practices such as deforestation, unsustainable agricultural expansion, and the effects of climate change.

These factors threaten not only the natural wealth of our region, but also essential ecosystem services for communities and the economy, such as access to water, agriculture, and disaster protection, which in turn has direct implications on financial risk.

In this context, as a leading bank in the region, we identified the opportunity to channel financing towards sustainable productive activities, support conservation and restoration projects, incorporate environmental criteria in credit evaluation, and develop financial products that encourage responsible practices in priority sectors such as agribusiness, tourism, and construction.

In addition, the progress and learnings we have achieved to date in relation to our Climate Strategy, as well as the experience developed and the information inputs derived from this process, allowed us during 2025 to begin the analysis of Dependencies of ecosystem services and Pressures exerted by the different economic sectors we finance, using the ENCORE tool.

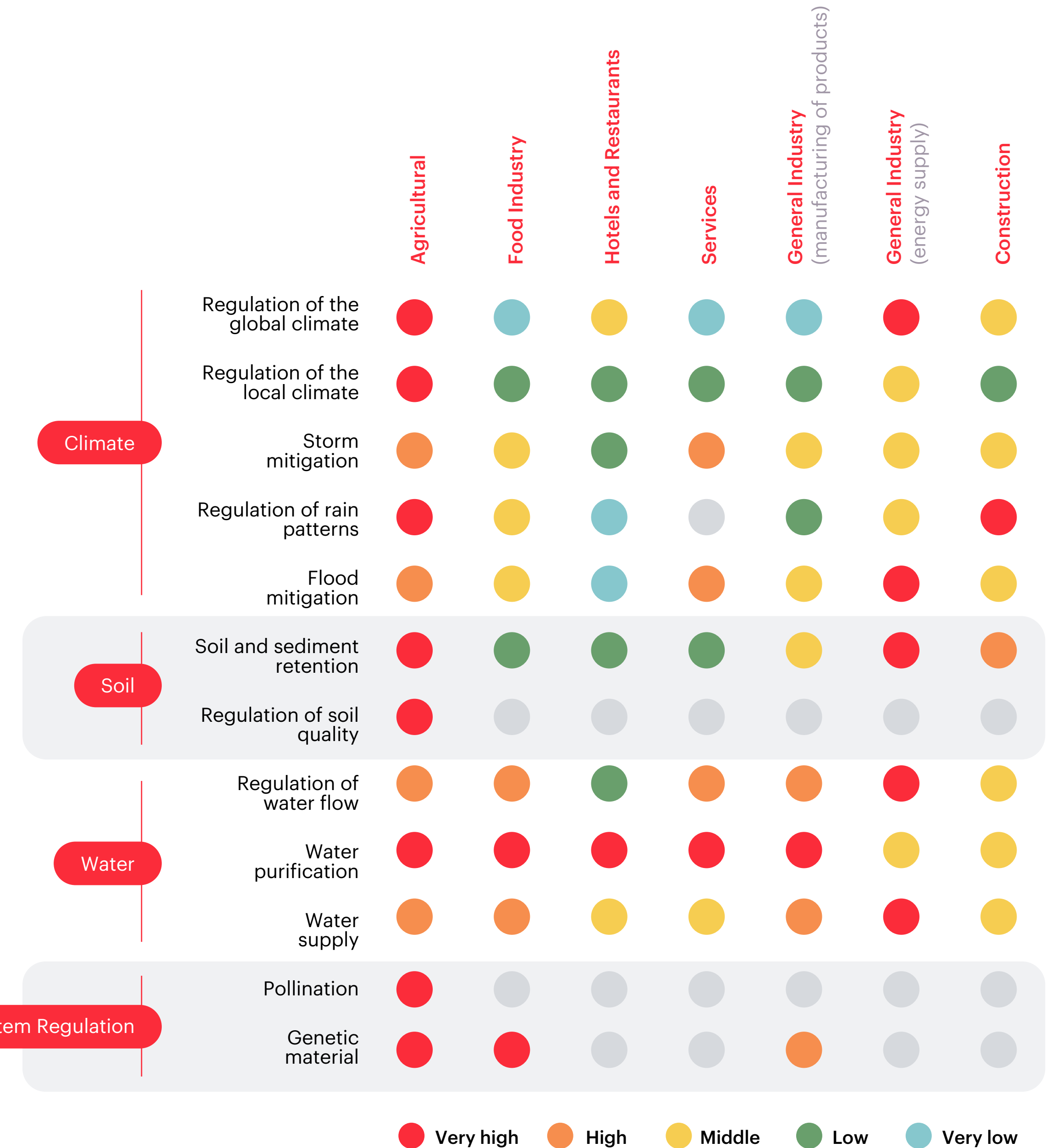


Economic sector dependencies

Dependencies occur when an economic activity requires an ecosystem service to function properly. If the service deteriorates, the activity may face operational, financial or continuity risks.

Below are the economic activities with the greatest dependence on prioritized ecosystem services, which could generate impacts on these activities.

The prioritization of services is carried out considering those that repeatedly show very high, high or medium impacts. Likewise, for the prioritization of economic sectors, those with the greatest portfolio representation and the greatest very high, high, or medium impacts are considered.





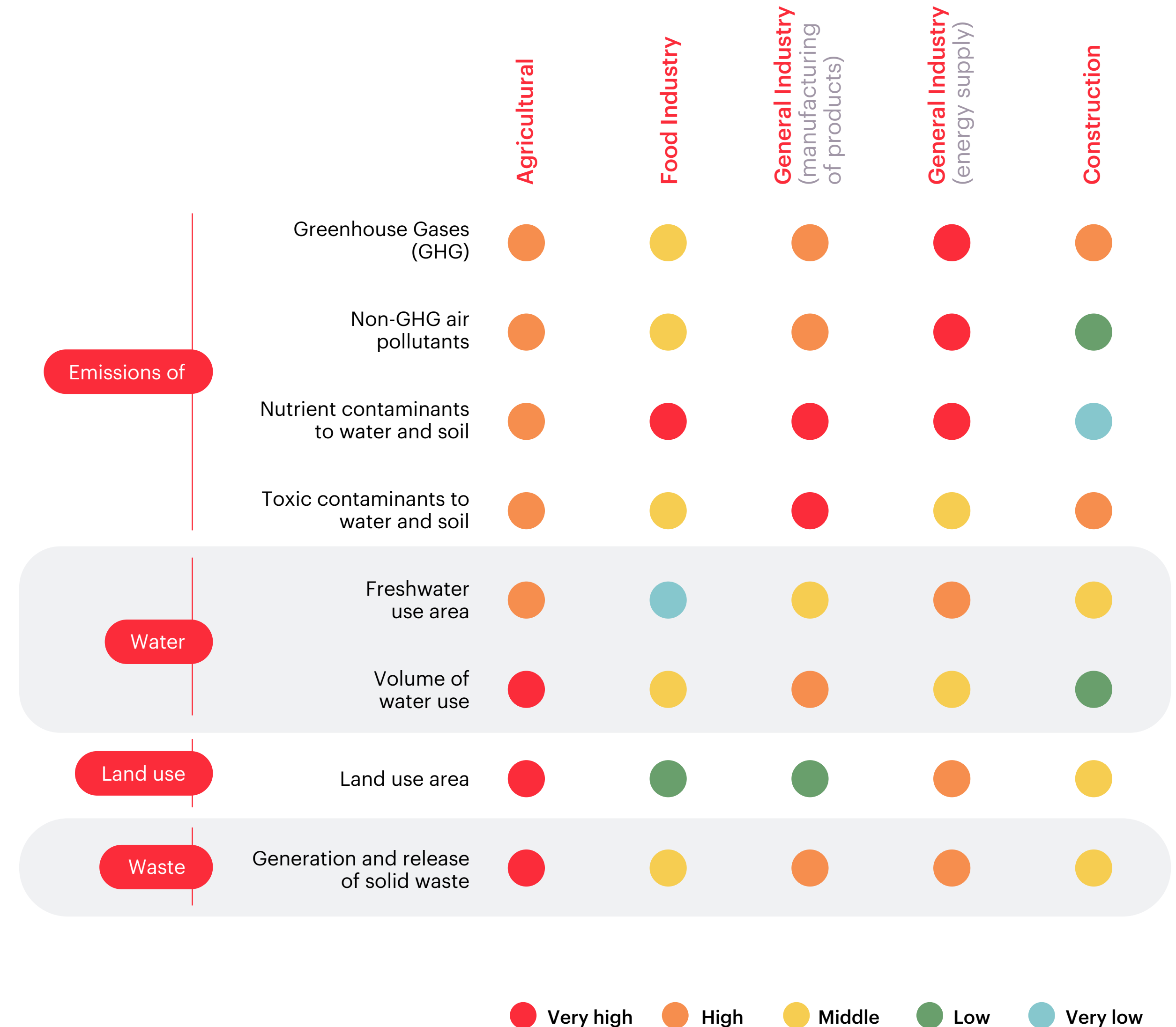
Pressures exerted by economic sectors

Pressures correspond to the negative actions or impacts that economic activities generate on ecosystems and their services. When an activity negatively affects an ecosystem service, it is said to put pressure on that service, which can lead to its deterioration or loss.

The prioritization of both pressures and economic activities is carried out considering the same criteria mentioned in the dependencies.

The development of these initial actions is part of the implementation of the practical approach for institutions defined in the voluntary disclosure framework of the Taskforce on Nature-Related Financial Disclosure (TNFD) and its LEAP (Locate, Assess, Analyse and Prepare) approach.

The result of the dependency and impact analysis will allow us to advance to the next level, where we will progressively analyze the related risks and opportunities.





