



Principles for **Responsible Banking**

Third report

Banco Promerica 

Banco Promerica 

República Dominicana

Banpro 
Grupo Promerica

Nicaragua

St. Georges Bank 
Grupo Promerica

Islas Caimán

Panamá

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Report **presentation**



At Banco Promerica Guatemala, we reaffirm our commitment to being a responsible bank, aligned with the Sustainable Development Goals (SDGs) and the United Nations Principles for Responsible Banking. This third edition of our report reflects the strategic progress made in integrating sustainability into our business model and the challenges that drive us to continuously adapt to a dynamic and challenging environment.

During the last period, we expanded the scope of our impact analysis to **100%** of our active portfolio, established **SMART objectives** in key areas such as social and green financing, and strengthened our governance structure with the implementation of the **SARAS 3.0 system**. These achievements are the result of a clear institutional vision, a committed organizational culture, and a cross-cutting sustainability strategy.

This report not only represents an exercise in accountability but also a roadmap to continue generating shared value, mitigating risks, and actively contributing to the sustainable development of the communities where we operate.



Principle 1:

► Alignment

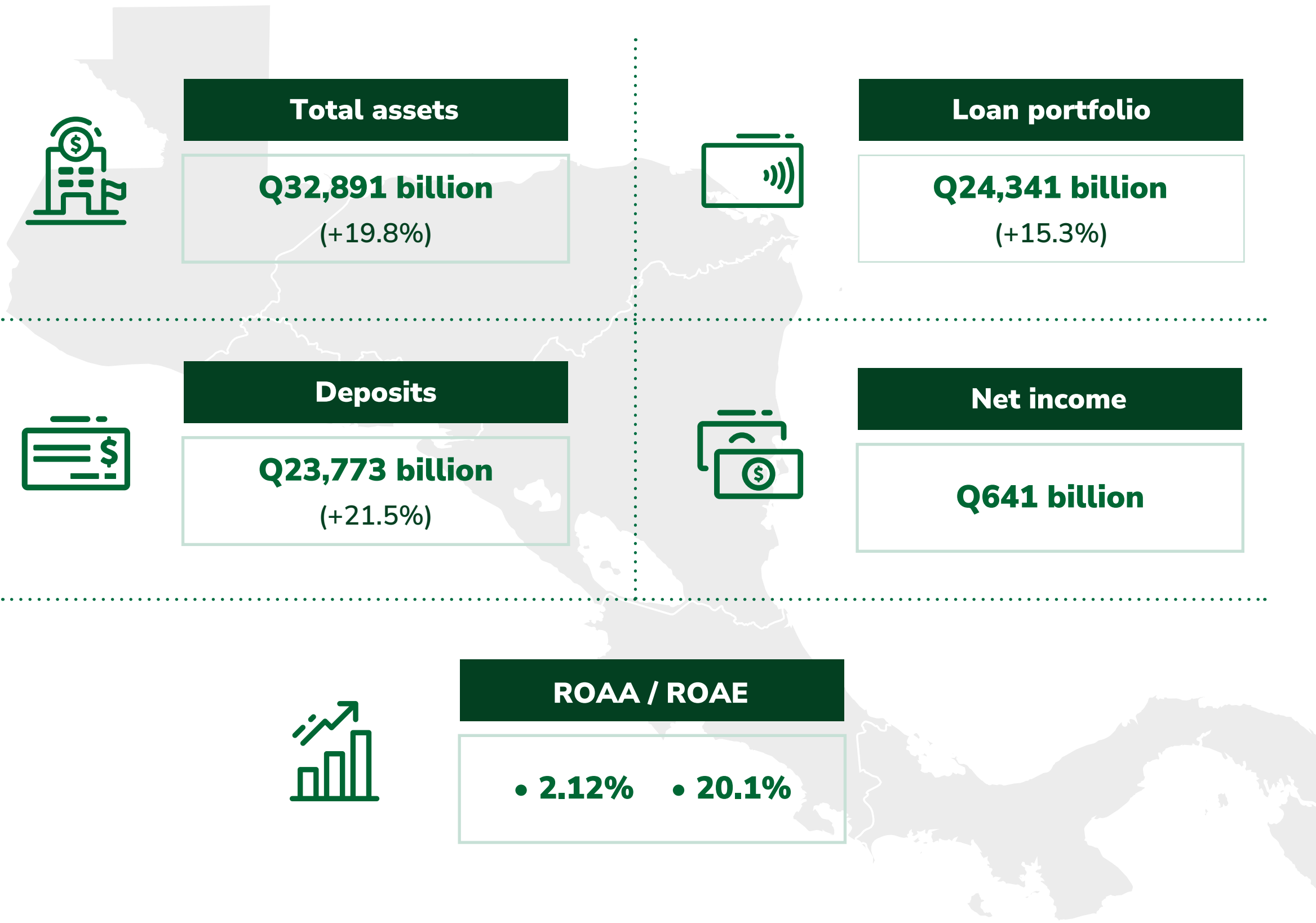
We integrate sustainability at the core of our institutional strategy, ensuring that our decisions, products, and services are designed to generate value for society and the environment, in alignment with the Sustainable Development Goals (SDGs), the Paris Agreement, and relevant national and international regulatory frameworks.

1.1. Business Model

Provide a high-level description of your bank’s business model, including the main customer segments served, the types of products and services offered, the key sectors and types of activities, and, where relevant, the technologies financed in the main geographies where your bank operates or offers products and services.

Banco Promerica Guatemala is a financial institution that is part of Grupo Promerica, with regional presence in nine countries across Central America, South America, and the Caribbean.

Our business model is based on relationship banking with a client-centric approach and a comprehensive portfolio of financial products and services that promote sustainable economic development.



Our loan portfolio is primarily composed of consumer products and credit cards (64%), business loans (31%), productive credit (3%), and housing loans (2%).

This distribution reflects a diversified approach that enables us to serve both individual consumption and the growth of the productive sector.

We serve a broad client base through tailored solutions for:

Individuals:

- Savings and checking accounts
- Credit and debit cards
- Personal and mortgage loans
- Digital services and mobile banking

Small and Medium Enterprises (SMEs):

- Working capital loans
- Business credit cards
- Digital collection and payment services
- ProPay digital platform

Corporations and large enterprises:

- Structured financing
- Leasing and credit lines
- Trust and investment services
- Foreign trade solutions

Institutional clients and strategic alliance:

- Fund management
- Issuance of sustainable bonds
- Green and social financing programs



1.2. Strategy Alignment

Sustainability is a cross-cutting axis in Banco Promerica Guatemala’s corporate strategy. Our business vision acknowledges that economic growth must be accompanied by positive social impact and responsible environmental management. For this reason, we have integrated sustainability principles at all levels of the organization—from strategic planning to day-to-day operations.

Sustainable Business

The bank has made progress in implementing mechanisms that allow for the measurement and monitoring of its contribution to the Sustainable Development Goals (SDGs), based on its three strategic pillars: sustainable business, social investment, and institutional leadership. This measurement not only helps identify the impact generated but also guides decision-making toward continuous improvement.

We have also strengthened oversight of funding sources and resource allocation, ensuring clear traceability between the funds raised and their application in projects aligned with sustainability principles.

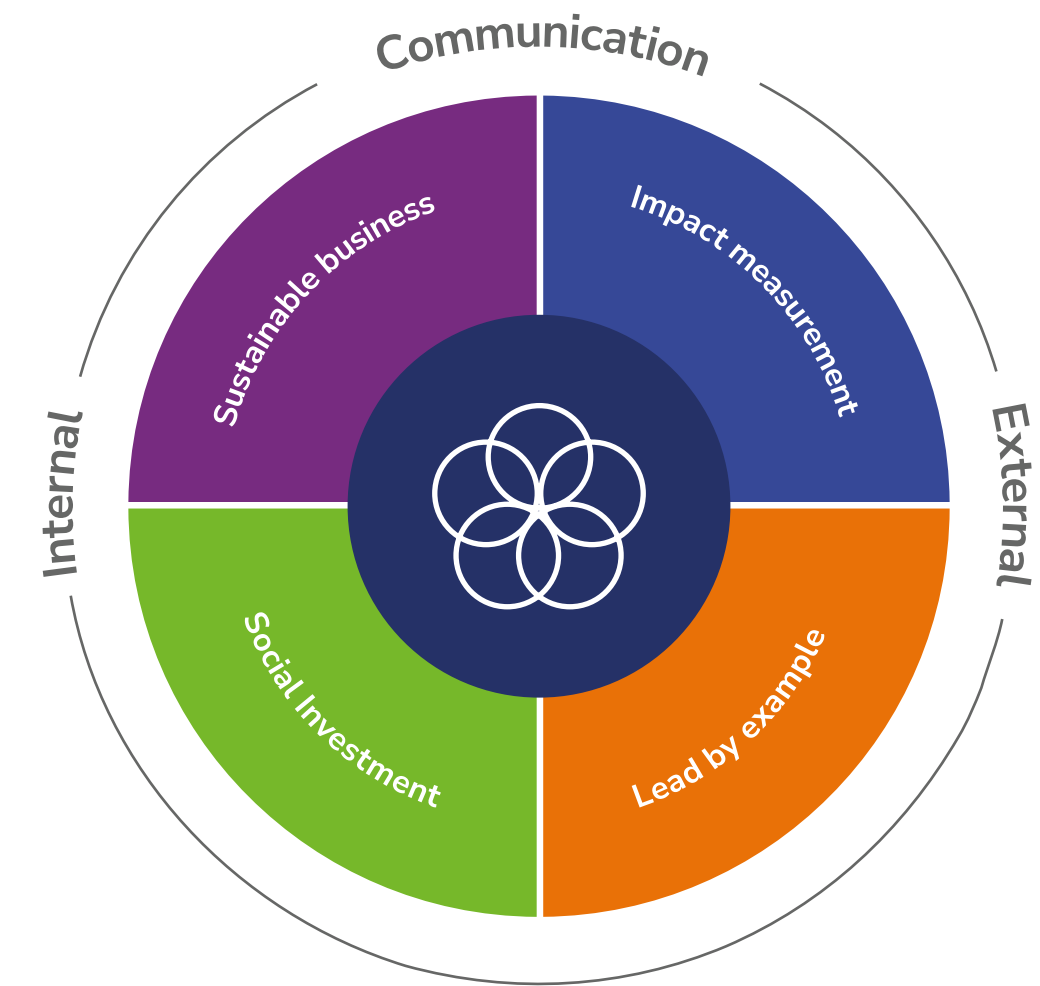
Social Investment

Internally, Banco Promerica promotes social investment programs aimed at strengthening an organizational culture based on commitment and responsibility toward communities. These initiatives encourage employee participation in actions that generate social value.

The bank also supports projects aimed at fostering more inclusive economic growth, as well as the creation of decent and sustainable employment. In collaboration with organizations that address relevant social issues, we support efforts that contribute both to people’s well-being and to the protection and restoration of the natural environment.

