

20
23

PRB Reporting and Self-Assessment

Laguna de Quilotoa, Ecuador

 **Banco Bolivariano**



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING



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MAIN FIGURES AND MILESTONES

This sustainability report covers the performance, results and impacts of the Bank in various environmental, social and governance (ESG) aspects. The actions of our institution are structured into six strategic areas that together underpin our sustainability model.

- In 2023, we were named the Bank of the Year for Ecuador, awarded by The Banker, a British magazine, using criteria related to improvements made over the last 12 months.

* Scale 0 to 10 where NPS = % Promoters (9 and 10) - % Detractors (0 to 6)
 ** Customers who were given satisfaction surveys. Scale of 0 to 10, where the highest scores represent satisfied customers.
 *** Ecuadorian Social Responsibility and Sustainability Corporation

Ethics and compliance	No financial losses for the materialization of money laundering and terrorist financing risks.	Anti-bribery management system (SGAS) certificate with the ISO 37001 standard.	Fulfilled 95% of the recommendations made by Asobanca in its personal data protection policy.
Client Experience	67 points in NPS for business clients*.	87% ** client satisfaction rating.	79% of all transactions made through mobile and internet banking.
Team's Experience	1,551 employees.	60% of management positions filled by women. 40% of management positions filled by men.	23 hours of training given to each employee on average.
Impact on the Community	Reached 20,300 people through the Aula BB program in 2023.	40,000 impressions through the Tus Finanzas program in 2023.	We received the ESR® (Socially Responsible Company) award from CERES***.
Sustainable Development of the Client	USD 80 million for issuing the blue bond. USD 50.7 million raised in savings products only.	93 ESMS due diligence processes totaling USD 160 million in credit.	38 green credit operations for a total of USD 59 million.
Eco-efficiency	Carbon neutrality .	9.2 GJ Collaborators (electricity consumption in main branches).	1.3 Ton CO2 equivalent/employee (GHG emissions in the main branches).

LETTER FROM THE EXECUTIVE PRESIDENT AND THE EXECUTIVE VICE PRESIDENT

(GRI 2-22)

It is an honor for us to present Banco Bolivariano's 2023 Sustainability Report, which is a **reflection of our commitment to development in all areas.**

In a global context marked by increasingly urgent environmental, social and economic challenges, at Banco Bolivariano we have assumed the responsibility of being an agent of positive change in society. From adopting sustainable environmental practices in our operations to promoting financial inclusion and community investment, we have worked tirelessly to contribute to the well-being of people and care for our planet.

The Sustainability Report that we present here not only compiles facts and figures about our performance in environmental, social and economic matters, but also addresses metrics of positive impact on our communities through digital transformation, cybersecurity and information privacy. Focused on

these aspects, we have strengthened our ties with our stakeholders over the last year, listening to their concerns, sharing their values and collaborating closely to build a more sustainable and equitable future.

By sharing this report with you, we trust that it will become an inspiring tool to continue advancing together on our sustainability journey, which began back in 2010 when we became the first bank in Ecuador to be fully carbon neutral. We are convinced that, by working hand in hand and maintaining our commitment to transparency and responsibility, we will be able to build a better social and environmental fabric for present and future generations.

In 2023, we strategically aligned our organizational purpose, promoting the sustainable progress of our country with responsibility and passion, with the six focuses of our sustainability strategy, in order to join efforts and increase consistency in the actions that we took to accompany our clients in the most important moments of their lives.



Vicente Vallarino Marcos
Executive President



María del Rocío Salazar Arrarte
Executive Vice-President

As an entity, we also highlight our robust financial administration, which has resulted in us gaining the trust of our clients over time. This trust is based on our prudent management of their deposits, as well as granting credit responsibly. In addition, we have developed a value proposition that is renowned for being innovative, offering products and services specifically adapted to the needs of our clientele. This approach has allowed us to not only meet, but to exceed, the expectations of our clients, thus consolidating our position as a renowned financial institution in the market. As an example of the above, Banco Bolivariano was named the recipient of the prestigious “2023 Bank of the Year” award by the British magazine “The Banker”. These awards, which have been held since 2000, are the most prestigious in global banking, covering more than 120 countries.

At Banco Bolivariano, we are extremely proud of our team, and its firm commitment to providing excellent service to all of our stakeholders. We

deeply value the fundamental role that our team of 1,551 employees plays in achieving our institutional objectives. Consequently, we keep them highly trained and offer them many opportunities for professional growth and development.

At our Institution, we distinguish ourselves by maintaining high ethical standards and by rigorously adhering to the regulatory framework and internal guidelines that we have developed. We continue to reinforce our crime prevention systems and make constant improvements in the area of IT security.


Our goal is to shield our digital channels and protect our customers' digital transactions against any threat or vulnerability.

At Banco Bolivariano, we recognize the double impact that our activities have on the environment both directly and indirectly through the activities we finance. This awareness presents us with a double opportunity to promote better environmental practices in all areas of our operation:

- 1 Internally, we monitor the energy consumption of our main facilities, detecting opportunities for efficiency. Likewise, we calculate our Greenhouse Gas emissions; and,
- 2 Together with our clients, we implement the Environmental and Social Management System (ESMS) for credit, helping our team evaluate and mitigate the possible environmental and social risks associated with their financial operations.

With great pride and reaffirming our commitment to promote the sustainable progress of our country with responsibility and passion, we issued the world's first Blue Bond with Incentives Linked

to Fulfilling Objectives. In the same framework, we committed to joining the Taskforce on Nature-related Financial Disclosures (TNFD), which marks a significant step for Banco Bolivariano, becoming one of the first banks in the region to comply with the guidelines of this framework.



This achievement is even more significant for us, since Ecuador is one of the most biodiverse countries in the world.

In addition to our wide range of financial products, we continue to promote green credits designed for both individuals and companies. These financing mechanisms are intended to encourage the adoption of more efficient technologies in the use of natural resources such as water and energy, thus contributing to the conservation of the environment, the protection of natural ecosystems, and addressing risks and opportunities related to climate change. These advances are also aligned with our responsible banking approach.

Within this context, we continue to move forward with determination in our commitments to the Principles for Responsible Banking of the United Nations Environment Program (UNEP FI) and the Sustainable Finance Protocol of the Association of Private Banks of Ecuador (Asobanca).

Furthermore, at Banco Bolivariano we maintain a firm commitment to transparency in the reporting of our sustainability indicators, applying the international reference standards established by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

We would like to especially thank all of those who have contributed to the preparation of this report, from our committed employees to our strategic partners and knowledgeable clients. Their support and collaboration have been essential to the achievements that we present today.

At Banco Bolivariano, we will continue to make progress on our robust sustainability strategy, offering products that have positive environmental and social impacts in Ecuador, using technology responsibly and working tirelessly for the trust of our clients.



Cordially,

Vicente Vallarino Marcos
Executive President

María del Rocío Salazar Arrarte
Executive Vice-President

Self-assessment questionnaire of the Principles of Responsible Banking (PBR)

Banco Bolivariano is a signatory of the Principles for Responsible Banking (PBR) of the United Nations Environment Program Financial Initiative (UNEP-FI), as part of its active commitment to this organization.

To fulfill the transparency requirements for implementing the Principles, Banco Bolivariano presents this annex as a tool that guides its progress in incorporating the PBR and leading to greater depth in the different chapters of the sustainability report.

For the second year, Banco Bolivariano subjected the information provided for Principle 2 and the first part of Principle 5 to external verification. This verification is supported in the letter issued by the verification team.

Principle 1: Alignment



Align business strategy to be consistent and contribute to people's needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business Model

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

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

Response

Banco Bolivariano operates in Ecuador as a private multiple banking institution, providing financial services that support the growth of its clients. The institution is renowned for offering specialized financial services for the Business sector, SMEs and individuals.

For Business Banking and SME Banking, the bank offers products such as checking and savings account, fixed-term deposits, credit, treasury management, foreign trade solutions, and payment methods for the value chain, which includes productive credit for the suppliers and distributors of its clients.

The main productive sectors in which financing is granted through Business Banking and SME Banking are vehicle sales, aquaculture, real estate activities and retail food and beverages sales. It also provides Personal Banking products for its employees and provides other transactional services.

For Personal Banking, the following services are offered: checking and savings accounts, loans, credit cards, payment of services, investments and remittances. The evolution of the number of clients, deposits, placement and balances is presented in the chapter on Financial Results.

Links and references

[Profile](#)

[Strategy](#)

[Financial results](#)

Strategy alignment

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

Yes

No

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

Does your bank also reference any of the following sustainability frameworks or regulatory reporting requirements in its strategic priorities or policies for implementing them?

- United Nations Guiding Principles on Business and Human Rights.
 - Fundamental Conventions of the International Labor Organization.
 - United Nations Global Compact.
 - United Nations Declaration on the Rights of Indigenous Peoples.
 - Any applicable regulatory reporting requirements on environmental risk assessments, for example on climate risks; specify which.
- The institution is working to apply the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), on risk analyses and scenario assessment (in addition to the guidelines for public reporting).*
- All applicable regulatory reporting requirements on social risk assessments, for example on modern slavery; specify which ones apply.
 - None of the above.

The institution has a 2022-2025 Sustainability Strategy that focuses on certain areas determined to be material; in other words, of greater significance both due to the impacts that the bank's operations may have on the different stakeholder groups, as well as how these could affect financial results and access to financing (double materiality).

The material impact areas have served to identify those Sustainable Development Goals (SDGs) that the bank especially contributes to, due to its operations, products and services, as well as the segments it serves.

The strategy also considers, with respect to material issues, the primary agreements and voluntary standards on topics such as the ILO Conventions on labor matters, the UN Guiding Principles on Business and Human Rights, and the sector's Principles for Responsible Banking.