INCLUSION AND FINANCIAL HEALTH

Gender Inclusive Banking

At BAC we support the high potential of women for the economic development of the region, since 2009 we have promoted initiatives for the economic empowerment of women, developing their skills, leadership and capacity for business management, in 2024 through professional mentoring, workshops and training, we achieved the participation of 13,594 women from all over the region, promoting their growth and achievement of objectives based on their productive ideas and business models.














In 2024, 49 events were held for the relationship and exhibition of initiatives led by women in the 6 countries, with an attendance of 4,842 participants.

We recognize the high potential of women in the economic development of the Central American region, which is why we have prioritized our value proposition to define our SMART objective in terms of Financial Inclusion and Health, considering goals for the placement of financial solutions aimed at this segment:

Our goal of placement in financial products aimed at the women's segment by 2025 is US\$124 million.

Our Financial Inclusion strategy aimed at women aims to provide more effective access to financial and non-financial solutions according to the specific characteristics of each stage of women's lives, intentionally direct, specialized support to women business leaders and in this way contribute to closing the gender gap that exists mainly in developing countries.

Value proposition in financial products aimed at the women's segment

	Program	Value Proposition	More details
 Guatemala	 Creando historias	<ul style="list-style-type: none">• Discounts on affiliate products• Savings Accounts• BAC Women's Insurance• SME Women's Credit	Mujeres BAC →
 El Salvador	 	<ul style="list-style-type: none">• Exclusive credit for women entrepreneurs, with flexible guarantees and grace period• Housing Credit for Women Business Leaders	Mujer Puedes + → Mujer Casa BAC → Mujer Acelera →
 Honduras		<ul style="list-style-type: none">• Women's Housing Credit• Women's Vehicle Credit• PYME Mujeres BAC• Cancer protection insurance• SOS Total Women• Single Credit Card• BAC Women's SME Credit	Mujeres BAC →
 Nicaragua		<ul style="list-style-type: none">• Credit for working capital or fixed investments, without guarantees, with individual monitoring.	Mujeres BAC →
 Costa Rica	 Creando historias	<ul style="list-style-type: none">• OLE Women• Savings Accounts• Safe Protected Bag• Development Banking System Loans	Asistencia Ciudadísima →
 Panama	 Creando historias	<ul style="list-style-type: none">• Preventive health and wellness focused care	



We generate a positive impact on the MSMEs and People segments

Non-financial solutions for MSMEs

We offer this segment tools to promote and strengthen MSME business models in Central America. Through training workshops, technical advice and talks, at BAC we promote the growth of this important economic sector, through the development of capacities in areas such as marketing and digital commerce, human capital, corporate social responsibility, investment, among other high-impact topics that will allow them to establish themselves as a sustainable company, with greater employability and economic development.

In our business development and strengthening programs in 2024, we trained 26,263 small and medium-sized enterprises, thus consolidating more than 186 thousand MSMEs since 2009 in the six countries of the region.



MSMEs trained in 2024

	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica	Panama	Total for the region
2009 – 2023	31,419	20,463	22,671	16,608	59,324	9,400	160,294
2024	13,313	1,054	3,568	1,472	5,555	1,301	26,263
Accumulated	44,732	21,517	26,239	18,080	64,879	10,701	186,557

Conversion metrics

For the third consecutive year at BAC we measure the effectiveness of the training we provide to our MSMEs on specific topics related to the application and use of financial solutions as tools for their development, in this way, we relate the decision to acquire or use a specific product with participation in training, during 2024, 20,231 MSMEs were trained under this approach, allowing 23% of companies that formalized a decision to use or acquire a service or product linked to e-commerce and digital financial services to be related.



Inclusion and financial health for People

We are committed to promoting savings habits, responsible consumption and informed purchasing decisions, which are fundamental elements for the proper use of financial services and products for individuals and their families. At BAC we aspire to massify digital financial education and strengthen financial inclusion in the countries where we operate.

Public-Private Partnerships in 4 countries: Guatemala, Honduras, Costa Rica and Panama, have allowed us to establish agreements with Ministries of Public Education or governing bodies in education, to develop programs aimed at young high school students that, in addition to providing them with tools for the proper management of their personal finances, also offer technical training that expands their employability opportunities in financial positions, as well as their knowledge and skills for entrepreneurship and productivity.



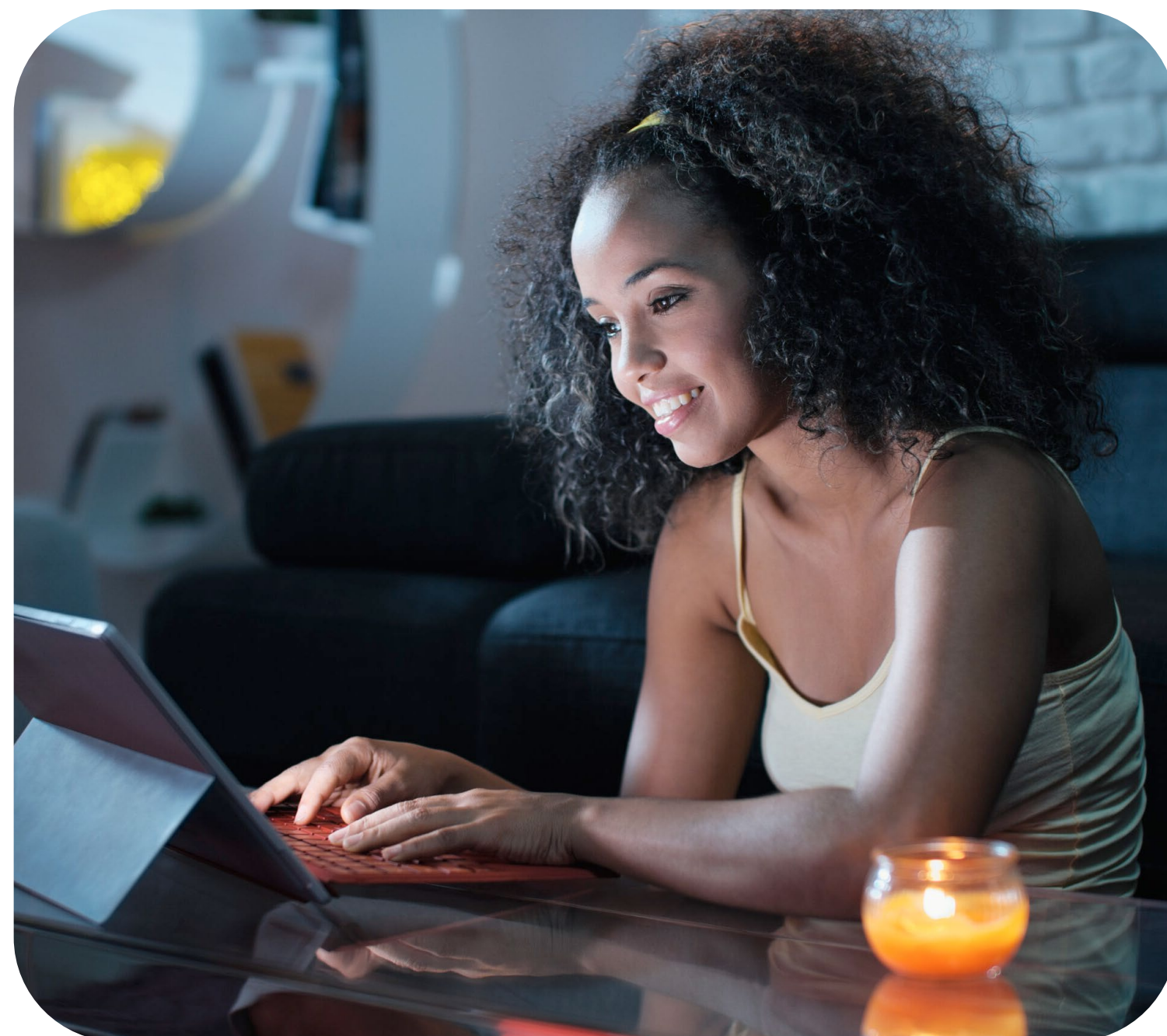
Number of people who received financial education training • End of 2024

	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica	Panama	Total for the region
2009 – 2023	195,968	269,135	210,485	105,804	535,272	107,446	1,424,110
2024	20,317	219,450	23,012	7,408	72,337	10,167	352,691
Accumulated	216,285	488,585	233,497	113,212	607,609	117,613	1,776,801

Conversion metrics

In our third consecutive year measuring the effectiveness of financial education training with specific topics related to the responsible use of financial products and services, we associate the decision to acquire or use a specific product with participation in training.

During 2024, we trained 352,691 people in financial education, of which 75% (265,936) people were trained under the approach linked to financial inclusion, reaching 51% of people who formalized a decision to use or acquire a service or product. This indicator is associated with the opening of programmed savings accounts, an increase in electronic transactions and the digitization of users through online banking.



Digital educational platform: *Finanzas Positivas*

We developed educational content in digital format with the purpose of strengthening and developing financial skills in different segments, in 2024 after the relaunch in 2023 of our digital education platform “**Finanzas Positivas**” that organizes the available content by segment with the purpose of improving the user experience, the way in which they consume educational content and the production of specific content according to their needs.

2024 platform stats

935K

Visits

591K

Users

HUMAN RIGHTS

We reaffirm our commitment to human rights, a fundamental pillar of our strategy and a manifestation of our corporate values.

In 2025, we created our Corporate Human Rights Policy, based on the UN Guiding Principles on Business and Human Rights and OECD guidelines.

We integrated a multidisciplinary team – composed of specialists in sustainability, compliance, procurement, communication and legal matters – which identified and prioritized potential human rights impacts, covering the bank’s direct operations, supply chain and Business Banking. Awareness workshops with local teams and sustainability specialists will be held soon to contextualize the identified risks and validate the preliminary prioritization.