Reference:

mic growth must be accompanied by positive social impact and responsible environmental management. For this reason, we have integrated sustainability principles at all levels of the organization—from strategic planning to day-to-day operations.



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

Our Values

- Ongoing Empathy
- Entrepreneurial by Nature
- Shared Trust
- A Common Culture

Impact Measurement

Banco Promerica has developed a portfolio of financial products aimed at encouraging client participation in sustainability initiatives. These solutions include specialized financing lines for projects that promote energy efficiency, the use of renewable energy sources, and climate change mitigation and adaptation actions.

These initiatives are supported by resources from development banks and investment funds committed to sustainable progress. Additionally, instruments such as the Green Account and the Green Credit Card have been designed for clients who wish to channel their resources into projects with positive environmental, social, and economic impact.

Lead by example

Banco Promerica has adopted a comprehensive approach to integrating sustainability at all levels of its operations. This commitment is reflected both in internal management and in its relationships with clients and strategic partners. From operational efficiency to the design of financial products, every action aims to generate a positive and lasting impact.

Currently, the bank is engaged in an ongoing process of implementing responsible practices that strengthen its organizational culture and value proposition. This includes the creation of financial solutions aimed at clients who wish to actively contribute to social and environmental well-being, as well as the continuous improvement of internal processes to operate more efficiently, ethically, and consciously.

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

- ☒ Yes
- ☐ No

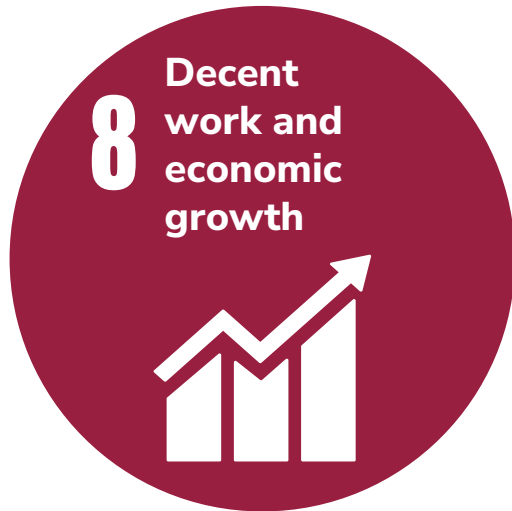
Describe how your bank has aligned and/or plans to align its strategy to be consistent with the **Sustainable Development Goals (SDGs)**, the Paris Climate Agreement, and relevant national and regional frameworks.

Sustainable Development Goals Aligned with Banco Promerica Guatemala

Establishing sustainable guidelines enables the bank to identify activities in which it can focus financing efforts on projects that contribute to the achievement of the **SDGs**.



Banco Promerica promotes the responsible use of its products and services through educational initiatives aimed at clients, suppliers, and employees, thereby strengthening a culture of learning that fosters personal and professional development among all stakeholders in its ecosystem.



Banco Promerica drives financial solutions that support the transition toward a more sustainable economy, highlighting products such as green loans, the Green Account, and the Green Credit Card. Through these initiatives, the bank assumes an active role in promoting economic growth with a responsible approach.



We have measured our ecological footprint and obtained the Reduced Carbon Seal. Additionally, we implemented version 3.0 of the SARAS system to strengthen environmental and social risk management, and we developed a traceability system that allows us to identify operations in our portfolio linked to the issuance of sustainable thematic bonds.



We continue to strengthen strategic alliances with multilateral banks, development organizations, and investment funds to promote sustainable initiatives. These collaborations enable us to channel resources toward projects with social and environmental impact, support the growth of SMEs, and develop financial products aligned with the SDGs. Through this network of cooperation, we expand our reach and enhance our capacity to respond to evolving challenges.

International Commitments Acquired

In line with its ongoing commitment and with the objective of improving people’s quality of life, Banco Promerica has joined the United Nations Global Compact Guatemala, a voluntary initiative that promotes a Business Development Agenda. Through this affiliation,

Banco Promerica reaffirms its responsibility to align its strategy and culture with sustainability principles.



Issuance of the First Sustainable Bank Bond in Guatemala

As leaders in financial innovation, Banco Promerica, S.A. marked a milestone in the national banking system.

In 2024, we carried out the first issuance of a sustainable bond in Guatemala, amounting to USD 50 million, with a five-year term and a two-year resource allocation period. This initiative has driven the growth and strengthening of sustainable and inclusive financing programs, generating new business opportunities in key sectors.

The Framework for Green, Social, and Sustainable Bonds was developed in accordance with the rigorous standards of the International Capital Market Association (ICMA) and received a favorable second-party opinion from the international entity Pacific Corporate Sustainability (PCS).

The funds raised were allocated to finance loans in two major categories:

- **Social Category:** Support for micro, small, and medium-sized enterprises (MSMEs), with an emphasis on those led by women, located in rural areas, or belonging to populations in situations of socioeconomic vulnerability. These loans are designed to foster equity, inclusion, and productive development.
- **Environmental Category:** Financing of projects that contribute to climate change mitigation, including energy efficiency, renewable energy, sustainable construction, circular economy, clean transportation, and sustainable agricultural, aquaculture, and fisheries production.







Environmental, Social, and Governance Risk Management System (SARAS) – Banco Promerica, S.A.

At Banco Promerica, sustainability is a strategic pillar that guides our decision-making. As part of our commitments with various multilateral entities and in alignment with the Principles for Responsible Banking, we have developed our Environmental, Social, and Governance Risk Management System (SARAS).

This system enables us to integrate ESG criteria into the analysis and management of our credit operations, ensuring that the projects we finance contribute to sustainable development and comply with international standards such as the IFC Performance Standards.

SARAS is applied to business operations with significant exposure and is based on a structured process that evaluates risk, promotes impact mitigation, and ensures ongoing monitoring. Through this model, we strengthen our institutional management, promote responsible practices among our clients, and generate value for the communities in which we operate.

For further details, see section 5.3 “Due Diligence Policies and Processes,” where the process is addressed in greater depth.

 Risk management	Identify and manage E&S risks and impacts to reduce the likelihood of their materialization.
 Market alignment	Comply with national legislation and align with adopted environmental and social standards.
 Reputational impact	Establish and maintain a good record of socially and environmentally performance with customers, investors, and other stakeholders.
 Sustainable products and investment	Promote the generation of products and services with socio-environmental conditions to mobilize resources towards sustainable practices and projects.
 Financing possibility	Strengthen access to international financing of greater reach through fulfillment of international commitments.
 Reduced default	Reduced default By expanding the scope of customer risk management, the loan default rate is reduced.

Principle 2:

► Impact and Target Setting

We are committed to continuously maximizing our positive impacts and reducing negative ones by responsibly managing the risks associated with our operations, products, and services—both for people and the environment. To this end, we define and communicate concrete objectives in areas where our activity can generate the most significant impact.

2.1. Impact Analysis

(Key Step 1)

Demonstrate that your bank has conducted an impact analysis of its portfolio to identify its most significant areas of impact and determine priority areas for target setting.

The impact analysis will be updated periodically and must meet the following requirements/elements (a–d):

a) Scope:

What is the scope of your bank’s impact analysis?

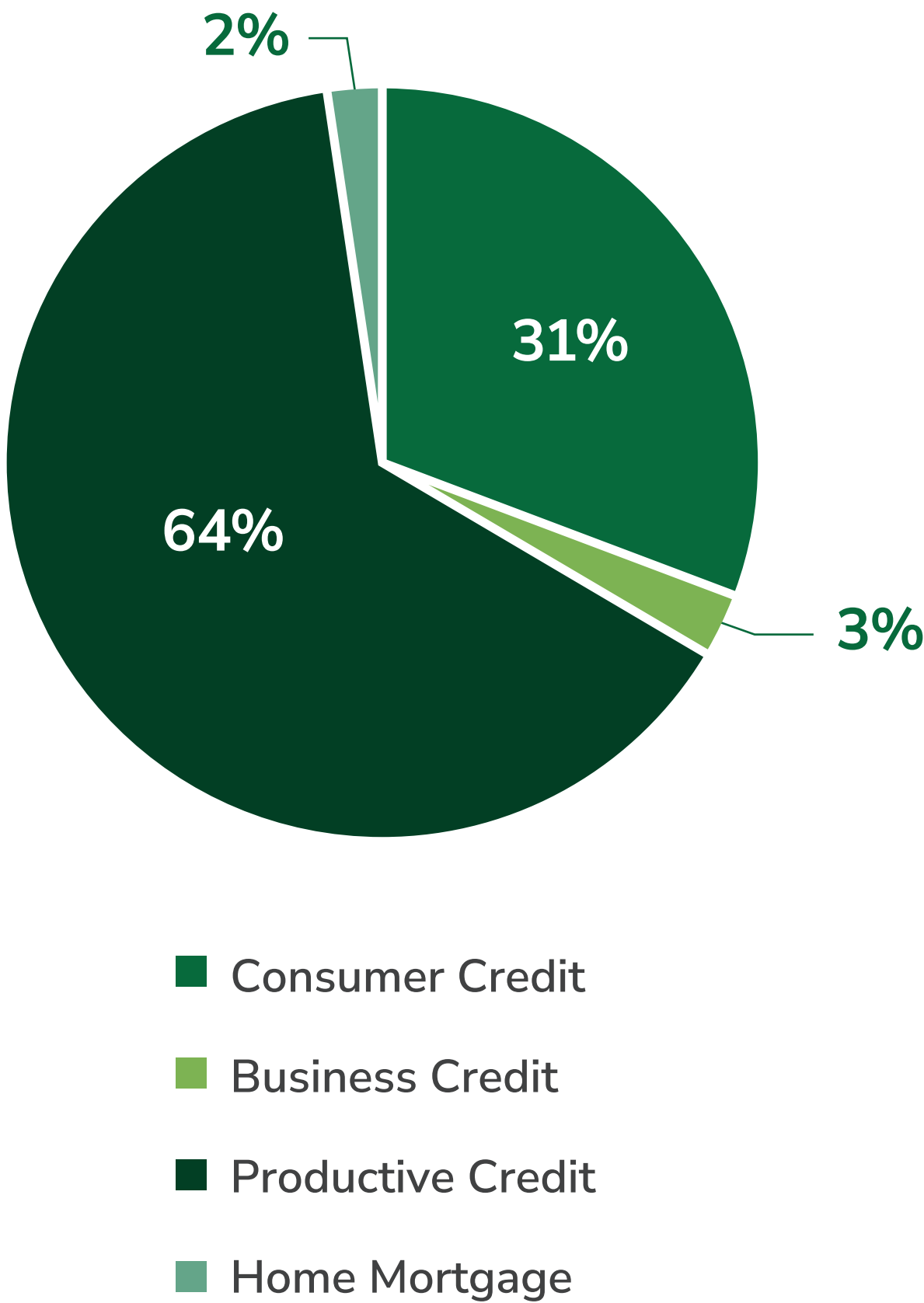
Describe which parts of the bank’s main business areas and which products/services in the key geographies where the bank operates (as described in 1.1) have been considered in the impact analysis.

