



BANESCO (PANAMÁ), S.A.

2022's

SUSTAINABILITY
REPORT

[RS- GRI 2-3]

This Sustainability Report covers the progress of our performance in the management of ESG criteria management, commitment with the United10 principles of the United Nations Global Compact's Ten Principles, and the contribution to the 17 Sustainable Development Goals, with reference to GRI international standards. Based on ethical and transparent management and the principle of accountability, we make this document available to all our stakeholders.

The data collected corresponds to the period between January 1st and December 31st, 2022.

For questions or suggestions, please contact asuntoscorporativos_pa@banesco.com.

Banesco (Panamá), S.A.

2022 SUSTAINABILITY REPORT



Photographs: AllThe photographs appearing in this report are the property of Banesco (Panamá), S.A.

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I. Message from our President and CEO

[RS- GRI 2-3; 2-11; 2-14; 203-2; 306-4]



I am honored to present our 2022 Annual Sustainability Report, a document in which we show and ratify the pillars of our organization, focused on our commitment to social, environmental and economic management as well as our mission and vision.

The 2022 report is based on the standards established in the Global Reporting Initiative (GRI) Methodology, and focuses on the three pillars of sustainability, the United Nations' Global Compact Ten Principles and the Sustainable Development Goals (SDGs).

Our 2022 sustainability strategy is based on five pillars of action, which we have been building throughout these 15 years as a company incorporated in Panama:

Entrepreneurship:

In the area of education, we continue our "Banesco Entrepreneurs" project, which to date has trained more than 18 thousand entrepreneurs nationwide. In addition to this flagship program, we continue to execute the project "Better Together Challenge", in alliance with the IDB Lab, which has graduated 200 entrepreneurs, mostly migrants, in Panama City.

Environment:

We became an IREC's certified bank, whereby we affirm that the operation of all branches and offices in Panama is carried out with 100% renewable energy. In addition, we have an innovative internal recycling culture, which allowed us to turn plastic material into a playground; our first Banesco Love Park, which was built with 9,66 tons of plastic waste, in the community of Hato Pintado, benefiting more than 500 families in the area. This year the Ministry of Environment (MiAmbiente) included Banesco in the "First 50 Carbon Neutral Organization" Declaration and awarded us with the "Carbon Footprint Inventory" Seal.

Culture:

We remain convinced that encouraging the cultural development of Panama's children and youth through music makes a difference in their development as adults, which is why in 2022 we continue to support the Alliance with the Network of Children's Orchestras and Choirs of Panama.

Social Innovation:

The Banesco Participatory Budget Project is already an institution in Panama, reaching its 5th version, in which we have benefited more than 450 thousand people in vulnerable communities, supporting projects ranging from aqueducts, dental clinics and children centers. In our commitment to gender equality, we collaborate with the Steam Girls Foundation, training more than 300 girls in civic values and financial principles. The goal is to train 10,000 girls in 10 years.

Corporate Affairs:

We have again been recognized by the Gender Equality Seal (Sello Sí Género),; we have a national risk rating of A-(pan), ratifying a stable outlook; we meet in a Sustainability Roundtable, whose objective is to promote dialogue to define the sustainability strategy and integrate it into the organization's operational and administrative processes.

As we celebrate our 15th anniversary this year, I am excited about what we have achieved and what is to come in 2023 in terms of sustainability, responding to the great challenge of the Sustainable Development Goals. Our commitment is to Panama and we will continue to move forward in order to continue contributing to the economic growth and social development of the country, because we're better together.

Cordially yours,

Alfonso Prieto González

President and CEO
Banesco (Panamá), S.A.

Banesco (Panamá), S.A.

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About this report

[RS- GRI 2-1; 2-2; 2-3; 2-5; 2-28]



About this report

By means of this social responsibility report we present to our stakeholders the most relevant programs, activities and initiatives in economic, social and environmental matters managed between January 1, 2022 to December 31, 2022 that correspond to Banesco (Panamá), S.A. and the goals proposed for the coming years.

This report has been prepared in reference to the GRI Universal and GRI Thematic 2021 Standards update; and the list of contents can be found in the GRI content index. The 2022 Sustainability Report has been approved by Alfonso Prieto, President and CEO. The external verification has been carried out by the firm KPMG, and there are no conflicts of interest with other services. At the end of the report, a list of the verified GRI contents and the communication issued as proof of this verification are included.

For more than five years, we have been a signatory organization of the United Nations' Global Compact and a member of the United Nations Environment Programme Finance Initiative (UNEP FI), and since 2018 we have subscribed to the Women's Empowerment Principles (WEPs).

Information Scope

For the purposes of this Report:

"Banesco Panamá" or "Banesco" hereinafter refers to the corporation Banesco (Panamá), S. A.

"Banesco (Panamá), S.A. and Subsidiaries", refers to Banesco Panamá and all the following subsidiaries: Banesco Seguros, S. A. (Panamá), Banesco N.V. (Curaçao) and Ocean 25, S.A.

"Group" hereinafter refers to Banesco Holding Latinoamérica, S.A., and all the corporations comprising the Banesco Holding Latinoamérica Group, which can be consulted in the Group's Consolidated Financial Statements.

"Banesco International" is used to identify all Banesco companies, whether or not they are part of the same accounting/commercial group.

Banesco (Panamá), S.A.

2022 SUSTAINABILITY REPORT



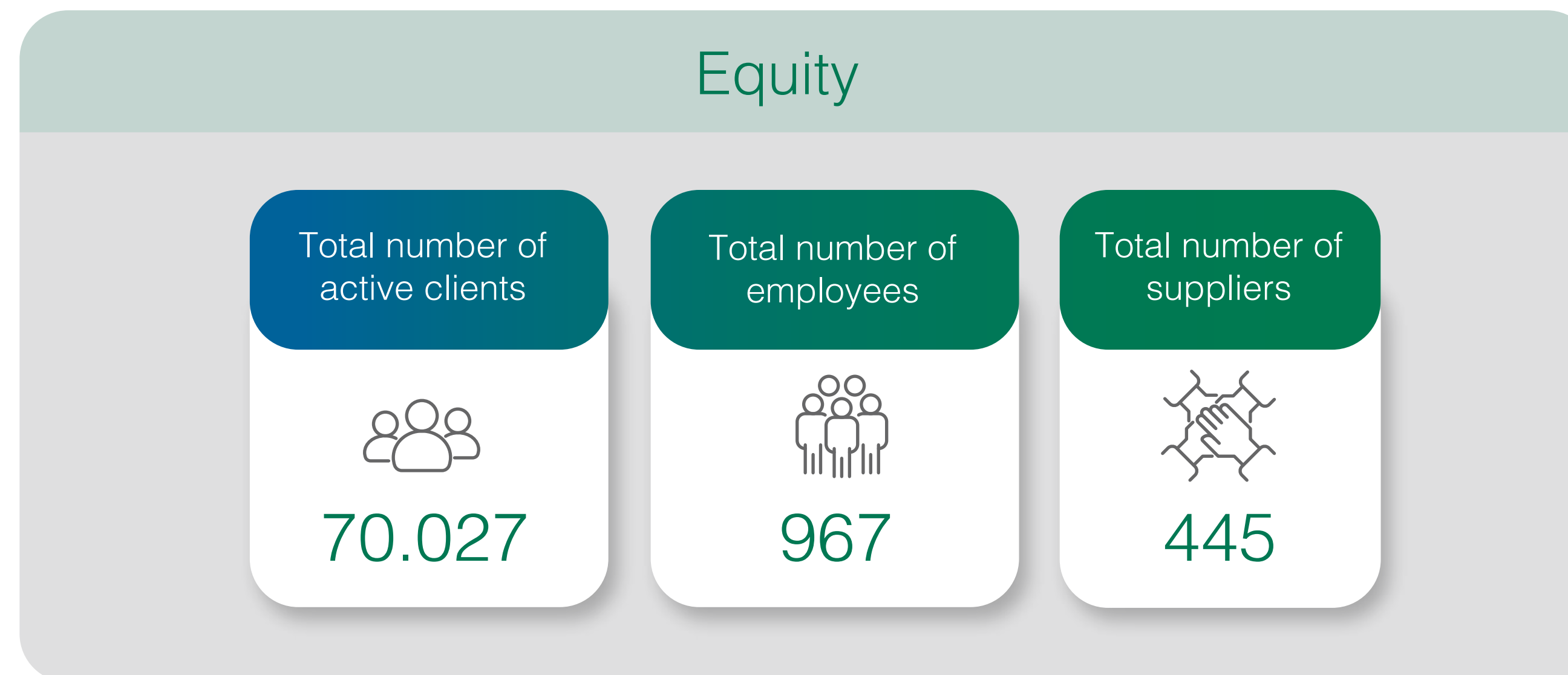
III. About us

[RS GRI 2-1; 2-6; 2-14; 2-23; 2-28;
2-29; 3-1; 3-3; 201-1]

About us

Banesco (Panama), S.A. and its Subsidiaries constitute an internationally diversified group with significant presence in retail banking, wholesale banking and administration. In addition, it provides financial services and conducts operations in other sectors, mainly insurance. The Group maintains a presence and carries out its activities in Panama and Curaçao. It consolidates its operations through Banesco (Panamá), S.A., which is owned by Banesco Holding Latinoamérica, S.A., incorporated under Spain's regulation.

Infographics relevant data



To fulfill this purpose, our business model is organized by customer segments, with an offer of products and services specially designed for each. Thus, we offer a Local Banking aimed to serve natural persons residing in Panama, including premium profile individuals for whom there is also a

specific value proposition; a SME segment focused on meeting the needs of small and medium-sized companies; a Specialized Banking section serving companies and corporations, including a specialization in agricultural companies; and an International Banking focused on meeting the needs

of all non-resident natural persons and legal entities in Panama. For each of these segments we have products and services that serve four main business lines: liability products, credit products, means of payment products and insurance banking products.

Strategic Architecture

Segments, Service Models and Lines of Business.

| Segments | Attention model | Business Lines | | | |
|--------------------------|--|----------------|-------|------------------|-------------------|
| | | Deposits | Loans | Means of payment | Insurance banking |
| Resident natural persons | Personal Banking <i>(including Premium Banking and Chinese Banking)</i> | • | • | • | • |
| Premium natural persons | | | | | |
| SMEs | SME Banking | • | • | • | • |
| Companies | Specialized banking <i>(Corporate Banking and Agro Banking)</i> | | | | |
| Agricultural companies | | • | • | • | |
| Corporations | | | | | |
| Non-resident person | International banking | • | • | • | • |



Location of headquarters in Panama and operating branches

Our headquarters are located in Marbella, Aquilino de la Guardia and 47th Street Bella Vista, Banesco Tower, Panama City, Republic of Panama.

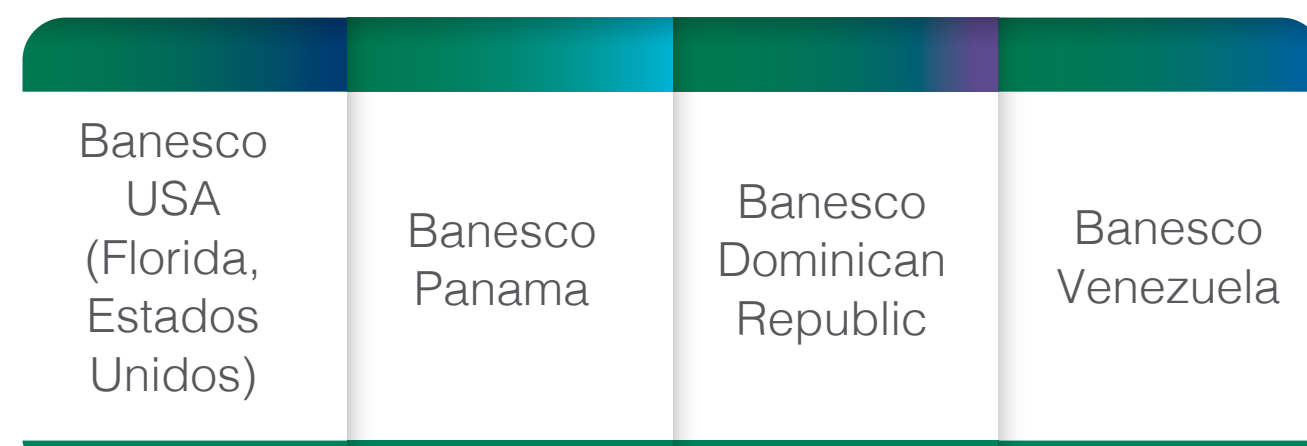
We have 23 branches nationwide (including our Headquarters), located at:

- | | |
|-------------------|-----------------|
| 📍 Albrook Mall | 📍 Metromall |
| 📍 Altos de Panamá | 📍 Multiplaza |
| 📍 Brisas del Golf | 📍 Vía España |
| 📍 Calle 50 | 📍 Westland Mall |
| 📍 Pacific Center | 📍 La Chorrera |
| 📍 Costa del Este | 📍 Colón |
| 📍 12 de octubre | 📍 Coronado |
| 📍 El Dorado | 📍 Chitré |
| 📍 Nuevo Tocumen | 📍 David |
| 📍 Los Andes | 📍 Penonomé |
| 📍 Los Pueblos | 📍 Santiago |



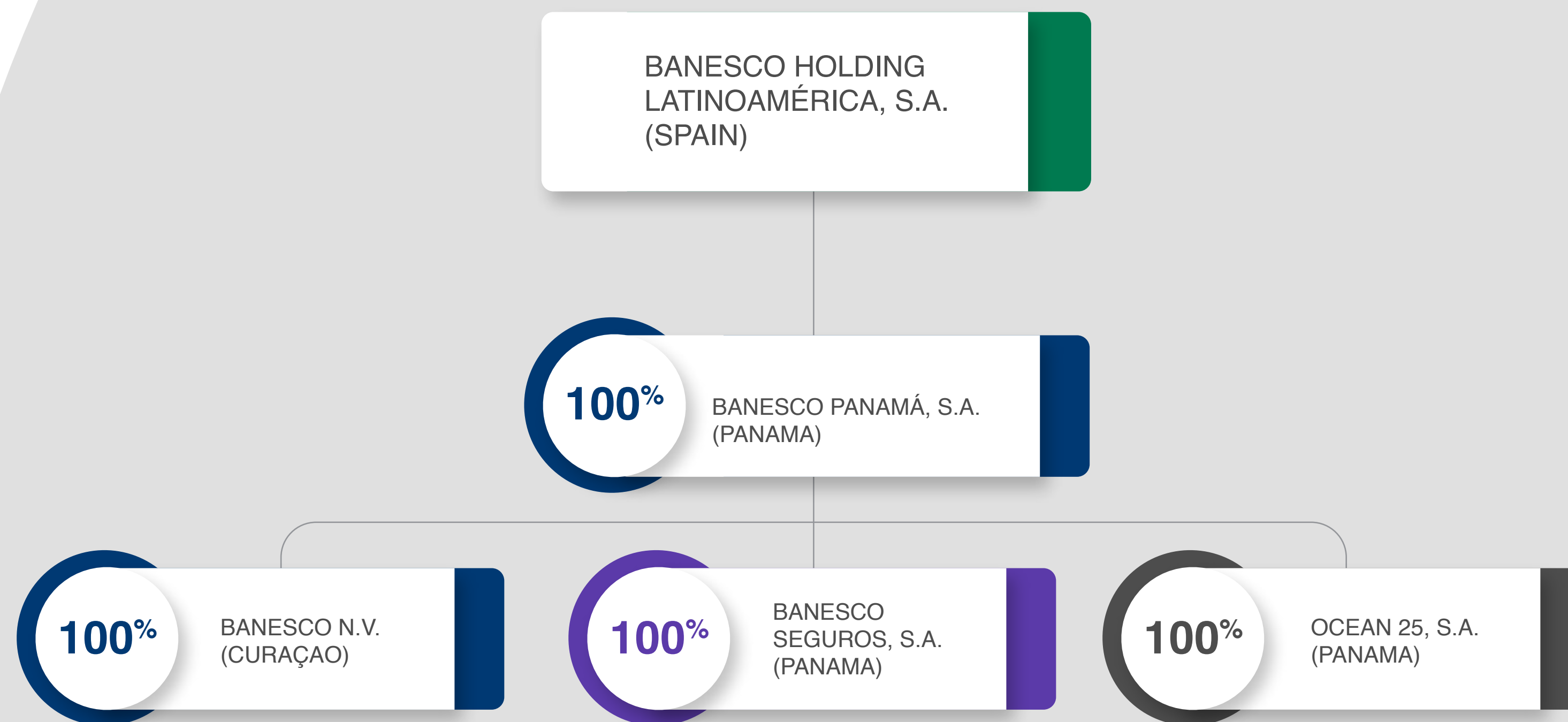
Shareholding structure of the organization

Banesco International is a financial services brand with an international presence and a trajectory of more than 34 years in the banking, insurance and payments business. In addition to its natural organic growth, Banesco International is the result of more than 20 mergers and acquisitions. With operations in the United States and Latin America, it has a presence in six countries and is comprised of four independent financial groups with autonomous, operational and legally constituted financial structures:



On December 23, 2022, by means of Resolution SBP-2022-07128, the merger abroad between Banesco Holding Latinoamérica, S.A. and Banesco Holding Financiero, S.L. is recognized, where Banesco Holding Latinoamérica, S.A. will be the surviving company, producing a change in the direct owner of the shares of Banesco (Panamá), S.A.