The identification of risks was the basis for the creation of the matrix for prioritizing these risks, which allowed us to design the 2025-2026 Action Plan, focused on preventing, mitigating, and remedying human rights impacts through specific policies and robust monitoring systems. True to our commitment to transparency, we will publish the results of these assessments and the actions undertaken, ensuring alignment with international sustainability standards.

Roadmap Human Rights

2024

- Establishment of a multidisciplinary team
- Context identification
- Training workshops
- Development of a risk matrix
- Identification of potential impacts on human rights
- Review with local operations for the local context

2025

- Policy development
- Design of corrective actions and monitoring systems



Principle 3

Clients and customers

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





Client engagement

Describe how your bank has worked and/or plans to work with its customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the customer engagement strategy, including but not limited to identified impact areas/set objectives, customer awareness activities, relevant policies and processes, planned/implemented actions to support customer transition, selected indicators on customer engagement, and, where possible, the impacts achieved.

OUR CUSTOMERS

Our goal is to establish profitable and long-term relationships with our broad customer base, through our segmentation strategy to meet the specific needs of our individual clients.

Business Banking

We strongly believe in the power of collaboration and innovation to overcome the challenges businesses face in an ever-evolving world. Therefore, we develop strategic initiatives that address these challenges and position us as a key partner, providing security, trust and convenience to our clients.

The growth of more than 14.5% obtained in 2024 compared to 2023, reflects our management focused on innovation and the development of financial solutions adapted to the needs of the market.

MSMEs in Central America are the engine of the region's economy and in line with our purpose of generating prosperity in the communities we serve, it is essential to create value for these companies, since they not only generate economic value, but also contribute to social and environmental development.

By the end of 2024, we supported more than 250,000 entrepreneurs, to whom we provided financial and non-financial solutions. As a main result, the MSME segment experienced an 11% growth in the loan portfolio compared to the previous year.

Personal Banking

With more than 5 million clients, at Personal Banking we focus on offering comprehensive financial solutions to individual customers throughout Central America.

As of December 31, 2024, loans to individuals, including residential, vehicles, and consumer mortgages, accounted for 30% of the total loan portfolio. When incorporating the credit card portfolio, the total balance amounted to US\$14,2 billion, which is equivalent to 54% of the total credit portfolio. This solidifies our commitment to financing individuals.

Our Personal Banking operations include a wide range of products and services: savings and checking accounts, credit cards, time deposits, remittances, insurance, business and personal loans, brokerage services, structured financing, guarantees, mortgage loans, direct deposits, payroll services, and transfers.

These results reflect a constant focus on reviewing and evolving the product portfolio, aligned with market trends and customer expectations.

SUSTAINABLE MANAGEMENT OF OUR SUPPLY CHAIN

The relevance of our supply chain in the day-to-day of our operation commits us to responsibly manage these business relationships and promote the incorporation of environmental and social aspects within the contracting and evaluation processes of suppliers.

We have started a mapping process to learn in detail about our business partners, how they incorporate sustainability into their operations and how they consider applying the triple value principles in their businesses in the future, to recognize these efforts in our contracting processes.

As a short-term objective, we will integrate ESG criteria from both companies and initiatives that manage social or environmental impacts, as well as the use of products or services that have a lower environmental and social impact, into the evaluation of offers.



Business opportunities

Describe what strategic business opportunities in relation to increasing positive impacts and reducing negative impacts your bank has identified and/or how it has developed them in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support customers’ transition needs, the size of the sustainable finance portfolio in USD or local currency and/or as a percentage of your bank’s portfolio,* and the SDGs or impact areas where your bank strives to have a positive impact (e.g., green mortgages, climate, social bonds, sustainability (financial inclusion, etc.).

* Provide information on sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes.

SIMPLE, DIGITAL AND **SUSTAINABLE FINANCIAL SOLUTIONS**

Our goal is to offer products and services that not only make our customers’ lives easier (because they are simple and digital) but also allow them to adopt more sustainable practices and add not only economic value, but also environmental and social value.

We continuously work to identify market opportunities and the needs of our clients, to create competitive financial solutions, with differentiation in benefits, but also allow our Business Banking and Personal Banking clients to reduce their environmental impact, as well as to access financial solutions that promote social development for prioritized groups.

During 2022 and 2023 we analysed the market, created and launched our catalog of sustainable financial solutions, according to the context of each country where we operate, and during 2024 we implemented a robust strategy to promote and strengthen the placement of such solutions, with the aim of maximizing the value they add to the communities we serve.

Our portfolio of sustainable financial solutions is aligned with the other initiatives that are part of our Triple Value strategy, thus contributing to the strategic axes: Sustainable Finance, Climate and Nature and Communities.

	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica	Panamá
Impact + Environmental						
	Hybrid and electric vehicles					
	Sustainable construction (LEED, EDGE certified)					
	Solar Panels					
	Specialized value offering for green financing in Business Banking					
Impact + Social	Financing of Renewable Energy projects					
	MSME Segment					
	Women's Segment					
	Students					
	Affordable Housing					

Note: These correspond to credit products.

Our offer of sustainable financial solutions includes products other than loans, such as savings accounts, insurance, access to pension funds, assistance, aimed at the women’s segment. There are also additional products for the personal segment, such as remittances, and solutions for the MSME segment, such as capital advances and business debits. These solutions vary by country.



ALIGNMENT OF THE PORTFOLIO WITH ENVIRONMENTAL AND SOCIAL CRITERIA

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

We developed our Sustainable Finance Taxonomy, included in an internal guideline that establishes eligibility criteria for the identification of environmental, climate change, social and gender categories, based on the dynamic regulatory context of the countries where we operate, as well as local, regional and international taxonomies. We constantly carry out revisions, to guarantee their validity and alignment.

In 2024, some of the countries where we operate launched their Sustainable Finance Taxonomies, which are already integrated into the processes of updating our internal Taxonomy in BAC.

The countries that have their own taxonomies are the following

Developed by		Release Date
Costa Rica's Sustainable Finance Taxonomy	<p>Ministerio de Ambiente y Energía (MINAE), the Superintendencia General de Entidades Financieras (SUGEF), the Superintendencia General de Valores (SUGEVAL), the Superintendencia de Pensiones (SUPEN) and the Superintendencia General de Seguros (SUGESE). In addition, the document has the support of the Ministerio de Hacienda, and the Banco Central de Costa Rica (BCCR).</p> <p>In coordination with the United Nations Environment Programme Finance Initiative (UNEP FI), with technical support from Ambire Global, and financial support from the Green Climate Fund, through its Readiness Programme, and from the European Union, through the Euroclima Programme.</p>	August 2024
Panama's Sustainable Finance Taxonomy	<p>Superintendencia de Bancos de Panamá (SBP), the Superintendencia del Mercado de Valores (SMV), Superintendencia de Seguros y Reaseguros de Panamá (SSRP), and the Grupo de Trabajo de Finanzas Sostenibles de Panamá (GTFS).</p> <p>With the support of the Comité de Supervisión de la Taxonomía de Finanzas Sostenibles de Panamá, made up of the Ministerio de Ambiente (MiAmbiente), the Ministerio de Economía y Finanzas (MEF). The Technical Coordination of UNEP FI was involved.</p>	March 2024
CCBSO Regional Green Finance Taxonomy	<p>Secretaría Ejecutiva del Consejo Centroamericano de Superintendentes de Bancos, de Seguros y de Otras Instituciones Financieras (CCSBSO), the Comité Ad-hoc de Riesgos Ambientales y Sociales (CRAS). Technical assistance was provided by the International Finance Corporation (IFC).</p>	December 2024



Sustainable Finance Taxonomy



Positive Environment Impact

- ◆ Renewable energy
- ◆ Energy efficiency
- ◆ Clean transport
- ◆ Sustainable construction
- ◆ Waste management and emissions capture
- ◆ Circular economy
- ◆ Sustainable agricultural production
- ◆ Livestock
- ◆ Sustainable aquaculture
- ◆ Water supply and treatment sector
- ◆ Manufacturing
- ◆ Information and Communication Technologies
- ◆ Tourism



Positive Social Impact

- ◆ Social
- ◆ Women's MSMEs
- ◆ Specific programs
- ◆ Others



Gender Component

- ◆ Legal representation
- ◆ Shareholding
- ◆ Board of directors
- ◆ Senior management