Also describe which areas have not yet been included and why.

a. Scope

By the end of 2024, Banco Promerica conducted a comprehensive evaluation of its credit portfolio, which reached a balance of Q24.34 billion, reflecting a 15.3% growth compared to the previous year. This analysis covered all key segments—credit cards, consumer loans, housing, business, and real estate—and enabled the identification of priority impact areas, facilitating more strategic, efficient, and sustainability-oriented management.

The analysis considered the entire portfolio across the various markets where we operate, providing a broad and detailed view of the effects generated by our operations. This regional perspective allowed us to identify common patterns and local particularities, guiding the definition of specific objectives tailored to the most relevant needs in each context.



b) Portfolio composition:

Has your bank considered the composition of its portfolio (in %) in the analysis?

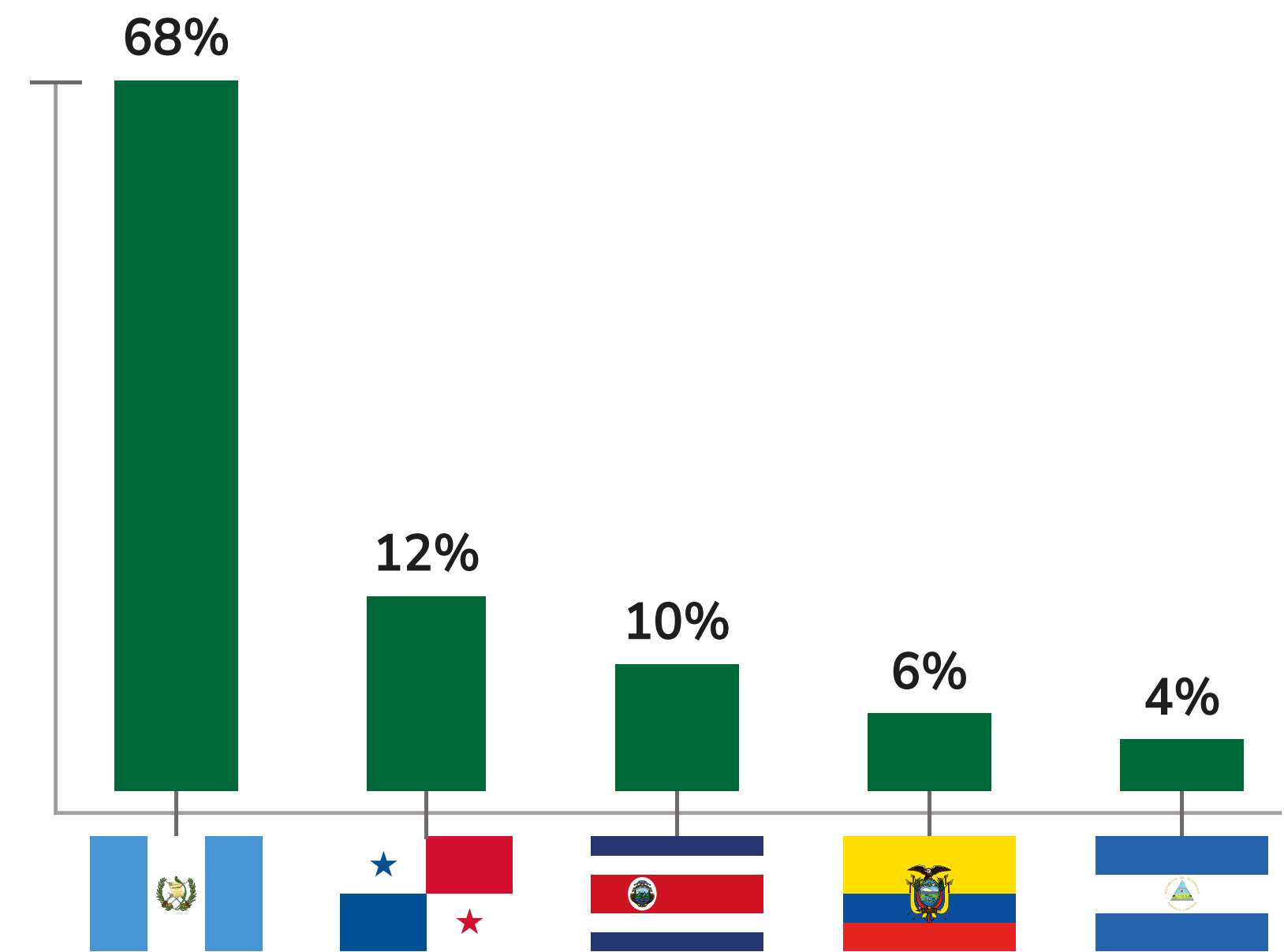
Please provide the proportional composition of your portfolio globally and by geographic area.

- i. By sectors and industries for corporate, commercial, and investment banking portfolios (i.e., sectoral exposure or industry breakdown in %), and/or
- ii. By products and services and by customer types for consumer and retail banking portfolios.
- iii. If your bank has adopted another approach to determine the scale of the bank's exposure, please explain it to show how it has considered where the bank's main activities/core businesses are located in terms of industries or sectors.

The impact analysis considered the entirety of the loan portfolio across the various countries where the bank maintains credit operations, which enabled the construction of a broad and detailed view of the effects generated by our activities. This comprehensive perspective facilitated the definition of objectives aimed at addressing the most relevant needs in each geographic context.

b. Portfolio composition

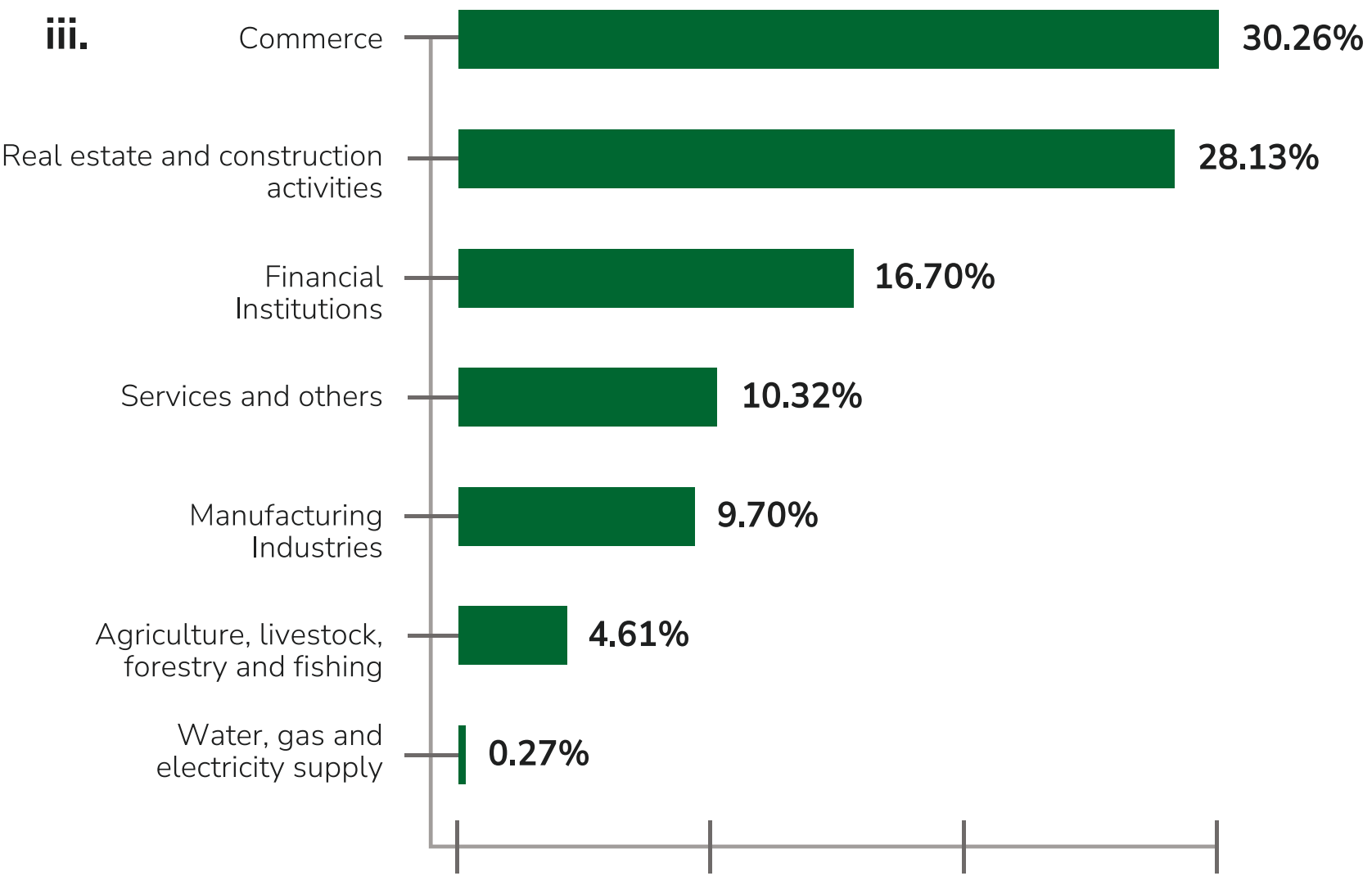
The geographic distribution of the portfolio corresponding to the corporate and real estate business segments of Banco Promerica S.A. (Guatemala) is detailed below:



As of the end of 2024, the credit card, consumer, and housing segments recorded balances of Q11.352 billion, Q2.560 billion, and Q1.180 billion, respectively, all exclusively placed in the Guatemalan market. This geographic concentration allows for an accurate reading of the local impact of these products, facilitating the design of more targeted strategies aligned with the dynamics of the national environment.

i. Corporate Portfolio Distribution by Productive Sector

- ii. As of the end of 2024, the business portfolio showed a high concentration in commerce (30.26%), real estate and construction activities (28.13%), and financial services (16.70%), reflecting a focus on key sectors that drive the country's economic dynamism.



c) Context:

What are the main challenges and priorities related to sustainable development in the key countries/regions where your bank and/or its clients operate?

Describe how these have been considered, including the stakeholders you have engaged to help inform this element of the impact analysis.