The Bank's Sustainability Strategy covers the climate change agenda. Pillar 5 "Sustainable Development of our Clients" includes the availability of environmentally friendly products and ESMS for risk analysis, and therefore affects indirect emissions (Scope 3) for which Banco Bolivariano may be responsible.

On the other hand, Pillar 6 "Operational Eco-efficiency" integrates initiatives to reduce direct emissions primarily caused by consuming fuel and the indirect emissions associated with the electricity it consumes.

The institution therefore contributes to reducing GHG (intensity) in both ways.

The efforts to publish an annual corporate sustainability report, integrating both GRI (Global Reporting Initiative) and the SASB (Sustainability Accounting Standard Board) Standards, have fostered greater transparency and a better understanding for its different audiences. The task now, having identified and prioritized climate change risks, is to implement the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Likewise, Banco Bolivariano will advance on adopting the recommendations made by the Taskforce on Nature-related Financial Disclosures (TNFD).

Links and references

Integration of ESG factors

Annex I.2
Materiality analysis

[Da clic aqui](#)



Principle 2: Impact and goal setting



Continuously increase positive impacts while reducing negative impacts and managing risks to people and the environment resulting from activities, products and services. To this end, objectives of the most significant impacts are established and published.

2.1 Impact analysis (key step 1)

Demonstrate that your bank has conducted an impact analysis of its portfolio(s) to identify its most significant impact areas and determine priority areas for goal setting. All impact analyzes must be¹ updated periodically and meet the following requirements/specific actions².

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's main business areas, products/ services in the main geographies in which the bank operates (as described in point 1.1) have been considerate in the impact analysis. Please also describe which areas have not been included and why.

Answer

Organizational scope: Personal banking (100% coverage) and SME Banking and Business Banking (80% coverage). Geographic scope: Ecuador.

Links and references

Annex I: Identification of portfolio impacts.

b) Portfolio composition: Has your bank considered the composition of your portfolio (in %) in the analysis? Provide a proportional composition of your portfolio globally and by geographic scope

- i) By sector and industries³ for corporate, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %) and/or
- ii) By products and services and by types of clients for consumer and retail banking portfolio..

If your bank has taken another approach to determine the scale of the bank's exposure, please provide more detail, to show how you have considered where the bank's core or core activities are in terms of industries or sectors.

Answer

SME Banking and Business Banking represented 76% of the credit portfolio, while Personal Banking represented the remaining 24%.

Of SME Banking and Business Banking, by economic sector, the main industries were vehicle sales (9%); aquaculture (8%); real estate activities (7%); and retail food and beverage sales (4%).

This data corresponds to the end of 2021, and is the same data that was used in 2022 to carry out the impact analysis described, allowing the bank to establish objectives.

Links and references

Annex I: Identification of portfolio impacts.



¹ Means that where the initial impact analysis has been done during an earlier period, the information should be updated accordingly, the scope expanded, and the quality of the impact analysis enhanced over time.

² Further guidance can be found in the Interactive Guide on Impact Analysis & Setting Targets.



³ The "key sectors" in relation to the different impact areas, such as those sectors whose positive and negative impacts are particularly strong, are especially relevant here.

c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or its clients operate? Describe⁴ how you have been considered, including the stakeholders you have engaged to help inform this element of the impact analysis.

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

Answer

Sustainable development challenges in Ecuador were integrated from the list of critical issues, level of critical issues, and the critical nature that the UNEP-FI Portfolio Impact Analysis Tool itself already has.

After determining the impacts of Banco Bolivariano's portfolio and its priority areas, the level of country criticality for the different areas was integrated. From the result of integrating both approaches weighted equally 50/50, the impact areas that scored the highest were those prioritized to manage.

Based on these first 3 elements of an impact analysis, what areas of positive and negative impact has your bank identified? What (at least two) areas of significant impact did you prioritize to pursue your goal-setting strategy? (see 2.2). Please disclose.⁵

Answer

In SME Banking and Business Banking, the main areas of potential impacts remained unchanged:

Positive: Inclusive and healthy economies; Economic convergence, Mobility, Food and Employment.

Negative: Waste, Inclusive and healthy economies, Economic convergence, Mobility, Climate and Employment.

In Personal Banking, the main areas of potential impacts also remained unchanged:

Positive: Employment, Inclusive and healthy economies, Economic convergence, Justice.

Negative: Inclusive and healthy economies.

The nomenclature of the impact areas follows what was established by UNEP FI.

Based on these main areas, two responsible banking objectives were proposed, which are presented below (the relationship with the areas of potential impact are shown):

- 1) Facilitate the development of processes and the adoption of more efficient technologies in the use of resources and energy, as well as reducing waste and greenhouse gas (GHG) emissions for Business Banking credit clients.
Areas of Impact: Waste, Climate.
- 2) Facilitate access of SMEs to financial resources to be used to address different operational needs, fostering the growth of their businesses.
Areas of impact: Inclusive and healthy economies; Economic convergence.

Links and references

Annex I: Identification of portfolio impacts.

Links and references

Annex I. Identification of portfolio impacts

ESG Profile and Strategy: Responsible banking approach



⁴ Global priorities could alternatively be considered for banks with highly diversified and international portfolios.

⁵ To prioritize the areas of greatest significant impact, a qualitative overlay of the quantitative analysis as described in a), b) and c) will be important, i.e. through stakeholder engagement and further geographic contextualization.

d) For these (minimum two prioritized impact areas): Performance measurement: Has your bank identified which sectors and industries, as well as the types of clients financed or invested in, are causing the strongest real positive or negative impacts? Describe how you evaluated their performance, using appropriate indicators related to significant impact areas that apply to your bank's context.

When determining priority areas for goal setting among your most significant impact areas, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies for the resulting social, economic and environmental impacts. Of the bank's activities and the provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant impact areas, please also see the applicable indicators in the annex.

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

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

Answer

For these (minimum two prioritized impact areas): Performance measurement: Has your bank identified which sectors and industries, as well as the types of clients financed or invested in, are causing the strongest real positive or negative impacts? Describe how you evaluated their performance, using appropriate indicators related to significant impact areas that apply to your bank's context.

Objective 1, indicators: Loan (USD), Balance (USD) and Number of clients of 1) Green credits, 2) Loans to clients that have environmental certifications (even if it was not a green credit).

Objective 2, indicators: Placement (USD), Balance (USD) and Number of clients: 1) Productive credit placed in SMEs.

These are placement indicators; The bank is now working on defining impact indicators.

Links and References
ESG Profile and Strategy: Responsible banking approach

Self-assessment summary:

Which of the following impact analysis components has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance Measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No

What most significant areas of impact have you identified for your bank, because of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency and circular economy, biodiversity, financial health and inclusion, human rights, gender equality, decent employment, water, pollution, others: specify

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

- Up to 6 months before the publication
- Up to 12 months before the publication
- Up to 18 months before the publication
- More than to 18 months before the publication

Open text field to describe possible challenges, aspects not covered by the above, etc.: *(optional)*

⁶ You can answer "Yes" to a question if you have completed one of the steps, i.e. the initial impact analysis has been carried out, a pilot has been conducted, etc.

2.2 Target configuration (key step 2)

Demonstrate that your bank has established and published a minimum of two objectives that address at least two different areas of greatest impact that you identified in your impact analysis.

Objectives should be specific, measurable (qualitative or quantitative), achievable, relevant and time-bound (SMART). Indicate the following elements of the objective:⁷

a) **Alignment:** What international, regional or national policy frameworks to align your bank's portfolio have you identified as relevant?

⁸Show that the selected indicators and targets are linked to and drive alignment and greater contribution to the appropriate Sustainable Development Goals, the goals of the Paris Agreement and other relevant international, national or regional frameworks.

It can be based on the context elements in section 2.1.

Answer

In Point 2.1, the impact areas and indicators were presented. The baseline values (2021) and the objectives for 2025 are presented.

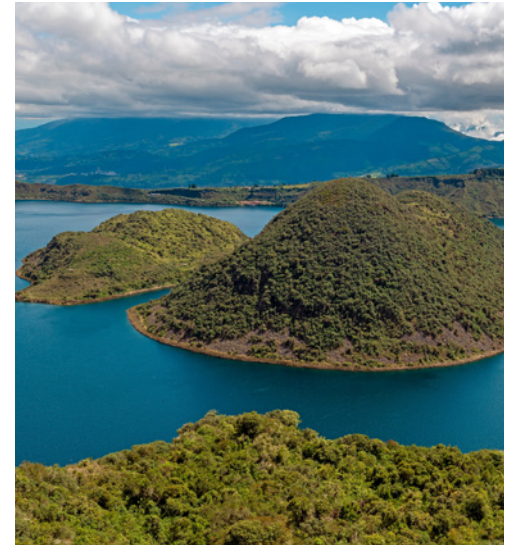
Goal	2021 Baseline (Actual Balance in Absolute Values)	2025 Goal	
		Projected 2025 Balance (In absolute values)	Projected growth Percentage 2025 vs 2021
1. By 2025, annually Increase the balance of Green Credits and loans granted to clients who have environmental certification according to the following indicators (absolute and percentage):	28.5	124.9	338%
2. By 2025, annually Increase the balance of productive Credits placed in SMEs according to the following indicators (absolute and percentage):	83.0	132.5	60%

Figures in USD millions

Banco Bolivariano seeks to achieve these objectives by implementing its Sustainability Strategy, especially with the involvement of commercial areas.

Links and References

ESG Profile and Strategy: Responsible banking approach



⁷ Operational targets (relating, for example, to water consumption in office buildings, gender equality on the bank's board of directors, or greenhouse gas emissions related to business travel) do not fall within the scope of the PRB.

⁸ You, The Bank, should consider the main challenges and priorities in terms of sustainable development in the primary/operational country in order to set targets. These can be found in National Development Plans and Strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Alignment means that there should be a clear link between the bank's goals and the frameworks and priorities, thus demonstrating how the goal supports and fosters contributions to national and global goals.

b) Baseline Have you determined a baseline for the selected indicators and assessed the current level of alignment? Please indicate the indicators used, as well as the year of the baseline.