Business banking

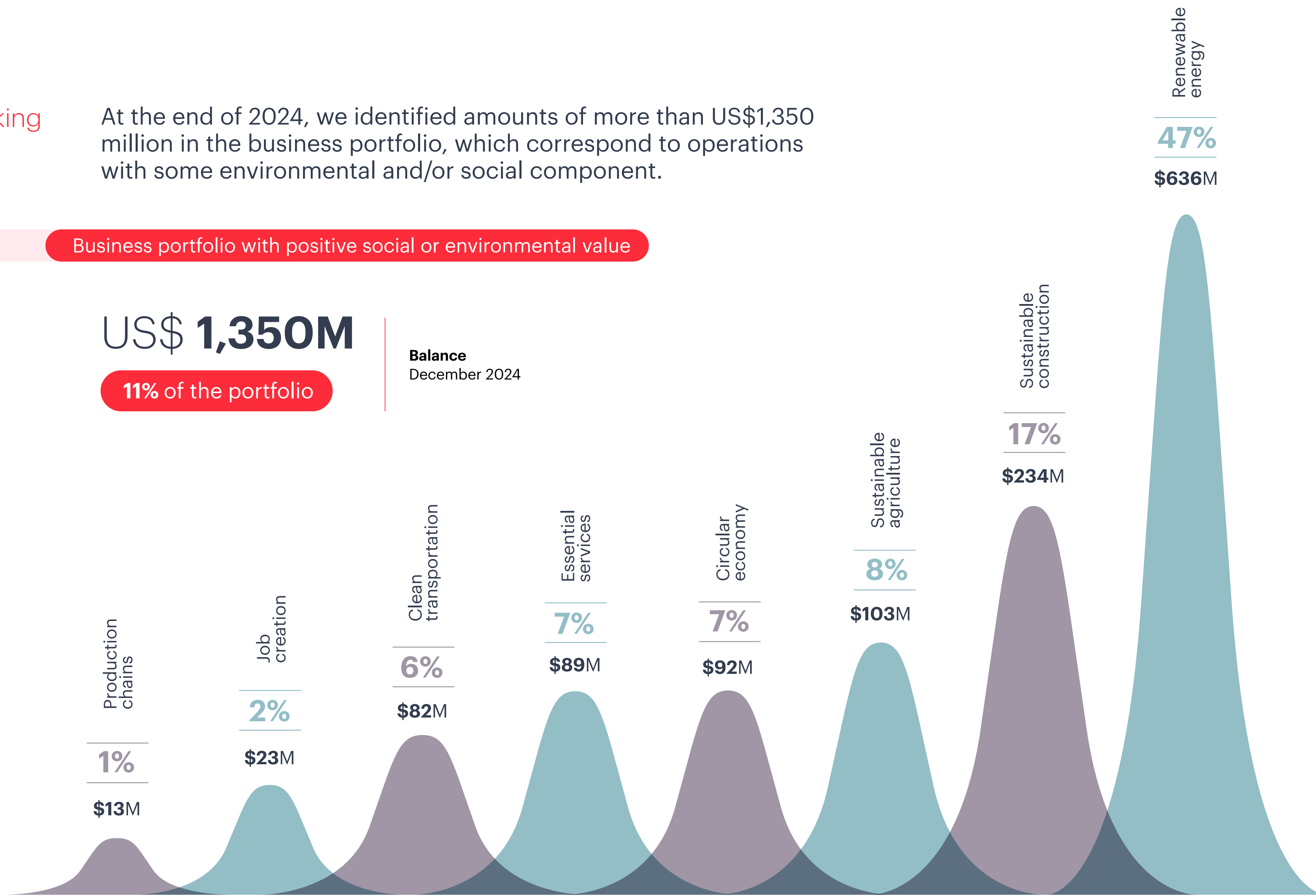
At the end of 2024, we identified amounts of more than US\$1,350 million in the business portfolio, which correspond to operations with some environmental and/or social component.

Business portfolio with positive social or environmental value

US\$ 1,350M

11% of the portfolio

Balance
December 2024





Consumer banking

With the portfolio of people, at the end of 2024 we identified products that contribute to the attention of the women's segment, offering them differentiated benefits to contribute to the development of the different stages of their lives, with credit products for housing and vehicles. We expand the financing offer that makes it easier for our customers to adopt more sustainable practices, such as the use of clean energy in their homes and transport with lower emissions generation (electric or hybrid). We also offer credit solutions with social impact, such as affordable housing.

Affordable housing
40%
\$135M

Clean transportation
31%
\$105M

Programs aimed at women
27%
\$90M

Personal banking portfolio with social and environmental value

US\$ 340M
4% of the portfolio

Balance
December 2024

Green mortgages
2%
\$7M

Solar panels
0.3%
\$990K

Study
0.1%
\$253K



CIRCULAR ECONOMY AND SUSTAINABLE MOBILITY

BIO Card

As a second phase to the innovative launch in 2023 of our BIO card with MasterCard; in 2024 we added our VISA and American Express brands, with which we managed to incorporate more loyalty programs in each country, to this initiative in which we replaced traditional cards with PLA (polylactic acid) cards, made with 82% material derived from inedible corn and whose production process requires 26% less energy and emits 66% less greenhouse gases compared to petroleum-based plastic.

During this period, in each country and through specialized organizations, we carried out several pilots, with the support of multiple tests from scientific laboratories of the Center for Research in Natural Products CIPRONA of the University of Costa Rica, the National Nanotechnology Laboratory LANOTEC, among others; we work on the search for safe and replicable procedures, to separate the different materials that make up the card (antenna, chip, PVC and PLA) and validate the compostability of the material, which has allowed us to adjust the processes and define the procedure for the correct management of this type of material in the following years. This procedure has been described in an Operational Manual that will allow us to train external partners in this novel process of separating materials from the cards, as well as composting them.



During 2024, more than 174 thousand BIO cards were delivered to BAC Group customers throughout the region, of all our brands VISA, AMEX and MasterCard. This has allowed us to have more than 412 thousand BIO cards distributed and used in the region to date since our launch in 2023.



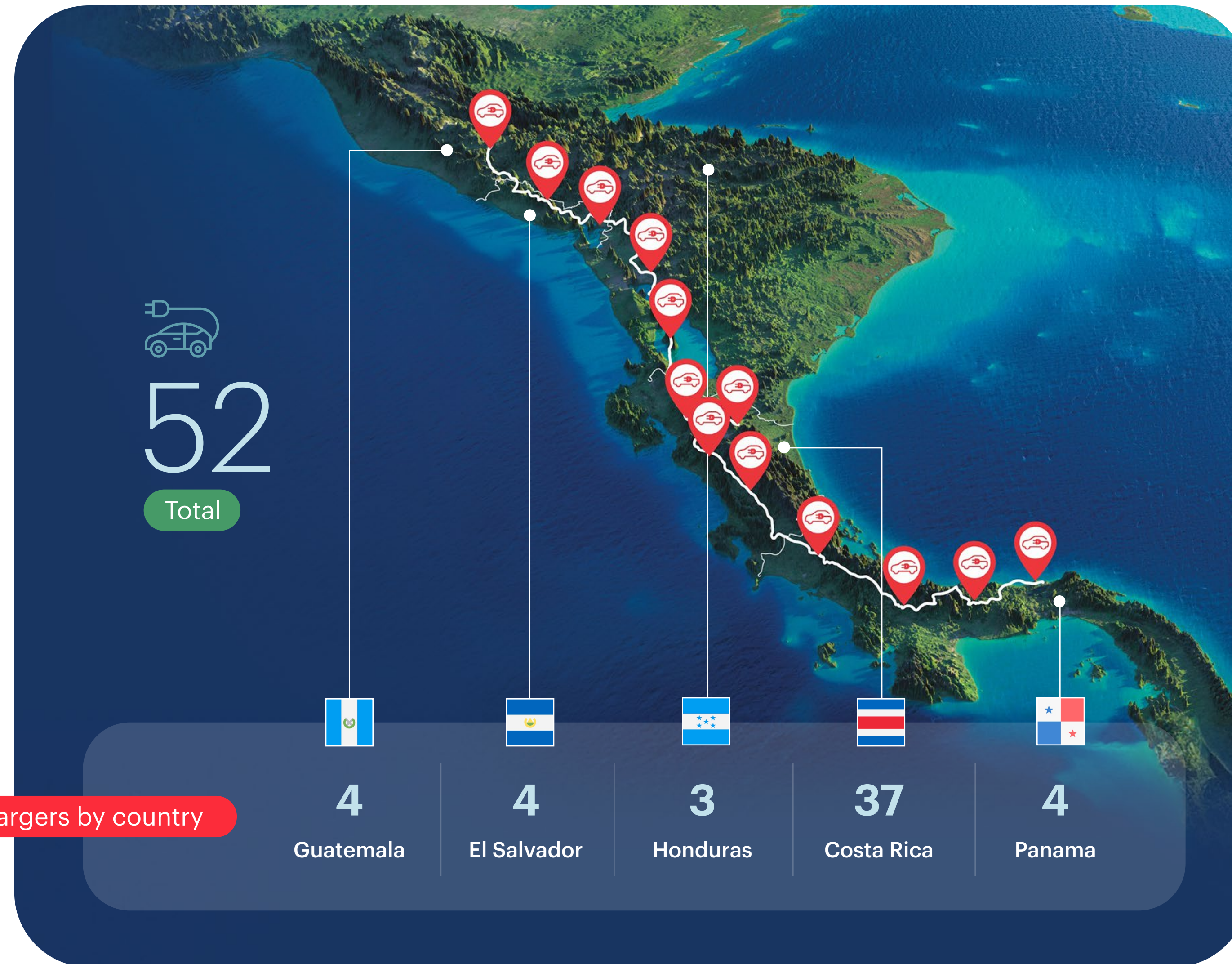


BAC Electric Route

In 2024, the Central American BAC Electric Route has continued with the installation of charging stations for electric vehicles, which allowed us to close the year with 52 electric chargers for free use.

Our charging stations registered more than 18 thousand sessions, accumulating since their installation, more than 27 thousand charging sessions throughout the region, with more than 40 thousand hours of use, which has allowed us to provide more than 240 thousand KWh of energy not only to our customers but to Central American society in general, allowing them to travel more than 1.9 million kilometers on the various roads of our countries. This effort allowed us to be recognized by the Latin American Association of Sustainable Mobility ALAMOS, as one of the companies leading the change towards zero-emission mobility.

Distribution of chargers by country





DIGITAL SERVICES THAT PROMOTE **FINANCIAL INCLUSION AND HEALTH**

Digital transformation continues to evolve, consolidating our digital services and strengthening an offering of innovative products that have a significant impact on the customer experience.

In 2024, we made substantial progress in linking new customers and expanded the alternatives to access 100% digital services. The mobile application was consolidated as the preferred channel for users, thanks to the incorporation of new functionalities and an optimized interface. This approach has accelerated the digitization of customers, reaching 62% of frequent users on digital channels, an increase of 5 percentage points compared to 2023.