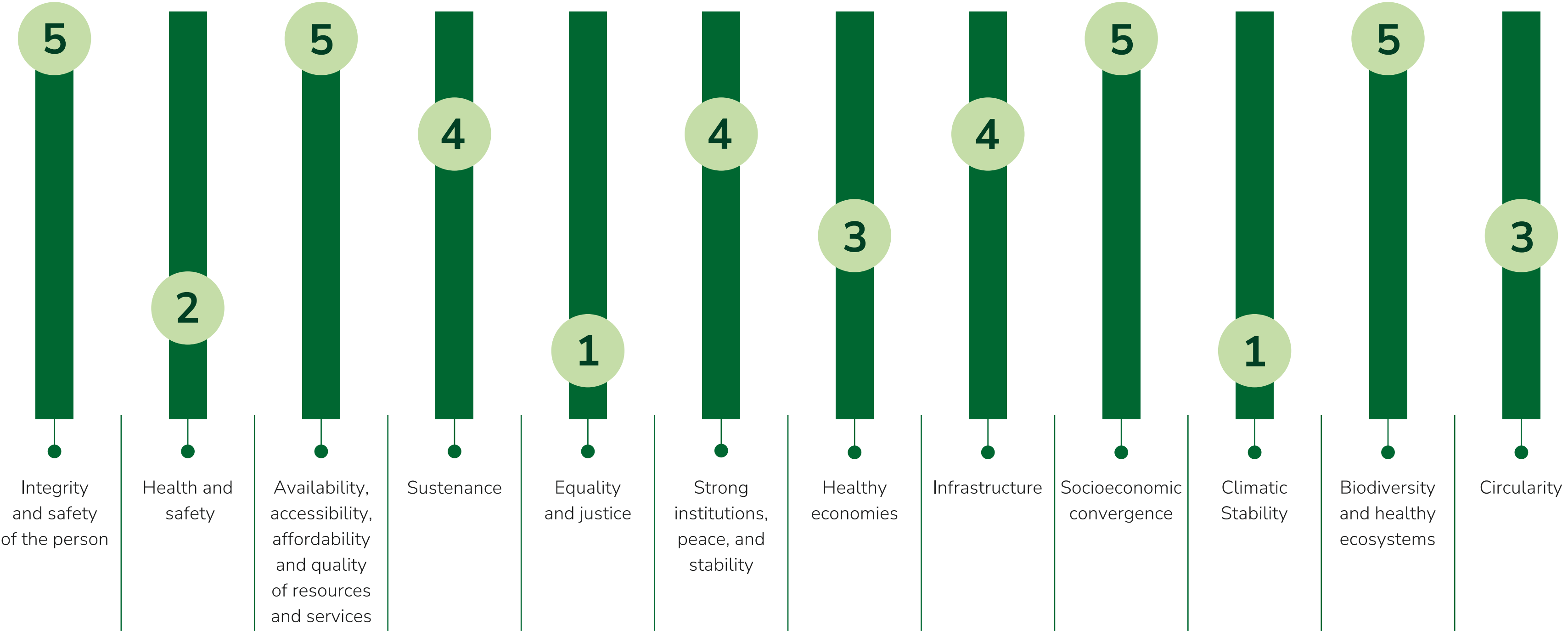
This step aims to place the impacts of your bank’s portfolio in the context of society’s needs.

c. Context

Using the Context Module of the Impact Analysis Tool, four high-priority impact areas were identified in the countries where we operate:

- Integrity and safety of people
- Availability and quality of resources and services
- Socioeconomic convergence
- Biodiversity and healthy ecosystems

These priorities reflect common structural challenges, such as the protection of fundamental rights, equitable access to essential services, the reduction of social gaps, and the conservation of the natural environment, which guide our strategic actions in each market.



d) Based on the first three elements of the impact analysis:


What areas of positive and negative impact has your bank identified?

Which (at least two) significant impact areas were prioritized to guide your target-setting strategy?


d. Impact Analysis

d. 1) Business and Real Estate Portfolio


The analysis of the business and real estate portfolio, using the Institutional Banking template, revealed strong alignment with five high-priority impact areas:




Integrity and safety of individuals



Availability, accessibility, affordability, and quality of resources and services



Socioeconomic convergence



Biodiversity and healthy ecosystems

Additionally, high-priority areas were identified in:



Equality and justice



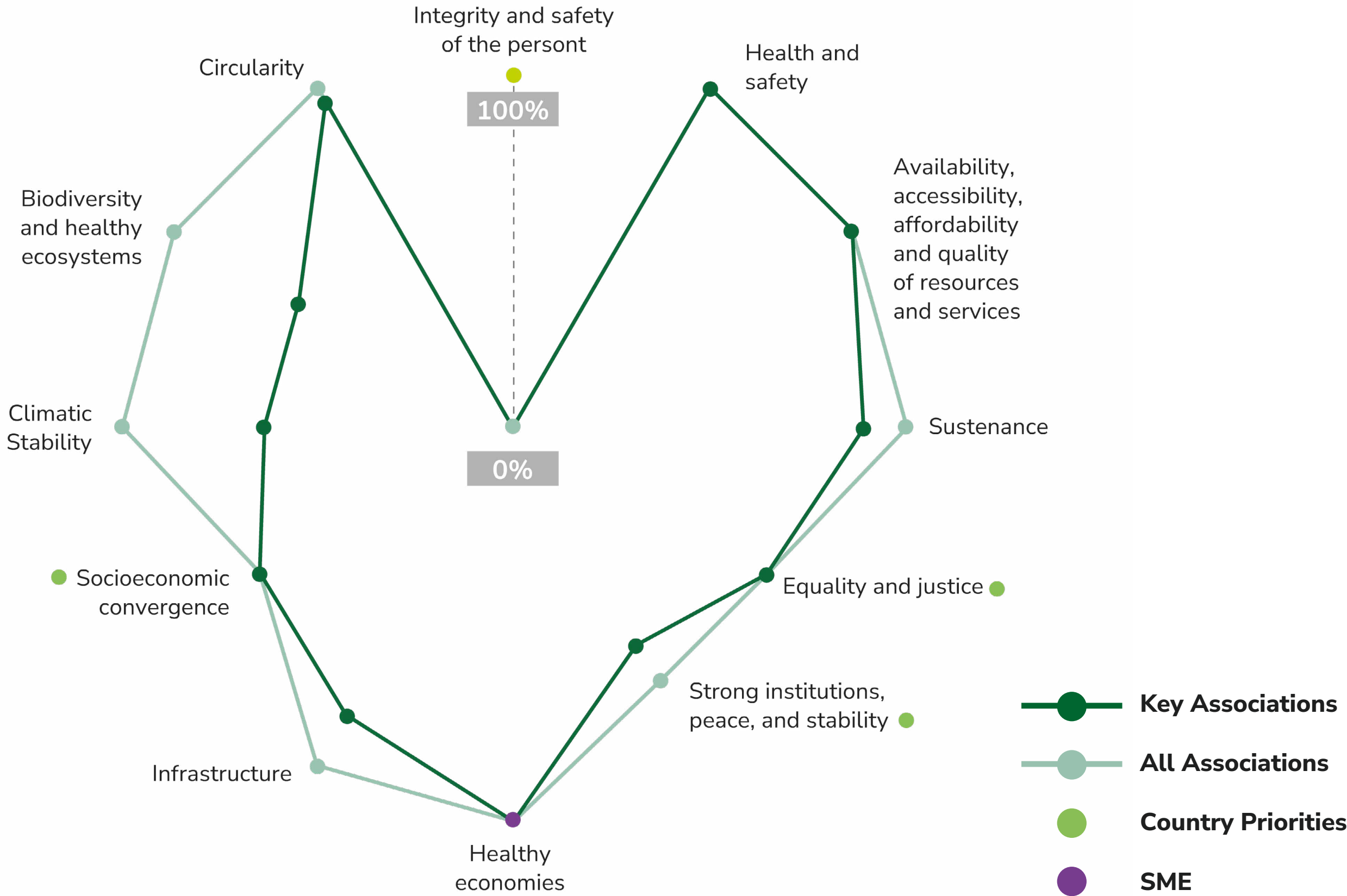
Health and safety



Climate stability

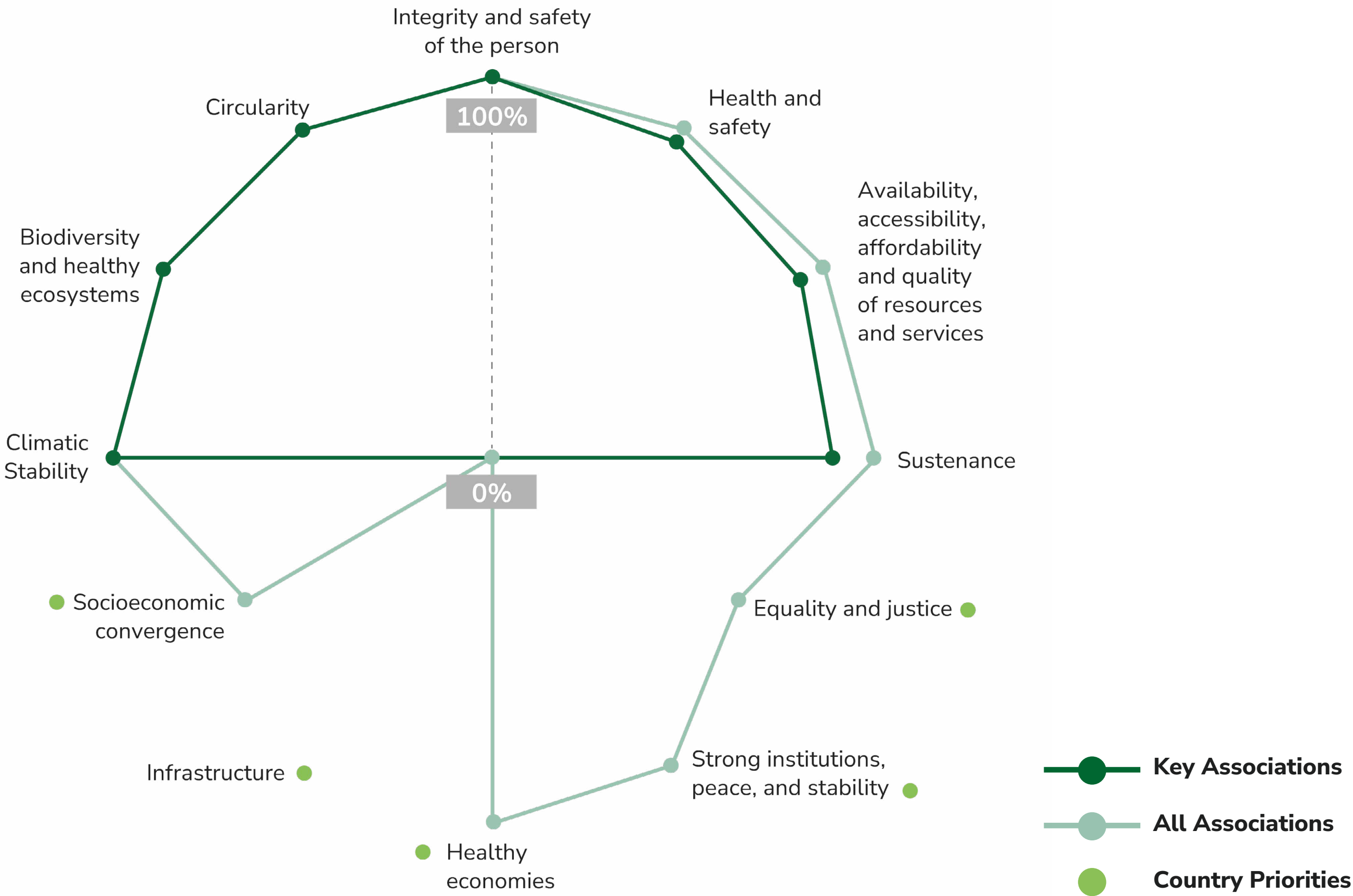


Positive Impacts – Business and Real Estate Portfolio



Note: The dots do not represent a value. They only indicate whether an impact area is a priority in the countries/locations (the source of the information is the Context Module data).