You can rely on the performance measurement made in 2.1 to determine the baseline for your objective.

A package of indicators for climate change mitigation and financial health and inclusion has been developed to guide and support banks in their goal-setting and implementation journey. The general description of the indicators can be found in the annex to this template.

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

Area of impact	Indicator code	Answer
Climate change mitigation		
Area of impact	Indicator code	Answer
Financial health and inclusion		

In case you have identified other and/or additional indicators as relevant to determine the baseline and evaluate the level of alignment towards the impact-driven objectives, please indicate them.

Answer

For the indicators indicated above in section a), the 2021 value (base year) is presented.

Goal	2021 Baseline
1. By 2025, annually Increase the balance of green credits and loans granted to clients who have environmental certifications.	28.5
2. By 2025, annually Increase the balance of productive credits placed in SMEs.	83.0

Figures in USD millions

The 2021 fiscal year has been considered as the baseline, in which the objectives were set after signing the Principles for Responsible Banking, and the areas of potential impact were mapped.

Links and references

Profile and Strategy:
Responsible banking approach

c) **SMART objectives (including performance indicators (KPIs⁹)):** Indicate the objectives for your first and second most significant impact areas, if they already exist (as well as other impact areas, if they exist). What KPI are you using to monitor progress towards achieving the goal? Please disclose.

Answer

Banco Bolivariano establishes annual goals for its objectives. In addition, it monitors the annual progress towards fulfilling its objectives. A list to the end of 2023 is shown below:

Meta	2021 Baseline (Actual Balance in Absolute Values)	2023 Goal		Actual result 2023		Compliance percentage- 2025 Goal
		Projected Balance (in absolute values) 2023	Projected growth Percentage 2023 vs. 2021	Real balance (in absolute values) 2023	Real growth Percentage 2023 vs. 2021	
1. By 2025, annually Increase the balance of green credits and loans granted to clients who have environmental certifications according to the following indicators (absolute and percentage)	28.5	73.9	159%	101.9	257%	81%
2. By 2025, annually Increase the balance of productive Credits placed in SMEs according to the following indicators (absolute and percentage):	83.0	110.5	33%	101.8	23%	77%

Links and references

ESG Profile and strategy: Responsible Banking approach.

Figures in USD millions

⁹ Indicators chosen by the Bank in order progress toward goals.

d) Action Plan: What actions that include milestones have you defined to meet the established objectives? Please describe.

Also, demonstrate that your bank has analyzed and recognized significant (potential) indirect impacts of the established objectives within the impact areas and that it has established relevant actions to avoid, mitigate or compensate for possible negative impacts.

Answer

The goals and objectives (understood as the quantitative value set for the specific indicators that the objectives are being measured by) are being fulfilled thanks to a series of initiatives that involve different areas, especially related to targeted commercial actions.

These initiatives are part of the 2023-25 Sustainability Strategy, which evolves and may include other initiatives, as necessary.

The process of preparing the risk maps has been participatory; similarly, work was done on developing the Sustainability Strategy itself.

Links and references

ESG Profile and strategy:
Responsible Banking approach.

Self-assessment summary

Which of the following components of goal setting in line with PRB requirements has your bank completed or is currently in an evaluation process for your...

	... First area of greatest impact... (please name)	... Second area of greatest impact... (please name)	(If you are Setting goals in more impact areas)... your third impact areas(s): ... (please name)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No
Reference	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No
Objectives SMART	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No
Actions Plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No

2.3 Implementation and monitoring of objectives (key step 2)

For each objective separately:

Demonstrate that your bank has implemented the actions you had previously defined to meet the established objective.

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

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

Answer

This report describes the progress made toward each objective with respect to the aforementioned goals. Please see section c) of point 2.2.

Links and references

ESG Profile and strategy: Responsible Banking approach.

Principle 3: Clients



Work responsibly with clients to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Engagement with the client

Does your bank have a customer engagement policy or process to encourage sustainable practices?¹⁰

Yes Ongoing No

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

Yes Ongoing No

Describe how your bank has worked and/or plans to work with its customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, planned/implemented actions to support clients' transition, selected indicators on client engagement and, where possible, impacts achieved.¹¹

This should be based on and in line with the bank's established impact analysis, target setting and action plans (see Q2)

Answer

To promote the best environmental and social practices among clients, along with specialized products (e.g., green credit, blue bond), Banco Bolivariano has an Environmental and Social Risk Management System (ESMS).

The ESMS is guided by the Bank's Environmental & Social Risk Policy. There are also products that have a green purpose (credits), blue bonds and financial inclusion products.

In 2023, work was also done to further develop our Sustainability Policy (with an ESG and market focus).

Links and references

Environmental and social risk assessment

¹⁰ A customer engagement process is a process of supporting customers in the transition of their business models to align them with sustainability objectives by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

3.2 Business opportunities

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

Answer

The bank has a series of products related to the objectives set for the Principles for Responsible Banking.

Objective 1: includes green credits. These differ across different products:

Credimax Green Credit: for individuals, intended to finance the purchase of equipment that uses modern and efficient systems to save electricity consumption in homes.

Crediplus Green Credit: for companies, intended to finance the purchase of efficient equipment and technologies, which allow them to reduce environmental impacts and production costs.

The report presents data on the number of operations, credit granted, and the balance at the end of the year. This allows us to measure the business opportunity they represent.

On the other hand, **Objective 2** corresponds to productive credit specifically placed in SMEs, due to the greater social impact that it has. SMEs are key in created jobs and opportunities for socio-economic development in Ecuador.

The report presents data on the number of operations, credit granted and the balance at the end of the year. This allows us to measure the business opportunity they represent.

Additionally, the bank has financial inclusion products that address gaps in sectors of the population such as women, children and youth, offering both savings products and credit products (educational and women's consumption).

Links and references

Sustainable development of the client: Products with environmental criteria

Financial results: evolution of credit products

Sustainable development from the client: Products with social criteria

Principle 4: Stakeholders



Proactively and responsibly consult, engage and partner with relevant stakeholders to achieve societal objectives

4.1 Identification and consultation of interested parties

Does your bank have a process to regularly identify and consult, engage, and collaborate with stakeholders (or stakeholder groups) that you have identified as relevant in relation to the impact analysis and goal setting process? ¹²

Yes Ongoing No

Describe which stakeholders (or stakeholder groups/types) you have identified, consulted, engaged, collaborated with or partnered with in order to implement the Principles and improve your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they contributed to the action planning process.

Answer

As part of the bank's operations, regular contact is maintained with the different stakeholder groups through multiple channels and according to the responsibilities of the bank's different areas.

Additionally, to identify the impact areas of its portfolio, Banco Bolivariano worked closely with the business teams to have data on the distribution of productive credit by economic sector, and credits granted to people by socioeconomic level.

As part of the materiality process, in which all of the bank's roles were evaluated (as provider of financial products and services, employer, client), consultations were carried out with a set of priority stakeholder groups: employees, shareholders, suppliers, business clients (directly), clients as a whole (through those responsible for the different businesses) and authorities (through those in the bank who are responsible more managing the relationship).

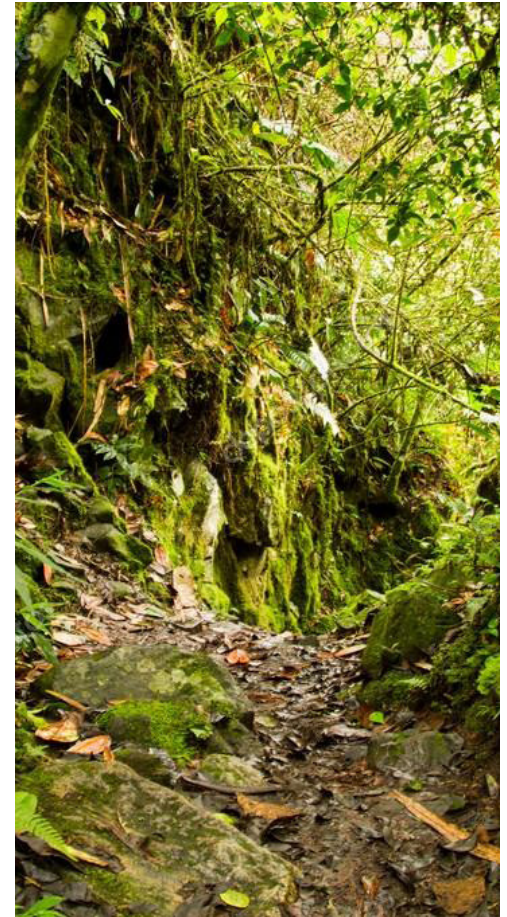
The exercise of the impact maps and the materiality map served as the basis for developing the 2023-2025 Sustainability Strategy.

Links and references

Annex I: Relationship with stakeholder groups

Annex I: Materiality analysis

Annex I: Identification of portfolio impacts



¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous populations and non-profit organizations.

Principle 5: Governance and culture



Implement the commitment to these Principles through effective governance and a responsible banking culture.

5.1 Governance structure for the application of the Principles

Does your bank have a governance system that incorporates PRB?

Yes Ongoing No

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

- Which committee has responsibility for the sustainability strategy, as well as the approval and monitoring of objectives (including information on the highest level of governance to which the PRB is subject),
- Details on the committee chair and the process and frequency for the board to monitor the implementation of the PRB (including corrective actions if objectives or milestones are not achieved or unexpected negative impacts are detected), as well as
- Remuneration practices linked to sustainability objectives.

Answer

The governance system established for implementing the Principles for Responsible Banking is the same one that governs the entire Sustainability Strategy. As such, the bank has a taskforce comprised of representatives of the different areas that have initiatives in the Strategy.