This change reflects less reliance on face-to-face channels, with customers valuing the convenience, immediacy, and efficiency of digital services.

The growth in digital adoption has also driven increased demand for customized solutions. Leveraged on cutting-

edge technology, we innovate to offer tools that allow customers to have greater control of their finances from their devices. In a dynamic and highly competitive market, the challenge has been constant; However, we have listened to our users and work in collaboration with the best experts in the sector.

In 2019, 76% of customer transactions were conducted through digital channels. By 2024, this figure reached 95%, running mainly on platforms such as ATMs, Online Banking, Rapibac and Mobile Banking.

These results consolidate us as a regional leader in digital innovation, surpassing our competitors and setting a benchmark in the financial industry.

We are committed to continuing to consolidate our leadership in digital experience, ensuring that our customers continue to enjoy solutions that are efficient, secure and aligned with their evolving needs.





Principle 4

Stakeholders

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





Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, participated in, collaborated with, or partnered with in order to implement the Principles and improve your bank's impacts. This should include a high-level overview of the bank's engagement strategy following the criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/outcomes achieved, and how they were incorporated into the action planning process.

OUR **STAKEHOLDERS**

Our stakeholders are those people, social groups and organizations, whom we could significantly impact by our activities, products and/or services, and/or whose actions could impact our ability to successfully develop the strategies defined to achieve our objectives.

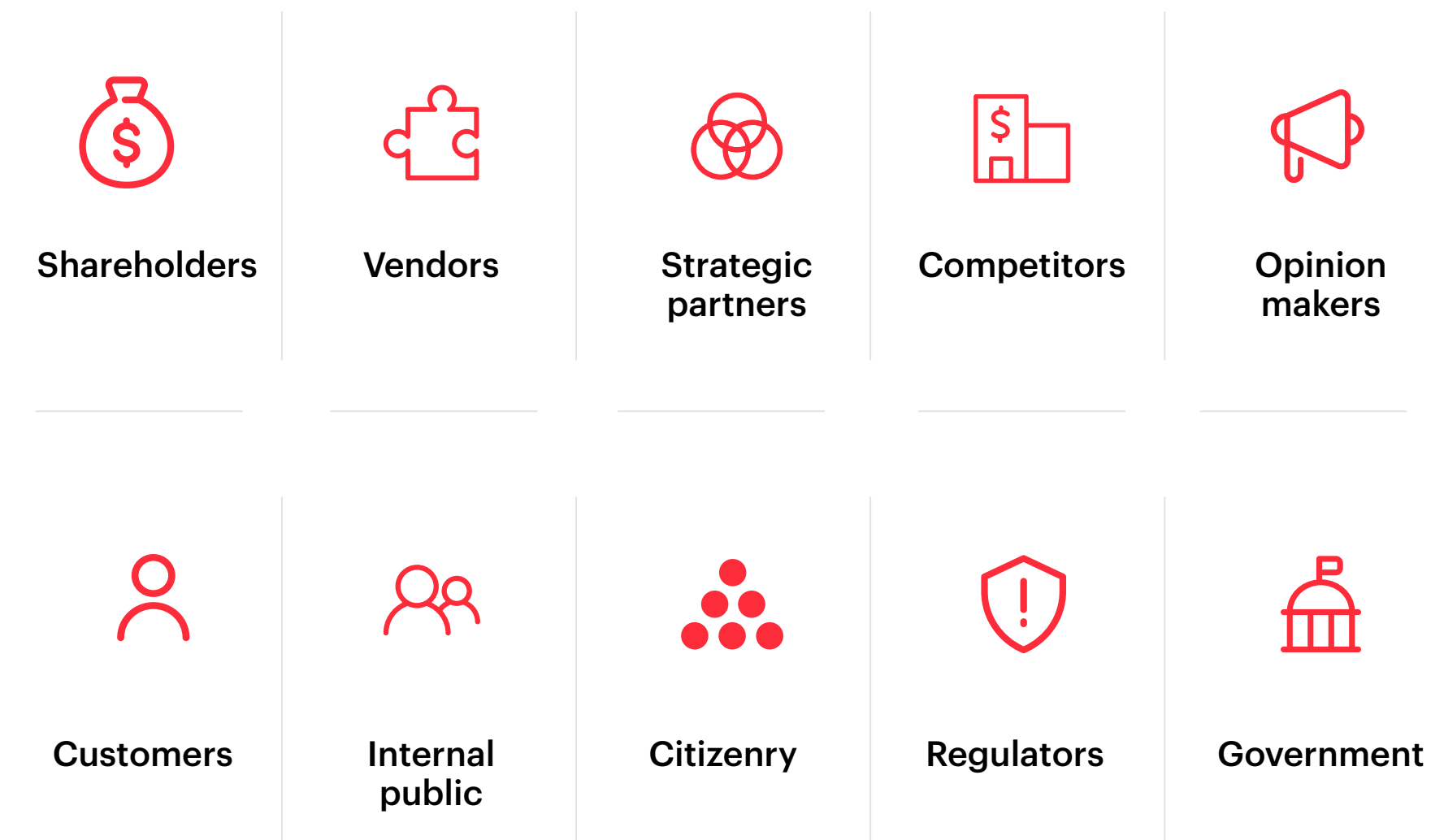
To identify our stakeholders, we analyse the components of our value chain, using the following methodology:

- 1 Identification of risks deriving from each value creation process and new emerging stakeholders.
- 2 Information consolidation, validation, and analysis.
- 3 Graphic reproduction of the main process flows for creating economic value.
- 4 Identification of the main stakeholders related to each process.
- 5 Practical workshops with leaders and executives responsible for these processes.
- 6 Identification of these stakeholders' key persons, both physical and juridical

We periodically review these results to ensure their validity and validate the level of engagement of each stakeholder in our main value generation processes, examining their level of influence and relevance.

With these reviews, we fine-tune the mapping of our stakeholders and deliver on our commitments to transparency and accountability. This also allows us to better understand their expectations and identify possible impacts or issues of concern to them about our company.

Our most recent map is made up of the following categories:





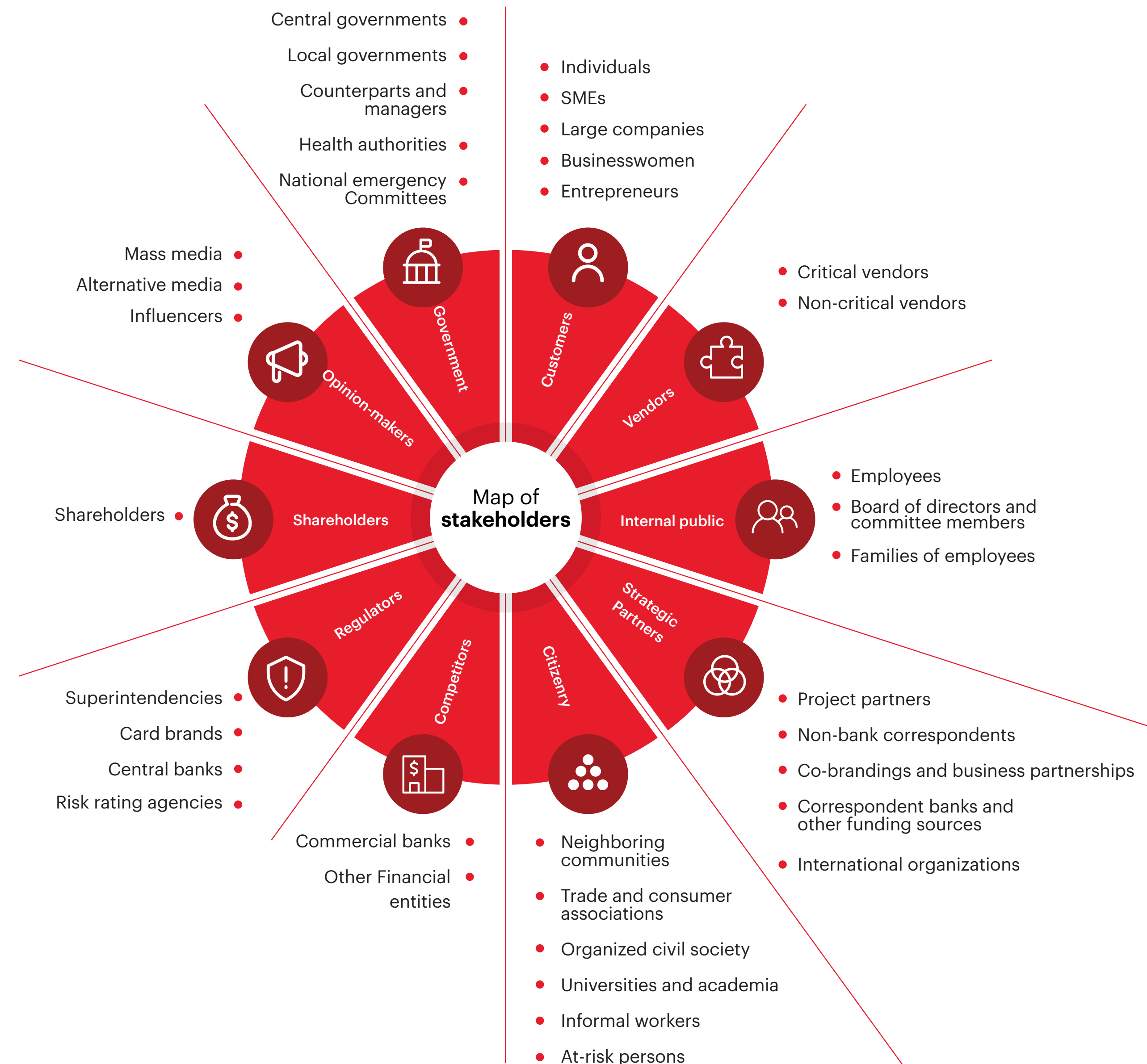
CONSULT OUR STAKEHOLDERS

In 2024, for the fourth consecutive year, the measurement of BAC's reputation at the regional level was carried out, which consists of a reputational assessment instrument based on a multi-stakeholder methodology composed of six evaluations and more than 20 sources of information.