Negative Impacts – Business and Real Estate Portfolio



Note: The dots do not represent a value. They only indicate whether an impact area is a priority in the countries/locations (the source of the information is the Context Module data).

d. 2) Credit Card, Consumer, and Housing Portfolios

Using the Consumer Banking template to assess the positive and negative impacts of the **Credit Card, Housing, and Consumer portfolios**, it was determined that the country-level priority with **100%** positive impact is:



**Availability, accessibility, affordability,
and quality of resources and services**

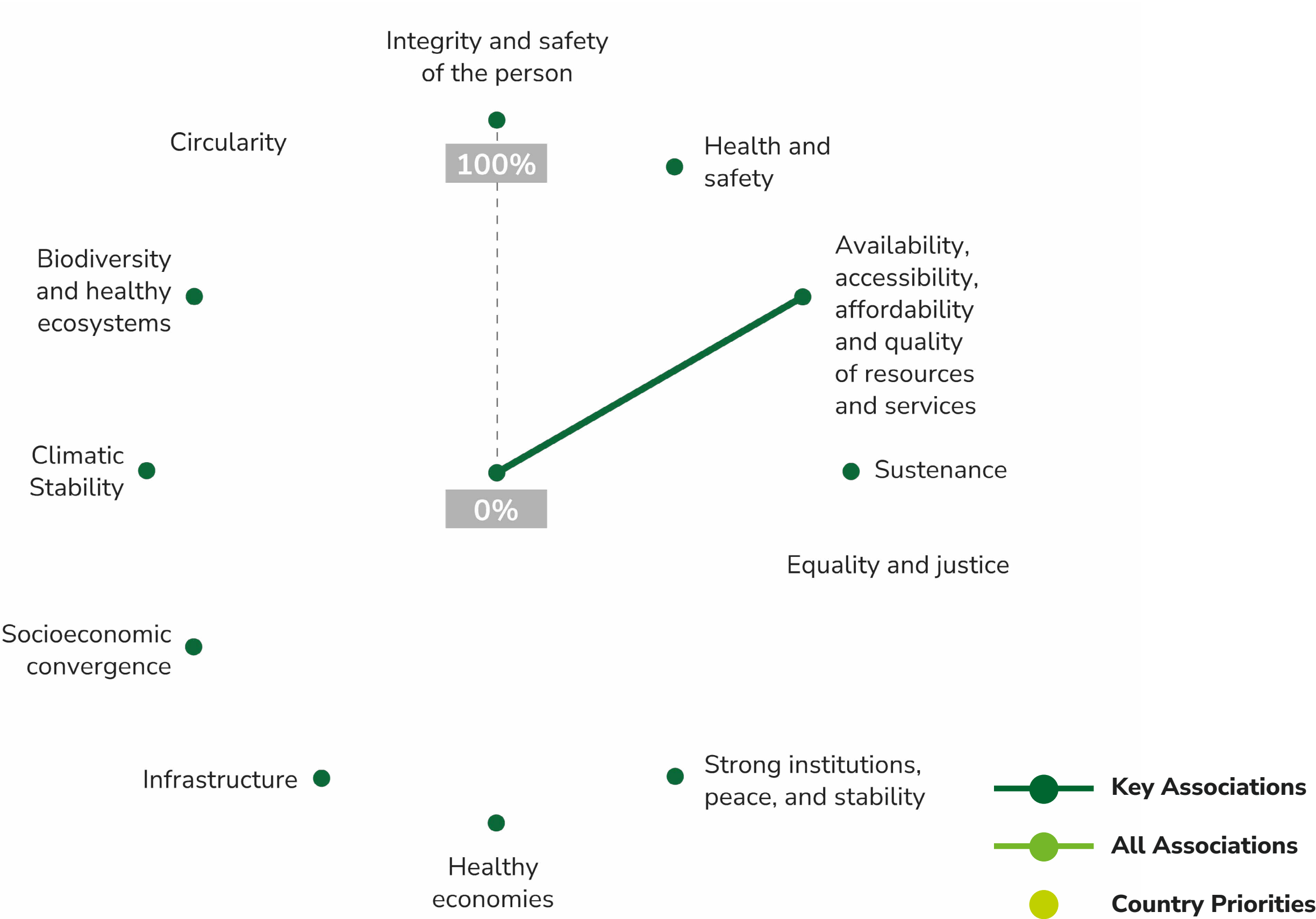
In terms of negative impacts, opportunities for improvement were identified in the same priority area:



**Availability, accessibility, affordability,
and quality of resources and services**

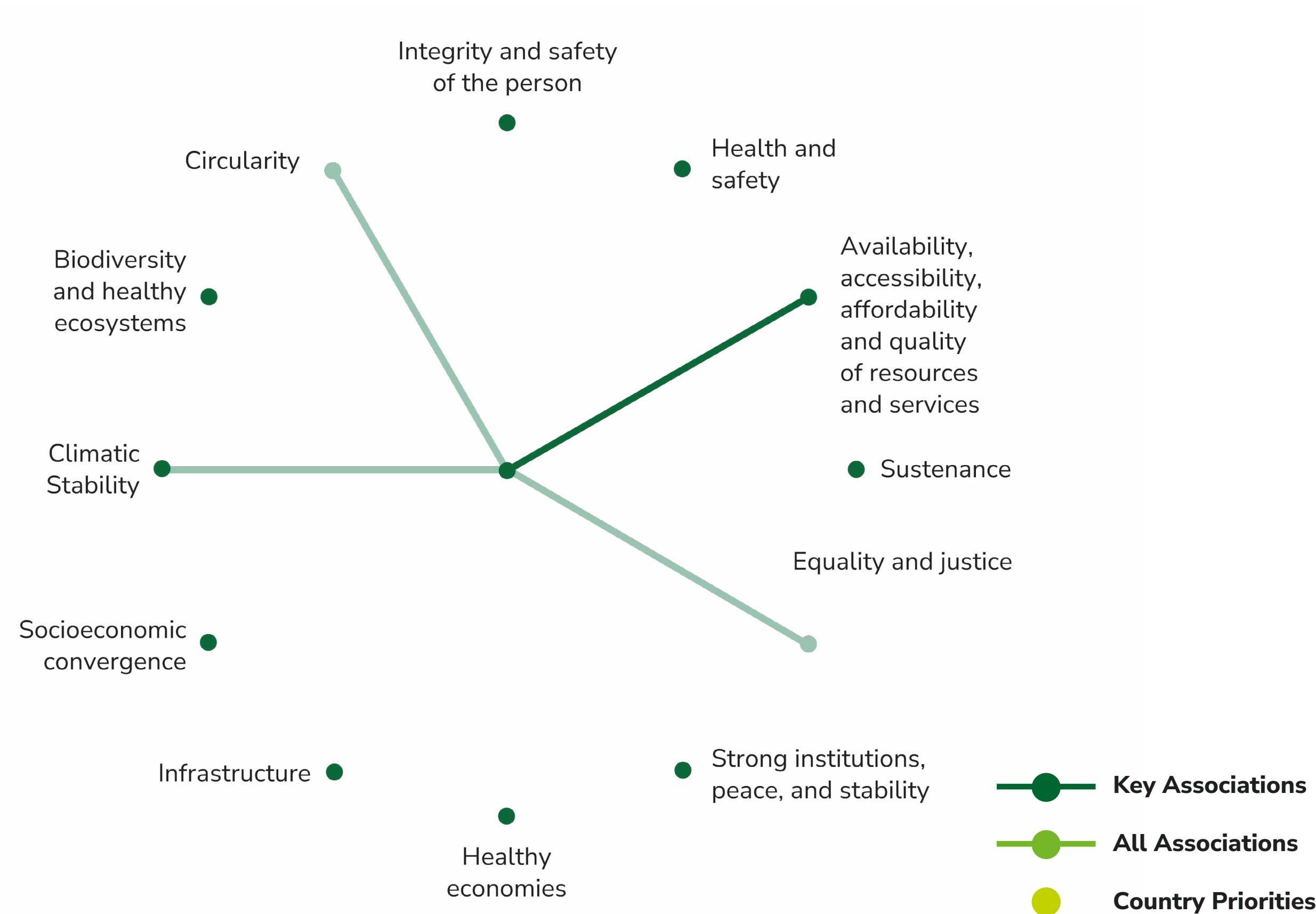


Positive Impacts – Credit Card, Consumer, and Housing Portfolios



Note: The dots do not represent a value. They only indicate whether an impact area is a priority in the countries/locations (the source of the information is the Context Module data).

Negative Impacts – Credit Card, Consumer, and Housing Portfolios



Note: The dots do not represent a value. They only indicate whether an impact area is a priority in the countries/locations (the source of the information is the Context Module data).

Banco Promerica reaffirms its commitment to sustainability as a strategic pillar of its management. This approach is fully integrated into its corporate strategy, promoting an organizational culture focused on generating economic, social, and environmental value. Within this framework, the bank actively promotes the financing of projects that support environmental conservation and the mitigation of environmental impacts, ensuring a balance between economic development, environmental responsibility, and social well-being. As part of this vision, in 2024 Banco Promerica became the first financial institution in the country to issue a sustainable thematic bond in the Guatemalan securities market. This historic operation enabled the channeling of resources toward projects with positive environmental and social impact, including energy efficiency initiatives, renewable energy, sustainable construction, and support for MSMEs in vulnerable conditions. The issuance was carried out in two series—one with a sustainable focus and the other with a social focus—thus consolidating a financing platform aligned with the highest international standards.

The bank’s sustainable financing strategy is structured around two priority areas:

- focused on strengthening access to credit for micro, small, and medium-sized enterprises, as well as for individuals in economically vulnerable situations, promoting financial inclusion and local development.
- **Green:** focused on projects that promote the efficient use of natural resources, climate resilience, and the transition toward a low-carbon economy, through specialized credit lines backed by performance indicators.

Estas acciones posicionan a Banco Promerica como un referente regional en innovación financiera con propósito, integrando la sostenibilidad en el núcleo de su modelo de negocio y fortaleciendo su impacto positivo en las comunidades donde opera.

e. For these (at least two priority impact areas):

Performance Measurement Has your bank identified which sectors and industries, as well as types of clients financed or invested in, are generating the most significant positive or negative actual impacts? Describe how you assessed their performance using appropriate indicators related to significant impact areas applicable to your bank’s context.