As of December 31, 2022, Banesco Panamá participates directly in the following companies:



■ Operational Banking Entity

■ Operational Financial Institution

■ Operational Company

Products and services

| Product/service | Business Line | | Banking | |
|--|---------------|-----------------------|----------------|----------------------------------|
| | Local banking | International banking | Retail banking | Specialized banking (commercial) |
| Fixed Term Deposits | ● | ● | ● | ● |
| Regular savings accounts | ● | ● | ● | ● |
| Savings accounts-simplified procedure | ● | ● | ● | |
| Interest-bearing checking accounts | ● | ● | ● | ● |
| non-interest bearing checking accounts | ● | ● | ● | ● |
| Personal Loans | ● | ● | ● | |
| Secured Loans | ● | ● | ● | ● |
| Mortgage loans | ● | ● | ● | |
| Authorized Overdraft Lines | ● | ● | ● | ● |
| Auto Loans | ● | | ● | |
| Credit Cards | ● | ● | ● | |
| Commercial mortgage Loans | ● | ● | | ● |
| Credit Lines | ● | ● | | ● |

| Product/service | Business Line | | Banking | | |
|---|---------------|-----------------------|----------------|----------------------------------|------------------------|
| | Local banking | International banking | Retail banking | Specialized banking (commercial) | Payment and settlement |
| Credit Letters | ● | ● | | ● | |
| Commercial Auto Loans | ● | | | ● | |
| Business Credit Card | ● | ● | | ● | |
| Commercial Loans | ● | ● | | ● | |
| Agricultural Loans | ● | ● | ● | ● | |
| Night-drop Deposits | ● | | | ● | |
| Corporate Payroll | ● | ● | | ● | |
| Certified checks | ● | ● | | | ● |
| Cashier's checks | ● | ● | | | ● |
| Collections | ● | ● | | | ● |
| Bank Transfer | ● | ● | | | ● |
| International transfers | ● | ● | | | ● |
| Acquisitions. (Points of sale) | ● | | ● | ● | |
| Debit Cards | ● | ● | ● | ● | |
| Prepaid cards | ● | ● | ● | ● | |
| Contactless Wristband (Contactless accessory) | ● | | ● | | |

Productos y servicios

| Product/service | Business Line | | Banking | |
|---|---------------|-----------------------|----------------|----------------------------------|
| | Local banking | International banking | Retail banking | Specialized banking (commercial) |
| Treasury operations purchase and sale of currencies | ● | ● | ● | ● |
| Supplier payment service-confirming | ● | ● | | ● |
| SWIFT-MT940 Account Statements Services | ● | ● | | ● |
| GPI-Swift transfer tracking services (International standard) | ● | ● | ● | ● |
| Smart Safe Boxes | ● | | ● | ● |

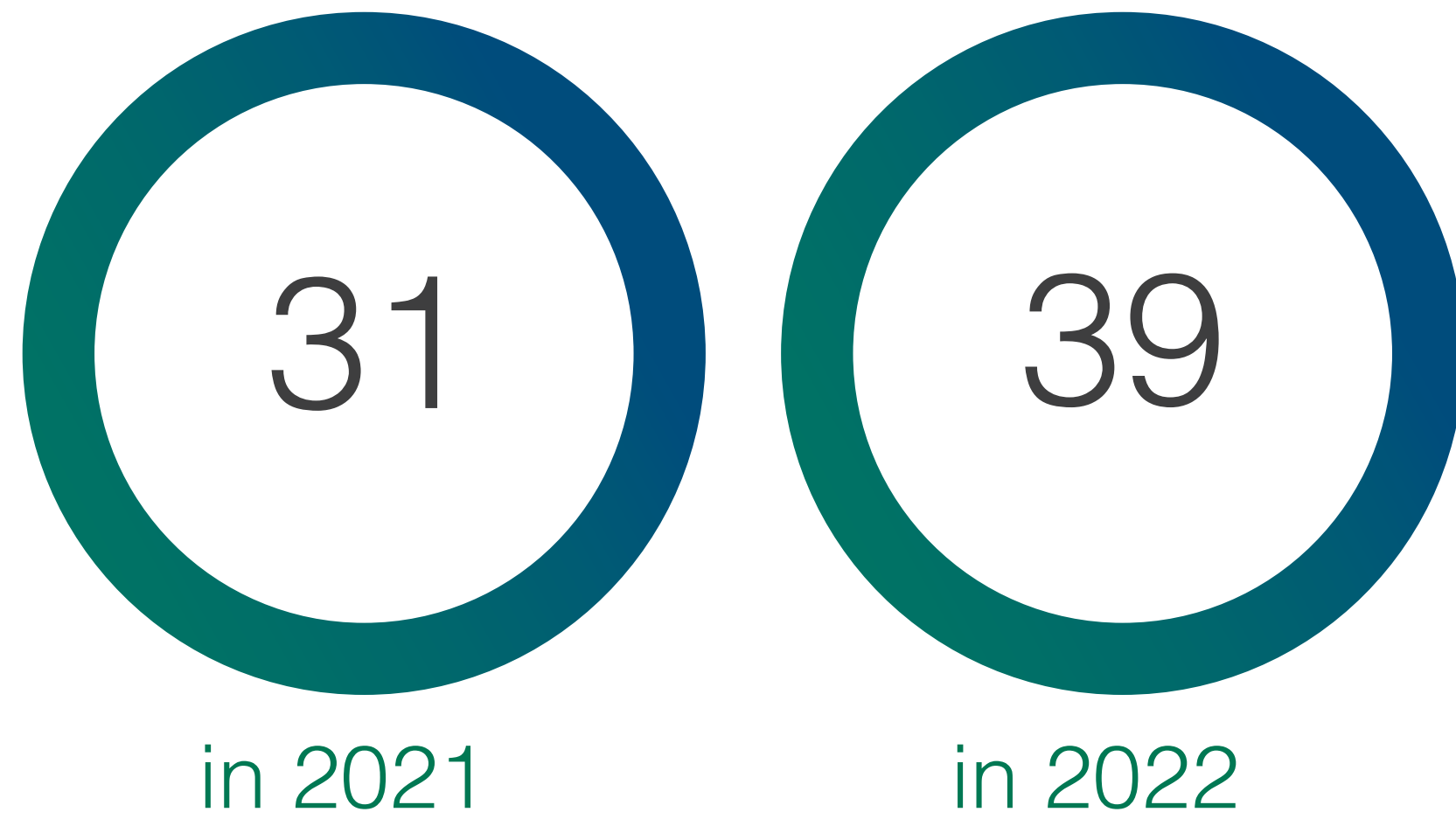
Bank Insurance

| Product/Service | Business Line | |
|--------------------------------|---------------|-----------------------|
| | Local banking | International banking |
| Comprehensive life insurance | ● | ● |
| Personal Accident Insurance | ● | ● |
| Residential Combined Insurance | ● | ● |
| Funeral Expenses Insurance | ● | ● |

Electronic channels

| Product/service | Business Line | | Banking | |
|--|---------------|-----------------------|----------------|----------------------------------|
| | Local banking | International banking | Retail banking | Specialized banking (commercial) |
| Online Banking | ● | ● | ● | ● |
| Digital onboarding in local and international banking | ● | ● | ● | |
| Mobile Banking & Wally | ● | ● | ● | |
| Wally Businesses | ● | ● | ● | ● |
| ATM network | ● | | ● | |

ATMs



Organization's Size and Economic Performance

| Indicator (Figures in USD) | 2021 | 2022 |
|----------------------------|-----------------|-----------------|
| Net income | \$9.141.730 | \$13.024.668 |
| Total assets | \$4.446.132.941 | \$4.735.922.217 |
| Total deposits | \$3.588.060.617 | \$3.642.856.681 |
| Equity | \$377.922.363 | \$357.237.114 |
| Net Loans | \$3.114.751.246 | \$3.372.091.055 |

| Economic Performance Indicator (Figures in USD) | 2021 | 2022 |
|---|---------------|---------------|
| Direct economic value Generated (VEDG) | \$240.134.755 | \$248.036.163 |
| Economic Value Distributed (VED) | \$183.592.903 | \$198.015.016 |
| Operating costs | \$61.420.979 | \$60.379.349 |
| Salaries and Employee Benefits | \$44.867.699 | \$51.839.989 |
| Payments to suppliers | \$75.191.733 | \$84.111.423 |
| Payments to government | \$1.328.503 | \$1.120.816 |
| Environmental and social investments | \$783.989 | \$563.439 |
| Retained economic value (VEDG-VED) | \$56.541.852 | \$50.021.147 |



Banesco was ranked No. 5 in the Panama Financial and Banking Sector Ranking of Companies 2022 in the 5th edition of Merco ESG

Responsibly, where the most environmentally responsible companies, the most responsible internally, with their clients and with the society, and those that stand out for their actions at an ethical and governance level, are made known. As well as in the #14 position in the ranking of the most responsible companies in Panama.

Ratification of the A-(pan) risk rating, with stable outlook by Fitch Ratings.

Re-certification for the third time, in the Gender Equality Seal Program (Sello Sí Género) - gold category, of the Gender Equality Seal promoted by the Ministry of Labor and Labor Development (MITRADEL) and the United Nations Development Program (UNDP).



Banesco highlights
in 2022

We received seals of **recognition for our carbon footprint inventory and the first 50 carbon-neutral organizations**, awarded by the Ministry of the Environment.

We became an IRECs-certified bank, affirming that all branches and offices in Panama operate with 100% renewable energy

Banesco Panama inaugurated its first Love Park, made with 9.66 tons of plastic discards, betting on sustainability once again, inaugurating the first playground composed solely of flexible plastics.

As part of the celebration of our 15 years in Panama, we awarded 15 scholarships to young people who would be 15 years old in 2022 and who maintained excellent grade point averages. To support them in their first year of university life, promoting their insertion once they finish school. (Ref. <https://www.youtube.com/watch?v=1w6TA1gBi4M>)

Principles, Agreements, Statutes, Alliances and Externally Developed Initiatives.

In 2022, in Banesco Panama, we promoted the creation of our Sustainability Board to ensure the participation of the eleven vice presidencies, joined by a purpose. Working from the core business of the bank towards positioning ourselves as the most sustainable bank in the market, it articulates the current context of the SDGs, aligned with the 2030 Agenda, the Principles for Responsible Banking (UNEP FI) and the Paris Agreement.

The Sustainability Executive Board is the body responsible for ensuring the organization's transformation process to a more sustainable bank, proposing strategic lines of management and control in terms of social, environmental and governance responsibility. Its objective is to promote dialogue to define the sustainability strategy and integrate it into the organization's operational and administrative processes.

During 2022 we participated in:

6 sponsorship and donation actions

managing to encourage and promote social, cultural and inclusive programs led by organizations such as:

Network of Children's
Orchestras and
Choirs of Panama

Fundación Pro
Niños del Darién

Fundación por
la Excelencia
del Aprendizaje

Fundación
Eduardo Morgan

Sociedad de Esposas
de Banqueros
de Panamá

Fundacáncer

Focused on our strategic sustainability path, we strengthened and generated alliances and agreements with environmental conservation, NGOs and governmental organizations.



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IV.

Corporate governance, ethics and transparency

[RS- GRI 2-9; 2-10; 2-11; 2-12; 2-13; 2-15; 2-16;
2-23; 2-24; 2-27; 2-29; 3-1; 3-3; 205-2]



Our culture, ethics and integrity

Banesco (Panama), S.A. and its Subsidiaries, maintain the integration of corporate values, strategic objectives, codes of ethics and other appropriate standards of behavior. Likewise, they have a clear assignment of responsibilities, hierarchies and interaction mechanisms at all levels of the Corporate Governance Structure, and appropriate internal and public information flows.

During the year 2022, the pertinent updates were made in different related topics:

- Updating of Corporate Governance documents, mainly Good Governance Code, with adjustments to the organizational structure of the bank and subsidiaries, necessary updates to the Governance bodies, including the IT Committee.
- Annual review and update on Corporate Governance issues, including the review of area policies and corporate policies (among them, Corporate Transparency Policy, Corporate Anti-Corruption Policy).
- Annual review and update of the corporate governance structure of both the bank and its subsidiaries.
- And the corresponding reviews on regulatory issues and the incorporation of regulations.

Organization Values, Principles, Standards and Rules of Conduct.

Our values, standards and rules of conduct are reflected in the 58 articles of the Banesco Citizen Code of Ethics, serving as a guide for employees, business partners and other stakeholders.

The Code of Ethics is a living document, whose purpose is to promote our values and the ethical behavior expected from Banesco Citizens, reinforcing the commitment to gender equity and equal opportunities, rejecting any practice of workplace or sexual harassment. Every employee, at the time of their entry, receives this Code and training on its application.

Our Vision

We are among the banks with the best service experience because of our convenient, reliable, secure and innovative offerings.

We maximize our profitability based on operational efficiency, robust risk management and recurring revenues, which are reflected in a stable risk rating.

We are recognized as a solid, sustainable bank, rooted in Panama, with strong international support and recognized by our employees as one of the best places to work.

Our Mission

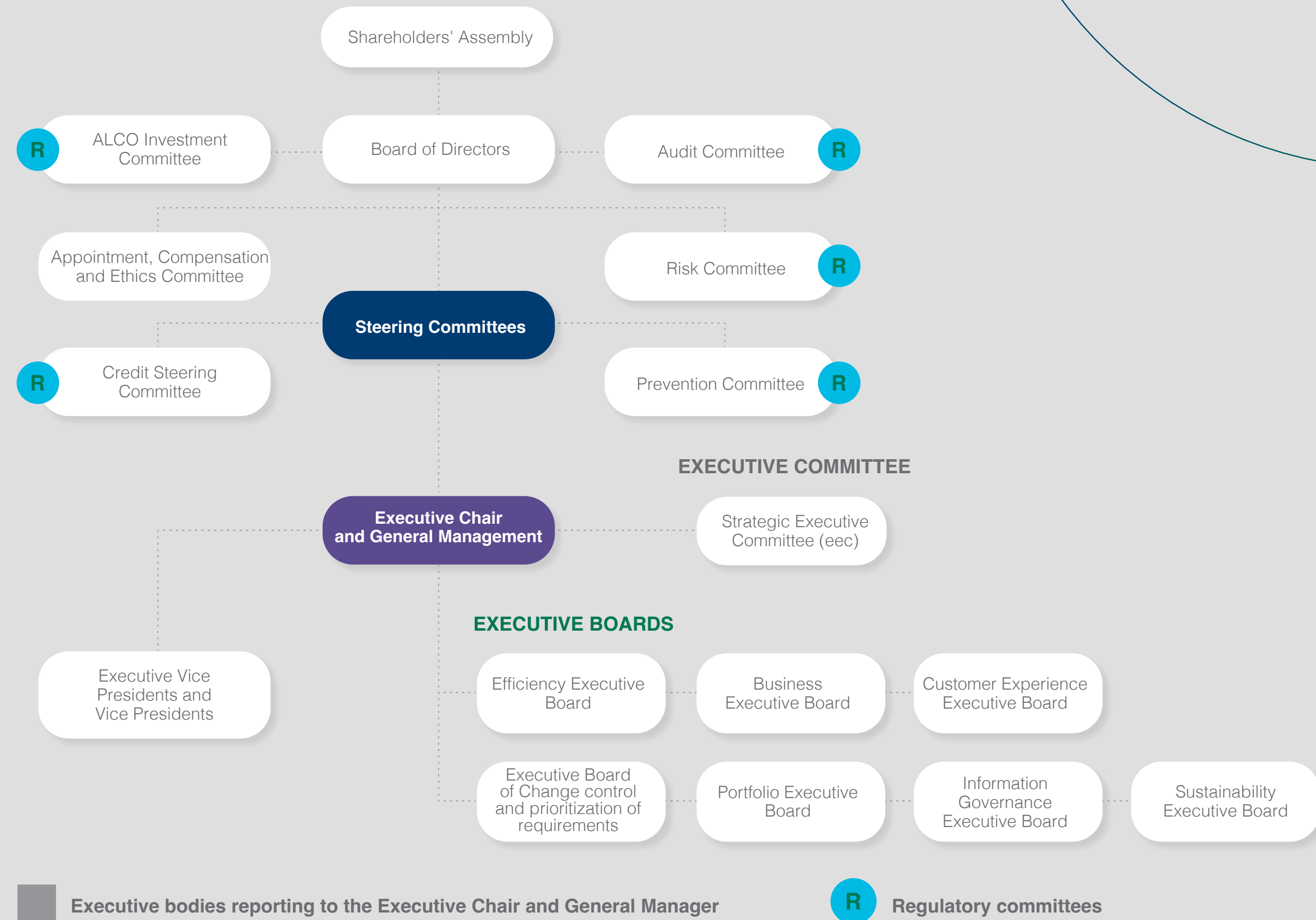
We are a comprehensive financial services organization, dedicated to understanding our customers' needs and satisfying them through relationships based on mutual trust, ease of access and excellence in service quality.

We are leaders in the personal and commercial sectors, combining tradition and innovation, with the best human talent and advanced technology. We are committed to generating the highest profitability for our shareholders and well-being for our community.

Our corporate governance

We continue with the structure defined and approved by the Board of Directors, integrated by the schemes of Control Committees, Steering Committees, Executive Committee and Executive Boards.

- Shareholders' Assembly
- Board of Directors
- Credit Steering Committee
- Appointment and Remuneration Committee
- Prevention Committee
- Risk Committee
- Audit Committee and ALCO-Investments Committee
- As well as support bodies such as the Executive Committee, Technology Committee and Executive Boards



All information on the governance structure is available in the Code of Good Corporate Governance.

The governance of the Banesco Panama banking group is based on the adequate management of responsibilities and organization based on regulatory and normative aspects and international sound practices for good corporate governance. We have a Shareholders Assembly, Board of Directors and Steering Committees, as well as executive support bodies such as the Executive Committee, Technology Committee and Executive Boards.

Board of Directors

The criteria for the selection and appointment of the members of the Board of Directors are described in the Articles of Incorporation. In turn, it is documented in the regulations of the Shareholders' Meeting as well as in the internal regulations of the Board of Directors of Banesco (Panama), S.A., which considers, based on the regulation, to have gender equality in the Board of Directors, as well as the Directors Policy, which considers the profile of directors established by the banking regulation, according to their knowledge, moral solvency and experience in financial aspects.

The Board of Directors is the highest body of Corporate Governance with powers and attributions of administration and disposition in accordance with the provisions of the Bank's Articles of Incorporation and the Internal Regulations of the Board of Directors; however, the functions established in these documents are not limitative, so that the Board's management also covers any other function required by banking regulations or by the ordinary course of business of the organization.

Composición de la Junta Directiva de Banesco Panamá



Miguel Ángel Marcano

Chairman and Director of the Board of Directors



Carlos A. Escotet

Director



Marco Fernández

Director



Alfredo Ramírez

Director



Francisco Conto

Director



María Josefina Fernández

Director



Emilio Durán

Director



Rosio Aued

Director

Dignitaries

| | | | | |
|----------|-------------------------|-----------------------|-------------------------------------|------------------------------------|
| Name | Alfonso Prieto González | Miguel Ángel Marcano | Carlos A. Escotet | Mónica De León |
| Position | President and CEO | Chairman of the Board | Treasurer of the Board of Directors | Secretary of th Board of Directors |

Characteristics of the Board of Directors

a. The highest authority body is the Board of Directors; however, the delegation of economic, environmental and social matters is under the Risk and Credit Directive Committees. In addition to the topics of the Board of Directors, the Articles of Incorporation of Banesco (Panama), S.A. is included.

b. The responsibilities for governance are described in the Board of Directors Regulations and/or the Articles of Incorporation; however, stakeholder consultation processes should be validated with the areas of Human Capital, Finance and Strategic and Risk Management, if necessary.

c. The Chairman of the Board of Directors does not hold an executive position within Banesco (Panamá), S.A.

Information on the characteristics of the Board of Directors, its responsibilities, selection and appointment criteria and the provisions for preventing conflicts of interest is available on our website through the [Code of Good Corporate Governance, of Ethics for Directors, Independent Director Profile and the Directors' Policy](#).

Organizational Structure of Banesco (Panama), S.A.



President and CEO
Alfonso Prieto González



Vice President of Audit
Pascual Emilio Sousa



Vice President of Human Capital
María Isabel Estribi



Vice President, Special Credits and Collections
José Luis Orellana



Vice President of Corporate Governance, Compliance and Legal
Amabel Vargas



Vice President of Marketing, Channels, Customer Experience and Sustainability
Vivian Prieto



Executive Vice President of Local and International Business
Dominique Alemán Acosta



Executive Vice President, of Control and Risk
José Ignacio Soto



Executive Vice President, of Credit and Central Services
Gustavo Barrios



Executive Vice President of Strategic Management, Finance and Treasury
Juan Yagüe Fuschino



Executive Vice President, of Means of Payment
Jaime Martínez A.