The leader of the institution's sustainability team serves as coordinator of the taskforce, and is the one who reports to the Executive Vice President.

Progress on implementing the Sustainability Strategy and, therefore, on adopting the Principles for Responsible Banking, is presented by the Executive Vice President to the Board of Directors in the Annual Shareholders' Report.

The risk team participates in the placement of credits associated with the PBR objectives (green credits for people and companies, and productive credits for SMEs), which submits its provisions to the Credit Committee.

Links and references

ESG Profile and Strategy:
Integration of ESG factors

5.2 Promote a responsible banking culture:

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

Answer

The bank's employees have participated in the materiality analysis, and its business teams have worked on the development of the portfolio impact maps.

Additionally, in developing the Sustainability Strategy, the employees also participated in their teams, both in identifying existing initiatives and in developing the new ones that the institution has proposed.

To extend the culture of sustainability beyond executives in the areas related to the Sustainability Strategy, it was circulated after it was approved. In these broader sessions held with the employees, the sustainability report was also presented with the balance of performance in 2021.

In 2023, specialized training was provided in integrated the environmental, social and governance (ESG) management of different aspects to commercial teams in the context of the ESMS, green credits and blue bonds as alternatives for attracting and placing sustainable financing. Furthermore, the organizational purpose of Banco Bolivariano was shared with all employees.

Links and references

IS21/22: ESG Strategy

5.3 Due diligence policies and processes

Does your bank have policies that address environmental and social risks within your portfolio? Please describe. ¹³

Describe what due diligence processes your bank has implemented to identify and manage environmental and social risks associated with your portfolio. This may include aspects such as identifying significant/outstanding risks and defining action plans, monitoring and reporting on risks and any existing complaints mechanisms, as well as structure governance you have in place to oversee these risks.

Answer

The bank has an Environmental and Social Risk Management System (ESMS) that allows it to identify, evaluate, manage and monitor potential environmental and social risks of activities that it finances.

The system evaluates the parameters established by the IFC through its eight performance standards, in addition to other sets of complementary guidelines.

The risk team carries out the process, and results presented to the Credit Committee.

The report shows the number of due diligence carried out in the year and the total credit value of the evaluated operations.

Links and references

Sustainable development from the client: Environmental and social risk assessment

Self-assessment summary:

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

Yes No

Does the governance system involve structures to oversee the implementation of the PRB (e.g. including impact analysis and setting of objectives, actions to achieve these objectives and corrective action processes in case the objectives/milestones are not achieved or unexpected impacts are detected)?

Yes No

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

Yes In progress No

¹³ Applicable examples of policy types include: exclusion policies for certain sectors or activities; zero deforestation policies; zero tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistleblower policies, etc., or applicable national guidelines related to social risks.

Principle 6: Transparency and accountability



Periodically review the individual and collective implementation of these Principles and be transparent and responsible for the positive and negative impacts and contribution to the objectives of society.

6.1 Insurance

Has this publicly disclosed information about your PRB commitments been assured by an independent insurer?

Yes Ongoing No

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

Answer

In response to the requirements established by UNEP FI for the signatory institutions of the PBR, external verification of the application of Principle 2 and part of Principle 5 has been carried out in the fourth progress report.

Links and references

External verification letter

6.2 Reporting on other frameworks

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

GRI SASB CDP IFRS Sustainability Disclosure Standards TCFD Another thing...

Answer

The bank uses the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) in its sustainability report to address impact materiality (with the related GRI standards) and financial materiality with the parameters of the topics established by SASB for the industries of the financial sector that it operates in – commercial banks, consumer financing and mortgage financing.

Starting with the next report, the Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) will be used.

Links and references

How to read the report (introduction to the report)

6.3 Perspective

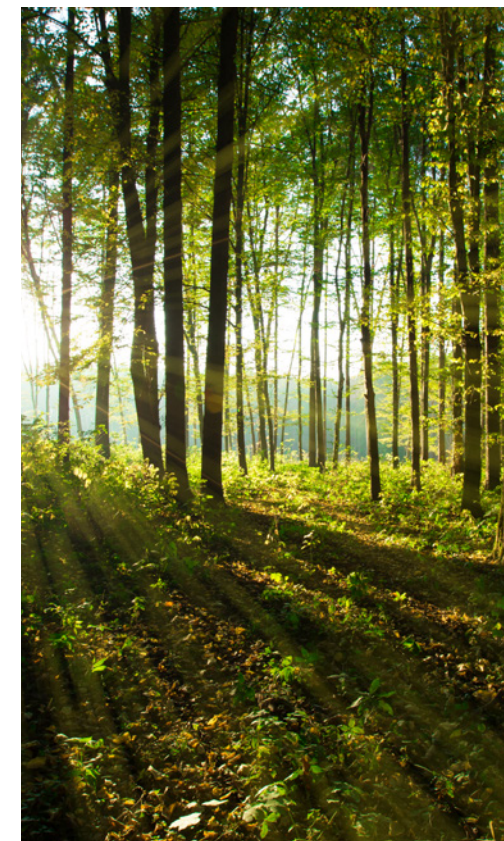
What are the next steps your bank will undertake in the next 12-month reporting period (particularly in the impact analysis, goal setting and governance structure to implement the PRB)? Please describe briefly.^{14 15}

Answer

- Analysis of climate change risks of the credit portfolio.
- Calculation of the GHG emissions of the credit portfolio.
- Increased financing through green credits and other sustainable products to clients with environmental certifications, thanks to resources that can be raised with thematic bonds.
- Reinforcement of the culture of sustainability and responsible banking among employees.

Links and references

Responsible banking approach



¹⁴ For an example that describes plans to increase outreach by including areas not yet covered, or steps planned in terms of what the portfolio consists of, context and measuring performance.

¹⁵ For an example that describes plans for baseline measurement, developing targets for (more) impact areas, establishing intermediate targets, developing action plans, etc.

6.4 Challenges

Here is a brief section to learn about the challenges your bank is likely facing regarding the implementation of the Principles for Responsible Banking. Your comments will be helpful in contextualizing the collective progress of PRB signatory banks.

What challenges have you prioritized addressing when implementing the Principles for Responsible Banking? Choose what you consider the top three challenges your bank has prioritized addressing over the past 12 months (optional question).

If you wish, you can explain the challenges and how you are addressing them:

- | | |
|---|--|
| <input type="checkbox"/> Incorporation of PRB supervision into governance | <input type="checkbox"/> Commitment to the client |
| <input checked="" type="checkbox"/> Gain or maintain momentum in the bank | <input type="checkbox"/> Stakeholder participation |
| <input type="checkbox"/> How to get started: where to start and what to focus on at the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Carrying out an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessment of negative environmental and social impacts | <input checked="" type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choose the appropriate performance measurement methodology(ies) | <input type="checkbox"/> Reports |
| <input type="checkbox"/> Goal setting | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Another thing... | <input type="checkbox"/> Prioritize actions internally Banking Principles. |

If you wish, you can explain the challenges and how you are addressing them:



01 PROFILE AND STRATEGY

Lago San Pablo, Ecuador



- 1.1 | Profile
- 1.2 | Strategy
- 1.3 | Relationship with the Supply Chain
- 1.4 | Integration of ESG factors
- 1.5 | Responsible Banking Approach

1.1 Profile

GRI 2-1, 2-6

- We are a banking institution that offers diversified **financial products and services in Ecuador.**

We are headquartered in the city of Guayaquil, and through our different offices and virtual channels we have a presence nationwide in Ecuador. We focus on offering a wide range of services to both companies and individuals regardless of where they are, always maintaining high standards in terms of legal compliance, quality, customer service and operational efficiency.

At Banco Bolivariano, we provide innovative solutions that promote our clients' growth and contributes to the progress of the country.

Our value proposition is summarized in the slogan *“Together, nothing stops us.”*

We believe that together, by creating and providing financial solutions, we can solve daily problems and promote the sustainable development of a country that is increasingly active.

Financial strength is one of our main characteristics, which is complemented by our special attention placed on risk prevention and taking advantage of opportunities related to environmental, social and governance (ESG) aspects.





Intention

We promote the sustainable progress of our country with responsibility and passion.



Vision

Maintain Banco Bolivariano as one of the most important financial institutions in Ecuador, maintaining an optimal financial situation and excellence in the service of our staff, with efficient responses and creating new products tailored to the needs of each customer segment.



Values

Our culture is our identity. The commitment, competitiveness and results of those of us who are part of the Institution are based on our values, which are summarized in our BB Feeling.

SIENTO 

Service

Integrity

Experimentation

Our people

Collaborative work

Results oriented





Primary Financial Results

At the end of 2023, we had a share capital of USD 360 million, distributed in the same number of ordinary and registered shares, each valued at USD 1. Our shares were spread among 433 shareholders, of which 96 of them represent 98.51% of the total. We have shares and debentures convertible into shares listed on the Guayaquil Stock Exchange.

At the end of 2023, the Bank's assets were valued at USD 4.93 billion, resulting from the growth of its liabilities and equity. The results recorded for the period were USD 65.6 million, which represents a return on equity (ROE) of 13.9%.

At the end of the year, the capitalization of the Bank -the relationship between the technical assets constituted and the risk-weighted assets- reached 12.9%. Likewise, the quality of the assets, equivalent to the unproductive portfolio over the total portfolio, stood at 1.4%. Finally, efficiency (calculated by dividing operational expenses by total assets and contingencies) was reported at 2.6%.

- **It is important to highlight the excellent liquidity, asset quality and profitability indicators that Banco Bolivariano recorded again in 2023 and that it has maintained over time.**



Please refer to the **Financial Results** chapter for more information.

1.2 Strategy

GRI 3-3

Corporate strategy is fundamental for decision-making and guides our actions towards growth, diversification and expansion. We developed our strategy after an exhaustive process of analysis and reflection on our businesses and the value we provide to various stakeholder groups, incorporating **a responsible and sustainable banking approach**, which is the basis that directs our decisions and efforts towards development.