When determining the priority areas for target setting among its most significant impact areas, the bank must consider its current performance levels—namely, qualitative and/or quantitative indicators and/or indirect indicators of the social, economic, and environmental impacts resulting from the bank’s activities and the provision of products and services. If climate and/or health and financial inclusion have been identified as the most significant impact areas, please also refer to the corresponding indicators in the Annex.

If your bank has adopted another approach to assess the intensity of the impact resulting from its activities and the provision of products and services, please describe it.

The outcome of this step will also provide the baseline (including indicators) that can be used to set targets in two of the most significant impact areas.

Self-Assessment Summary:

Which of the following components of the impact analysis has your bank completed to identify the areas where it has the most significant (potential) positive and negative impacts?

- **Scope:**
Yes ☒ In progress ☐ No ☐
- **Portfolio composition:**
Yes ☒ In progress ☐ No ☐
- **Context:**
Yes ☒ In progress ☐ No ☐
- **Performance measurement:**
Yes ☒ In progress ☐ No ☐

Which significant impact areas has your bank identified as a result of the impact analysis?

- Social Financing
- Green Financing

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

- ☒ Within 6 months prior to publication
- ☐ Within 12 months
- ☐ Within 12 months
- ☐ More than 18 months

Open text field to describe potential challenges, aspects not covered above, etc. (optional):

- Lack of country-level engagement.
- Limited awareness among the target audience regarding the benefits of implementing green technologies.

2.2. Target Setting

Social Financing

Financing for MSMEs remains a strategic priority for Banco Promerica due to its capacity to generate employment, stimulate the economy, and strengthen financial inclusion. This line of action seeks to expand access to financial products tailored to the needs of this segment.

a. Alignment

The strategy is aligned with international frameworks that promote inclusive economic development. In the impact analysis, the priority area of “**Healthy Economies**” under the theme of thriving MSMEs was identified as one of the key areas for action.

b. Baseline

The baseline was established using the balance of the MSME portfolio as of December 2024, which reached **Q1,053.3 million**. This indicator will serve to monitor the growth and coverage of the segment.

c. SMART Target

Increase the balance of the MSME portfolio by **18% by the end of December 2025**, reaching **Q1,243.0 million**. Progress toward this target will be evaluated based on the consolidated results at the close of the 2025 fiscal year.



Demonstrate that your bank has established and published at least two targets that address at least two different significant impact areas identified in your impact analysis.

The targets must be Specific, Measurable (qualitative or quantitative), Achievable, Relevant, and Time-bound (SMART). **Disclose the following elements of the target-setting process (a–d) for each target separately:**

a) Alignment: With which international, regional, or national policy frameworks has your bank identified alignment as relevant for its portfolio?

Demonstrate that the selected indicators and targets are linked to and promote alignment with and greater contribution to the appropriate Sustainable Development Goals, the Paris Agreement targets, and other relevant international, national, or regional frameworks.

You may refer to the context elements from section 2.1.

2.2. Target Setting

d. Action Plan for SMART Targets

1

Strengthening the sustainability culture

Implement at least five internal training initiatives on sustainability before the end of 2025, aimed at all bank personnel, through:

- Developing informational capsules, videos, and monthly newsletters on sustainability.
- Delivering virtual and in-person training sessions on green and social financing.
- Including sustainability content in onboarding and talent development programs.

2

Consolidation of the sustainable bond technical committee

Maintain an active interdepartmental working group with quarterly meetings throughout 2025, focused on monitoring the portfolio linked to the thematic sustainable bond.

- Establish a meeting schedule and assign area-specific responsibilities.
- Review and update applicable bond cases on a quarterly basis.
- Document progress and generate traceability reports for monitoring and reporting purposes.

3

Redesign of the local sustainability committee composition before the third quarter of 2025, incorporating strategic profiles from key areas

- Conduct a diagnostic of current roles and their level of participation.
- Identify representation gaps and propose structural adjustments.
- Validate the new composition with senior management and formalize its implementation.

b) Baseline:

Has your bank determined a baseline for the selected indicators and assessed the current level of alignment? Indicate the indicators used, as well as the baseline year.

You may refer to the performance measurement conducted in section 2.1 to determine the baseline for your target.

c) SMART Targets (including Key Performance Indicators – KPIs):

Disclose the targets for your first and second most significant impact areas, if already established (as well as for any other impact areas, if applicable). What KPIs are you using to monitor progress toward achieving the target? Please disclose.

d) Action Plan:

What actions, including milestones, has your bank defined to achieve the established targets? Please describe.

Also demonstrate that your bank has analyzed and acknowledged any significant (potential) indirect impacts of the established targets within the impact area or in other impact areas, and that it has defined relevant actions to avoid, mitigate, or compensate for potential negative impacts.

2.3. Implementation and Monitoring of Targets

(Key Step 2)

For each target separately:

Demonstrate that your bank has implemented the actions previously defined to achieve the established target.

Report on your bank’s progress since the last report toward achieving each of the established targets and the impact of that progress, using the indicators and KPIs defined in section 2.2 to monitor progress.

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

Implementation and Monitoring of Targets

The established baseline is as of December 2023; therefore, throughout 2024, the action plans will be monitored and evaluated to ensure compliance with the defined SMART targets.

The defined baseline corresponds to the end of December 2024. Accordingly, during 2025, the implementation of the established action plans will be monitored in order to evaluate compliance with the defined SMART targets and consolidate progress by the end of the fiscal year.



Self-Assessment Summary:

Based on the results obtained from the Impact Analysis Tool, Banco Promerica identified two most significant impact areas: Social and Green Financing. The bank confirmed alignment with the SDGs, established baseline figures as of December 2023, set two SMART targets, and defined an action plan that will be monitored throughout 2024.

	... first most significant impact area: ... Social Financing	... second most significant impact area : ... Green Financing
Alignment	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Baseline	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
SMART Targets	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Action Plan	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No



Principle 3:

► **Clients** (products and services)

We are committed to actively collaborating with our clients to promote responsible practices and facilitate economic activities that foster collective well-being, with sustainable benefits for present and future generations.

3.1. Client Commitment

Banco Promerica is in the process of strengthening its institutional framework to promote sustainable practices among its clients. The bank is currently working on the development of specific policies to guide its relationship with sectors that present the greatest potential negative impacts, as well as on the implementation of mechanisms that support the transition toward more responsible economic models.

In 2024, various initiatives were carried out that reflect this commitment. Notable among them are:

- Financial education with a sustainability focus, through the program “**La Bóveda Verde**”, which offers digital educational content for clients and the general public.
- Purpose-driven financial products, such as the **Jade credit card**, which allows users to accumulate green points to support social and environmental projects in Guatemala.

- Issuance of the **country’s first thematic sustainable bond**, with funds allocated to finance energy efficiency projects, renewable energy, sustainable construction, and support for MSMEs led by women or located in vulnerable areas.
- Participation in forums and strategic alliances, such as the **Ibero-American CentraRSE Forum and panels and discussions led by BID Invest**, where best practices were shared and capacities were strengthened to support clients in their sustainable transition.

These actions lay the groundwork for the development of a formal client engagement policy, which will include evaluation and exclusion criteria, as well as technical and financial support. Additionally, it is expected to incorporate indicators of participation in sustainable products and impact metrics to monitor progress and continuously adjust strategies.

Does your bank have a policy or process for engaging with clients to promote sustainable practices?

- ☐ Yes
- ☒ In progress
- ☐ No

Does your bank have a policy for sectors where it has identified the greatest (potential) negative impacts?

- ☐ Yes
- ☒ In progress
- ☐ No

Describe how your bank has worked and/or plans to work with its clients to promote sustainable practices and enable sustainable economic activities. This should include information on relevant policies, planned/implemented actions to support clients’ transition, selected indicators of client participation, and, where possible, the impacts achieved.

3.2. Business Opportunities

Describe what strategic business opportunities your bank has identified in relation to increasing positive impacts and reducing negative impacts, and/or how it has worked on them during the reporting period.

Provide information on existing products and services, sustainable products developed (in terms of value in USD or local currency and/or as a percentage of your portfolio), and which SDGs or impact areas they aim to positively influence (e.g., green mortgages – climate, social bonds – financial inclusion, etc.)

During the reporting period, Banco Promerica identified and developed business opportunities that strengthen its positive impact on the economic, social, and environmental landscape, while mitigating risks associated with its operations. These opportunities have materialized through innovative financial products, strategic alliances, and the enhancement of its sustainable value proposition.

One of the most notable initiatives was the issuance of the **first thematic sustainable bond in the Guatemalan capital market, for a total of USD 50 million**. This historic operation enabled the channeling of resources toward projects in energy efficiency, renewable energy, sustainable construction, and support for MSMEs—particularly those led by women or located in vulnerable areas. This issuance positioned the bank as a pioneer in purpose-driven financial innovation, aligning its strategy with international standards and contributing to the diversification of the local capital market.

Additionally, the bank has strengthened its portfolio of sustainable products through:

- **Green loans**, aimed at financing projects with positive environmental impact, such as energy efficiency, clean technologies, sustainability certifications, and responsible agricultural practices.

- **Jade credit card**, which allows clients to accumulate Promerica Green Points, used to support social and environmental programs. In 2024, these funds benefited organizations working in financial education, health, nutrition, environmental conservation, and community development.
- **Digital solutions such as ProPay and Cuik**, which promote financial inclusion and the digitalization of small businesses by facilitating access to payment, collection, and e-commerce tools.
- **EDGE certification**, awarded to the VERUM corporate building financed by the bank, promoting sustainable construction standards in the real estate sector.

These actions reflect a commercial strategy focused on generating shared value, expanding access to financial products with a sustainability focus, and consolidating the bank's leadership in developing solutions that address current social and environmental challenges. Through these initiatives, Banco Promerica actively contributes to transforming the financial system into a more inclusive, resilient, and responsible model.



Principle 4:

► Stakeholders

We are committed to establishing active, collaborative, and responsible dialogue with key stakeholders in order to contribute to the achievement of shared social and sustainable development goals.

4.1. Stakeholder Identification and Consultation

Banco Promerica has established a systematic approach to identifying and managing relationships with its most relevant stakeholder groups, recognizing that ongoing dialogue with these actors is essential to strengthening the sustainability of its business model.

Through a technical and participatory process, ten key stakeholder groups were defined, with which the bank maintains differentiated engagement mechanisms:

The consultation process has been integrated into various phases of the bank’s strategic cycle, including impact analysis, target definition, and the design of financial products with social and environmental focus. Through dialogue spaces, institutional alliances, surveys, volunteer programs, and participation in sectoral forums, valuable input has been collected and incorporated into the planning of concrete actions.

This engagement model not only strengthens transparency and accountability but also enables the bank to anticipate changes in the environment, build trust, and generate shared value with all actors within its ecosystem.