Executive Vice President, of Technology
Marlene Fernández



Legal and Regulatory Compliance Challenges

Banesco (Panama) S.A., in compliance with current banking and consumer protection laws and regulations, will continue to make adjustments to its internal policies and procedures to ensure that its contracts and forms, as well as its products and services, comply with the regulations related to the banking business. Likewise, we continue to reinforce our employees in accordance with the principles and obligations established by law.

Transparency and Responsibility

At Banesco we have a commitment to transparency and responsibility, which is why we have manuals, policies and guidelines that strengthen our efforts focused on the reduction and prevention of related risks and allow us to carry out responsible and transparent management:

- Banesco's Citizen Code of Ethics and Conduct
- Code of Ethics for Directors
- Corporate Transparency Policy
- Corporate Anti-Corruption Policy

During 2022, there were no cases related to corruption and bribery activities, nor is there any judicial process filed against Banesco Panama for acts of corruption.

In 2022 we received seven administrative offenses. One for non-compliance with the prevention and banking regime of the Superintendency of Banks of Panama (SBP) representing a fine of \$450,000 and six fines imposed by the Authority for Consumer Protection and Defense of Competition (ACODECO) in the amount of \$10,259.11.

All of them were duly settled in the process corresponding to the closing of this year.

Fight against the Legitimization of Money Laundering and Financing of Terrorism.

We always seek to prevent operations and transactions related to Money Laundering, Financing

of Terrorism and Financing of Weapons of Mass Destruction. That is why we perform due diligence on all customers, employees and suppliers, through various technological enablers, at the time of linking and updating data, in compliance with our Banesco Citizen Code of Ethics and Conduct, Manual of Compliance, Know Your Client and Final Beneficiary Policy, Know Your Employee and Know Your Supplier.

In 2022 we adopted the necessary measures to prevent products, services, operations and/or transactions from being carried out with funds and/or on funds from activities related to the crimes of Money Laundering (ML), Financing of Terrorism (FT) or Financing the Proliferation of Weapons of Mass Destruction (FPWMD):

- We migrated to the ACRM tool to facilitate risk-based analysis for automated monitoring of our clients' operations.

- We have automated systems that allow us to identify in real time people and companies sanctioned in global sanction lists and internal lists to not link or determine whether or not to maintain the relationship and/or to process operations or not.

As part of our commitment to the fight against Money Laundering and Terrorist Financing, we conduct annual training sessions for all our staff to reinforce issues related to the prevention of money laundering and we promote among collaborators the need to:

- Obtain all necessary customer information and update it according to the customer's risk level.
- Maintain a proactive attitude in crime prevention.
- Identify and report any unusual activity in a timely manner.

| Employees informed and trained in anti-corruption policies and procedures | 2021 | | | | | 2022 | | | | |
|---|-----------------|--------------------|----------------------|-------------------|---------------------|-----------------|--------------------|----------------------|-------------------|---------------------|
| | Total employees | Informed employees | Informed employees % | Trained employees | Trained employees % | Total employees | Informed employees | Informed employees % | Trained employees | Trained employees % |
| In management positions | 96 | 67 | 69,79% | 67 | 69,79% | 96 | 79 | 82,29% | 79 | 82,29% |
| In technical positions | 295 | 153 | 51,86% | 153 | 51,86% | 303 | 282 | 93,07% | 282 | 93,07% |
| In administrative positions and others | 576 | 406 | 70,49% | 406 | 70,49% | 568 | 547 | 96,30% | 547 | 96,30% |
| Total | 967 | 626 | 64,74% | 626 | 64,74% | 967 | 908 | 93,90% | 908 | 93,90% |

The Anti-Corruption Policy includes channels for reporting, by email or web form of the code of ethics. The Cases (if any) are managed through the Human Capital area, who are in charge of the investigations and escalate the results to the Compliance, Corporate Governance and Ethics Committee. All reports are anonymous.

Article 22 was amended to reinforce our anti-corruption policy and a question was included in the certification of our Code of Ethics.

We currently have a Know Your Employee Policy which establishes the due diligence of each and every one of the candidates who aspire to work with us. This policy establishes

the annual data update campaign to ensure that the data and documents of active employees remain up to date. Furthermore, our Code of Ethics establishes the behaviors that all Banesco citizens should adhere to and it also provides different channels for complaints such as: Google form hosted on the intranet, complaints mailbox (etica_pa@banesco.com).

Additionally, the bank has an anti-corruption policy leveraged in our Code of Ethics as a tool to prevent conduct that contradicts internal and external regulations.

| Members of Banesco Panama informed and trained in the prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction | 2021 | | 2022 | |
|---|------|------|------|------|
| | No. | % | No. | % |
| In management positions | 20 | 100% | 20 | 100% |
| In technical, administrative and other positions | 886 | 100% | 885 | 100% |

Banesco (Panamá), S.A.

2022 SUSTAINABILITY REPORT

V.

Our contribution to sustainable development

[RS- GRI 2-6; 2-29; 3-1; 3-2; 3-3]

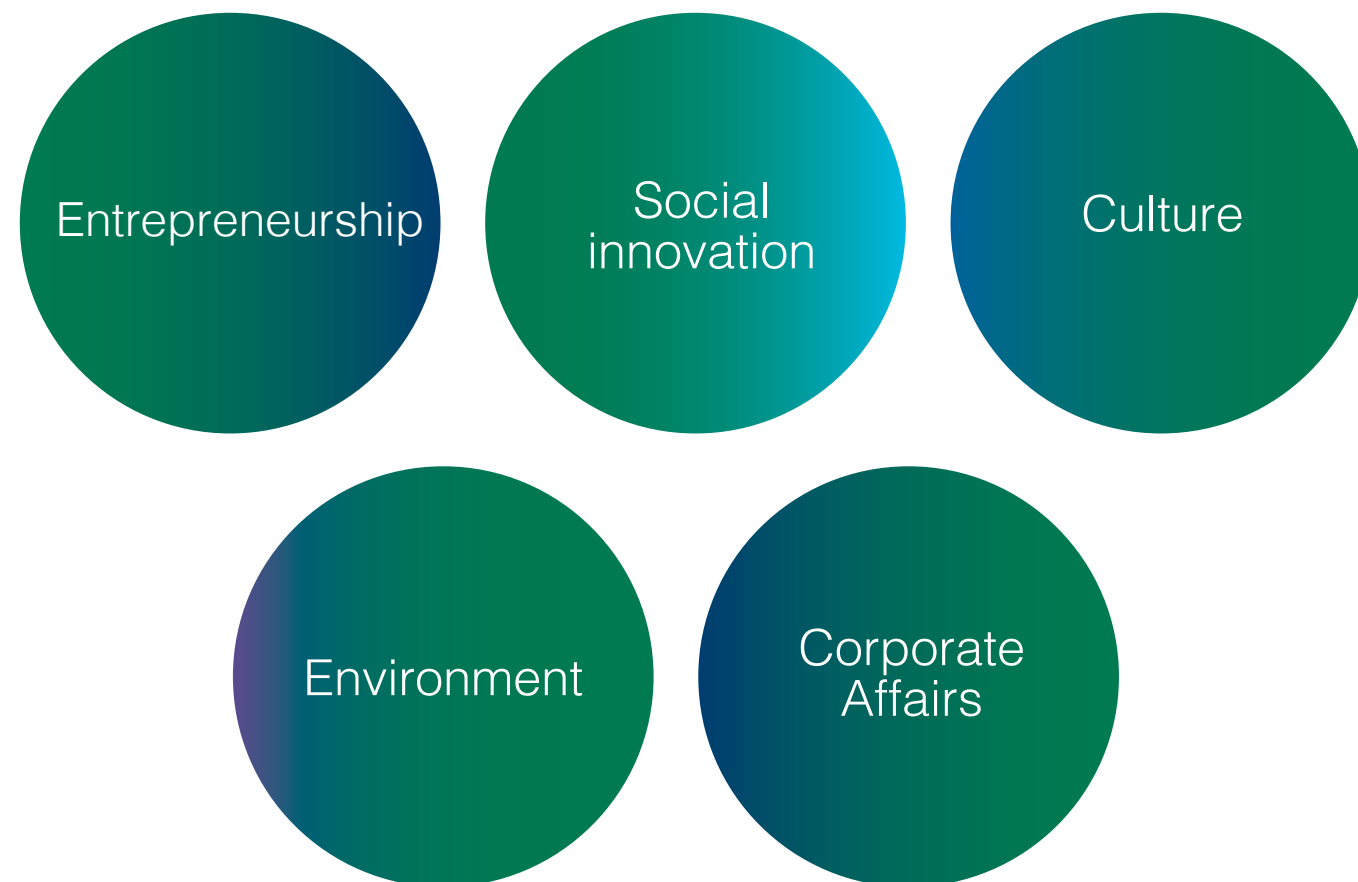


Our management is identified with the Sustainable Development Goals (SDGs) of the United Nations and the National Strategic Plan (PEN 2030). Banesco Panama contributes to the achievement of 11 of the 17 SDGs:

Action for the sustainability of Banesco Panama

From our Corporate Social Responsibility (CSR) strategy, we maintain our commitment to the five lines of action where we generate a variety of programs and projects that promote the sustainable development of our country, taking as a reference the principles established within the framework of the United Nations Global Compact, the ISO 26000 Standard on Social Responsibility and the United Nations Environment Program Finance Initiative (UNEP FI).

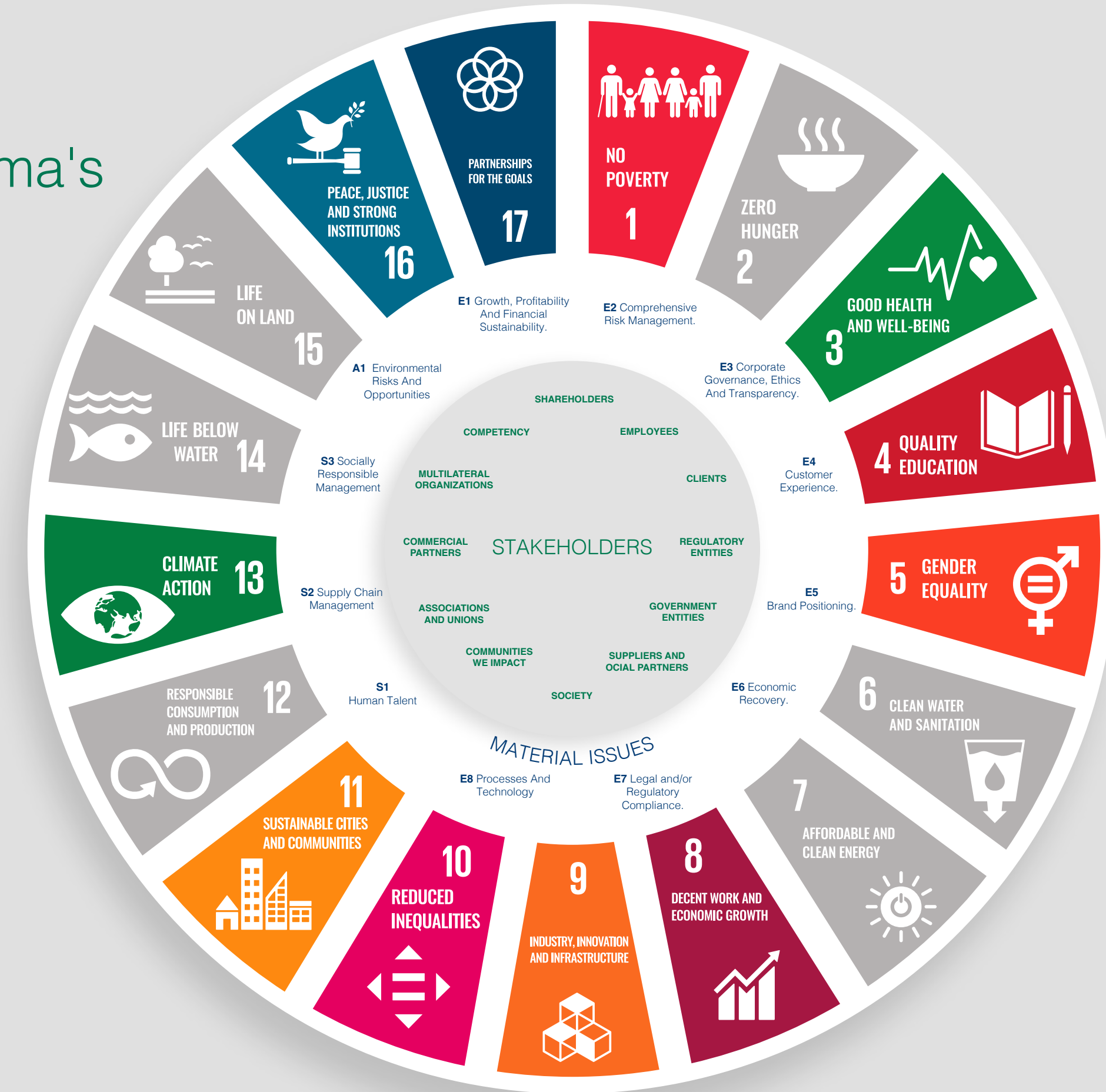
Our five pillars are:



Banesco Panama's contribution to the SDGs

Identification of the significance of material issues:

- **E: Economical**
- **S: Social**
- **A: Environmental**



We continue with public-private alliances, focused on giving sustainability to CSR projects and we are part of associations such as SumaRSE, the United Nations Global Compact, the American Chamber of Commerce (AmCham), among other Chambers of Commerce, where we maintain a close relationship with our stakeholders.

Connection with our stakeholders

Maintaining a continuous dialogue with all our stakeholders is essential to maintain lasting relationships and has been a constant throughout the years. We have enabled new and better channels for surveys, focus groups, newsletters, social networks, various service lines and segmented activities that allow us to know their opinion and optimize communication channels.

With our employees, we design campaigns focused on listening to their voices, through different internal platforms. Information on our stakeholders is available in the CSR segment on our website, "[Materiality and Stakeholders](#)".

Materiality

Details of the materiality matrix are available on the CSR section website - "[Materiality and Stakeholders](#)".

All the issues analyzed were placed in the quadrant indicating that they are highly relevant for the company and for stakeholders, according to the information provided and constructed jointly with the employees who participated in the process. However, given

the final rating, different degrees of urgency for their attention are attributed to them. As issues of high relevance whose importance and attention require immediate action, four issues were identified with an importance rating above 90%: economic reactivation; legal and/or regulatory compliance, corporate governance; ethics and transparency; and customer experience.

Stakeholder



Banesco (Panamá), S.A.

2022 SUSTAINABILITY REPORT

VI. Our business

[RS- GRI 2-1; 2-6; 2-22; 2-25; 3-1; 3-3; 201-1;
204-1; 205-2; 205-3; 408-1; 409-1; 410-1]





Growth, profitability and financial sustainability

In 2022, although the performance of the economy in general terms evolved better than the scenarios proposed, we maintained an approach based on the risk quality - profitability ratio of the businesses, rather than on a specific sector. In terms of legal liquidity, Banesco maintains a percentage of 40.97%, which represents 10.97% above the 30% legal minimum required by the Superintendency of Banks. Under this financial environment, the bank has a healthy capitalization of 12.29% on risk-weighted assets, 4.29% above the regulatory requirement of 8%.

In the 2022 period, at Banesco Panama, we deepened our efforts to make our operating model increasingly efficient, optimizing our cost structure, as well as gaining in agility and effectiveness regarding external customers. We continued to strengthen the customer experience model, seeking a more fluid approach between the customer and the Bank, as well as to strengthen retention and loyalty processes. Last but not least, we took important steps in retaining and strengthening our talent that lives and promotes the bank's values and culture to make the internal and external customer experience a competitive advantage. In addition, we consider the increase in the share of liabilities and loans, standing out in the local and systematic business market.

Our lines of business

The local loan portfolio according to its lines of business is composed as follows: 55% destined to financing in the mass segment, 5% in the premium segment, 5% in SMEs interim specialized construction segment, 6% in business segment, 4% in the specialized agricultural segment and 4% in the SMEs segment.

In terms of results, the local credit balance as of December 31, 2022 reached \$2,433,000 and we were able to manage a total volume of 70,027 active clients with balance. The activities or types of industries that stand out in local balance are:



Food Industry



Real Estate / Construction Industry



Apparel, Footwear and Accessories Industry



Electricity and Electronics Industry



Liquor and Tobacco Industry



Agriculture and Livestock Industry



Air and Maritime Transport Industry

FitchRatings

Ratifies the long-term national rating of Banesco Panama.

The rating agency FitchRatings announced Banesco Panama's long-term national rating at A-(pan), ratifying a stable outlook.

Likewise, Fitch has upgraded its short-term national rating from F2(pan) to F1(pan). The national ratings reflect the entity's intrinsic strength, with good financial performance and improved and stable asset quality metrics, driven by its placement standards, collateral coverage and continuous monitoring of its portfolio.

The bank maintains a consistent participation in the main segments such as: commercial, consumer and housing, and benefits from a higher degree of diversification than its closest local peers.

In Banesco Panama we continue working to strengthen the trust of each of our customers and ratifying this rating is a recognition to continue working intensively in contributing to the economy of Panama, betting on economic growth. We are very happy and optimistic with this rating," said Alfonso Prieto, President and CEO of Banesco (Panamá), S.A.



Banesco Panamá

**A-
(PAN)**



Comprehensive risk management

At Banesco we have maintained our Comprehensive risk management system, focused on the comprehensive analysis that involves both the assessment of financial and non-financial risks; reinforcing the risk management culture within the organization, which contemplates the management of the different types of risk.

We have for this purpose comprehensive risk policies and procedures that include, among others, the following aspects:



1

The Comprehensive Risk Management Unit is responsible for the proper implementation of the risk management framework in the organization, including the presentation to the Board of Directors, through the Risk Committee, of the suitable structure for its management, appointing those responsible for risk management activities, as well as incident reporting.

2

The business units must identify and assess the risks inherent in all products, services, activities, processes and critical systems of the organization, in accordance with the established methodology. It is necessary to ensure that, prior to the release of new products, activities, processes and systems, the risk inherent in them is subject to appropriate evaluation and approval procedures by the Risk Committee.

3

All employees are responsible for adequately managing the risks in their areas, including reputational and legal risk, acting diligently and proactively in identifying risks and their control and mitigation strategies, generating alerts and timely reporting to higher levels and to the unit responsible for Comprehensive Risk Management.

Banesco (Panama), S. A. and Subsidiaries, has defined for each of the types of risk inherent to the exercise of its financial activity, global limits that are approved by the Risk Committee and ratified by the Board of Directors of the Headquarters, which defines the risk appetite of the organization. On a monthly basis, the Comprehensive Risk Management Unit follows up the management of each of the risks to which the organization is exposed before the Risk Committee.