This study also analyses BAC's leadership in the financial sector in each of the countries where we operate. It includes a business ranking by country and an analysis of key variables from different management areas: Sustainability, Brand and reputation, Economic-financial results, Quality of the commercial offer, Talent, Ethics, Transparency, Corporate responsibility, International dimension of the company, Innovation, the company Innovation, etc.

Surveyed publics

- | | | |
|------------------|-----------------------|-------------------------|
| ✓ Directors | ✓ Government | ✓ BAC Employees |
| ✓ Journalists | ✓ Financial analysts | ✓ Unions |
| ✓ NGOS | ✓ Corporate customers | ✓ Consumer associations |
| ✓ General public | ✓ Retail customers | ✓ Business professors |

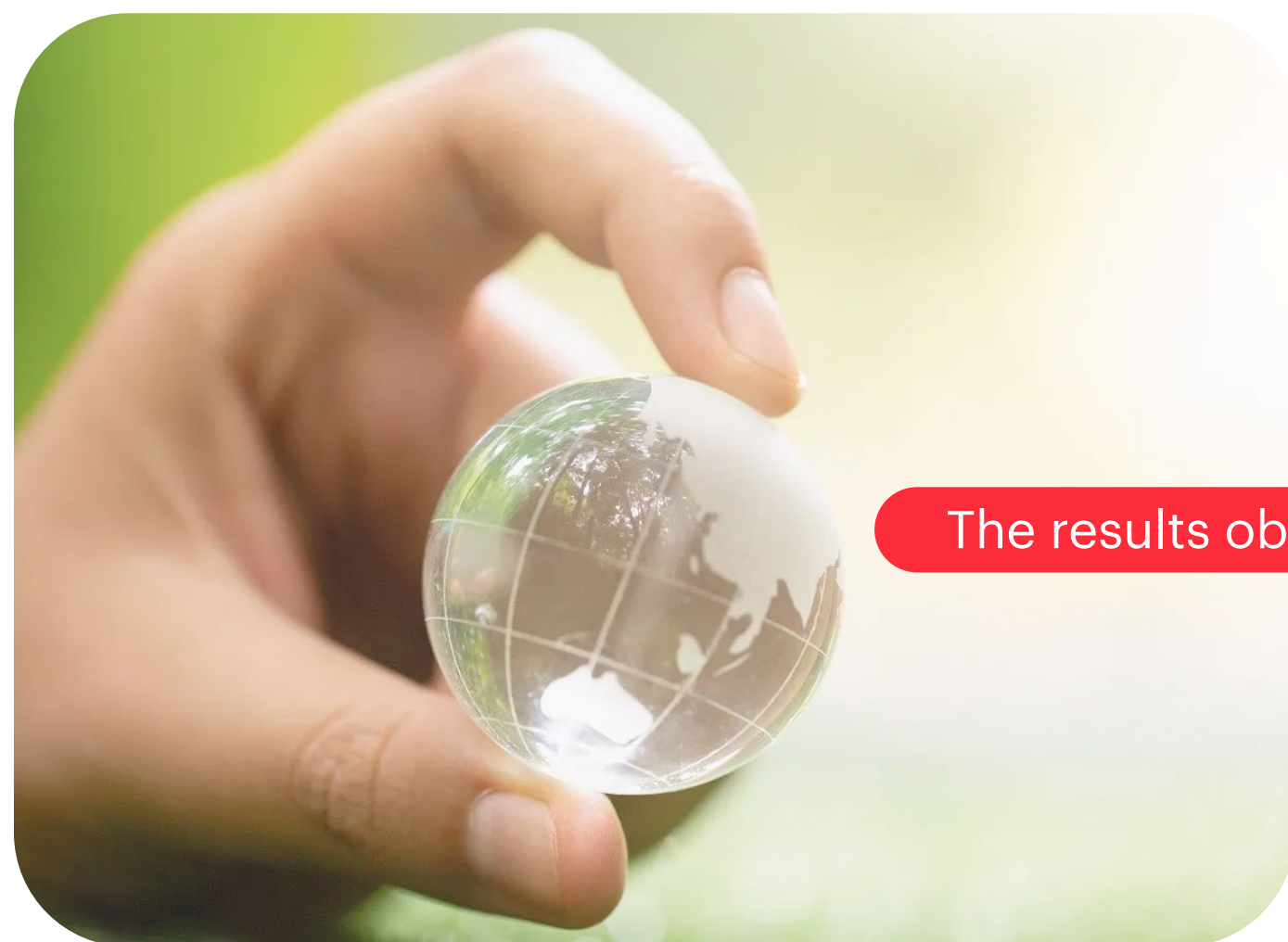




MERCO ESG Ranking

This ranking measures the performance of companies in issues related to the environmental impact of their operations and products, considers the relationship of companies with their employees, customers, community and society in general, and analyses the transparency, ethics and good corporate governance of the company in its decision-making and management processes.

The 2024 study carried out by Merco (Corporate Reputation Business Monitor), the first audited monitor in the world, has an independent review of the process and results by KPMG, in accordance with the ISAE 3000 standard, included the application of 22,185 surveys.



The results obtained were as follows

Banking Sector Position

 **2**

Guatemala

 **2**

El Salvador

 **1**

Honduras

 **1**

Costa Rica

 **6**

Panama

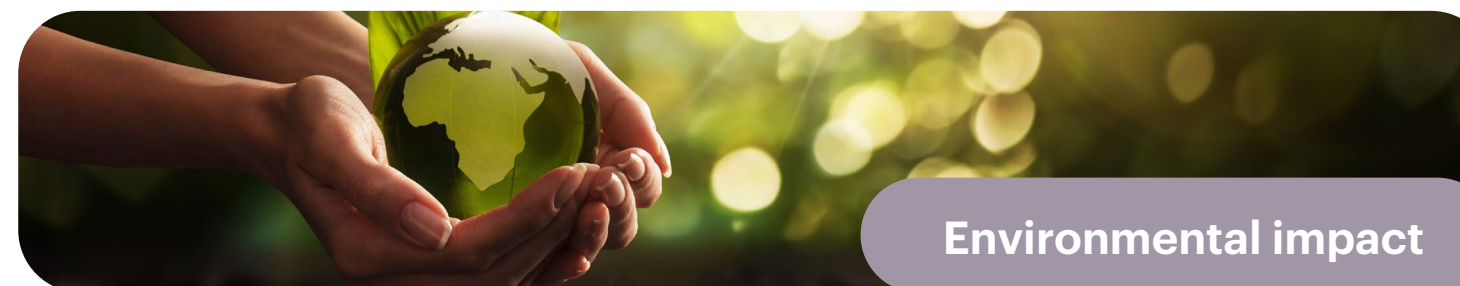




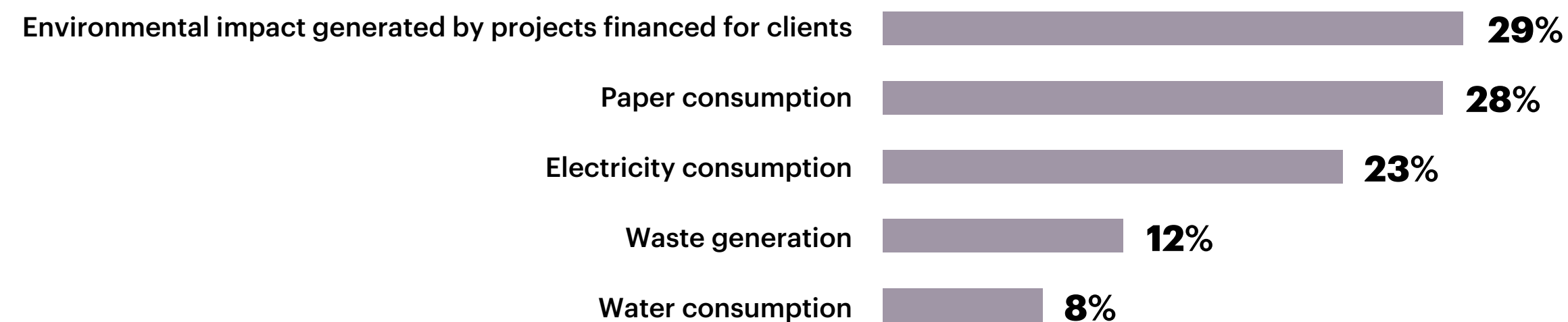
CONSULTING CLIENTS ON **PRIORITIZING ENVIRONMENTAL AND SOCIAL ISSUES**

In 2024, we incorporated in the satisfaction survey (relational NPS) carried out by our clients, queries related to the main initiatives that we execute as part of our corporate strategy, with the aim of identifying the prioritization in terms of impact considered by this target audience.