Responsible and Sustainable Bank

We are committed to carrying out our activities responsibly, contributing to the growth and progress of both people and companies. We seek to gain the trust and loyalty of our employees, clients, shareholders and society in general, constantly weighing our environmental and social impacts.

In addition, we assume responsibility towards our stakeholders by attracting, retaining and engaging outstanding professionals. We establish long-term, relationships of trust with our customers and maintain strong partnerships with our suppliers.



Please refer to the **ESG Factors section** in this chapter for more information.

Market Positioning

Since Banco Bolivariano was founded in the early eighties, our main premise has been to focus on customer service, which has been key to cultivating a base of loyal customers who value the personalized attention and high professional quality that the Bank provides to satisfy their requirements.

Over time, we have developed a value proposition that meets the specific needs of each of our customer segments. This proposal is summarized in the concept of "Professionalism in Banking" and materializes through a culture of service that highlights the high level of our employees, their continuous training to adapt to cultural and technological advances, and the changing demands of our clients, always in strict compliance with regulations and ethical principles.

In December 2023, we were named the Bank of the Year for Ecuador by the British magazine The Banker. Participating institutions were evaluated based on their financial performance and their capacity for innovation, transforming challenges into opportunities in a constantly evolving business environment.

The Bank of the Year awards have been held since 2000 and are the most prestigious awards in global banking, covering more than 120 countries. A specialized panel of editors, including regional and sector specialists, made their decision based on criteria related to improvements made over the past 12 months by participating banking institutions.



- This recognition reaffirms our commitment to the **excellence of our activities within the national and global financial industry.**

Products & Services

We provide a wide range of differentiated products and services for Business Banking and Personal Banking, with the specific purpose of promoting and simplifying the growth of our clients' businesses and individual projects.

Business Banking

- › **Accounts**
 - ▬ Business savings accounts in US Dollars and Euros
 - ▬ Business checking accounts
- › **TMS**
(Treasury Management System)
 - ▬ Payments
 - ▬ Charges
 - ▬ Confirmation
 - ▬ Factoring
 - ▬ Reconciliations
- › **Investments**
 - ▬ Term deposits
- › **Credits**
 - ▬ CrediPlus Commercial
 - ▬ CrediPlus Productive
 - ▬ CrediPlus Green Credit
 - ▬ CrediPlus Vehicles
 - ▬ Credirol
- › **Payments methods**
 - ▬ Credit cards for businesses
- › **Foreign trade**
 - ▬ Credit cards
 - ▬ Guarantees
 - ▬ Endorsements
 - ▬ Documentary collections
 - ▬ Funding
 - ▬ Forwarding
- › **Transactional services**
 - ▬ Service payments
 - ▬ Taxes and obligations
 - ▬ Temporary deposits
 - ▬ Swift GPI (queries)
 - ▬ Special deposits
- › **Online Products**
 - ▬ Xpress deposits for companies
 - ▬ Digital signature
 - ▬ Virtual Key for companies
 - ▬ Bank references



Personal Banking

› Accounts

- ▬ Savings
- ▬ Checking
- ▬ Kids & Youth
- ▬ Account Plus
- ▬ Account Maximum

› Medios de pago

- ▬ Tarjetas de débito
- ▬ Tarjeta de crédito

› Investments

- ▬ Certificates of deposit

› Credits

- ▬ CrediMax Cash
- ▬ CrediMax Vehicles
- ▬ CrediMax Mortgage
- ▬ CrediMax for Education
- ▬ CrediMax Green
- ▬ CrediMax Dreams

› Online Products

- ▬ Savings
- ▬ Accounts Plus
- ▬ Online certificates of deposit
- ▬ Bank references
- ▬ CrediMax

› Payment methods

- ▬ Debit cards
- ▬ Credit Cards

› Transactional services

- ▬ Service payments
- ▬ Taxes and obligations
- ▬ National and international transfers
- ▬ Express deposits
- ▬ App/SMS notifications

› Family remittances

- ▬ Ecuagiros

As part of the Personal Banking segment, a product called “Max Account” was launched in November 2023, which is a new scheduled savings alternative, which will allow our clients to save monthly while earning a competitive interest rate based on the deadline set when scheduling their savings goals.

Features of the Max Account:

- Monthly savings from \$5 per month.
- Clients can choose how long they plan to take to reach the goal.
- Preferential rate for monthly savings and a bonus that is earned based on scheduled time.
- It can be requested from 24 mobile, 24 online or in our branches nationwide.

In the Business Banking segment, our objective of diversifying the options of payment methods for companies in our different channels and services has not changed. In this sense, **our new online payment accreditation confirmation service has been made available.** In other words, company suppliers can now gain immediate access to the amounts of the invoices paid by companies. With this improvement, average monthly transactions have increased by 33%.

1.3 Relationship with the Supply Chain

GRI 2-6

Banking operations require close collaboration with a wide network of suppliers who play a fundamental role in our supply chain. We demand not only the highest quality standards in the products and services they provide us, but also expect strict compliance with our ethical guidelines.

We have an anti-bribery management system for our procurement process in accordance with the ISO 37001 standard. This initiative seeks to guarantee transparency and integrity in our acquisitions and ensure that our suppliers act ethically and responsibly in their interactions with us.

Likewise, the scope of our ISO 9001:2015 certified quality management system includes the sourcing process, which enhances continuous improvement and fosters compliance with high standards.



Over the course of 2023, we made payments totaling USD 59 million to our suppliers

In the specific case of suppliers that use our facilities and systems, we require that their operations be rigorously aligned with our internal regulations, which is crucial to ensuring that all parties involved maintain the quality, ethics and safety standards necessary for Banco Bolivariano to manage its operations effectively and efficiently.

By focusing on our suppliers, we seek to not only to reduce the potential risks that their activities could represent for our institution, but also to establish collaborative relationships based on long-term mutual trust. Their role within our supply chain is essential to guarantee efficiency and quality in the services we offer to our clients.

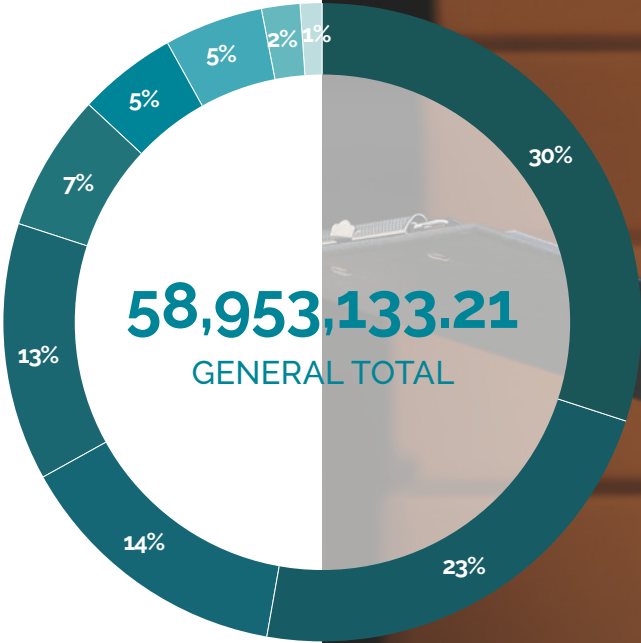
Breakdown of the number of suppliers by type of product and service – 2023

Marketing & advertising	455	32%
General services	323	23%
Human resources	184	13%
Technology	137	10%
Office construction & maintenance	92	7%
Professional services	91	6%
Operations	91	6%
Furniture & equipment	39	3%
Insurance	03	0%



Breakdown of spending on suppliers by type of product and service – 2023

Operations	17,455,197.18	30%
Technology	13,345,041.76	23%
General services	8,584,912.36	14%
Marketing & advertising	7,868,217.66	13%
Human resources	2,848,538.24	7%
Office construction & maintenance	3,932,536.85	5%
Professional services	3,062,904.49	5%
Insurance	1,249,735.80	2%
Furniture & equipment	606,048.87	1%



1.4 Integration of ESG factors

GRI 2-23, 2-24

- In 2022, we designed the Sustainability Strategy, reflecting **our commitment to responsible and sustainable development, which not only implies a focus on financial profitability, but also encompasses the environmental, social and governance (ESG) responsibility that we assume in all of our activities, products and services.**

It is a framework that demonstrates how we plan to manage and mitigate the risks related to these aspects while identifying opportunities to generate a positive impact on society and the environment.

The development of the strategy was a collaborative process between the various areas within our institution. We began by identifying, through the contribution of our internal and external stakeholder groups, the material issues that cover, in the case of Banco Bolivariano, both those with a significant impact and those that could have a relevant influence on financial stability. This joint approach is what addresses the internationally recognized concept of *double materiality*.



Please refer to the section on Materiality Analysis in **Annex I: ESG Management Details** for more information.



The development of a Sustainability Strategy and a materiality analysis not only demonstrates the Bank's commitment to sustainability, but also serves as a guide to define specific lines of action. These actions are designed to address the material issues identified, allowing Banco Bolivariano to implement concrete initiatives that promote sustainability in all of its operations.

In addition, measurable and medium-term objectives have been established, providing a clear framework to monitor and evaluate progress towards sustainability while ensuring more effective and transparent management in achieving these goals.