Main results

- In relation to the Culture Plan, we have trained via e-learning 842 employees who passed this training on Comprehensive Risk Management, with special chapters on Financial Risk, Model Risk, Operational Risk and Environmental and Social Risk.
- Our staff have received technical training to continue strengthening our management (modeling and quantification of operational risk, specialization in data protection). In terms of Comprehensive Risk Management, several trainings were carried out with data visualization tools through Power BI dashboards.
- Implementation of a Risk Management Tool (GRC), which supports the tasks of management, identification, measurement and control of operational and technological risks.
- Automations to strengthen the reporting management of the area.
- Continuity of the financial risk monitoring desk, where our management is constantly evaluated.
- With respect to cybersecurity, we implemented a Security Operations Center, which strengthens our monitoring of early alerts of cyber intelligence and cyber threats.
- We have strengthened the early detection and management of phishing, through preventive monitoring to validate the customer's digital footprint, and have deployed internal and external awareness campaigns.

The main risks identified and managed within the Bank are those required by the Superintendency of Banks of Panama due to the nature of our functions:

- 1 Market Risk: It is based on the establishment of limits as to permitted activities and risks to be assumed in terms of positions, potential loss results, duration and concentration of losses on capital funds.
- 2 Credit Risk: Decentralized concession system that combines individualized expert analysis with the use of statistical systems and models sufficiently endorsed and supervised in accordance with the policies established by the entity; continuously monitoring the quality of the portfolio.
- 3 Liquidity Risk: We verify the availability of sufficient liquid assets to face potential liquidity stress situations.
- 4 Interest Rate Risk: We use models that allow us to establish limits and determine the sensitivity of the financial margin to variations in the interest rate.
- 5 Change Risk: The analysis of potential losses for the most relevant net currency positions, in order to control the risk arising on financial assets and liabilities.
6. Operational Risk: We manage the Operational Risk, with the purpose of identifying and measuring the risks in the organization based on the information available related to possible weaknesses, failures or inadequacies in the internal processes, people and systems; or by external events, as well as the evaluation of the quality of the design and effectiveness of the existing controls for the treatment of these risks, in order to determine if the management of these risks is within the risk - profitability level accepted by the Bank.

During 2022, among the main results, we can highlight that the gap closure indicator reached 100%, a total of 842 employees were trained in operational risk management, and there was a 19% decrease in the number of reported operational risk events and incidents, with an exposure of \$3,963,000 and a severity of \$584,000.

- 7 Technological and Cybersecurity Risk: The bank manages the business risk associated with the use, ownership, operation, participation, influence and adoption of information technology (IT) in the organization; mitigating the risks associated with: ransomware attacks, SQL Injection attacks, DDOS (denial of service) attacks, cross scripting and phishing, among others.

- 8 Environmental and Social Risk: Anticipate possible adverse environmental and social impacts, ensuring that these negative impacts are avoided or minimized as much as possible, while stimulating positive impacts.

- 9 Risk of Money Laundering, financing of terrorism and proliferation of weapons of mass destruction: Prevent the institution from being used, intentionally or unintentionally, for criminal purposes.

Established Governance Mechanisms

The bank has an organizational support structure comprised of key units, both strategic and operational with shared responsibilities.

Regulatory compliance

As banking and insurance services leader, we comprehensively control and manage the different types of risks to which we are exposed in the development of our activities through rigorous procedures. The risk methodology at Banesco is based on the best international practices (Basel, ISO, AIRM, RIMS), but we do not use a standard as such. We are governed by the provisions of the regulatory entities, including the regulations established by the Superintendency of Banks and the Superintendency of Insurance and Reinsurance, as well as by the best market practices.



Attention to requests and resolution of claims

We make efforts to plan, design and develop financial and insurance products in a responsible manner. In this sense, the attention of claims and requirements is fundamental to verify its adequate implementation, besides being a feedback for the improvement of the processes. At the Banesco Panama (Banking) level, there is a policy to "Manage customer complaints and requirements".

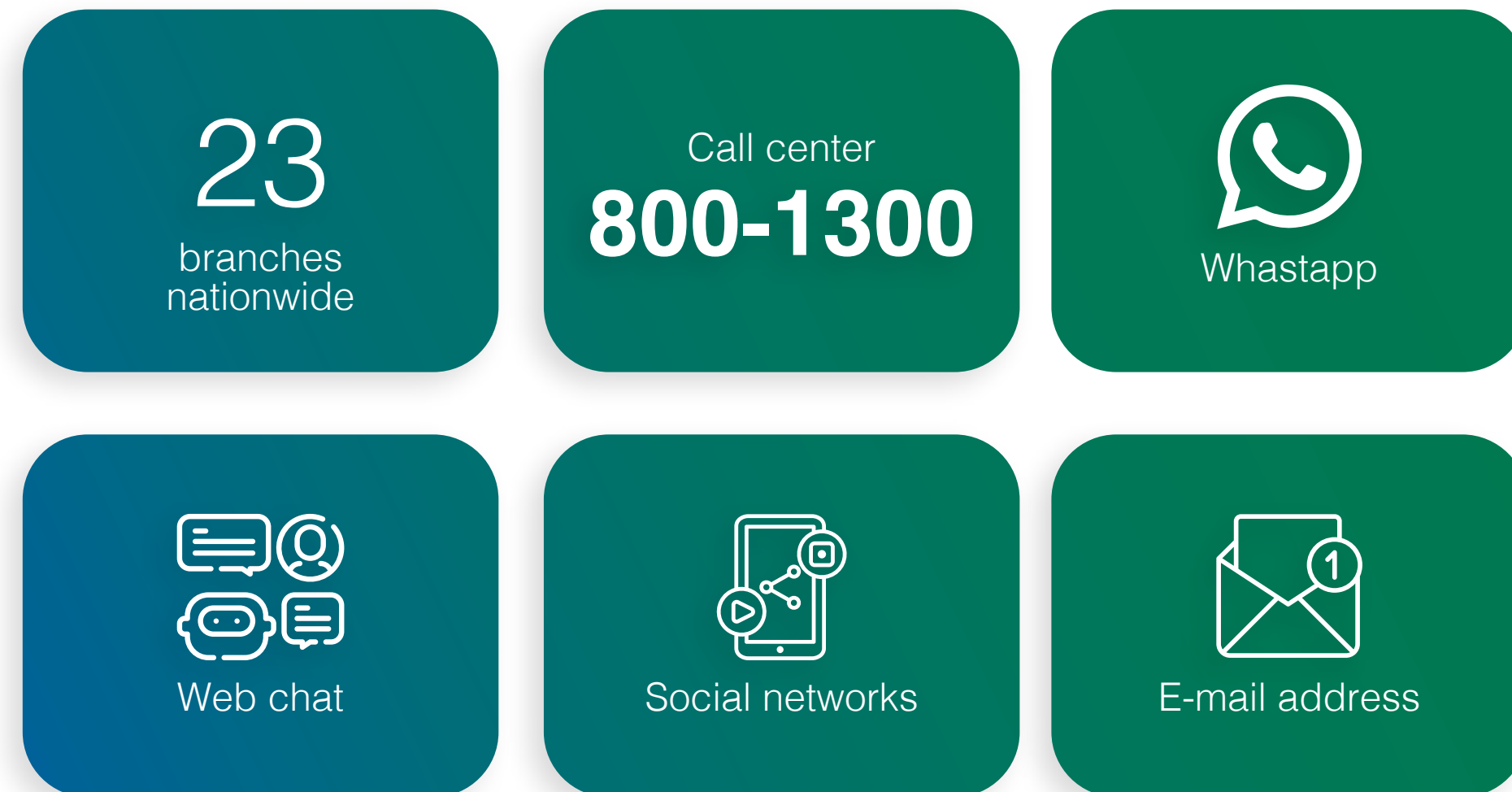
The case management model seeks to achieve a complete management of customer cases through the contact channels, allowing a better management, measurement and control of the current customer response processes, aimed at maximizing the resolution of cases at first contact and reducing response times. The model is enabled through a case management tool that allows the entry and registration of each customer interaction from the different contact channels, some of the cases will be resolved and closed immediately (inquiries and complaints) and others will be escalated (requests and claims). Additionally, through this tool you can consult the service history, follow up and see the traceability of cases from any contact channel, from the request to the response.

The Customer Experience team manages constant innovation by making process improvement proposals through the analysis of NPS surveys, always strengthening the digital experience with customers.

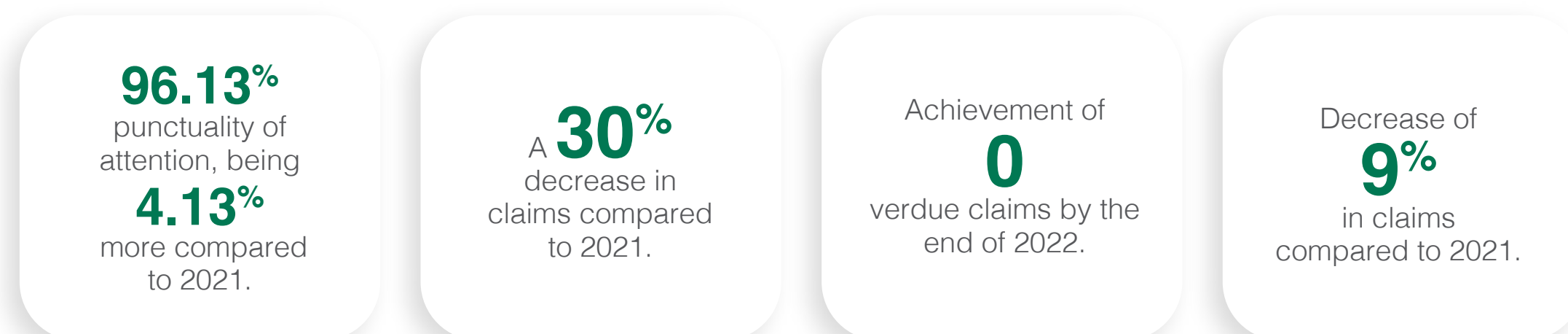


This is how the organization manages innovation and process improvement.

To channel and follow up on every request, inquiry or complaint from our customers, we have several customer service channels adapted to their needs and lifestyles:



With our strategy we will consolidate by 2022:



Having a clear understanding of the appropriate processes to address complaints, we have streamlined the resolution stage through our definition of a complaint. A complaint is the dissatisfaction expressed by the customer, which we utilize for continuous improvements through internal analysis, and it does not necessarily require direct communication with the customer. However, a claim is the customer's dissatisfaction regarding a product or service and necessitates a formal response from the Bank via email.

We have enhanced Banesco's system for managing requests and complaints called the Automated Claims Attention System (SARA), which is used by customer service personnel in first contact and who are in charge of entering the customer's requests and complaints.

The SARA management system has an e-mail communication to the client, one when entering the case and at the end of the same, where the client will be notified via e-mail at the time of registration and closing of the claim.



Customer experience and brand positioning

Customer experience has been a fundamental pillar during 2022, which is why we have worked to create a customer-centric culture throughout the organization and thus, work together to improve our customers' experience in a comprehensive manner. As part of our marketing strategy, we launched the "15 years with you" campaign to commemorate Banesco's years of presence in Panama. It consisted of offering products and services to all customers with special benefits, including balance transfer, personal loans and a multi-product fair in all branches during the first quarter.

Achievements of the "15 years with you" campaign.

- 488.595 digital print were achieved.
- 1928 clicks.
- 314 interactions in social networks.
- More than 2.900 downloads on TV through QR code directed to the website.
- Reactivation and resolution of 33.964 moratorium payments.



15 Años
Contigo

Information security and confidentiality

In 2022, the organization's cybersecurity strategy was strengthened, focused on maintaining an adequate control environment to reduce the risk of interruption of services to our customers, managing technological obsolescence and updating the security architecture, in addition to making progress in strategies for brand reputation in the digital context and confidentiality of information. We continued with the awareness and culture plan for both employees and customers regarding good information security practices.

At the level of security processes, we reviewed, updated and included policies, standards and procedures that are part of the organization's value chain and are in line with the intention of senior management, the organization's strategy and external threats

Technology

The investment in technology was focused on developing the following strategic pillars: Journey to Cloud, Intelligent Obsolescence Management, Digital Banking, Digital Onboarding and Document Management, Method of Payment Processing, and Open Banking, with a central focus on improving the experience of both internal and external customers. The goal is to achieve:

The progressive optimization of physical data centers and the transfer of workloads to the cloud, seeking to reduce the carbon footprint; reducing the amount of physical equipment in the main and alternate data centers, completing the preparation of our Core Banking for its evolution in the cloud, as well as the execution of the first wave of migration of 6 business applications to the cloud; and the enablement of the Lake House on AWS that currently has information on means of payment that will allow us to generate segmentation models using artificial intelligence to achieve a deep knowledge of our customers and personalize the offer of financial services and products.

Enable access to financial products to places where there are no physical branches through the transformation of our main digital channels, Online and Mobile Banking, and the enablement of self-served origination channels that allow digital End To End information capture and customer validation using biometric identification mechanisms and document management with a paperless approach achieving improvements in the processes of account opening and approval of documents and signatures.

Democratize access to payment services through the Payment Means processor, the adoption of the Open Banking model and the enabling of APIs that support the integration of digital wallets, fintech, financial institutions and banks that seek to offer Prepaid Cards, Debit Cards, Credit Cards and digital channels to their customers through accelerators such as White Label Wallets.

Improve the quality of life of employees, by increasing the level of automation, digitization and improvement of the areas, with the process review program (discovery).



Supply chain management

| Supplier Types | 2021 | 2022 |
|---|-----------------|-----------------|
| goods and services Suppliers Total number of | 508 | 445 |
| Purchases from local Suppliers (Figures in USD) | 2021 | 2022 |
| Goods and Services purchases Value | \$54.922.395,74 | \$54.797.050,15 |
| Local suppliers Purchases Value | \$36.273.575,27 | \$39.455.928,25 |
| Total | 66,05% | 72,00% |

Our supply chain was composed of an average of:

79%
local suppliers

following a strategy of lower risk sourcing with sources of supply close to our operational management

and

21%
international suppliers

composed mainly of technology service providers, most of which are monopoly sources.

The management supply chain strategy was concentrated on the following three main pillars:

- Ensure the timely and sustainable supply of critical goods and services for the Bank without interruptions that impact the operation and to be able to guarantee services to our client portfolio.
- Review and reevaluate the portfolio of services received by the Bank for supplier consolidation and to continue with the strategy of minimizing our catalog by improving efficiency in the Bank's expenses.

- Capture the greatest savings in terms of negotiations given the global economic phenomenon of price increases due to containerized cargo of products. With these three approaches in 2022, we successfully achieved the non-interruption to any of the services required by the bank and exceeded the savings and benefit goals that had been set for the year.
- These results demonstrate that the supply chain of Banesco's supplier is robust and effective, with continuous improvement exercises in supplier selection processes,

which go through a rigorous evaluation and for the development of a long-lasting business relationship with timely follow-up and communications that are sustainable for the operation.



Human Rights in the supply chain

Suppliers are an ally to implement many of the activities that touch the interests of our clients, our staff and the Bank's operations; hence the importance of establishing close, solid and lasting relationships that allow us to manage without risks of any kind and safeguarding the necessary confidentiality, the scope of our mission and vision.

Our supplier catalog is composed of:

445 → 352 → 79%
suppliers are local suppliers representing

with whom we have developed lasting relationships and solid support plans to have better quality goods and services, competitive prices around the market with suppliers that comply with all political and tax regulations and in matters of respect for social, environmental and gender equality issues.

As part of our commitment to our culture of promoting human rights, in 2022 we plan to include in the human rights training for the following year, the security agents of the outsourcing agency ACENAT, who provide the service in our 23 offices nationwide.

Anti-corruption Policies and Procedures in the Supply Chain.

Our purchase order documents contain anti-corruption clauses, in terms and conditions relating to the reporting of actions that violate our Bank's Code of Ethics and conduct. These measures are intrinsic to the purchase orders. In 2022, we do not have any reports of any cases of suppliers that violate corruption laws, nor have any contracts been terminated due to this issue.

Our supplier portfolio does not report risks and cases of child labor or forced labor. In the 2022 period, no reports or complaints of child labor or forced labor have been filed.

These conditions are reflected and managed in our purchasing process. All supplier contracts of Banesco Panama have a specific clause that addresses social, environmental and gender equality issues, contemplating the four pillars of the global compact.



Banesco (Panamá), S.A.

2022 SUSTAINABILITY REPORT

VII. Our culture and people

[RS- GRI 2-7; 2-19; 2-20; 2-21; 3-1; 3-3; 202-1; 202-2;
205-2; 401-1; 401-2; 401-3; 403-1; 403-2; 403-3; 403-4;
403-5; 403-6; 403-7; 404-1; 404-2; 404-3; 405-1; 405-2]



Our culture and people

We held our first Hackathon in alliance with UTP University, where engineering students had the opportunity to present innovative proposals in record time, collaborators from the VPE of Technology and Digital Transformation accompanied the students in this challenge and were the main sponsors of the activity.

We managed to design and implement the first Banesco Fashion Day with the objective that both back and front office employees could see the correct use of the uniform and appropriate clothing to come to the office, our own employees were the protagonists as they walked down the catwalk modeling the appropriate clothing to comply with the dress code.

The "Wellness Bus" was implemented with the aim of continuing to promote and reinforce the benefits available to all Banesco employees.

We continued to listen to the voice of our collaborators and launched the product calculator which consists of self-management in the quoting of personal loans, auto loans and mortgage loans.

Labor, Welfare and Benefits

Family conciliation benefits: Flexible hours, day off for birthdays, up to 3 days off for seniority, early summer Friday (2 hours off on summer Fridays from December to March), paternity leave (birth or adoption), paid leave for personal matters, Christmas shopping afternoon, days off for death of a relative, among others.

Health benefits: life and health insurance for our employees, business clinic, lactation room, health and wellness fairs, talks and workshops related to health prevention, access to the blood bank.

Savings benefits: after six months in the bank, all employees can apply for the bank's products at lower rates (employee benefit). Additionally, we have a portfolio of agreements with various businesses for discounts on products or services.

Telecommuting: telecommuting is applicable under defined criteria such as good performance and productivity; at the end of December we had 202 employees under the mixed modality (3 days at home and 2 at the office or vice versa).

Zero Law: whose objective is to encourage and promote wellness, work-life balance and digital disconnection applicable to all employees. This law

contemplates different laws: Zero access on vacation, zero chats after 6:00 p.m., zero meetings on Friday afternoons, lunchtime and after 6:00 p.m., zero excuses for not enjoying your birthday and zero excuses for not enjoying your vacation on time. In order to ensure compliance with these laws, we generate a quarterly measurement through a massive survey.