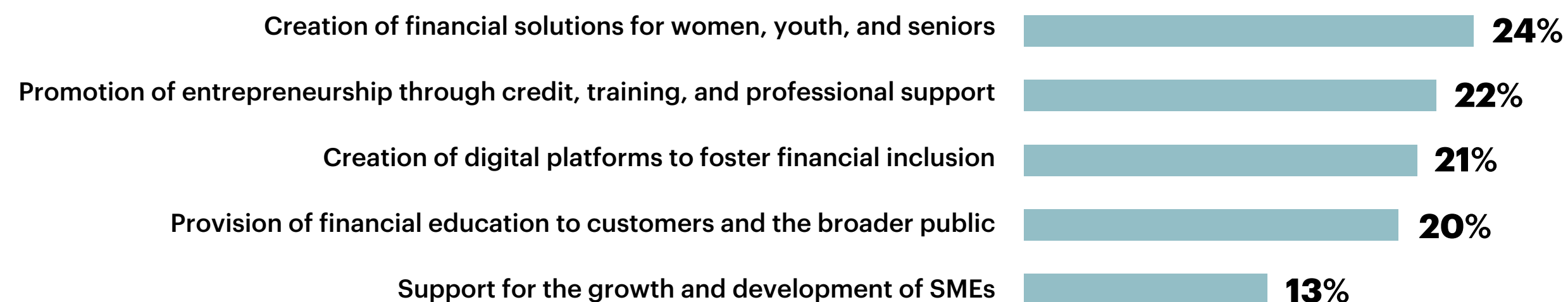
A total of 16,989 customers answered queries related to environmental impact and 17,639 those associated with social impact, obtaining the following results



Environmental impact



Social impact



The information is of great relevance to guide the efforts we make at BAC in the fulfillment of our Triple Value strategy, listening to the expectations and interests of our customers.



STAKEHOLDER ENGAGEMENT

We have established a range of information, consultation and dialogue mechanisms, which allow us to interact at different levels with our stakeholders:



1 Level 1 Information mechanisms

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

2 Level 2 Consultation mechanisms

- Customer service studies, reputation studies, surveys, focus groups, and others.
- Transactional and relational surveys to evaluate NPS: Net Promoter Score
- Organizational climate assessment
- Employee voice program, eNPS, pulse surveys
- Innovation system, contests.

3 Level 3 Dialogue mechanisms

- Call centers
- Voice of the Customer (VoC) program
- Web chats, email, online contact forms
- Ombudsperson program, ethics line
- Social media:
 - BACCredomatic
 - baccredomaticnetwork
- Formal and informal meetings, conferences, talks, and workshops
- Dialogue tables with internal and external stakeholders

4 Level 4 Participation mechanisms

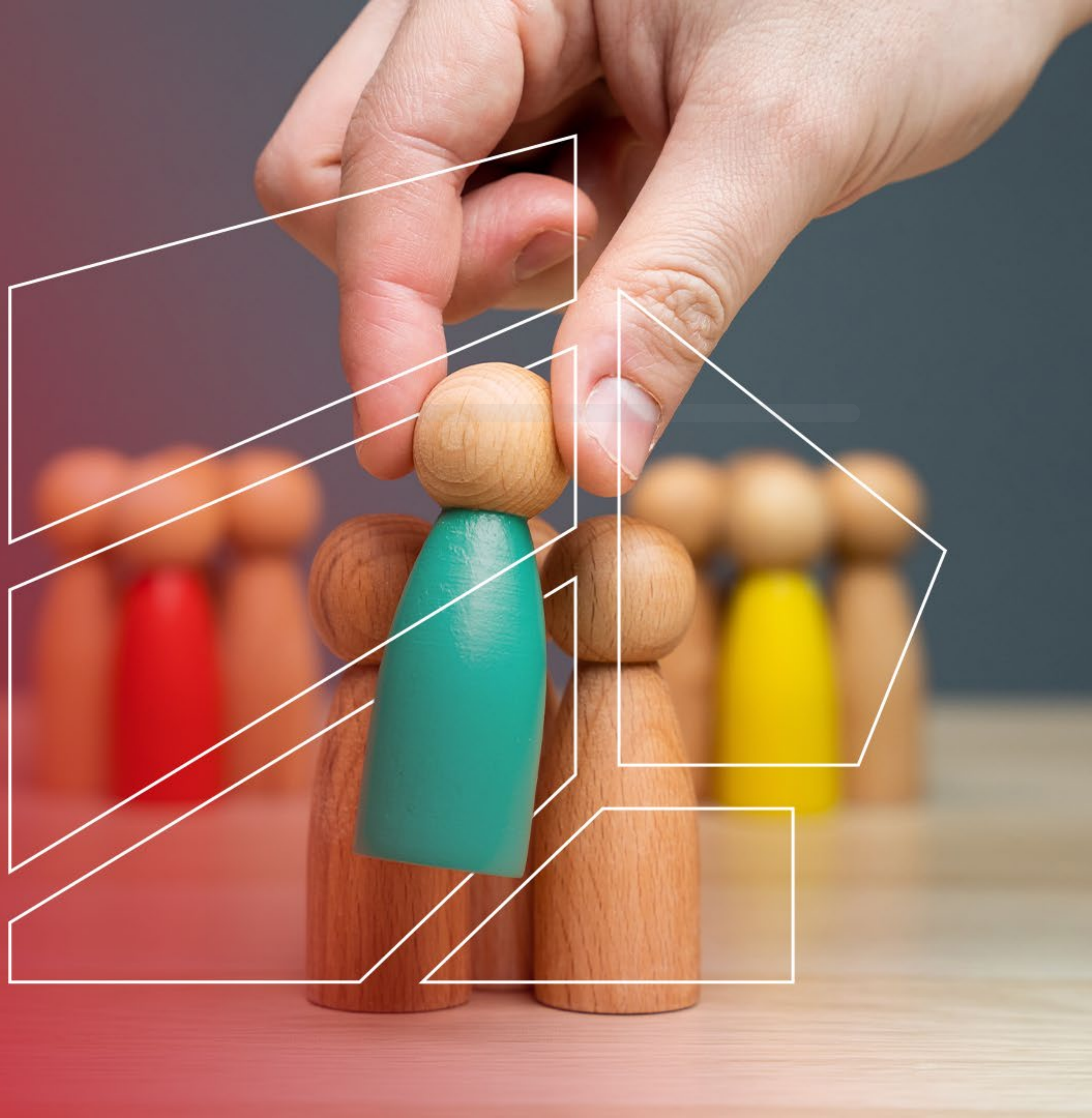
- Prototyping with clients
- Building capacity through consulting, co-creation, and networking
- Ideas campaign



Principle 5

Governance & culture

We will implement our commitment to these principles through governance and the culture of responsible banking.





Governance structure for the implementation of the Principles

Describe the relevant governance structures, policies and procedures that your bank has put in place or plans to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined sustainability roles and responsibilities in internal processes, etc.) and to support the effective implementation of the Principles.

GOVERNANCE STRUCTURE

To protect the interests of our company, shareholders and customers, we have a solid corporate governance structure. This includes boards of directors, senior management, committees and control bodies, both at the corporate level and in each country where we operate. Their role is to oversee management, monitor value generation, and ensure the efficient use of resources.

Corporate governance bodies are responsible for defining the main policies and strategies of the organization. They also guarantee that it operates with integrity, ethics, and in compliance with current laws and regulations, which ensures the quality of financial solutions.

A key element of the corporate governance system is a commitment to risk management, compliance and auditing. These areas operate independently of the business units and report directly to the corporate governance committees and the Board of Directors. While the Risk and Compliance areas act as the second line of defense, the Audit, also known as Corporate Controllershship, represents the third line of defense. This commitment is reflected in the promotion of a culture of compliance and efficient control throughout the organization.

The Corporate Governance Code establishes the framework for BAC's action, management and control. It explicitly details the scope, responsibilities, composition, regulations, provisions and policies applicable to corporate governance bodies, as well as the control mechanisms to ensure compliance.

The corporate governance structure is aligned with international best practices and rigorously respects local regulations. Each corporate governance body plays a specific role in contributing to the fulfillment of strategic objectives and ensuring transparency with stakeholders.



The Board of Directors defines and approves guidelines to achieve strategic objectives, manage risk, and ensure compliance with BAC's values. Its purpose is to generate value for shareholders, customers and other stakeholders, ensuring compliance with regional standards and codes.

It is responsible for making decisions in economic, environmental and social matters, acting as the main administrative, management and supervisory body of the entity. Its functions include monitoring the strategic plan, approving policies, directing, evaluating and managing risks, as well as aligning with the institutional values of the subsidiaries.

The Board of Directors is made up of directors with extensive experience in the Central American region and in the banking industry.



The CEO, as the organization's chief executive, designs and directs the strategy, ensuring the resources necessary to maintain high standards of quality and compliance.

The executive chairman of each country manages the local operation and manages the relationship with regulators and customers.

Corporate vice presidents oversee the regional operation, evaluate performance, monitor management, and propose policies and standards aligned with international best practices.



They ensure the execution of the strategy, contribute to local market knowledge and supervise the entity's risk concentration limits, complying with the applicable regulations in each jurisdiction.

The sessions are attended by the directors of the Board of Directors, the CEO, and external and invited advisors, as needed.



GOVERNANCE BODIES

Each corporate governance body has a specific function to comply with strategic objectives and to guarantee transparency to shareholders.



1 Regional Audit Committee

It advises the Board of Directors in the supervision of the quality and integrity of BAC's financial reports, aimed at shareholders, investors and customers. In addition, it assesses the effectiveness of the parent company's internal control system, governance measures and risk management. It also reviews and supervises the performance of external and internal audits.

2 Regional Committee for Integrated Risk Management

It provides advice to the Regional Board of Directors in the definition and compliance with guidelines, processes, methodologies and controls for the comprehensive management of BAC risks. It oversees risk management in all the countries where it operates, including SARAS (Environmental and Social Risk Analysis System).

3 Regional Compliance Committee

It advises the Regional Board of Directors in the supervision of the risk management system associated with the legitimization of assets, financing of terrorism and proliferation of weapons of mass destruction. It fosters a culture of compliance in all jurisdictions where BAC operates and ensures compliance with local compliance laws and regulations.

4 Regional Compensation and Appointments Committee

It defines the framework for the selection of members of the Board of Directors and external members of the corporate governance committees and ensures that the candidates meet the established requirements. He also supervises the design and operation of the remuneration system in BAC.