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

- ☒ Yes
- ☐ In Progress
- ☐ No

Describe which stakeholders (or groups/ types of stakeholders) your bank has identified, consulted, engaged, collaborated, or partnered with for the purpose of implementing the Principles and improving the bank’s impacts.

This should include a high-level overview of how your bank identified relevant stakeholders, what issues were addressed/results achieved, and how these were incorporated into the action planning process.



Principle 5:

► Governance and Culture

We will implement our commitment to the Principles through a solid governance structure and the promotion of an institutional culture oriented toward responsible banking.

5.1. Governance Structure for the Implementation of the Principles

Banco Promerica se rige por sólidos principios Banco Promerica operates under strong corporate governance principles, supported by a Board of Directors composed of professionals with extensive experience in the banking and business sectors. All members have been duly authorized by the Superintendency of Banks, in accordance with current regulations.

The institution has a Code of Ethics and Conduct that promotes an organizational culture based on ethical principles and institutional values. This code applies to directors, officers, and employees, and its compliance is overseen by a designated Ethics Committee.

Sustainable growth at the bank has been driven by strategic decisions made by the Board of Directors. **To this end, the following Executive Committees have been established:**

- Business Committee
- Management Committee
- Ethics Committee
- Assets and Liabilities Committee (ALCO)

Additionally, the bank has control bodies that reinforce oversight and risk management:

- Compliance Committee
- Risk Committee
- Audit Committee

These committees include active participation from Board members who do not hold executive roles within the institution, ensuring independence in decision-making.

Risk management is conducted in accordance with the bank’s experience, regulatory provisions issued by the Superintendency of Banks, and industry best practices, thereby strengthening the confidence of depositors and other stakeholders.

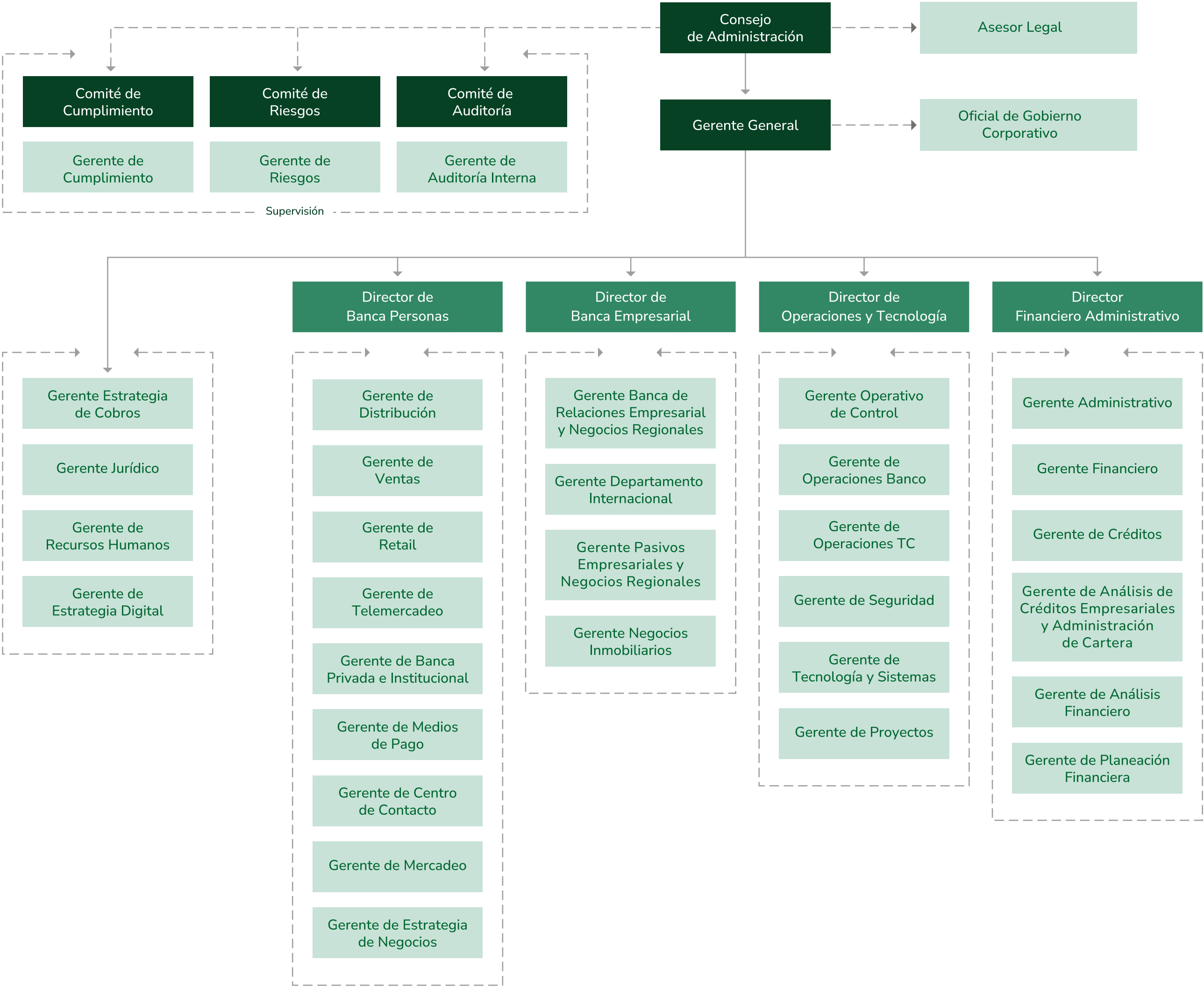
The bank has also developed a comprehensive internal control structure, encompassing frontline staff, support teams, and units responsible for regulatory compliance oversight.

This structure ensures the proper application of policies and procedures throughout the organization.

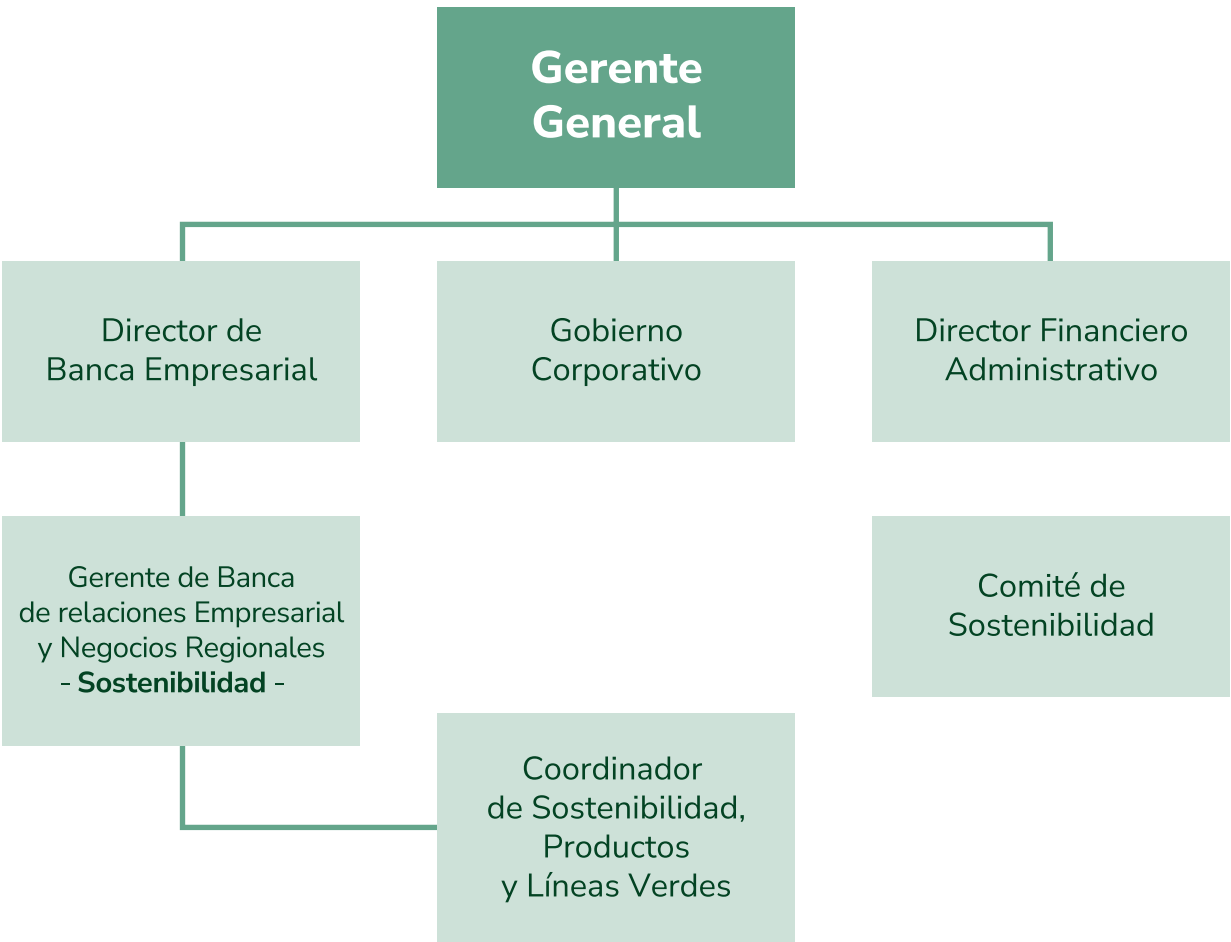
Internal Control:

- Internal Audit
- Compliance and Risk Management Departments
- Legal Advisory and Corporate Governance Officer
- Administrative Compliance Unit

Organizational structure of Banco Promerica



Mainstreaming Sustainability in Guatemala



<div>Strategic</div> <div></div>	<div>Sustainability</div> <div>Sustainability Leader, Sustainability Projects and Green Lines Coordinator, and Sustainability Analyst</div>	<div>SARAS</div> <div>Manager of Corporate Credit Analysis and Portfolio Management, and Environmental and Social Risk Coordinator</div>		<div>Green Lines</div> <div>Manager of Corporate and Regional Business Relations, with support from the Sustainability Projects and Green Lines Coordinator</div>
	<div>Corporate Business</div> <div>Director of Corporate Banking and their Managers</div>	<div>Correspondents and Multilaterals</div> <div>Financial Planning Manager and Coordinators</div>		<div>Social and Environmental Risks</div> <div>Manager of Corporate Credit Analysis and Portfolio Management, and Environmental and Social Risk Coordinator</div>
<div>Internal</div> <div></div>	<div>Corporate Governance</div> <div>Legal Manager</div>	<div>Administrative</div> <div>Administrative</div>	<div>Talent and Culture</div> <div>Human Resources</div>	<div>Procurement and Suppliers</div> <div>Administrative Manager</div>
	<div>Digital Transformation</div> <div>Digital Strategy Manager</div>	<div>Marketing and Visualization</div> <div>Marketing Manager</div>	<div>Big Data</div> <div>Business Intelligence and Financial Planning</div>	<div>Social Investment – CSR</div> <div>Human Resources, Marketing, and Sustainability</div>

5.2. Promotion of a Responsible Banking Culture

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

Banco Promerica actively promotes a culture of responsible banking among its employees by integrating ethical principles, sustainability, and human development into its talent management practices. In 2024, the bank implemented a variety of initiatives aimed at strengthening institutional commitment to sustainability from within the organization.