Number of benefits enjoyed from January to December:

| | |
|-------------------------------|------------------------------|
| Birthday days 341 requests | Seniority days 343 claims |
| Mourning days 44 requests | Paid leave 211 requests |

Early summer Friday

299

(only includes December, as it is a benefit enjoyed from January through March)

| | |
|--------------------------------|-----------------------------------|
| Paternity Leave 9 employees | Banesco Mini-market 2 requests |
|--------------------------------|-----------------------------------|

Special benefits

Bonus for the birth and/or adoption of children, bonus for marriage, support for the death of a relative in the first degree of consanguinity, salary advance for emergencies, solidarity support fund for employees who suffer health-related issues and natural disasters.

Distribution of employees by gender, origin, age and professional classification

| Employees as of December 31 | 2021 | | 2022 | |
|--|------------|-----|------------|-----|
| | Women | Men | Women | Men |
| Age distribution | | | | |
| Under 30 years of age | 159 | 75 | 144 | 80 |
| Between 30 and 50 years old | 410 | 275 | 422 | 272 |
| Over 50 years old | 23 | 25 | 23 | 26 |
| Distribution by country | | | | |
| Panama | 592 | 375 | 589 | 378 |
| Distribution by professional classification | | | | |
| In management positions | 64 | 32 | 62 | 34 |
| In technical positions | 166 | 129 | 169 | 134 |
| In administrative and other positions | 362 | 214 | 358 | 210 |
| Distribution by vulnerability condition | | | | |
| Number of employees belonging to minority or vulnerable groups | 0 | 0 | 0 | 0 |
| Total number of employees | 967 | | 967 | |

| Total number of employees by employment contract (permanent or temporary) | Panama | Panamá Oeste (Includes Coronado) | Colón | Coclé (Penonomé) | Herrera (Chitré) | Veraguas (Santiago) | Chiriquí (David) |
|---|--------|----------------------------------|-------|------------------|------------------|---------------------|------------------|
| Temporary Full Time | 3 | | | | | | |
| Temporary T. Partial | | | | | | | |
| Indefinite T. Full Time | 885 | 24 | 10 | 10 | 10 | 11 | 14 |
| Indefinite T. Partial | | | | | | | |

| Proportion of senior executives hired from the local community (%) | 2021 | 2022 |
|--|--------|--------|
| Executives of local origin | 41.70% | 41.70% |
| Executives of international origin | 58.30% | 58.30% |



Turnover and Recruitment

The growth of our talent is essential for the development of the bank, which is why we aim to fill vacancies with our employees who already have the competencies and know the Banesco culture. Backed by the Promotions, Change of Positions and Succession of Employee Policy, we generate internal competitions to provide opportunities for growth within the organization.

In 2022, new employees joined the team, who meet the Banesco profile, and have been integrated through external sources such as the internal referral program, LinkedIn, or Konzerta.

Admissions were the result of filling vacancies due to natural turnover and not due to new positions. As for departures, they were involuntary, mainly associated with performance issues, and voluntary departures were mainly associated with professional growth and personal issues.

Employee Recruitment and Staff Turnover

| Turnover | 2021 | 2022 | Recruitment rate, distributed by age and gender | 2021 | 2022 |
|--|--------|--------|---|--------|--------|
| Staff Turnover Rate | 23.06% | 22.54% | Under 30 years old | 64 | 87 |
| Staff turnover rate due to voluntary resignation | 11.84% | 8.72% | Between 30 and 50 years old | 137 | 128 |
| Number of deceased employees | 0 | 0 | Over 50 years old | 4 | 3 |
| Number of employees retired due to pension plan or contract expiration | 2 | 11 | Female | 118 | 129 |
| Number of employees terminated due to voluntary resignation | 114 | 84 | Male | 87 | 89 |
| Number of employees dismissed | 107 | 123 | Total number of new employee hires | 205 | 218 |
| Percentage of voluntary withdrawals/ total withdrawals | 51.12% | 38.53% | Rate of new employee hires | 21.20% | 22.54% |

| Tasa de rotación de personal, distribuida por edad y género | 2021 | 2022 |
|---|------|------|
| Under 30 years old | 50 | 62 |
| Between 30 and 50 years old | 159 | 145 |
| Over 50 years old | 14 | 11 |
| Female | 135 | 132 |
| Male | 88 | 86 |

Distribución por edad

| Age distribution | Women | Men |
|-----------------------------|-------|-----|
| Under 30 years old | 23 | 15 |
| Between 30 and 50 years old | 47 | 29 |
| Over 50 years old | 5 | 4 |

Distribution by professional classification

| Distribution by Professional Classification | Female | Male |
|---|--------|------|
| In management positions | 15 | 5 |
| In technical positions | 18 | 10 |
| In administrative and other positions | 42 | 33 |

Salary

At Banesco, salary distribution is based solely on the performance, merit and results of any of our employees. The remuneration of each member of the work team is not conditioned by the person's gender.

In this sense, the process to determine the salary of a hiring is defined in the "Reward and Retain Human Capital" policy, where it is explicitly stated that variables of gender, race, age, nationality, sexual orientation and religion are not contemplated, ensuring salary equity.

a.

Initial determination of salary and changes in the annual salary of the employees

Annual salary

For all purposes of planning and salary administration, the concept of "COMP2" is used to define the amount of guaranteed payment that the employee receives annually. It is typically composed of 13 months of base salary plus fixed amounts or guaranteed payments either legal or extra-legal (e.g., "Bonus", "XIII month" or other contractual bonus). At Banesco (Panama), S.A., the COMP2 is calculated by multiplying the employee's monthly base salary by the number of months corresponding to the salary package.

b.

Determination of salary at the time of a new hire

The starting salary of an employee is based on the position (descriptive map), IPE grade and market median, following the following guidelines:

- The salary offer for new hires will be set by the Compensation Officer and/or Compensation, Payroll and Budget Manager and is submitted by the Talent Attraction and Services Officer to the requesting area.
- Starting salaries will be positioned at the minimum -20% of the salary structure range of the position and not at the last salary left by the previous occupant. This may have exceptions, approved by the Compensation Officer (up to the median), Compensation, Payroll and Budget Manager (up to the maximum of the band for Base, Professional and Third Line Managers), Vice President of Human Capital (up to the maximum of the band for Second Line Managers and Vice Presidents) and Chief Executive Officer (above the maximum of the band) depending on the seniority or career path of the new occupant.
- As a general practice, individuals are brought into a new position at about -20% of the range (the range handled is -20% to +20%) for the position, giving opportunity for individuals to demonstrate their skills and grow within the position; however, higher initial ranges could be managed whenever circumstances dictate (availability of talent and demand, special skills, etc.) and with the approval of the Compensation Officer (up to the median), Compensation, Payroll and Budget Manager (up to the maximum of the band for Base, Professional and Third Line Managers), Vice President of Human Capital (up to the maximum of the band for Second Line Managers and Vice Presidents) and Chief Executive Officer (above the maximum of the band).
- To determine the initial salary of a contract, the following variables will not be considered: gender, race, age, nationality, sexual preference and religion, which guarantees equal pay for equal work.

Minimum wage ratio broken down by gender

| Minimum Wage Paid at Banesco Panama (Figures in USD) | 2021 | | 2022 | |
|--|----------|----------|----------|----------|
| | Women | Men | Women | Men |
| Minimum Wage Paid in Panama in the Financial Sector | \$700 | \$700 | \$700 | \$700 |
| % paid above the minimum wage in Panama | \$680,16 | \$680,16 | \$694,72 | \$694,72 |
| | 102,92% | 102,92% | 100,76% | 100,76% |

Average salaries by gender, age range and category

| Average Salaries (Figures in USD) | Women | | Men | |
|-----------------------------------|------------|------------|------------|------------|
| | 2021 | 2022 | 2021 | 2022 |
| By gender | \$2.336,24 | \$2.391,65 | \$2.641,27 | \$2.839,26 |

| Average Salaries (Figures in USD) | 2021 | | 2022 | |
|-----------------------------------|------------|------------|------|------|
| | 2021 | 2022 | 2021 | 2022 |
| By Age | | | | |
| Under 30 years of age | \$1.362,85 | \$1.372,75 | | |
| Between 30 and 50 years of age | \$2.615,01 | \$2.715,82 | | |
| Over 50 years of age | \$5.486,26 | \$5.911,13 | | |



Gender equality, inclusion and non-discrimination

Our values, standards and rules of conduct are compiled in the 58 articles of the Banesco Citizen Code of Ethics and Conduct, serving as a guide for employees, business partners and other stakeholders.

At Banesco, we take the following actions to promote equality between men and women:



- We participate in the annual certification of the Gender Equality Certification with UNDP and MITRADEL.
- Our main policies and benefits make mention of gender equality.
- We have activities for both men and women (Women's Day on March 8, Men's Day on November 19, Father's Day, Mother's Day, soccer sports leagues for both men and women).
- Annual trainings are conducted with the Gender Equality Seal (Sí Género) team to promote and reinforce equality between men and women.

- Promote the benefits of paternity leave and use of lactation time/room.

For the purposes of persons with disabilities:

- All our vacancies are open to men and women with disabilities as long as they meet the non-negotiable criteria for the positions.
- We managed the process of awareness the leadership layer on the inclusion of people with disabilities.
- We managed an alliance with MITRADEL to share resumes of PwD with experience to be evaluated in vacancies.

- We have an Inclusion and Accessibility Policy for people with disabilities, which is a reference when hiring people with disabilities.
- Some of our areas have visual signage for people with disabilities, we have accessible spaces on the 20th floor.

We have had an Inclusion and Accessibility Policy for people with disabilities since 2018, which aims to ensure the non-negotiable elements associated with the hiring of people with disabilities and which is reviewed annually.

Focused on maintaining open communication, we have the necessary channels to address any request for information or expression of

concerns associated with ethical conduct by stakeholders. Contacting a business partner, e-mail etica_pa@banesco.com, extraordinary income notification mailbox ndeingresosextraordinarios_pa@banesco.com and through the form on our internal portal. All reports are anonymous.

Training and Development

As a group policy, the training of employees represents one of the strategic levers that strengthen and develop talent, so we have been made efforts as an organization to identify, develop and train employees with the purpose of counting and retaining the best talent. Hence, development programs are generated according to the needs of each area of the business that allow us to face the challenges and new organizational challenges. There is a Training Policy that was created in January 2015 and whose focus is to benefit employees at all levels with the development of technical, operational, strategic and regulatory issues, as well as other topics identified in the training needs. This policy is reviewed annually and changes are made if applicable.

Virtual insurance training program at executive level:

Strengthening in the concepts of classification, branches of insurance allows them to strengthen their management before clients or external organizations.

English program for executives:

Reinforcement in this language with an approximate duration of 45 hours, promoting an improvement in their dealings with customers and external organizations.

Service culture program "Tú me importas" (You matter to me):

Its objective is to introduce the concepts and put into practice each of the elements that make up our service model. By 2022, 633 employees were trained.

Number of employees who receive evaluations periodic performance and professional development

| % de colaboradores con evaluación de desempeño y desarrollo profesional | 2020 | | 2021 | |
|---|---------|---------|---------|---------|
| | Women | Men | Women | Men |
| Managers | 13,33% | 11,53% | 10,25% | 7,35% |
| Technicians | 29,81% | 35,83% | 28,82% | 33,23% |
| Administrative and Other | 56,85% | 52,65% | 60,93% | 59,42% |
| TOTAL | 100,00% | 100,00% | 100,00% | 100,00% |

Note: The results of the 2022 performance evaluation were not available at the time of this report. It will be included in the next report.

Number of employees receiving regular performance and professional development evaluations.

La evaluación de desempeño del 2022 se realiza a inicios del 2023, por lo que se está mostrando el comparativo del 2020 y el cierre de la evaluación del 2021 que se realizó a inicios del 2022. Para el 2021 se evaluaron a 831 colaboradores, de los cuales 518 eran mujeres y 313 hombres.



Well-being and measures to facilitate conciliation

We consider the enjoyment of work-life balance to be essential for long-lasting and trusting relationships with our employees. Therefore we work to implement initiatives that facilitate the reconciliation of work and family life.

| Parental Leave | 2021 | | 2022 | |
|---|------|-------|------|-------|
| | Men | Women | Men | Women |
| Number of employees entitled to parental leave | 375 | 592 | 378 | 589 |
| Number of employees who have taken parental leave | 8 | 34 | 9 | 30 |
| Total number of employees who have returned to work in the reporting period | 8 | 34 | 9 | 30 |
| Total number of employees who have returned to work in the reporting period and remained employed 12 months after returning to work | 8 | 32 | 9 | 24 |
| Return to work and retention rates of employees who took leave | 100% | 100% | 100% | 100% |

Wellness Activities



 No. Participants

Occupational Health and Safety activities at work



Sport activities



Health and safety at work

The following actions are taken to improve occupational health and safety conditions:

- Training by the safety specialist in general concepts of OHS and emergency management for branches and towers in order to provide guidance on the most common risks in offices, ergonomics in the office and at home. In addition, to reinforce how to act in case of emergencies and evacuations due to different events (fire, medical emergency), courses on the correct use of fire extinguishers for brigade members.

Updating the brigade corps

- Promotion of primary care in the company clinic with added values such as: nutritionist care, health follow-up programs (pre-diabetes, hypertension, others).
- Promotion of the emotional counseling program for insured and dependents (free online).

Management of active breaks led by the medical staff of the corporate clinic.

- Health and wellness fairs (optician's shops, massages, healthy eating, gyms, clinics, medical exams and others).

Vaccination days

- Screening days with personalized attention from clinic staff on those cases with pre-diabetes or hypertension issues.

PSA days

- Direct management with the corporate clinic (personalized follow-up to collaborators with COVID-19 symptoms or positive results).

Telemedicine services

- We continue with the control of the registry of positive, recovered and quarantine cases to manage proper traceability and avoid contagions.
- Monthly talks on wellness and health.
- Personalized attention by the Wellness and OHS Specialist.
- Adaptations of workspaces according to medical recommendations (specific cases).

Currently, there is a Health, Safety and Hygiene Policy and Procedure, which guides employees in the notification and timely manner in the event of unsafe working conditions and health conditions. This policy also regulates everything related to the regulatory training that employees must receive annually to reinforce health and safety in the workplace.

Accidents and occupational illnesses by gender

| Accident rate | Women | Men | Total |
|---|-------|------|-------|
| Work accidents without sick leave | | | |
| Total number of accidents | 0 | 0 | 0 |
| Work accidents with sick leave | | | |
| Total number of accidents | 0 | 1 | 1 |
| No. of Occupational accidents on the way to and from work | 0 | 1 | 1 |
| No. of occupational accidents at the workplace | 0 | 0 | 0 |
| Total number of working days lost due to accidents | 0 | 96 | 96 |
| No. of working days lost due to accidents on the way to and from work | 0 | 96 | 96 |
| No. of working days lost due to accidents at work | 0 | 0 | 0 |
| Severity rate | | | |
| Frequency rate (No. of occupational accidents with sick leave / No. of hours worked * 1.000.000) | 0,00 | 0,00 | 0,00 |
| Severity rate (Number of days lost / Number of hours worked * 1,000) | 0,00 | 0,00 | 0,00 |
| No. of working days lost due to accidents at work | | | |
| Occupational diseases | 0 | 0 | 0 |
| Nº total de casos | 0 | 0 | 0 |

*Accidents on the way to and from work are being excluded from the calculation of severity and frequency rates.

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2022 SUSTAINABILITY REPORT

VIII.

Our social responsibility

[RS- GRI 2-22; 3-1; 203-1; 306-4]



Our Corporate Social Responsibility actions allow us contributions to charitable associations, funds to support community infrastructure and direct costs of social programs, such as cultural and educational events.

We established the Corporate Sustainability Policy, which defines the environmental and social objectives and principles to achieve a sustained performance that will have a positive impact on the organization's operations. We are also committed to human rights compliance and making the ESMS viable, complying with the Exclusion List, in alignment with international standards, including the IFC's eight performance standards on environmental and social sustainability.

We manage public-private alliances in order to give sustainability to CSR projects and are part of associations such as SumaRSE, the United Nations Global Compact, the American Chamber of Commerce (AMCHAM), and various Chambers of Commerce, where we maintain a close relationship with our stakeholders.

Sustainability Executive Committee

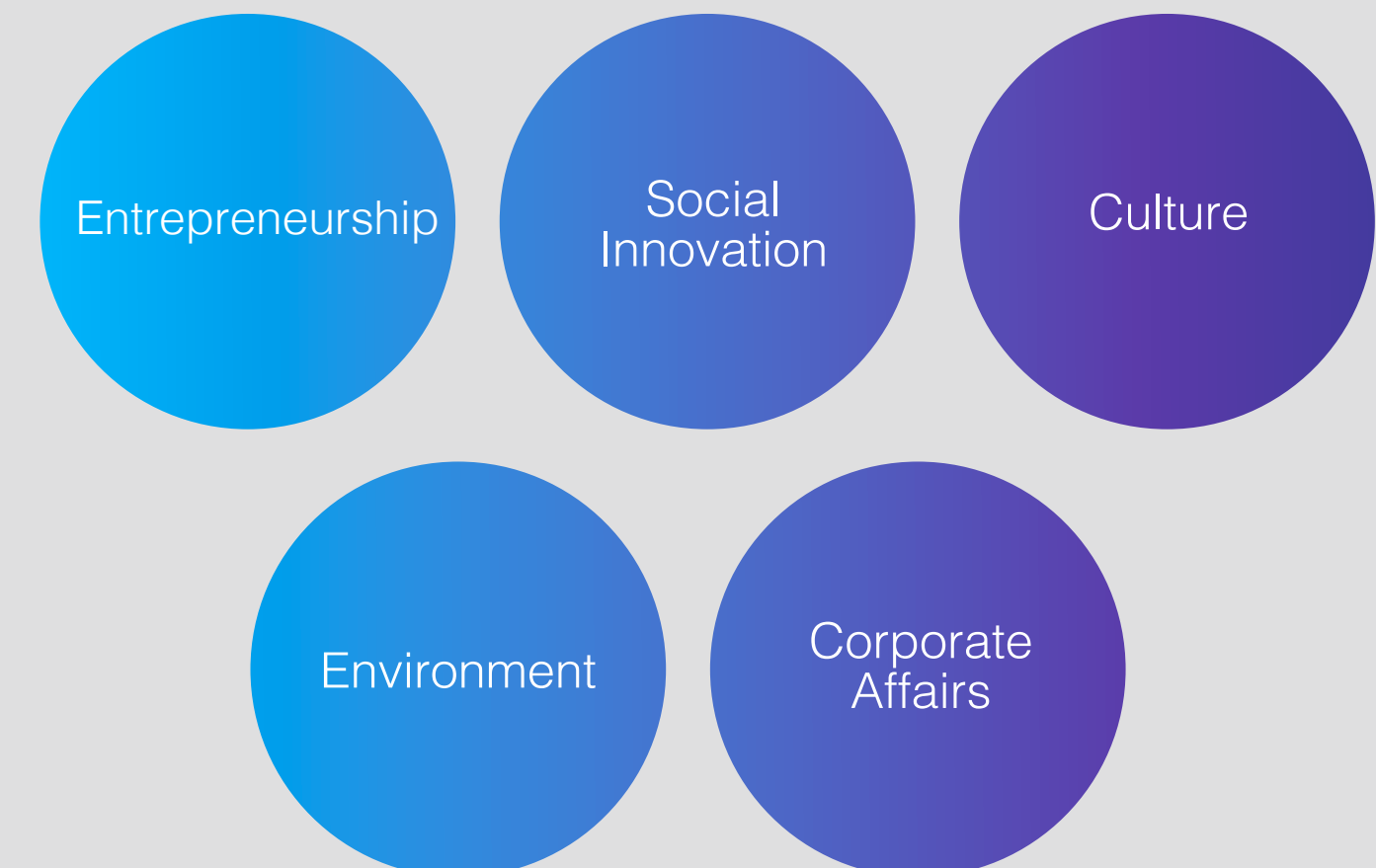
It is held quarterly and is chaired by the General Management, and is composed of the following areas with the right to speak and vote:

- Executive Vice-Presidency of Control and Risk
- Executive Vice Presidency of Credit and Central Services
- Executive Vice Presidency of Business
- Executive Vice Presidency of Strategic Management, Finance and Treasury
- Vice Presidency of Corporate Governance, Compliance and Legal
- Vice Presidency of Marketing, Channels and Customer Experience
- Vice-Presidency of Human Capital
- Corporate Affairs Management
- Infrastructure Management
- Procurement and Payments Management

The secretariat is in charge of the Vice-Presidency of Marketing, Channels, Experience and Sustainability, represented by the Sustainability Coordinator.