5 Regional Credit Committee

Evaluates and approves credits in accordance with the established attribution matrix. In addition, the Board of Directors has delegated to this committee the responsibility of making proposals to improve policies, processes, and procedures related to the approval of credits and provisions for uncollectible accounts.

6 Regional Committee on Assets and Liabilities (ALICO)

It advises the Regional Board of Directors in the definition and application of policies, methodologies and limits for the management of assets and liabilities, with the aim of mitigating liquidity risk, market risk and other financial risks.



GOVERNANCE OF ENVIRONMENTAL AND SOCIAL MATTERS

The organizational alignment of environmental and social issues, both at the regional level and in each of the countries where we operate, is led by a high-level body. The Sustainability Forum is the body responsible for advising the Board of Directors on the strategic approach that guides the implementation of responsible business practices and sustainability issues.

Duties and Attributions of the Sustainability Forum

- ◆ Collaborate and coordinate with Corporate Governance committees, issues related to responsible business practices and sustainability.
- ◆ Supervise and ensure the existence of processes for the identification, management, monitoring and control of risks and opportunities related to the sustainability of the business and the expectations of stakeholders.
- ◆ Supervise and evaluate the stakeholder relationship strategy, informing the Board of Directors about their interests and expectations in terms of social, environmental, responsible and ethical aspects of BAC.
- ◆ Supervise BAC's sustainability performance and in particular ensure that its governance, environmental and social practices are in line with the strategy and policies approved by the Board of Directors.
- ◆ Monitor BAC's actions to contribute to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations.
- ◆ Supervise and approve the incorporation of BAC in the most recognized international sustainability indices and certifications.
- ◆ To be informed and advise the Board of Directors about the latest trends and best business practices such as innovation, customer satisfaction, financial inclusion, responsible marketing, inclusion and diversity, non-discrimination, climate change and others related to the sustainability of the business and that contribute to social and economic development in the region.
- ◆ To assess BAC's sustainability situation, periodically reporting to the Board of Directors on the progress made in terms of responsible business practices and sustainability, providing advice, issuing reports and implementing procedures within its sphere of competence.
- ◆ Ensure the adequacy of the structure and functionality of sustainability management.
- ◆ Issue reports and develop actions that, in terms of sustainability, correspond to it, and in accordance with the Corporate Governance System or that are requested by the Board of Directors or its chairman.

EVALUATION AND COMPENSATION MECHANISMS

Consistent with best practices worldwide, we have evaluation mechanisms for all levels. In accordance with our strategic objectives, from the highest level, we have set out to measure our performance and that of our work team, not only in the economic dimension, but also in the environmental and social dimensions.

The evaluation of our leaders, from our CEO, executive presidents, corporate vice presidents, area vice presidents and managers, in their Balanced Score Card (BSC, performance evaluation tool), includes weights of up to 15% for environmental and/or social goals. The result of this evaluation is linked to the compensation of this management team.



TRIPLE VALUE GUIDELINE

Promoting a responsible banking culture

Describe your bank's initiatives and measures to foster a responsible banking culture among its employees (e.g., capacity building, learning and development, sustainability training for relevant teams, inclusion in compensation and performance management structures, and leadership communication, among others).

In line with the best practices of Corporate Governance and Management System, at BAC we have a document system detailing policies, guidelines and internal procedures.

We have a Guideline aligned with our business strategy, structured in five axes: Sustainable Finance, Ethical Conduct, Climate and Nature, Communities, Well-being.

The guideline contains higher-level information with guidelines, and we have operational manuals detailing each initiative related to the strategic axes, indicating the roles and responsibilities of each related party and the procedure for each of them, as well as the evaluation mechanisms we use to measure the progress of our Triple Value corporate strategy.





Risk and due diligence processes and policies

Describe what processes your bank has in place to identify and manage the environmental and social risks associated with your bank's portfolio. This may include aspects such as identifying significant/prominent risks, due diligence processes, mitigating environmental and social risks and defining action plans, monitoring and reporting on risks and any existing grievance mechanisms, as well as the corporate governance structures your bank has in place to oversee these risks.



CLIMATE CHANGE RISK MANAGEMENT

The climate risk management cycle was incorporated into the flow within the Risk Appetite Framework and the Risk Appetite Statement, which describe how the organization understands climate risk, the approach based on the maturity model and confers on the Integrated Risk Management Committee (GIR) the follow-up and monitoring, in support of the Vice-Presidency of Risks and the Sustainability area. These documents establish the responsibilities of the actors of the first, second and third lines of defense, and the involvement of the Higher Administration. It discusses in detail the expected roles of the Board of Directors, Comprehensive Risk Management Committee and CEO.

This is how the Comprehensive Risk Management Committee, in its responsibility for supervision and monitoring, approved in February 2022, the Climate Risk Maturity Model, which, aligned with the dimensions of the Task Force on Climate-Related Financial Disclosures, TCFD, establishes a guide to define the activities that allow the organization to move forward based on strategic objectives related; and at least once a year, it reviews, updates and redefines specific plans and managers to reflect progress.

Maturity Model

The development of this maturity model is composed of four main sections, categorized into four levels of maturity, with defined actions, deadlines and responsible parties, allows us to monitor our progress and report regularly in Regional Committees for Integrated Risk Management, Regional Credit Committee and Board of Directors.



To be developed
Partially established
Established
Advanced

Maturity Model for Climate Risk Management

Governance

Governing and supervisory bodies					Include proposal for climate risk monitoring indicators in the alert dashboard	GIR	Established	Short
Relevant stakeholders					Strengthen policy development	Credit risk	Advanced	Medium

Strategy

Coherent business strategy					Implementation of action plans to demonstrate progress towards meeting reduction targets	Sustainability	Advanced	Long
Risks and opportunities in business development					Identify, assess, and manage physical and transition risks in loan portfolios	Credit risk Sustainability, GIR	Established	Long
Identification of operations					Continuously improve the identification process of the portfolio with positive environmental and social impact	Sustainability	Advanced	Long

Risk management

Risk management policies and models					Expand risk management policies with climate risk aspects	Credit risk	Established	Medium
Diferent types of analysis in management					Develop stress tests on investment and credit portfolios that include climate factors	Credit risk Sustainability, GIR	Established	Medium
Defined risk appetite level					Define climate risk monitoring indicators	GIR Credit risk Sustainability	Established	Medium
Sustainability and financial continuity					Design a quantitative climate risk assessment model	Credit risk Sustainability, GIR	Established partial	Medium

Reporting and disclosure

Adoption of reporting and disclosure initiatives					Reporting will continue to be conducted under the GRI, SASB, TCFD, PRB, NZBA, PCAF, Global Compact, and DJSI standards.	Sustainability	Advanced	Short
Disclosure of goals and metrics					Portfolio decarbonization targets and their respective progress will continue to be disclosed	Sustainability	Advanced	Short



ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Our Environmental and Social Risk Analysis System (SARAS, by its acronym in Spanish), designed to proactively identify, assess and manage the environmental and social risks associated with the activities and projects we finance, incorporates sustainability criteria into the credit risk analysis and ensures that financing decisions are aligned with the organization’s principles of environmental and social responsibility.

Our SARAS policy is based on three fundamental pillars

1

Exclusion list

Definition of activities that BAC does not finance due to their negative impact on the environment or society.

2

Evaluation of credit applications

Application of an exhaustive analysis to all credit applications over US\$1 million, without distinction of country, type of credit or investment sector.

3

Classification of projects according to their environmental risk

Segmentation into three categories, according to the level of potential impact.

Risk “A”

High probability of causing significant adverse effects on the environment.

Risk “B”

Moderate negative impact, minor compared to category “A”.

Risk “C”

Minimal or no probability of generating environmental effects.

As of December 31, 2024, the portfolio of companies reached a total of US\$10,808 million, distributed as follows:



US\$2,057 million
classified as “A” risk.

US\$2,120 million
classified as “B” risk.

US\$5,384 million
classified as “C” risk.

US\$1,247 million
did not require evaluation
under the SARAS process.

Distributed as follows

	 Guatemala	 El Salvador	 Honduras	 Nicaragua	 Costa Rica	 Panama	Regional
Risk A	265	241	418	303	782	48	2,057
Risk B	836	163	353	109	324	336	2,120
Risk C	916	468	547	359	1,342	1,752	5,384
No Required	180	164	265	49	412	177	1,247
Total	2,197	1,036	1,583	820	2,860	2,312	10,808

We reaffirm our commitment to sustainability by integrating a structured approach to environmental and social risk management, ensuring that our financial decisions contribute to the responsible development of the region.



Principle 6

Transparency & accountability

We will periodically review our individual and collective implementation of these principles, to be transparent and accountable for our positive and negative impacts and our contribution to societal goals.





The information provided in the Responsible Banking Progress Statement is sufficient. If a third-party warranty has been conducted, please provide details about the scope of the warranty and reference/link to the Independent (Limited) Warranty Report

ASSURANCE

In August 2024, in compliance with the requirements established on the date of implementation of the Principles for Responsible Banking, the external assurance audit process of requirements 2.1, 2.2, 2.3 and 5.1 was carried out.

The results are detailed in the annex “Audit Report of the Principles for Responsible Banking”.



METHODOLOGY AND STANDARDS USED FOR REPORTING

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

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

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

In 2024 we conducted the Dow Jones Sustainability Index Corporate Sustainability Assessment for the second time, and in 2025, we will conduct our third assessment. You can find the results of our assessment by clicking here: [BAC Holding International Corp. ESG Score](#)



Annexes





Audit Report on the Principles for Responsible Banking

August 2024



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.

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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.
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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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Principles for
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2025