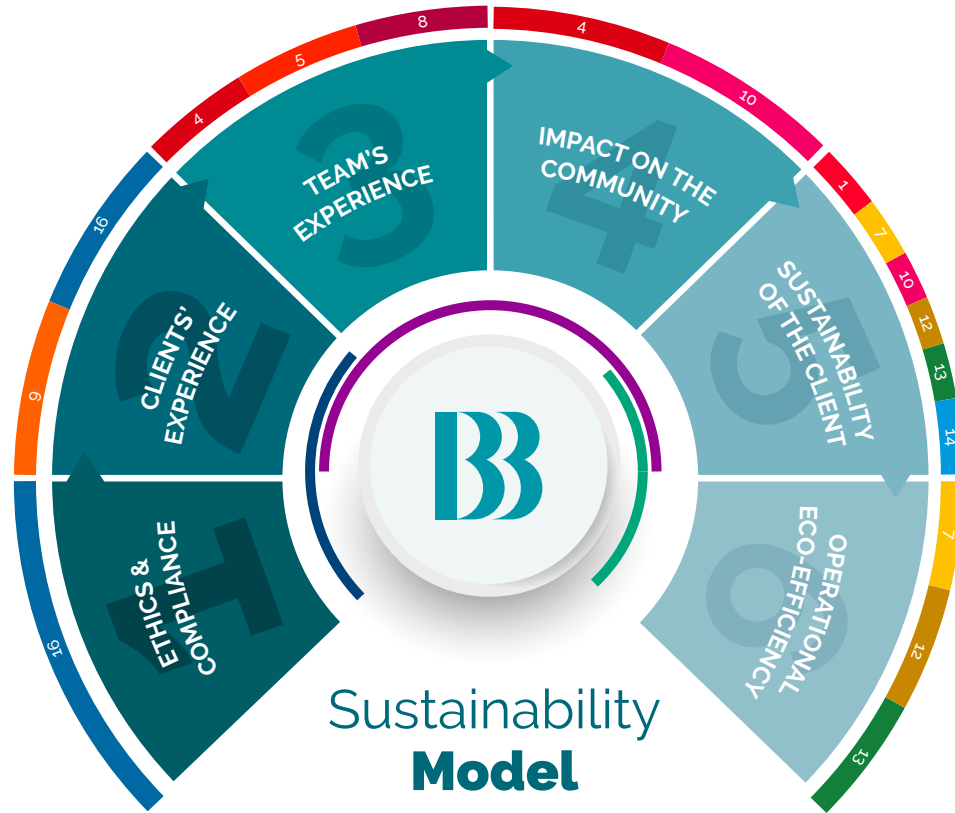


Please refer to the **Responsible Banking Approach** section of this chapter for more information.

We reflect our strategic priorities through a model organized into focus areas and lines of action, established based on the material themes identified. Each line of action encompasses different initiatives, which have been correlated with the pillars of our organizational purpose.



Pillars & Focus Areas



Sustainability Model

Lines of action

1




- Culture of ethics and compliance
- Data protection




2




- Customer service and experience
- Digital transformation




3





- Diversity and employee development
- Commitment from the team



4




- Financial education




5









- Sustainable financing
- Customer development





6





- Energy management and other resources



Dimensions

- Governance
- Social
- Environmental

Areas

Stakeholder groups: Business clients, individual clients, employees, shareholders and other capital providers, regulatory bodies, suppliers, society.

Pillars of purpose





Through this Strategy, we actively contribute to the achievement of the Sustainable Development Goals (SDGs) established by the UN, focusing specifically on aspects related to the material impacts of our institution.

To implement this Strategy, we rely on guidelines outlined in various internal policies and codes. Our Sustainability Policy is one of these guidelines, and it has been structured around our environmental, social and governance (ESG) priorities and our [Code of Ethics](#) that directs the relationships between our employees and their interactions with the different groups.

Additionally, we have guidelines for managing our teams, our relationships with clients, and the environmental and social risks associated with credits, among other relevant aspects.

To ensure that this Sustainability Strategy is effectively monitored, we have a specific taskforce comprised of representatives from the different areas that manage initiatives under this strategy. This team has the responsibility of monitoring and evaluating the progress of actions taken in line with our sustainability objectives.

In 2023, as part of the sustainability taskforce, the Risk department participated in key activities such as:

- 13% increase in the categorization of ESMS operations
- Training on IFC performance standards for risk managers in SME and Business Banking
- Mapping of mortgage guarantees from appraisal and re-appraisal processes for evaluation around physical climate risks

These actions improve the identification and management of environmental and social risks, promoting more responsible financial practices.

The Financial Management team, which is also part of the taskforce, has contributed significantly to promoting financial sustainability with a total of USD 100 million in sustainable funding. These fundraising mechanisms have not only strengthened our financial position, but have also actively supported our vision of a more sustainable future through the execution of our clients' projects.



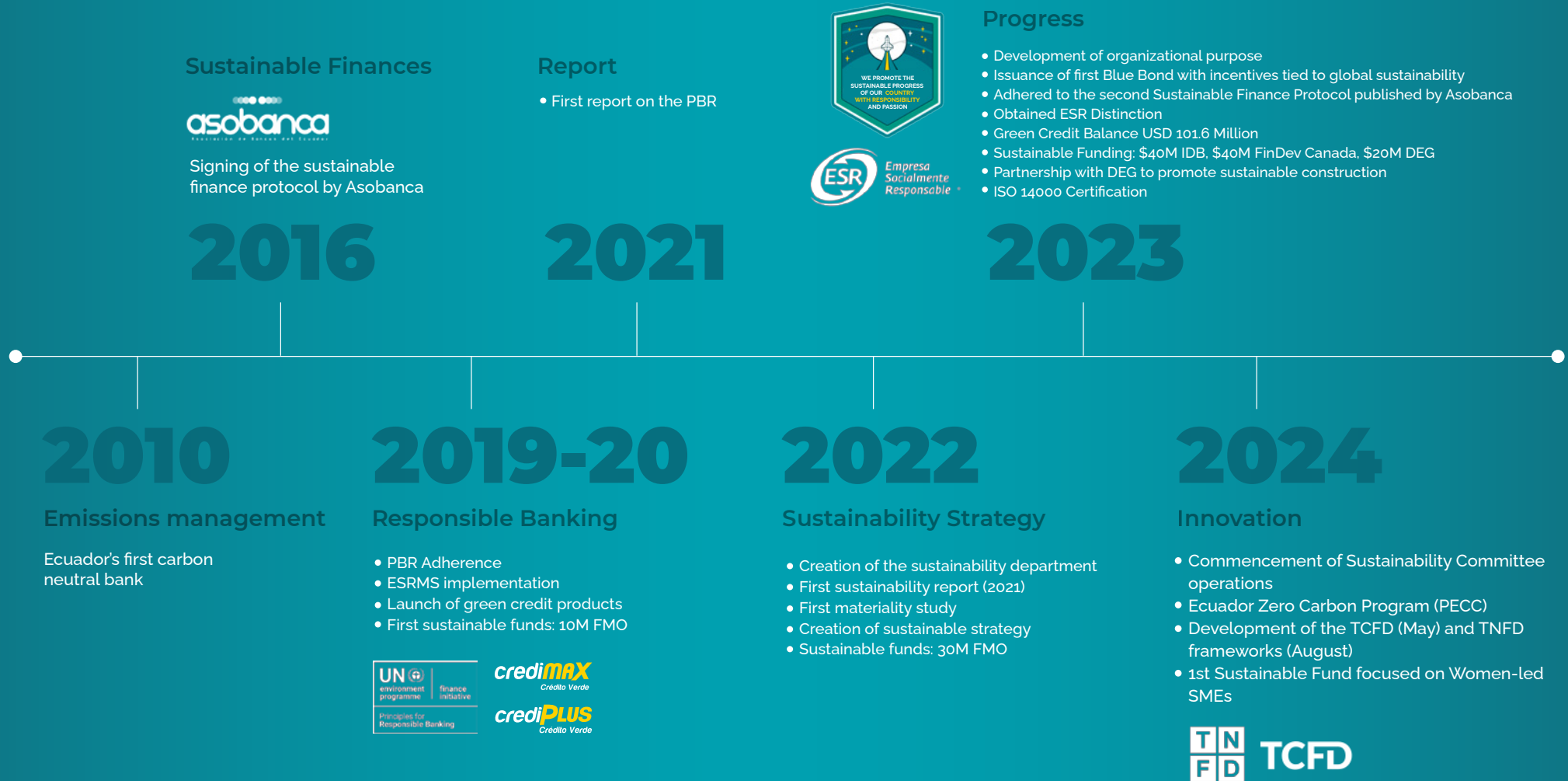
1.5 Responsible Banking Approach

The progress experienced by Banco Bolivariano to consolidate itself as a socially and environmentally responsible banking institution has been significant and is reflected in the milestones presented below.

This path implies a continuous commitment to the implementation of national and international protocols, standards and systems designed to promote and increase sustainability. These systems play a crucial role in establishing organizational structures that enable the sustainable practices to be effectively integrated throughout the Bank's operations. In addition, they facilitate the constant measurement, monitoring and evaluation of our social and environmental impacts, thus allowing for areas for improvement to be proactively identified, and - more effective strategies to be implemented to continue moving towards a more sustainable and responsible business model.



Path Taken:





At Banco Bolivariano, we voluntarily adhered to the Principles for Responsible Banking in 2019, which are promoted and coordinated by the United Nations Environment Program Financial Initiative (UNEP-FI). These principles aim to provide a solid referential framework that currently allows the strategies of financial entities to be aligned with the Sustainable Development Goals (SDGs).



One of the priorities of our Sustainability Strategy is to strengthen and promote products and services that drive economic and social progress while safeguarding the environment.

In this sense, Banco Bolivariano is also applying its Environmental and Social Risk Management System (ESMS), in addition to introducing green financial products and supporting financing for small and medium enterprises (SMEs) that generate a positive social impact through job creation and economic support.

To strengthen this relationship between our business activities and our sustainable approach, we have established specific objectives that address the main areas of potential impact of our portfolio. These objectives have been set by applying the guidelines and tools provided by UNEP-FI.



Please refer to the Portfolio Impact Identification section of **Annex I to learn more about the goal setting process.**



Responsible Banking Objectives

We have set two objectives in the context of our commitment to the UNEP-FI Principles for Responsible Banking in order to generate positive social and environmental impacts by granting credit to our business segment.