From our Corporate Social Responsibility (CSR) strategy, we remain committed to the five lines of action in which we generate a variety of programs and projects that promote the sustainable development of our country, taking as a reference the principles established in the framework of the United Nations Global Compact, the ISO 26000 Social Responsibility Standard and the United Nations Environment Program Finance Initiative (UNEP FI).

Our five pillars are:



Highlighting the following activities:

Axis 1: Entrepreneurship.

Banesco is the product of entrepreneurship. It is in our DNA to promote an entrepreneurial culture, because we know that it brings results.

Since 2015, we have trained more than 18,000 entrepreneurs from all 10 provinces of Panama, totaling over 450,000 hours of training and an approximate investment of \$2,000,000. We are proud to ratify our commitment to SDG Sustainable Development Goal 5, Gender Equality, as 81% of the attendees are women.

2022 was no exception to our commitment, and we are proud to say that in 2022 we certified 1576 people through our trainings, where 26% had a business and 74% were in the process of starting an entrepreneurship.

To reach these achievements, we maintain two training programs completely free of charge for participants:

- Banesco Entrepreneurs in Classroom and E-Learning Modality

Since 2015 we manage Banesco Entrepreneurs, a 32-hour in-person program where we cover topics ranging from personal development and leadership to income and expense control, as well as business plan development.

Banesco Entrepreneurs calls upon entrepreneurs who are in the business formation phase to

provide them with the management training they need to succeed. Furthermore, with the cooperation of BID Lab through the "Better Together (Juntos es Mejor)" challenge, in 2022, we were able to expand the program's curriculum to include over 50 new videos.

Since 2020 we launched the virtual version of the Banesco Entrepreneurship program, allowing participants to continue their professional training, wherever and whenever they want. Knowing the challenges of virtuality, we are proud that in 2022 we successfully certified 1,267 entrepreneurs through our E-Learning platform.

In 2022 we also continued our flagship on-site training program and trained 1,576 entrepreneurs from Chiriqui, Bocas del Toro, Veraguas, Cocolé, Colon, Panama Oeste and Panama.

Axis 2: Social Innovation

At Banesco, we know that for real change to take place, citizens must be the protagonists of their own history. For this reason, we promote citizen innovation, which we understand as "the process of solving social problems through the involvement of the affected community itself. This means that citizens cease to be passive recipients of institutional actions and become protagonists and producers of their own solutions.

The social innovation projects that we support with funding and corporate volunteering, respectively, are:

- Banesco Participatory Budget Program

A flagship program of our sustainability at the regional level, in Panama we held our fifth edition of the Banesco Participatory Budget.

Granting financial support, strengthening the project management skills of community-based organizations that have a positive impact in the areas of education, culture and sports, environment, health and nutrition, and social inclusion.

This annual program invites foundations, educational institutions, social development organizations, and other civil society organizations to submit their short or medium-term projects. For the first time in Panama, a nationwide call for applications was conducted, receiving submissions from over 100 organizations. The selected organizations undergo 28 hours of training during one month. The project concludes with a General Assembly where the organizations present their project proposals for funding. The winners are chosen from among the participants themselves, a special jury, a jury through the bank's website, and a jury of Banesco employees. The winners of each Participatory Budget session receive non-refundable but auditable resources and have three months to implement their winning proposals.

In 2022, 24 organizations participated, and the winning fund totaling \$100,000.00 was divided among the following five initiatives:

- 1 Culture and Sports Category, winner Universal Youth Force.

- 2 Environment category, winner Green Alliance for Panama of West Panama.

- 3 Health and Nutrition Category, winner Nuevo Emperador Health Committee of West Panama.

- 4 Education category, winner The True Vine of Panama.

- 5 Social Inclusion Category, winner Fundación Reciclando Errores.



- Steam Girls 360° Volunteering

During the last few years, Panama is working on reducing the gender gap, especially, promoting the participation of women in STEAM (Science, Technology, Engineering, Arts and Mathematics), knowing according to data from UNDP, SENACYT and the WEF, show that:

In 2022, Panama advanced 6 positions in the Ranking of the Global Gender Gap Report, presented at the World Economic Forum (World Economic Forum), moving from 46th to 40th position worldwide; managing to close the gender gap by 74.3%. As for its position in Latin America and the Caribbean, it ranks ninth.

Understanding this reality and following our commitment to citizen innovation, since 2021 we support the Steam Girls 360° program, of the NGO Fundesteam, which seeks to promote in girls (SDG 4), the interest in the STEAM branch, and aim to train 10,000 girls in 10 years.

Through our volunteers, in 2022 we trained girls between 11 and 17 years of age in self-knowledge, self-confidence, diversity and equality, and human rights, creating the Citizen Training Module, following the advice of the Citizen Academy led by the Eduardo Morgan Foundation.

Axis 3: Culture

At Banesco, we are certain that culture is the best tool for social integration and interaction. We believe that any cultural manifestation is inclusive, because it can be freely appreciated and participated in.

Sponsorship of the Network of Children's Orchestras and Choirs of Panama.

From our management in 2022, we would like to highlight the joint work with UNDP and Mi Cultura for the fourth consecutive year.

The purpose of this initiative is to provide classical music learning opportunities for children and young people in poor neighborhoods, promoting teamwork and generating a culture of peace.

The Network has four axes, where participants attend 3 times a week to music classes in:



Axis 4: Environment

We cultivate a green culture within the organization by conducting internal awareness campaigns aimed at achieving energy and water eco-efficiency in our infrastructure.

We became a zero-consumption certified bank, using 100% renewable energy through IRECs.

In 2022, we formed an alliance with the Botellas de Amor Foundation, which

consists of promoting awareness of environmental care, we conceived in the organization a healthy campaign of love, by setting up collection points for plastic waste and deliver with this waste our Banesco Love Park 2022 located in the Forest Park of Hato Pintado, aiming to strengthen community ties and creating awareness. We also continued with collection centers at Torre Banesco and Banesco Seguros where we were able to divert 9.66 tons of plastic, creating a plan to expand recycling to branches by 2022.

We maintained our membership as partners of the National Association for the Conservation of Nature (ANCON), who are recognized in the country for their more than 30 years of work protecting and conserving Panama's biodiversity and natural resources, especially protecting 40 hectares of the Perreccenico Protected Reserve, offsetting our carbon footprint by a total of 518.60 tCO2eq generated in 2021.

We conducted training sessions on climate change and recycling for our employees in collaboration with ANCON. These initiatives align with the Sustainability Committee's strategy, which aims, among other things, to inform, raise awareness, sensitize, and train employees in sustainability matters as part of our corporate culture.



Other milestones



Banesco Entrepreneurs was selected in IDB Lab 2021

The Banesco Entrepreneurs program has received funding from the Together is Better Challenge (Desafío Juntos es Mejor) Project, managed by IDB Lab, to promote the economic development of the migrant, refugee and host communities in Panama by accelerating their financial inclusion and income generation through the strengthening of entrepreneurship.

This funding made the largest transformation that the Emprendedores Banesco E-Learning program has ever received possible, with the addition of more than 50 videos designed to equip Panamanian entrepreneurs with the knowledge they need to succeed.

The project led us to partner with HIAS Panama, Wally, and Eskala Ventures; three allies with whom we were able to create and launch the Integral Banesco Entrepreneurs Comprehensive Scholarship. This innovative 12-month program provides training, advisory services, banking services, and access to microfinancing for entrepreneurs in the cities of Panama and Panama Oeste.

Programa de Formación
Emprendedores Banesco
Panamá



We completed 4,000 hours of volunteering.

At Banesco, we are united by our passion for serving, improving our environment and promoting the lines of action of our Sustainability strategy.

In 2022 we included our volunteers in the activities mentioned throughout this document and generated 4000 hours of corporate and social volunteering together with our strategic allies.

At the end of 2022, we awarded the winners of the Healthy Contest between Vice Presidencies of the Banesco Love Park Project, where we highlighted the work and best management as a team.



Our sustainable challenges and opportunities

Banesco Declaration of Commitment

- 2023**
Compensation by third parties 100%.
- 2024-2026**
 - compensation to third parties 90%
 - branch office compensation 10%
 - (3 new branches with renewed energy)
- 2027-2029**
 - Compensación por terceros 80%
 - Compensación Sucursales 20%

Carbon neutrality 0 in our operations



Robust catalog of green products

- 2023-2025**
 - Massive and SMEs: Portfolio of solar panels and hybrid cars
 - Green Banking: Strategy design with the IDB
- 2025-2030**
 - Banesco Green Banking Concept (Bonds)
 - Social banking

- 2023-2025**
 - Reduced impact on waste management in administrative areas
 - Digital signature phase I (Internal)
 - No use of slips in: deposits, withdrawals, regular installment loan payments, credit card payments and extra credits.

2 ZERO waste in 50% of branches and offices



Leaders in the region in social innovation gender equality

- 2023: CSR Pillars and CSR Seal Implementation**
 - Position the CSR seal internally and externally with communication pieces about the trajectory and the reason for Banesco's commitment.
 - Launch press conference
 - Use of the seal on all CSR exhibition projects.

- 2025-2030**
 - less waste in the business in accordance with regulations
 - Digital signature phase II (Customers)



Scalable Environmental Risk Management

Strengthening of mechanisms for climate change risk assessment and risk management

- 2023-2025**
 - Characterization in terms of ESG variables
- 2025-2030**
 - Customer value chain support

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2022 SUSTAINABILITY REPORT

IX.

Our Environmental Performance

[RS- GRI 2-14; 2-22; 3-1; 3-3; 302-1; 302-3; 302-4; 303-5;
305-1; 305-2; 305-2; 306-2; 306-3; 306-4; 307-1]



Environmental Risks and Opportunities

During the year 2022, we will continue with the environmental risks and opportunities management strategy, to give greater relevance to the concepts of Sustainability, with the purpose of develop a model of responsible and sustainable banking, based on a profitable economic business, which allows us to contribute to social development and environmental protection.

Within the strategic objectives we set ourselves:

Establish a Sustainable Banking Model seeking to be a reference in Panama. Promoting the good management of environmental resources and the transition towards sustainability in our clients, for which we developed five initiatives:

- 1 Establish a Corporate Green Bank and individuals, reinforcing our commitment to the environment.
- 2 Continue to strengthen and position our Sustainable seals / Awards.
- 3 Automation of operational management.
- 4 Promote Sustainable Agricultural Banking.
- 5 Align the sustainability strategies of the Environmental and Social Management

System with aspects of climate change for the evaluation of commercial loans.

Corporate Social Responsibility:

- Bottles of Love Project.
- Participatory Budgeting.
- Banesco Entrepreneurs.
- Network of Children's and Youth Choirs and Orchestras of Panama.
- Project "TOGETHER IS BETTER" with support from IDB LAB.

Risk

- Strengthen the Environmental and Social Management System with the inclusion of climate action issues.
- Carbon Footprint Offset.

Infrastructure

- Eco energy efficiency, water consumption, transportation.
- Recycling.

Procure

- Paperless.

.Business

- Marking of "Sustainable" Clients for better

identification within the core.

- Analysis to identify those economic activities with the greatest environmental and social impact, both positive and negative.
- Evaluate special conditions (better rates, terms, guarantee flexibility, higher % of financing).
- Promote Financial Inclusion.

Governance

- Sustainability Table.
- Rendición de cuentas con la presentación de Informe de Sostenibilidad y de Principios de Banca Responsable (UNEP FI).
- Maintain reporting under GRI indicators.



Love Park Banesco



Love bottle collection campaign



Agrosilos Training

Benefits of these actions

- Seals and recognition for performance in climate change management and society.
- Preparation for changes associated with future restrictions from the regulator, focused on actions that impact the society and the environment.
- Improvements in the operational efficiency of the organization.
- Reduced risk and uncertainty for investors.
- Minimize our carbon footprint, seeking to have a positive impact on climate change.
- The Precautionary Principle or Approach is integrated into the Environmental and Social Management System (ESMS). We maintain continuous attention to the mitigation of negative impacts to health and the environment that may be caused by the operation of the business. This management includes the guarantee that, if at any time during the credit process, a risk of serious or irreversible damage to health or the environment is identified, the lack of absolute scientific certainty is avoided in order to postpone the adoption of effective measures.

This management focuses on 3 key elements for resource management:

- Environmental and Social Management System (ESMS): the Group maintains the ESMS applied to its client portfolio with financings that are contemplated within the environmental and social impact profile.
- Internal management of environmental resources (energy, water, waste management): due to the nature of the activities this management applies to all companies included in the scope.

- Suppliers: the Group maintains suppliers that are aligned with its commitment not to generate significant environmental impacts. Its suppliers are required to know and comply with the values, principles and behaviors established in its Code of Ethics and Conduct, which includes issues related to environmental impacts, as well as clauses in service agreements (contracts).

Environmental and Social Management System (ESMS)

Banesco continues with the commitment to contemplate the sustainable development of the business, for which reason we continue to consider social and environmental risk assessments within the Bank's credit process, seeking to have a credit portfolio that is sustainable for the Bank and in which our clients mitigate the different environmental, social and climatic impacts that may arise during the development of their activities. All this has been structured within the framework of the financing and collaboration agreement signed with the German Financial Development Agency (DEG), thus establishing the implementation of an Environmental and Social Management System (ESMS), which is to be applied to new clients and reviews of Banesco Panama's loan portfolio operations. The ESMS is implemented through a pilot plan in 2019, after being approved by the board of directors the Corporate Policy of the Environmental Management System in 2018, today already merged as the Corporate Sustainability Policy. This management of the implementation of the ESMS was under the advice of the consulting company in social, environmental, health and safety consulting Environmental Resources Management (ERM), which was accompanied until 2020, upon having completed the six phases for the implementation of the ESMS within the organization. Since 2021, the ESMS strengthened its participation within the organization by reformulating the Corporate Sustainability Policy and created the

Sustainability Table, which was continued in 2022 through three sessions, in which decisions were made related to the various sustainable issues that have been implemented and those that are planned to be implemented, as well as those customers with greater relevance that have been analyzed in the ESMS, either for their high exposure or for having a level of environmental and social risk (High or Medium High).

Within the organization's Strategic Planning, Sustainability is one of the fundamental pillars, for which the management framework and roadmap towards the transformation of a Responsible and Sustainable Bank was presented, in search of three lines of action: Environment, Socioeconomic and Governance.



Regarding the ESMS, please refer to the link <https://www.banesco.com.pa/sostenibilidad>.

The Risk Appetite Framework (RAF) is the main tool that uses metrics to monitor each of the risks to which the organization is exposed, establishing observation and tolerance thresholds consistent with a prudent risk policy, aimed at maintaining the organization within comfortable levels of capitalization and liquidity, even in stressful scenarios. For this reason, in 2022, the dimension of environmental and social risk was considered, including initial baseline indicators for monitoring, which will support us in formulating the limits and tolerances of our exposures related to medium to high environmental and social risks. It is important to note that although there is no specific agreement by the regulator for the management of Environmental and Social Risks, the organization is taking care to manage and present these risks on a monthly basis in our Risk committees, in order to promote their relevance and prepare for future regulations. For 2023, our objective is to establish new indicators to enhance and measure our management.

On the other hand, the organization, as part of strengthening the automation aspects in different processes within the commercial credit operations, established the End to End project for commercial credits, with which it seeks to automate such procedure. In 2022, phase 1 began, which consisted of a controlled pilot plan in which several tests were carried out to identify gaps and make the necessary adjustments for its implementation.

Dedicated resources for environmental risk prevention

| Resources | Unit | 2022 |
|---|----------------------|-------------|
| Environmental expenses and investments (derived from environmental certification, replacement of equipment or lighting, environmental consulting, etc.) | Local currency (USD) | \$52.128,00 |
| Number of employees dedicated to environmental management | Units | 3 |
| Hours of environmental training given to employees | Hours | 58 |
| Other material resources | Local currency (USD) | \$6.870,00 |





In 2022, we renewed our membership in the United Nations Environment Programme Finance Initiative (UNEP FI), thus maintaining our commitment as an organization to the implementation of the Principles of Responsible Banking.

On the other hand, as part of our alliance with SUMARSE (an organization that promotes corporate social responsibility in Panama). We have committed to participate in the Business Management and ESG (Environmental, Social and Governance) Factors program, which will offer the following benefits:

:

- 1 The approach to aspects of climate change, diversity, corporate governance, and ethics.
- 2 Understanding the sustainable finance scenario and how to be prepared to be able to access financing in this new ecosystem.
- 3 The promotion of ESG information transparency, including multistakeholder response and the detail required by investors. .

For 2022 we continue with the analysis of proposed operations prior to their approval by the relevant authorities and their subsequent monitoring through field inspections and the requests for documentation to certify compliance with national legislation, depending on the type of activity. The following is a breakdown of those with the greatest impact:

| | |
|---|---|
| <p>Clients categorized as High risk (A) = 0</p> | <p>Clients categorized as Medium High risk (B+) = 14</p> |
| <p>Clients categorized as Medium risk (B) = 32</p> | <p>Clients categorized as Low risk (C) = 239</p> |

Annual waste management

In 2022 we continued with our recycling initiative in the five occupied floors in Banesco Tower and the Banesco Seguros building.