Key actions included:

- **Continuous training:** Over 150,000 hours of training were delivered on key topics such as sustainability, human rights, health and safety, leadership, regulatory compliance, and organizational culture. These training sessions were tailored to different levels and roles within the bank, including customer-facing staff.
- A total of 1,976 onboarding processes were conducted for new employees, ensuring alignment with institutional values and the sustainability culture from the outset of their employment experience.
- **Performance evaluation:** The annual performance evaluation system was enhanced by integrating performance criteria aligned with the bank's strategic objectives, allowing professional development to be linked with a culture of responsibility and compliance.
- **Holistic well-being:** Initiatives promoting emotional compensation, physical health, and work-life balance were implemented, including vaccination campaigns, lactation rooms, cultural activities, and recognition programs such as "Universo Promerica Stars".
- **Inclusion and equity:** The bank maintained a gender-balanced workforce (52% women and 48% men) and promoted internal mobility, with 278 promotions during the year, reflecting its commitment to equal opportunity.

These actions demonstrate the bank's efforts to consolidate an organizational culture aligned with the Principles for Responsible Banking, where each employee becomes an active agent of change toward a more ethical, inclusive, and sustainable banking model.

5.3. Due Diligence Policies and Processes

Does your bank have policies that address environmental and social risks within its portfolio?

Please describe.

Describe the due diligence processes your bank has implemented to identify and manage environmental and social risks associated with its portfolio.

This may include aspects such as identifying significant or emerging risks, mitigating environmental and social risks, defining action plans, monitoring and reporting on risks, any grievance mechanisms in place, and the governance structures overseeing these risks.

Banco Promerica has established an Environmental and Social Risk Management System (SARAS) as an integral part of its risk management framework. Its objective is to identify, assess, mitigate, and monitor environmental and social (E&S) risks and impacts associated with the activities and projects it finances. This system is aligned with the Performance Standards of the International Finance Corporation (IFC) and reflects the bank's commitments as a signatory to the Principles for Responsible Banking.

SARAS applies to productive and business credit operations starting from **USD \$500,000**, including both local and syndicated loans, and is structured in the following stages:

- **Initial screening:** Operations that violate the bank's Exclusion List—aligned with international standards and the requirements of multilateral funders—are excluded.
- **E&S Categorization:** The risk level of the operation (high, medium, or low) is determined based on the economic sector (ISIC classification) and territorial risk.
- **E&S Evaluation:** Depending on the assigned category, the level of due diligence required is defined (basic, intermediate, advanced, or under IFC standards), considering the type of financing, amount, and term.



- **E&S Management:** An E&S Action Plan is developed with specific measures to mitigate risks, including contractual clauses that ensure compliance with local regulations and the bank’s sustainability commitments.
- **Monitoring and control:** Periodic reviews are conducted to verify compliance with the environmental and social commitments assumed by clients.
- **Continuous improvement:** Internal evaluations of the system are carried out to identify opportunities for improvement and ensure its effectiveness.
- Additionally, the bank has a mechanism for handling petitions, complaints, claims, and suggestions (PQRS), which channels concerns related to E&S management to the responsible areas, ensuring timely and appropriate responses.

The implementation of SARAS is supported by a robust governance structure involving the Credit Analysis and Portfolio Management Department, the Environmental and Social Risk Coordination Unit, the Risk Management Department, and the Operations and Technology Department. These areas work in coordination to ensure proper policy implementation, periodic updates, and staff training.

This approach enables Banco Promerica to proactively manage environmental and social risks, strengthen its institutional reputation, and contribute to sustainable development in the regions where it operates.

Self-Assessment Summary:

Do the CEO or other C-suite executives regularly oversee the implementation of the Principles through the bank’s governance system?

Yes ☐ In progress ☒ No ☐

Does the governance system include structures to oversee the implementation of the PRB (e.g., includes impact analysis and target setting, actions to achieve these targets, and corrective action processes in case targets/milestones are not met or unexpected negative impacts are identified)?

Yes ☐ In progress ☒ No ☐

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

Yes ☐ In progress ☒ No ☐



Principle 6:

► Transparency and Accountability

We will periodically evaluate how we are implementing these Principles, both individually and collectively, and we will maintain a strong commitment to transparency and accountability regarding our impacts—whether positive or negative—as well as our contribution to social well-being.

Banco Promerica Guatemala has structured its first 2024 Sustainability Report in accordance with internationally recognized standards, with the goal of ensuring transparency, comparability, and accountability in its environmental, social, and governance (ESG) management.

This report:

- **Adopts the Global Reporting Initiative (GRI) Standards**, responding to impact materiality and the expectations of its stakeholders.
- **Incorporates the Sustainability Accounting Standards Board (SASB) Standards**, applicable to the consumer banking, commercial banking, and mortgage banking sectors, addressing financial materiality and investor information requirements.
- **Integrates the double materiality approach**, aligning the organization’s significant impacts with ESG factors that may influence its financial performance.
- **Includes references to international frameworks** such as the United Nations Principles for Responsible Banking, the Global Compact, and the ICMA Green and Social Bond Principles, among others.

This comprehensive approach enables Banco Promerica to clearly and systematically communicate its contribution to sustainable development, as well as the progress made in implementing its sustainability strategy.



Has the information publicly disclosed about your PRB commitments been assured by an independent assurer?

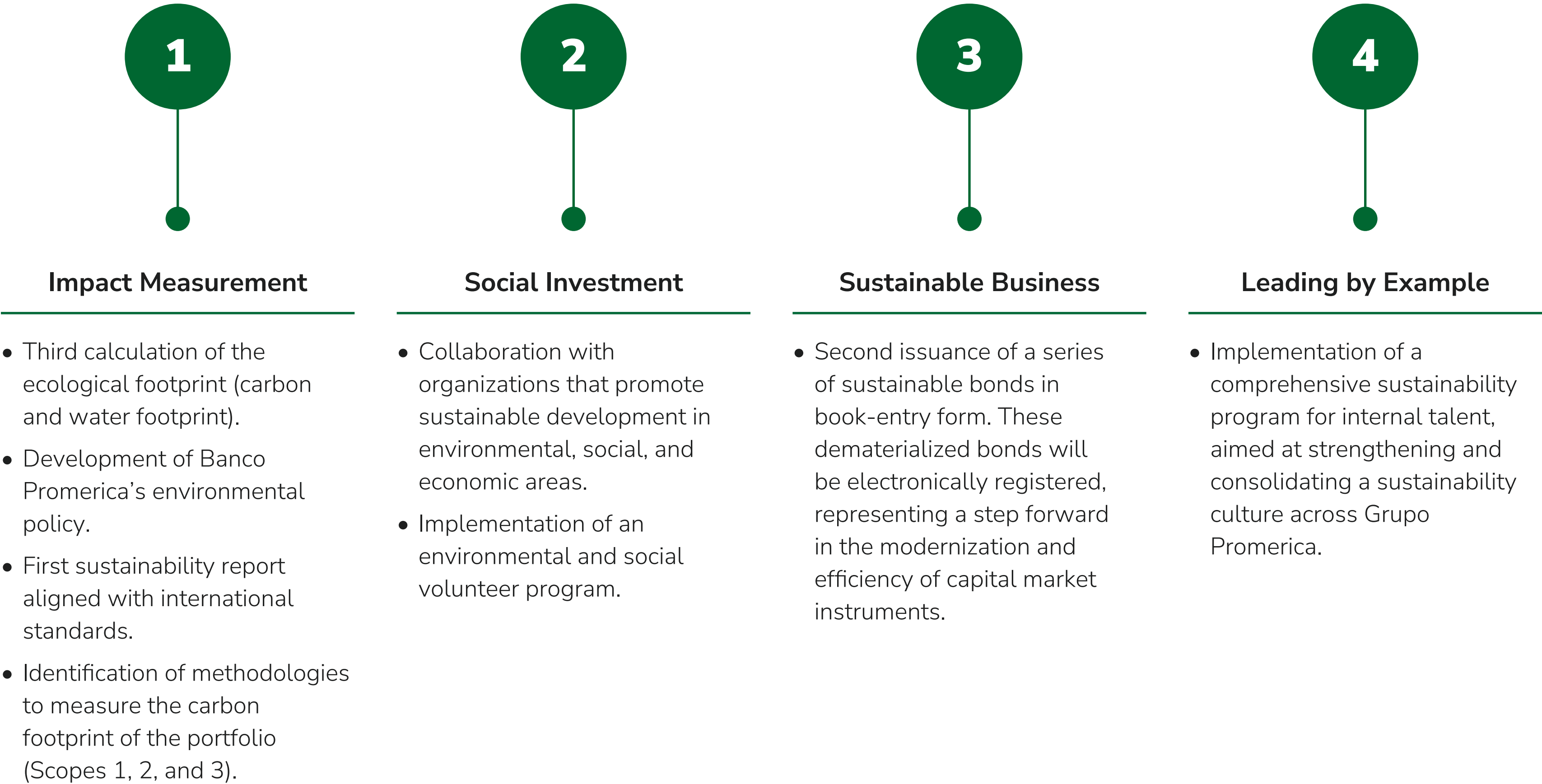
- ☐ Yes
- ☐ Partially
- ☒ No

Does your bank disclose sustainability information under any of the following standards and frameworks?

- ☒ GRI
- ☒ SASB
- ☐ CDP
- ☐ IFRS Sustainability Disclosure Standards (forthcoming)
- ☐ TCFD
- ☐ Other:

Next Steps

2025 Work Plan:



6.2 What are the next steps your bank will take in the upcoming 12-month reporting period (particularly in impact analysis, target setting, and governance structure for PRB implementation)?

Please describe briefly.



Which challenges has your bank prioritized in implementing the Principles for Responsible Banking? Please select the three main challenges your bank has prioritized over the past 12 months. One of the main challenges identified was the creation of internal awareness and culture that involves the various areas directly influencing the Principles .

- ☒ Incorporating PRB oversight into governance
- ☐ Gaining or maintaining momentum within the bank
- ☐ Getting started: where to begin and what to focus on initially
- ☒ Conducting an impact analysis
- ☐ Assessing negative environmental and social impacts
- ☒ Selecting the appropriate performance measurement methodology(ies)
- ☒ Setting targets
- ☐ Client engagement
- ☒ Stakeholder engagement
- ☐ Data availability
- ☐ Data quality
- ☐ Access to resources
- ☐ Reporting
- ☐ Assurance
- ☒ Prioritizing actions internally
- ☐ Other