In 2022, we developed quantitative goals for these objectives with a medium-term fulfillment horizon (five years).

Objective 1

Areas of impact

Waste, climate.

Related SDGs



Proposed impact

Facilitate the development of processes and the adoption of more efficient technologies in the use of resources and energy, as well as reduced waste and greenhouse gas (GHG) emissions for corporate banking credit clients.

Business results (Indicators)

Increase the placement, balance and number of clients of:

1. Green credits

The type of projects that are included within this credit product include:

- Electrification of activities to replace the use of fossil fuels
- Construction with a focus on sustainability: buildings with EDGE or LEED certification
- Installation of solar panels
- Improvement in the use of resources and reduction of waste, in cultivation and aquaculture practices (soil aerators, feeders and other technologies)
- Organic cultivation (bananas)

2. From those clients with environmental certifications of the process and/or product

Possible certifications to be considered by Banco Bolivariano include:

- Agriculture: Better Cotton Initiative, Bonsucro, IFOAM, ISCC PLUS (Food, Feed, Bio-based products, Energy, Biofuels outside EU), ProTerra, Rainforest Alliance.
- Certification, Roundtable on Responsible Soy (RTRS), Roundtable on Sustainable Palm Oil (RSPO), Roundtable on Sustainable Biomass (RSB), Utz Certified, Global.
- Roundtable for Sustainable Beef, Alliance for Water Stewardship (AWS), Organic Banana USDA Organic, EU Organic, Global GAP.
- Forest management: Forest Stewardship Council (FSC).
- Aquaculture and fishing: Aquaculture Stewardship Council (ASC), Acuicultura BAP (Best Acuaculture Practices), Marine Stewardship Council (MSC).

GOAL 1:

By 2025, annually increase the balance of Green Credits and loans granted to clients who have environmental certifications according to the following indicators (absolute and percentage):

2021 Baseline (Actual Balance in Absolute Value)	
28,512	
Goal 2023	
Projected balance (In absolute value) 2023	Percentage of projected growth 2023 vs. 2021
73,910	159%
Goal 2025	
Projected balance (In absolute value) 2025	Percentage of projected growth 2025 vs. 2021
124,908	338%

Figures in USD millions

Objective

2

Areas of impact

Inclusive and healthy economies; economic convergence.

Related SDGs



Proposed impact

Facilitate access for SMEs to financial resources to be used to address their different needs for the operation and growth of their businesses.

Business results (Indicators)

Increase the placement, balance and number of clients of:

1. Productive credit placed in SMEs

Goal 2:

By 2025, annually increase the balance of Productive Credits placed in SMEs according to the following indicators (absolute and percentage):

2021 Baseline (Actual Balance in Absolute Value)	
82,980	
2023 Goal	
Projected Balance (in Absolute Value) 2023	Projected Balance (in Absolute Value) 2023
110,527	33%
2025 Goal	
Projected Balance (in Absolute Value) 2025	Percentage of Projected Growth 2025 vs. 2021
132,527	0%

Figures in USD millions

The progress made in 2022 and 2023 for the two goals is summarized below and is also reported in the respective annex.

Objective	2021	Goal 2025	Projected growth 2025 vs 2021
	2021 Baseline (Real balance in absolute value)	Projected balance (in absolute value)	
Green credit	\$28,512,404,76	\$ 124,907,690,95	338%
SMEs	\$ 82,980,390,39	\$ 132,527,278,45	60%

Objective	2023	
	Balance	Fulfillment
Green credit	\$101,903,846	82%
SMEs	\$ 101,854,881	77%

* Financial initiative of the United Nations Environment Programme
¹ Facilitate the development of processes and the adoption of more efficient technology in the use of resources and energy, as well as reduced waste and greenhouse gas emissions for business banking credit clients.
² Facilitate access for SMEs to financial resources to be used to address their different needs for the operation and growth of their businesses.



In our third year as signatories of the PBR, we have met our projected goals in both types of established objectives. Likewise, in the quarterly meetings held by the Executive Vice President with the areas involved, we transparently share these results and other advances in sustainability, demonstrating our commitment to transparency and accountability.



Please refer to **Annex III: PBR Self-Assessment Questionnaire** for more information.

Access to Capital: International Financing Received

- Active collaboration and synergy with international Development and Multilateral Banking organizations **play an essential role in the search for sustainable international financing for Banco Bolivariano.**

This strategic cooperation allows us to access financial resources with social or environmental parameters that are aligned to international development standards, facilitating the execution of projects that promote economic, social and environmental progress in the communities we serve. Working hand in hand with these specialized organizations not only expands our financing opportunities, but also reinforces our commitment to sustainability and allows us to contribute more significantly to the achievement of internal and external objectives such as:

- Promoting access to international sustainable investment funds.
- Receiving support in the processes of placing these credits so that strict compliance with the objectives that they were established for can be guaranteed.

Banco Bolivariano obtained USD 20 million from KFW – DEG in sustainable financing, which will be oriented towards the placement of green loans. This funding is accompanied by technical assistance consisting of two parts:

- Assistance for applying the framework developed by the Taskforce on Climate-related Financial Disclosures (TCFD) = for the assessment of climate change risks and opportunities
- Assistance funds to support clients in obtaining EDGE certifications within the framework of the development of sustainable construction projects.

Within this context, during the month of October 2023, Banco Bolivariano performed due diligence **aimed at obtaining USD 30 million in funding that will be implemented in 2024.**

The financing body is the International Finance Corporation (IFC). and the resources will be used to grant loans to SMEs led by women either as shareholders or entrepreneurs.

Additionally, sustainable international collaboration was also reinforced in 2023 through participation in the 57th Assembly of the Latin American Federation of Banks (FELABAN) held in Miami, United States in November. This event fostered continuity in the relationship that Banco Bolivariano maintains with multilaterals and investment banking in the context of social and environmental financial support.

Over the course of 2024, the Bank also plans to strengthen the sustainable financing relationships that exist with investment funds and other international bodies.

One of the most important milestones achieved in 2023 was the issuance of a Blue Bond by Banco Bolivariano, which has two large investors: the Inter-American Development Bank (IDB Invest) and FinDev Canada. This bond consists of USD 80 million and is the world's first Blue Bond with Incentives Linked to Compliance and Sustainability Objectives.





This milestone was celebrated at an international event held in the Galapagos Islands on July 27, 2023,

simbolo in which a bell was rung to symbolize the issuance of the bond intended to promote and expand project financing, promote sustainable ocean business opportunities, incentivize water-related initiatives that aim to solve the challenges related to the blue economy, create eco-friendly business opportunities, and promote responsible stewardship of the oceans. This initiative was also recognized by the Sacha Awards in the month of November.





It is important to highlight that the Blue Bond is intrinsically linked to the fulfillment of specific objectives, one of them being adherence to the principles of the TNFD (Taskforce on Nature-related Financial Disclosures). This commitment reflects our dedication not only to financial profitability, but also to the preservation and restoration of the environment. The TNFD represents an essential initiative to assess and mitigate nature-related risks and opportunities in our financial operations.

Institution	2020	2021	2022	2023	TOTAL
FMO	10,000		30,000		40,000
BID INVEST					40,000
FINDEV CANADÁ					40,000
KFW - DEG					20,000
TOTAL	10,000		30,000		140,00

Figures in USD millions

GRI 2-4: The sustainable international funding information for 2021 is re-expressed due to an adjustment in the nature of the project

RISK MANAGEMENT



Laguna del Cajas, Ecuador

2.1 Prevention & Monitoring

GRI 2-12, 2-13, 3-3

- **For Banco Bolivariano, it is important to always be accessible, simplify its processes, and develop products that are easy to operate,** which demonstrates the Bank's interest in providing its clients with flexible banking without causing problems in its use, under the Bank's current security and risk policies, which make it one of the safest in the country.

At Banco Bolivariano, we are renowned for our seriousness in our administration and caution when making decisions, in addition to having operations with appropriate security levels to safeguard client information and their funds.

We have implemented a governance structure dedicated to risk management to fully, effectively and efficiently address the identification, evaluation, prevention and supervision of the various risks faced by the Institution.

The Board of Directors is responsible for ensuring the the most relevant risks for the business are appropriately managed. To do so, the Board is assisted by the Comprehensive Risk Management Committee, whose responsibilities include:



Evaluating and proposing the strategies, policies, processes, procedures and methodologies for efficient comprehensive risk management and each of its categories, as well as the corresponding reforms



Ensuring that the different policies and procedures established by each of the teams specializing in risk management are correctly implemented, executed and fulfilled



Evaluating and proposing specific acceptable limits for exposure to each risk for approval by the Board of Directors



Monitoring and evaluating impact indicators based on the limits set according to the Institution's risk appetite, and adopt corrective actions as appropriate.



- **Additionally, we are expanding our focus on integrating risks related to environmental, social and governance (ESG) factors, in line with the principles and recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).**

This initiative involves a more detailed assessment of the risks associated with climate change and their potential impact on our client base and financial operations.

A list of the fundamental risks that we manage is below, providing a brief description of how they are being managed.

Credit risk

Reinforcing monitoring and control processes, and implementing methodologies to respond efficiently and without assuming greater risks, to the credit requirements of our clients in the different segments.

Liquidity risk

Setting and monitoring limits that allow the Bank to ensure the necessary resources to support the different cycles of the economy are available. We have policies aligned with the best international practices that seek to promote the accumulation of short-term, high-quality liquid assets, in addition to diversifying funding sources, providing the stability necessary to achieve strategic objectives.

Market risk

La administración del riesgo de mercado se Market risk is managed on two fronts: one linked to interest rate risks, and the other linked to the investment portfolio (treasury risks). For the former, methodologies are used to measure

sensitivity to changes in interest rates, the results of which have historically been of very low impact compared to the levels of constituted technical equity maintained by the bank. For the second, the strategic objective of the administration is to maintain a portfolio of high liquidity, low duration and the best credit quality. To do so, we have policies that prioritize the diversification of investments, high risk ratings and terms.