- In 2022 we had our best year ever in terms of recycling. As an influence of the moves and reorganization of the areas, we achieved a collection of approximately 30,000 in recycled materials; unlike previous years we did not have enough personnel in tower to help weigh all the recycling done.
- In 2022 we continued our used battery recycling initiatives and added the option to recycle cooking oil.
- Continued our internal campaign to make better use of paper and water, and to turn off the light. Located in our paper towel dispensers visible to employees.
- The Love Bottles initiative has achieved collection in both administrative buildings and branches nationwide.

| Paper and cardboard | January | February | March | April | May | June | July | August | September | October | November | December | Total recovered |
|---------------------|---------------|---------------|---------------|-------------|-------------|-------------|----------------|---------------|--------------|---------------|---------------|---------------|-----------------|
| White | 1366.5 | 1818 | 889.5 | 1495.5 | 849 | 982 | 518.52 | 766 | 406.52 | 1407.85 | 260.02 | 982.64 | 11742.1 |
| Cardboard | 1323 | 1949.5 | 2542 | 3199.5 | 1811 | 2631 | 611.6 | 666.3 | 164.58 | 58.85 | 164.15 | 84.96 | 15206.4 |
| Total | 2689.5 | 3767.5 | 3431.5 | 4695 | 2660 | 3613 | 1130.12 | 1432.3 | 571.1 | 1466.7 | 424.17 | 1067.6 | 26948.5 |

| Plastics and metals | January | February | March | April | May | June | July | August | September | October | November | December | Total recovered |
|---------------------|--------------|--------------|--------------|------------|--------------|------------|--------------|------------|--------------|--------------|--------------|-------------|-----------------|
| Tetrabricks | 63.3 | 48 | 56 | 75 | 52.5 | 24.5 | 21.47 | 3.8 | 0 | 0 | 0.23 | 0 | 344.8 |
| Plastic | 163 | 209 | 47 | 130 | 19 | 29.5 | 125.59 | 27.2 | 20.45 | 6.64 | 48.1 | 33.15 | 858.6 |
| Glass | 25 | 62.5 | 27 | 0 | 10.5 | 0 | 28.37 | 15 | 9.8 | 0 | 8.36 | 2.95 | 189.5 |
| Iron | 0 | 0 | 0 | 0 | 10.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10.5 |
| Aluminum | 160.8 | 43 | 294.5 | 382 | 159 | 260 | 62.27 | 73 | 20 | 14.48 | 9.98 | 15 | 1494.0 |
| Cable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Steel | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| TOTAL | 412.1 | 362.5 | 424.5 | 587 | 251.5 | 314 | 237.7 | 119 | 50.25 | 21.12 | 66.67 | 51.1 | 2897.44 |

| Non-recyclable | January | February | March | April | May | June | July | August | September | October | November | December | Total recovered |
|--------------------------|----------|-------------|-----------|--------------|-------------|--------------|--------------|------------|------------|------------|------------|--------------|-----------------|
| AA Batteries | 0 | 8.15 | 22 | 2.45 | 0.15 | 1.65 | 2.05 | 0.1 | 0.5 | 0.8 | 4.2 | 4.7 | 46.8 |
| Non-recyclable | 0 | 0 | 0 | 26 | 0.9 | 8.6 | 0 | 0 | 0 | 0 | 0 | 0 | 35.5 |
| Used oils | 0 | 0 | 0 | 0 | 0 | 0 | 4.9 | 4.3 | 4 | 5.8 | 2.9 | 14.55 | 36.5 |
| Plastic Triturated Cards | 0 | 0 | 0 | 0 | 0 | 0 | 3.32 | 0 | 0 | 0 | 0 | 0 | 3.3 |
| Fluorescent tubes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Total | 0 | 8.15 | 22 | 28.45 | 1.05 | 10.25 | 10.27 | 4.4 | 4.5 | 6.6 | 7.1 | 19.25 | 122.02 |

| | | | | | | | | | | | | | |
|--------------------|---------------|----------------|-------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|----------------|--------------|
| Grand total | 3101.6 | 4138.15 | 3878 | 5310.45 | 2912.55 | 3937.25 | 1378.09 | 1555.7 | 625.85 | 1494.42 | 497.94 | 1137.95 | 29968 |
|--------------------|---------------|----------------|-------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|----------------|--------------|

WEIGHING UNIT: KILOGRAMS

Sustainable use of resources

| Water consumption | 2021 | 2022 |
|--|------------------|------------------|
| Municipal water supply or other water companies (m³) | 12.992,47 | 10.904,19 |
| TOTAL | 12.992,47 | 10.904,19 |

El agua en la organización ha sido estándar los últimos tres años. El sistema es medido por un ente estatal y ellos mantienen una tarifa estándar.

- Surface water: Surface water is considered to be water obtained directly from surface water bodies: rivers, lakes, sea. Water coming from the municipal network should not be considered, even if the initial origin was a body of water.
- Groundwater: Water that is taken directly from non-surface water bodies such as aquifers, wells, etc.
- Wastewater: Water consumption from used water, such as process water used for irrigation.
- Rainwater and stored water: Water captured from rainwater collection systems and stored rainwater is considered.
- Water from the municipal network or from other companies: Water collected directly from the municipal network is considered here, as well as water contained in drums (or other storage systems) purchased directly from a supplier.

| Materials consumption | Unit | 2021 | 2022 |
|-----------------------|----------------------------------|------------|-----------|
| Raw materials | | | |
| Bond paper | Reams of 500 sheets regular size | 3.621,00 | 2.969,00 |
| Pre-printed paper | Units | 146.840,00 | 20.174,00 |
| Office supplies | Units | 59.405,00 | 12.402,00 |

Consumption of materials and measures adopted to improve the efficiency of their use.

Due to the bank's digitalization plan, led by the operations team, the strategy of eliminating flyers is being implemented through improvements in the system. Additionally, reconciliations are also being worked through the system.

By the end of 2023 it is estimated that the complete elimination of flyers will help to eliminate the use of pre-printed paper and bond paper.

- Raw materials: natural resources used to transform them into products or services, such as metals, minerals or wood.
- Process materials: materials required for the manufacturing process, but which are not part of the final product, such as lubricants for production machinery.
- Semi-manufactured products: including all types of materials and components that are not raw materials and are part of the final product.
- Packaging materials: including paper, cardboard, and plastics.
- Office supplies: including office paper, toner and cartridges.

Energy Consumption

In 2022 we became an IREC-certified bank, affirming that all branches and offices in Panama operate with 100% renewable energy.

Likewise, we continued our efforts to have more efficient branches. We moved the Calle 50 branch to a branch with less physical space and at the same time it has solar panels installed. The PH Ocean Business Plaza (Banesco Tower), where our administrative offices and our Headquarters are located, is receiving energy as a Large Customer, that is to say, they buy electricity at wholesale level for their own consumption or for their retail customers, this service of conversion from regulated customer to BIG CUSTOMER classification or PPA (Power Purchase Agreement) is in order to provide a solution to their practical energy savings. That said, this energy consumption is from a DACONAN STAR SOLAR ("Daconan") renewable energy project.

This project is originated by Istmo Energy, an international company in the energy sector with its headquarters in the Republic of Panama, which has the capacity to provide efficient services for the electrical market, specializing in renewable energy projects and services.

for 2023 we plan to open a new branch with solar panels, which will be remodeled to adapt it to this clean energy system and will be located in the area of Panama Oeste, Market Plaza.

Electricity consumption at Banesco Panama

| Energy consumption (kWh) | 2021 | 2022 |
|---------------------------|---------------------|---------------------|
| Non-renewable consumption | 2.060.039,00 | 0 |
| Renewable consumption | 1.200.066,00 | 3.451.469,00 |
| | 3.260.105,00 | 3.451.469,00 |

Note: The following data are linked to the consumptions reported in the tables above

Consumption of conventional fuels at Banesco Panama

| Consumption of conventional fuels (liters) | 2021 | 2022 |
|--|-----------------|-----------------|
| Gasoline | 4.736,35 | 5.142,00 |
| Diesel / GasoilL | 4.402,43 | 2.914,00 |
| | 9.137,78 | 8.056,00 |

Climate Change

It is a reality that climate change is part of a source of global financial risk, from which the organization is not exempt. For this reason, in 2022 we continue the implementation of actions detailed in our Corporate Sustainability Policy.

For 2023, we will be incorporating the management of climate change-related risks through an analysis to identify, quantify, monitor, and mitigate climate change risks that may impact and affect the activities carried out by our customers. It is important to mention that the Superintendency of Banks of Panama (SBP) will be monitoring the management of this risk in financial institutions. Since November 2022, it has been included as a risk that must be managed through Agreement 11-2022, which classifies these risks as follows:

Physical risks: those that arise from potential losses caused by the occurrence of extreme weather events or gradual and long-term changes in weather patterns.

Transition risks (political and legal; technological risk; market; reputational): those caused by the transition to a low-carbon economy, which may generate political, technological and market changes to address mitigation and adaptation measures related to climate change.

Risk of legal liability related to climate change: These are risks that arise from potential losses that may be generated by actions or omissions causing losses or damages associated with climate change. Legal proceedings may seek compensation through the repair of the damage caused, the implementation of prevention and mitigation measures, and the assumption of corresponding costs.

GHG emissions of Banesco Panama

| GHG Emissions | Units | 2022 |
|---|--------|--------------|
| Scope 1 (Fuels and refrigerant gas leaks) | tCO2eq | 20.03 |
| Scope 2 (Purchased electricity) | tCO2eq | 355.50 |
| | | 375.5 |

For 2022 the carbon footprint (GHG emissions) was calculated using the tool provided by the Ministry of Environment, which has been created for the **"Reduce Your Corporate Footprint"** program, implementing different legal instruments that create and regulate its tools. It is worth noting that the 2021 figure complies with the GHG emissions inventory quantification and reporting requirements established by Ministry of Environment RTH Corporate - Carbon Technical Standard, in order to receive the recognition of the first 50 carbon-neutral organizations in Panama and the Carbon Footprint Inventory Seal.

It is important to mention that the increase, compared to the previous year, is due to the fact that during 2022 the

number of personnel returning to work on site increased, therefore, this is reflected in electricity consumption (Scope 2).

Using the emission factor calculation method:

"The RTH Corporate - Carbon calculation tool is based on the method the of use of emission factors, due to its high versatility, high degree of accuracy, its flexible calculation modality and the characteristic of being affordable and usable by any organization that wishes to venture into carbon footprint management."

Note: The calculation of the carbon footprint for 2021 will show a significant variation compared to what was reported in the previous report. This is because, at the time of calculating the footprint, a version of the tool was used that was updated with the new CO2eq Emission Factor (kg CO2eq/kg) for electricity in mid-2022. This factor is provided by the National Energy Secretariat. As reported by Ministry of Environment, they receive this new factor in the middle of the following year, which leads them to update the tool. In this case, the 518.8 submitted in the previous report was calculated using an emission factor of 0.152, which later changed to 0.103, resulting in a new carbon footprint of 359.6. For 2022, the same may happen since the same factor from 2021 is being used.



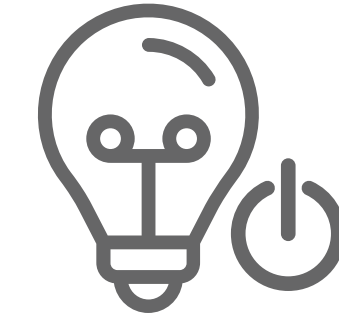
Biodiversity protection

Eco-efficiency forms part of one of our strategic axes established in the Corporate Sustainability Policy with the aim of:

- Mitigate direct environmental impacts through eco-efficient initiatives (energy and water savings, paperless practices).
- Measurement of the carbon footprint.
- Promote digital transformation and optimize operational processes.

Additionally, in 2022 a Cooperation Agreement was signed between the Bank and ANCON, in which Banesco established the basis for cooperation to carry out Banesco's carbon footprint offsetting. In this agreement, the Bank will offset its carbon footprint through the conservation of 40 hectares of the Perrecenico protected reserve, owned by ANCON, and we will contribute to the care of a Harpy Eagle chick.

Among the goals for emissions reduction, the following are maintained:



- 1 Lights off campaign when personnel leave their posts.



- 2 We maintain schedules for the illumination of our main Banesco signs from 6:00 p.m. to 10:00 p.m.



- 3 The A/A maintain specific schedules in the tower, if the staff extends the schedule it must be approved by senior management.

Banesco (Panamá), S.A.

2022 SUSTAINABILITY REPORT

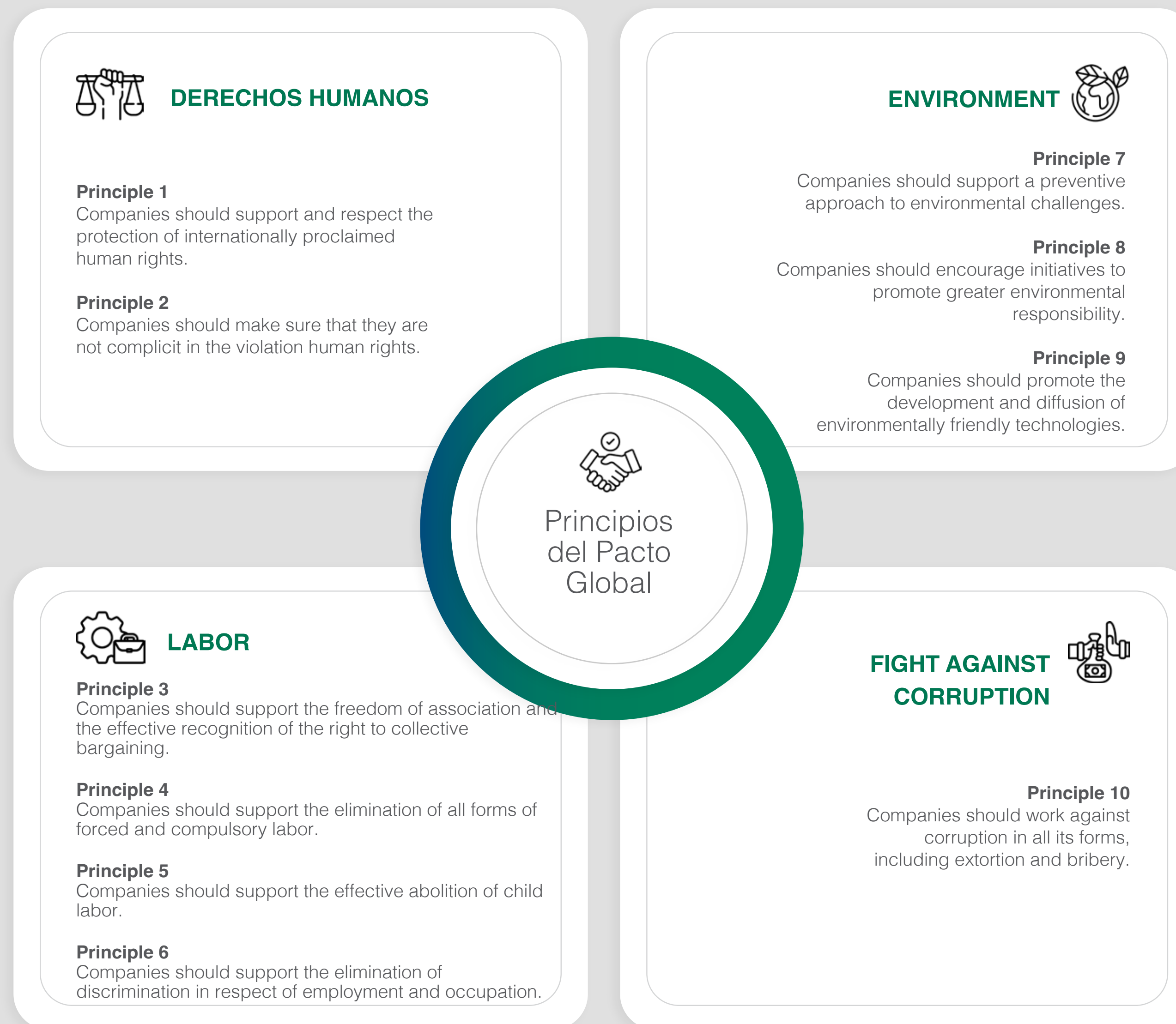
X.

Adoption of the Global Compact principles



Adoption of the Global Compact principles

The Ten Principles of the UN Global Compact are derived from the Universal Declaration of Human Rights; the Declaration of the International Labor Organization; the Rio Declaration on Environment and Development; and the United Nations Convention against Corruption.



Banesco (Panamá), S.A.
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XI.

GRI Content Index



| | |
|------------------|---|
| Statement of Use | Banesco (Panama), S.A. has reported the information cited in this GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Fundamentals 2021 |

Universal Standards

| GRI Standard | Disclosure | Location |
|---------------------------------|---|---|
| GRI 2: General Disclosures 2021 | Disclosure 2-1 Organizational details | <ul style="list-style-type: none"> • Page 6: Information scope. • Page 10: Location of the headquarters in Panama and operating branches. • Page 11: Shareholding structure of the organization. |
| GRI 2: General Disclosures 2021 | Disclosure 2-2 Entities included in the organization's sustainability reporting | <ul style="list-style-type: none"> • Page 6: About this report. |
| GRI 2: General Disclosures 2021 | Disclosure 2-3 Reporting period, frequency and contact point | <ul style="list-style-type: none"> • Page 2: Back cover • Pages 4: Message from our President and CEO. • Page 6: Information scope. • Page 67: Declaration of use |
| GRI 2: General Disclosures 2021 | Disclosure 2-5 External assurance | <ul style="list-style-type: none"> • Page 6: About this report. • Page 76: Annexes - KPMG assurance report. |
| GRI 2: General Disclosures 2021 | Disclosure 2-6 Activities, value chain and other business relationships | <ul style="list-style-type: none"> • Page 6: About this report. • Page 9: Strategic architecture. • Page 12: Products and services. • Page 26: Connection with our stakeholders. (https://www.banesco.com.pa/sostenibilidad) • Page 26: Materiality • Page 28: Our lines of business. • Page 36: Supplier chain management. |

| GRI Standard | Disclosure | Location |
|---------------------------------|---|--|
| GRI 2: General Disclosures 2021 | Contents 2-7 Employees | <ul style="list-style-type: none"> • Page 40: Distribution of employees by gender, origin, age and professional classification. • Page 40: Total number of employees by type of contract and region where the organization operates. • Page 40: Proportion of senior executives hired from the local community. • Page 42: Compensation. |
| GRI 2: General Disclosures 2021 | Disclosure 2-9 Governance structure and composition | <ul style="list-style-type: none"> • Page 18: Our culture, ethics and integrity. • Page 19: Our corporate governance. • Page 20: Board of Directors. • Page 20: Composition of the Board of Directors at Banesco Panama. • Page 21: Characteristics of the Board of Directors. • Page 21: Organizational Structure of Banesco (Panama), S.A. |
| GRI 2: General Disclosures 2021 | Disclosure 2-10 Nomination and selection of the highest governance body | <ul style="list-style-type: none"> • Page 21: Characteristics of the Board of Directors. |
| GRI 2: General Disclosures 2021 | Disclosure 2-11 Chair of the highest governance body | <ul style="list-style-type: none"> • Page 4: Message from our President and CEO. • Page 20 Officers. • Page 21: Characteristics of the Board of Directors. |
| GRI 2: General Disclosures 2021 | Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts | <ul style="list-style-type: none"> • Page 20: Dignitaries. |
| GRI 2: General Disclosures 2021 | Disclosure 2-13 Delegation of responsibility for managing impacts | <ul style="list-style-type: none"> • Page 16: Principles, covenants, bylaws, alliances and initiatives developed externally. • Page 20: Board of Directors. |
| GRI 2: General Disclosures 2021 | Disclosure 2-14 Role of the highest governance body in sustainability reporting | <ul style="list-style-type: none"> • Page 4: Message from our President and CEO. • Page 6: About this report. • Page 78: Minutes of approval by the Board of Directors. • |

| GRI Standard | Disclosure | Location |
|---------------------------------|---|---|
| GRI 2: General Disclosures 2021 | Disclosure 2-15 Conflicts of interest | <ul style="list-style-type: none"> Page 21: Characteristics of the Board of Directors. |
| GRI 2: General Disclosures 2021 | Disclosure 2-16 Communication of critical concerns | <ul style="list-style-type: none"> Pages 32 - 33: Attention to requests and resolution of claims. |
| GRI 2: General Disclosures 2021 | Disclosure 2-20 Process to determine remuneration | <ul style="list-style-type: none"> Page 42: Salary. |
| GRI 2: General Disclosures 2021 | Disclosure 2-21 Annual total compensation ratio | <ul style="list-style-type: none"> Page 42: Determination of salary at the time of a new hire. Page 43: Minimum wage by gender. |
| GRI 2: General Disclosures 2021 | Disclosure 2-22 Statement on sustainable development strategy | <ul style="list-style-type: none"> Page 16: Principles, covenants, bylaws, alliances and initiatives developed externally. Pages 54 - 55: Our Sustainable Challenges and Opportunities. |
| GRI 2: General Disclosures 2021 | Disclosure 2-23 Policy commitments | <ul style="list-style-type: none"> Page 18: Our culture, ethics and integrity. Page 18: Values, principles, standards and norms of conduct of the organization. |
| GRI 2: General Disclosures 2021 | Disclosure 2-24 Embedding policy commitments | <ul style="list-style-type: none"> Page 22: Transparency and accountability. |
| GRI 2: General Disclosures 2021 | Disclosure 2-25 Processes to remediate negative impacts | <ul style="list-style-type: none"> Pages 32 - 33: Attention to requests and resolution of claims. |
| GRI 2: General Disclosures 2021 | Disclosure 2-27 Compliance with laws and regulations | <ul style="list-style-type: none"> Page 22: Transparency and accountability. |

| GRI Standard | Disclosure | Location |
|---------------------------------|---|---|
| GRI 2: General Disclosures 2021 | Disclosure 2-28 Membership associations | <ul style="list-style-type: none"> • Page 6: About this report. • Page 16: Principles, covenants, bylaws, alliances and initiatives developed externally. |
| GRI 2: General Disclosures 2021 | Disclosure 2-29 Approach to stakeholder engagement | <ul style="list-style-type: none"> • Page 26: Connection with our stakeholders. (https://www.banESCO.com.pa/sostenibilidad) |
| GRI 3: Material Topics 2021 | Disclosure 3-1 Process to determine material topics | <ul style="list-style-type: none"> • Page 37: Human rights in the supply chain. • Page 37: Anti-corruption Policies and Procedures in the Supply Chain. • Page 50: Axis 2 Social innovation. |
| GRI 3: Material Topics 2021 | Disclosure 3-2 List of material topics | <ul style="list-style-type: none"> • Page 26: Materiality. (https://www.banESCO.com.pa/sostenibilidad) |
| GRI 3: Material Topics 2021 | Disclosure 3-3 Management of material topics | <ul style="list-style-type: none"> • Page 26: Materiality (https://www.banESCO.com.pa/sostenibilidad) |

Topic Standards

| GRI Standard | Disclosure | Location |
|---|---|---|
| GRI 201: Economic Performance 2016 | Disclosure 201-1 Direct economic value generated and distributed | <ul style="list-style-type: none"> Page 14: Organization's Size and Economic Performance. |
| GRI 202: Market Presence 2016 | Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | <ul style="list-style-type: none"> Page 43: Minimum wage ratio by gender. Page 39: Our culture and people. |
| GRI 202: Market Presence 2016 | Disclosure 202-2 Proportion of senior management hired from the local community | <ul style="list-style-type: none"> Page 39: Our culture and people. |
| GRI 203: Indirect Economic Impacts 2016 | Disclosure 203-1 Infrastructure investments and services supported | <ul style="list-style-type: none"> Page 50: Banesco Participatory Budget Program. |
| GRI 203: Indirect Economic Impacts 2016 | Disclosure 203-2 Significant indirect economic impacts | <ul style="list-style-type: none"> Page 4: Message from our President and CEO. |
| GRI 204: Procurement Practices 2016 | Disclosure 204-1 Proportion of spending on local suppliers | <ul style="list-style-type: none"> Page 37: Supply chain management. |
| GRI 205: Anti-corruption 2016 | Disclosure 205-1 Operations assessed for risks related to corruption | <ul style="list-style-type: none"> Page 37: Anti-corruption policies and procedures in the supply chain. |
| GRI 205: Anti-corruption 2016 | Disclosure 205-2 Communication and training about anti-corruption policies and procedures | <ul style="list-style-type: none"> Page 18: Values, principles, standards and norms of conduct of the organization Page 18: Banesco Citizen Code of Ethics and Conduct. Page 23: Table of employees informed and trained on anti-corruption policies and procedures. |

| GRI Standard | Disclosure | Location |
|--------------|------------|----------|
|--------------|------------|----------|

| | | |
|-----------------------------------|---|--|
| GRI 302: Energy 2016 | Disclosure 302-1 Energy consumption within the organization | <ul style="list-style-type: none"> Page 61: Energy consumption. |
| GRI 302: Energy 2016 | Disclosure 302-3 Energy intensity | <ul style="list-style-type: none"> Page 61: Energy consumption. |
| GRI 302: Energy 2016 | Disclosure 302-4 Reduction of energy consumption | <ul style="list-style-type: none"> Page 63: Goals for emissions reduction. |
| GRI 303: Water and Effluents 2018 | Disclosure 303-5 Water consumption | <ul style="list-style-type: none"> Page 60: Water consumption. |
| GRI 305: Emissions 2016 | Disclosure 305-1 Direct (Scope 1) GHG emissions | <ul style="list-style-type: none"> Page 62: Climate change. Page 62: GHG emissions of Banesco Panama. |
| GRI 305: Emissions 2016 | Disclosure 305-2 Energy indirect (Scope 2) GHG emissions | <ul style="list-style-type: none"> Page 62: Climate change. Page 62: GHG emissions of Banesco Panama. |
| GRI 306: Waste 2020 | Disclosure 306-3 Waste generated | <ul style="list-style-type: none"> Page 59: Annual waste management. |
| GRI 306: Waste 2020 | Disclosure 306-4 Waste diverted from disposal | <ul style="list-style-type: none"> Page 4: Message from our President and CEO. Page 51: Axis 4 - Environment. Pages 58 - 59: Annual waste management. |
| GRI 401: Employment 2016 | Disclosure 401-1 New employee hires and employee turnover | <ul style="list-style-type: none"> Page 41: Turnover and Recruitment. |
| GRI 401: Employment 2016 | Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | <ul style="list-style-type: none"> Page 39: Labor issues, welfare and benefits. |

| GRI Standard | Disclosure | Location |
|--|--|--|
| GRI 401: Employment 2016 | Disclosure 401-3 Parental leave | <ul style="list-style-type: none"> Page 46: Well-being and measures to facilitate conciliation. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-1 Occupational health and safety management system | <ul style="list-style-type: none"> Page 46: Well-being and measures to facilitate conciliation. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-2 Hazard identification, risk assessment, and incident investigation | <ul style="list-style-type: none"> Page 47: Health, safety and hygiene policy and procedure. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-3 Occupational health services | <ul style="list-style-type: none"> Page 46: Well-being and measures to facilitate conciliation. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety | <ul style="list-style-type: none"> Page 46: Well-being and measures to facilitate conciliation. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-5 Worker training on occupational health and safety | <ul style="list-style-type: none"> Page 47: OHS Training - General Concepts and Emergency Management Training. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-6 Promotion of worker health | <ul style="list-style-type: none"> Page 39: Labor issues, welfare and benefits. Page 46: Welfare and measures to facilitate work-life balance. |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <ul style="list-style-type: none"> Page 46: Well-being and measures to facilitate conciliation. |
| GRI 404: Training and Education 2016 | Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs | <ul style="list-style-type: none"> Page 45: Training and development. |
| GRI 404: Training and Education 2016 | Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews | <ul style="list-style-type: none"> Page 45: Training and development. |

| GRI Standard | Disclosure | Location |
|---|---|--|
| GRI 405: Diversity and Equal Opportunity 2016 | Disclosure 405-1: Diversity of governance bodies and employees | <ul style="list-style-type: none"> Page 40: Distribution of employees by gender, origin, age and professional classification. |
| GRI 405: Diversity and Equal Opportunity 2016 | Disclosure 405-2 Ratio of basic salary and remuneration of women to men | <ul style="list-style-type: none"> Page 42: Salary. |
| GRI 408: Child Labor 2016 | Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor | <ul style="list-style-type: none"> Page 37: Supply Chain Anti-Corruption Policies and Procedures. |
| GRI 409: Forced or Compulsory Labor 2016 | Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | <ul style="list-style-type: none"> Page 37: Supply Chain Anti-Corruption Policies and Procedures. |
| GRI 410: Security Practices 2016 | Disclosure 410-1 Security personnel trained in human rights policies or procedures | <ul style="list-style-type: none"> Page 37: Human Rights in the supply chain. |
| GRI 413: Local Communities 2016 | Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs | <ul style="list-style-type: none"> Page 50: Banesco Participatory Budget Program. |

Banesco (Panamá), S.A.

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XII. Annexes

[RS- GRI 2-5]





Independent Limited Assurance Report on the Contents of the Standards Global Reporting Initiative ("GRI") (Non-Financial Information)

To Banesco Management. Banesco Panamá, S.A.,

We were engaged by the Administration of Banesco Panamá, S.A. (hereinafter "Banesco") to report on the Contents of the Global Reporting Initiative ("GRI") (Non-Financial Information), prepared and presented by the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability of Banesco, and have been included in the Banesco's 2022 Sustainability Report for the period from January 1 to December 31, 2022 (the "Report"), that are detailed in Annex A attached to this report, in the form of an independent conclusion of limited assurance, regarding whether, based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared in all material respects, in reference to the Standards of the Global Reporting Initiative (GRI).

Management responsibilities

Banesco Management, through the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability, is responsible for the preparation and presentation of the information subject to our review and the information and statements contained within it.

Banesco Management, is responsible for designing, implementing, and maintaining the relevant internal control for the preparation and presentation of the information subject to our review, which is free from material errors, whether due to fraud or error. Banesco Management, through the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability, is also responsible for preventing and detecting fraud, and for identifying and ensuring that Banesco complies with the laws and regulations applicable to its activities.

Banesco Management, through the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability, is also responsible for ensuring that the personnel involved in the preparation of the Contents are adequately trained, the information systems are duly updated and that any change in the presentation of data and/or in the form of reporting, include all significant reporting units.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement on the information concerning the GRI Contents included in the 2022 Sustainability Report and to express an independent conclusion of limited assurance based on the evidence obtained. We carry out our work based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board, that standard requires that we plan and perform the engagement to obtain limited assurance regarding whether, based on our work and the evidence obtained,

nothing has come to our attention that causes us to believe that the GRI Contents included in the 2022 Sustainability Report for the period from January 1 to December 31, 2022, are not presented in all material respects, in reference to the Standards of the Global Reporting Initiative (GRI), that are detailed in Annex A attached to this report.

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KPMG (the "Firm") applies the International Standard on Quality Control 1 and, therefore, maintains a comprehensive system of quality control including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on our knowledge and experience of the GRI Contents presented in the 2022 Sustainability Report and other circumstances of the work, and our consideration of the areas in which material errors may occur.

When obtaining an understanding of the GRI Contents included in the 2022 Report, and other work circumstances, we have considered the processes used to prepare and present the GRI Contents, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Banesco's internal control over the preparation and presentation of the Contents presented in the 2022 Report.

Our engagement also included assessing the appropriateness of the main subject, the suitability of the criteria used by Banesco in the preparation of the GRI Contents, assessing the appropriateness of the methods, policies, and procedures, as well as models used.

The procedures performed in a limited assurance engagement vary in nature, timeliness, and scope than in a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained in the case of a reasonable assurance engagement.

Criteria

The criteria on which the preparation of the Contents has been evaluated refer to the established requirements in the Standards of the Global Reporting Initiative (GRI) which are detailed in Annex A.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed based on, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions. Based on our review and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the GRI Contents detailed in Annex A attached to this assurance report,

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prepared by the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability of Banesco and included in Banesco's 2022 Sustainability Report for the period from January 1 to December 31, 2022 are not prepared in all material aspects, in reference to the Global Reporting Initiative (GRI).

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party to acquire rights against us other than the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability and the Board of Directors of Banesco Panama S.A. for any purpose or in any other context. Any party other than the Vice-Presidency of Marketing, Channels, Customer Experience and Sustainability and the Board of Directors of Banesco Panama S.A., who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we do not accept or assume any responsibility and disclaim any liability to any party other than Banesco for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Banesco, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

Other legal information requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of authorized public accountant in the Republic of Panama, we declare the following:

- That the direction, execution, and supervision of this insurance work has been physically carried out in Panamanian territory.
- The partner who has prepared this independent assurance report is Juan Carlos Castillo.

KPMG (SIGNED)

Panamá, Republic of Panamá
August 30, 2023.

JUAN CARLOS CASTILLO (SIGNED)

Juan Carlos Castillo
Partner
C.P.A. 3592

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Annex A

Description of the Contents and metrics object of the limited assurance engagement:

| GRI Standard | Content | |
|------------------------------------|---|---|
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details |
| | 2-2 | Entities included in the organization's sustainability reporting |
| | 2-3 | Reporting period, frequency and contact point |
| | 2-5 | External assurance |
| | 2-6 | Activities, value chain and other business relationships |
| | 2-7 | Employees |
| | 2-9 | Governance structure and composition |
| | 2-10 | Nomination and selection of the highest governance body |
| | 2-11 | Chair of the highest governance body |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts |
| | 2-13 | Delegation of responsibility for managing impacts |
| | 2-14 | Role of the highest governance body in sustainability reporting |
| | 2-15 | Conflicts of interest |
| | 2-16 | Communication of critical concerns |
| | 2-20 | Process to determine remuneration |
| | 2-21 | Annual total compensation ratio |
| 2-22 | Statement on sustainable development strategy | |
| 2-23 | Policy commitments | |
| 2-24 | Embedding policy commitments | |
| GRI 3: Material Topics 2021 | 2-25 | Processes to remediate negative impacts |
| | 2-27 | Compliance with laws and regulations |
| | 2-28 | Membership associations |
| GRI 201: Economic Performance 2016 | 2-29 | Approach to stakeholder engagement |
| | 3-1 | Process to determine material topics |
| | 3-2 | List of material topics |
| | 3-3 | Management of material topics |
| | 201-1 | Direct economic value generated and distributed |

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Annex A, cont.

| | | |
|--|-------|---|
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage |
| | 202-2 | Proportion of senior management hired from the local community |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported |
| | 203-2 | Significant indirect economic impacts |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption |
| | 205-2 | Communication and training about anti-corruption policies and procedures |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization |
| | 302-3 | Energy intensity |
| | 302-4 | Reduction of energy consumption |
| GRI 303: Water and Effluents 2018 | 303-5 | Water consumption |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions |
| | 305-2 | Energy indirect (Scope 2) GHG emissions |
| GRI 306: Waste 2020 | 306-3 | 306-3 Waste generated |
| | 306-4 | 306-4 Waste diverted from disposal |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees |
| | 401-3 | Parental leave |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system |
| | 403-2 | Hazard identification, risk assessment, and incident investigation |
| | 403-3 | Occupational health services |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety |
| | 403-5 | Worker training on occupational health and safety |
| | 403-6 | Promotion of worker health |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |
| GRI 404: Training and Education 2016 | 404-2 | Programs for upgrading employee skills and transition assistance programs |

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Annex A, cont.

| | | |
|---|-------|--|
| | 404-3 | Percentage of employees receiving regular performance and career development reviews |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees |
| | 405-2 | Ratio of basic salary and remuneration of women to men |
| GRI 408: Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor |
| GRI 410: Security Practices 2016 | 410-1 | Security personnel trained in human rights policies or procedures |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs |

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BANESCO (PANAMÁ). S.A. AND SUBSIDIARIES
(Panama, Republic of Panama)

Consolidated Financial Statements

December 31, 2022
(With the report of the
Independent Auditors)

Check the Consolidated
Financial Statements here





**CERTIFICATION BY THE SECRETARY
OF BANESCO (PANAMA), S.A.**

The undersigned, Monica de Leon, acting as secretary of the corporation BANESCO (PANAMA), S.A., a corporation established and existing in the Republic of Panama registered in the mercantile section of the public registry of Panama under folio No. 264068 (S), hereby certifies the following:

1. That a meeting of the Board of Directors of BANESCO (PANAMA), S.A. was held on August 24, 2023 at 8:30 a.m.
2. That, prior notice to convene, there were present: Rosio Aued, Francisco Conto, Alfredo Ramirez and Miguel Ángel Marcano and by videoconference the following directors participated: María Josefina Fernández and Emilio Durán.
3. That Miguel Ángel Marcano, the incumbent chaired the meeting and the Mrs. Mónica de León, the incumbent, acted as secretary of the meeting.
4. That the majority of the directors were present and constituted a quorum at such meeting.
5. That the following is an exact copy of part of said meeting.

8. "APPROVAL OF THE SUSTAINABILITY REPORT.

Mrs. Vivian Prieto, Vice President of Marketing and Corporate Affairs, presented the 2022 Sustainability Report for approval by the Board of Directors.

The presentation is attached as an integral part of the minutes.

Board of Directors' resolution: The directors APPROVED the sustainability report.

Given in the city of Panama, Republic of Panama, on the twenty-eighth (28th) day of the month of August, 2023.

Mónica de León
Secretaria

THE FOREGOING IS A TRUE TRANSLATION OF THE ORIGINAL DOCUMENT IN SPANISH, WHICH WAS PRESENTED TO ME.
Panama, October 6, 2023

I, the undersigned Omaro Amador, hereby express the privilege and honor in having the opportunity to translate the sustainability report of your esteemed banking institution into the English language.

As an Authorized Public Translator, I understand the importance of this document and the significance of your commitment to sustainability.

Thank you for this opportunity, and I am excited to have played a part in making Banesco's sustainability report accessible to a broader English-speaking audience.

Yours sincerely,



OMARO AMADOR

Authorized Public Translator



Omaro A. Amador Tejeira
AUTHORIZED PUBLIC TRANSLATOR