Operational risk

We have policies and procedures that allow us to adequately manage operational risk, which extends both to the Bank's value chain processes and to new processes, products, services and channels, considering best practices in the industry and fulfilling the requirements established in the Control Standard for Operational Risk Management, issued by the Superintendence of Banks. We have the Operational Risk Management System (SARO), so each process has its respective operational risk profile, which we update periodically with the participation of the related teams. In this way, we address the changes that may arise and the evolution of the context in which they carry out their activities.

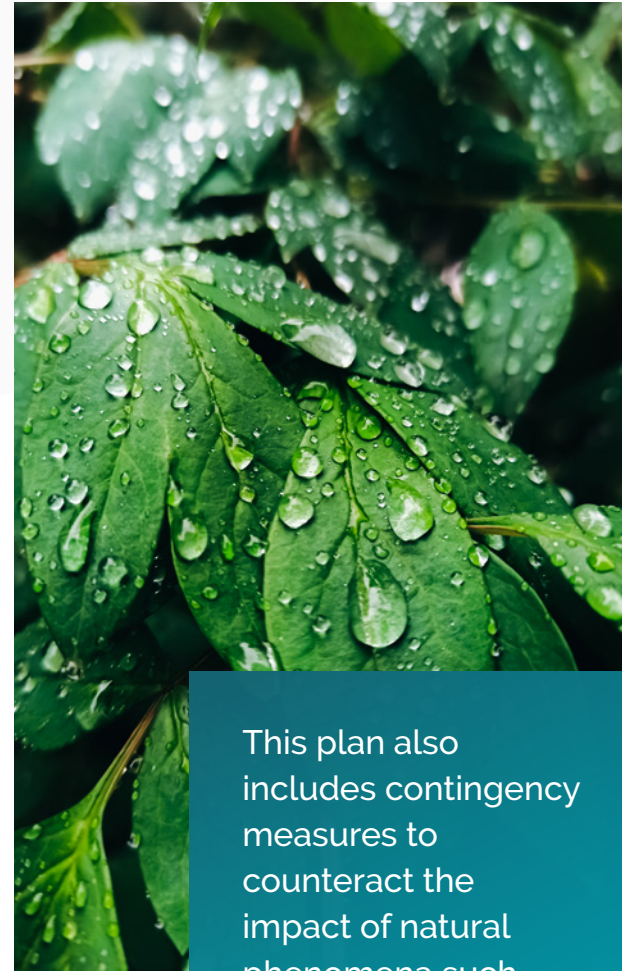
The Operational Risk Management System (SARO) includes the participation of all areas of the Bank through its Operational Risk Managers through a “three lines of defense” system, which allows for the different areas involved to remain independent from each other.

Within this context, the Bank’s operational risk profile as of December 2023 shows a favorable trend as a result of following procedures and taking preventive and corrective actions, as well as implementing action plans at the department level by each department executing the processes (first line of defense), in addition to incorporating the recommendations made by the area that monitors and compares the controls designed (second line of defense).

In 2023, the Risk area additionally participated in the design of new products, services and channels. Furthermore, as part of the Bank’s continuous improvement initiatives, work sessions were held to bolster security measures in flows defined as sensitive in remote and virtual channels. Likewise, and based on a predefined

schedule, current key risk indicators continued to be monitored. New indicators were defined and presented for approval by the respective entities, which allow for exposure to certain risks to be monitored and timely actions to be taken in case of deviations.

Regarding business continuity management, this year efforts were focused on reviewing and updating established plans, including updating the Business Impact Analysis (BIA). In addition, the Emergency Management Plan for Natural Disasters was submitted to the respective entities for approval, the objective of which is to establish the guidelines necessary to mitigate elements that could affect the integrity and health of employees, physical infrastructure and normal bank operations



This plan also includes contingency measures to counteract the impact of natural phenomena such as El Niño.

With the objective of determining the ability to maintain optimal operational levels of critical business continuity processes, the annual test of the business continuity plan was carried out with satisfactory results.

Regarding business continuity risk factors, for the Suppliers category, the financial assessment of those classified as critical was managed, as well as the review of how well prepared they are in terms of business continuity, and the existence of alternative suppliers. Likewise, for Technology, failure scenario maps -the main input for the identification of risks and causes- were updated,

as were the measures that allow for their effects to be adequately mitigated. Finally, in the case of the categories corresponding to Physical Infrastructure and Human Resources, the corresponding documentation was reviewed and updated.

In addition, we organize risks according to their origin, which has allowed us to identify the

emerging risks that we are emphasizing, given their increase in exposure and relevance. By focusing on these emerging risks, we prepare to proactively address them, implementing specific strategies and plans that allow us to mitigate their potential negative impact and ensure the sustainability and stability of our operations.



This specific attention to emerging risks is essential to adapting to a constantly evolving business environment and ensuring agile and effective risk management.



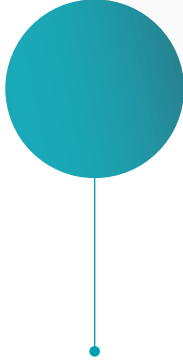
Cybersecurity

Our information security management processes include the stages of detection, containment, analysis, response and follow-up, periodic reporting on the monitoring of electronic channels, and reporting on general security controls.

We perform evaluations of the access control system, as well as preventive strategies from the conception of products and services, which include the security requirements established in regulations and best international practices at every stage.

In 2023, the implementation of the Methodology for Assessing Security Risks to Information Assets continued, aligned with the ISO/IEC 27001 standard, establishing the risk treatment plan to mitigate possible threats and vulnerabilities within these assets, as well as communicating the preventive and corrective measures adopted to the owners and custodians of such information.

Likewise, and aligned with the best practices defined in NIST, CIS, ISA62443, COBIT and ISO, cyber-risk management was evaluated.



A framework was established and the Bank's current cyber defense mechanisms were identified, such as **the profile, risk matrix, and the respective opportunities for improvement.**

Climate Change

• **The environmental phenomenon generally known as climate change is causing disturbances in the natural cycles of water and the atmosphere, generating consequences around the world such as rising sea levels and temperatures.**

This imminent exposure to physical risks, such as extreme weather events (heavy rains, droughts), and transition risks, such as regulatory changes to decarbonize the economy, require the implementation of methodologies that allow for the potential environmental impacts of our clients' activities to be monitored and evaluated. These events can directly affect their financial flows and, consequently, our credit portfolio.





Addressing these risks not only involves challenges, but also opportunities to offer financing to improve processes, adopt more efficient technologies and establish infrastructures that reinforce the operational resilience of our clients. To meet this objective, we have specialized credit products aimed at projects that are related to resource conservation, energy management, and preventing pollution, among others.

As part of our responsibility in the operations we finance, we have an active Environmental and Social Risk Management System (ESMS). This system allows us to identify possible environmental and social risks related to the activities of our clients in order to prevent them from materializing, also to prevent negative impacts on the environment and society. This practice is also aligned with provision SB-2022-1212 of the Superintendency of Banks, which establishes the obligation to manage and control environmental and social risk.



Please refer to the chapter on **Sustainable Development of the Client** for more information.

In addition, we assume direct environmental responsibility, implementing institutional initiatives aimed at lowering energy consumption in our facilities, with the objective of reducing greenhouse gas (GHG) emissions associated with our operations.

It is important to highlight that, as part of our Sustainability Strategy, we have launched an exhaustive study to evaluate the risks derived from climate change in our credit portfolio. The findings and conclusions of this study will be fundamental to guiding our future decisions regarding credit placement, following the TCFD guidelines to improve our ability to identify, evaluate and effectively manage these risks, which will allow us to strengthen our resilience against possible changes in the business environment related to climate.



03

FINANCIAL RESULTS

Laguna de Limoncocha, Ecuador

- 3.1 Relevant Financial Data
- 3.2 Product Evolution: Savings
- 3.3 Product Evolution: Credit
- 3.4 Economic Value Generated and Distributed

3.1 Relevant Financial Data

GRI 3-3

- **The results of our management as a financial entity demonstrate the strength and stability that we have achieved over time**, thanks to our strategic focus and unyielding dedication to maintaining high standards of performance and responsibility.

These indicators not only demonstrate our commitment to operational excellence, but also underscore our ability to generate sustainable value for our shareholders, customers and the community at large.

Key Financial Indicators

Indicators	2021	2022	2023	VAR 23-22 (%)
Assets (USD millions)	4,460	4,595	4,930	7.3%
Contingencies (USD millions)	339	419	460	9.7%
Credit portfolio (USD millions)	2,689	2,961	3,277	10.7%
Deposits (USD millions)	3,601	3,622	3,844	6.1%
Taxes and contributions (USD millions)	44	51	38	-25.4%
Net profit (USD millions)	40.8	55.5	65.6	18.2%
Operational Efficiency Index (average operating expenses/assets and contingencies) (%)	3.2	2.9	2.6	-9.9%
ROE (%)	11.0	13.2	13.9	6.0%
ROA (%)	1.0	1.2	1.4	12.3%
Liquidity ratio (%)	48.4	43.8	40.9	-6.6%
Net worth (USD millions)	407	451	503	11.6%
Solvency ratio (Technical net worth) (%)	13.2	12.7	12.9	2.3%
Default rate (past due portfolio) (%)	1.0	0.7	1.4	89.6%

Banco Bolivariano ranks fifth nationwide in terms of asset availability as of December 2023:

Pichincha	17,048
Produbanco	7,494
Guayaquil	7,379
Pacífico	7,005
Bolivariano	4,930
Internacional	4,842
Diners	2,786
Austro	2,490
Others:	6,785

Evolution of the credit portfolio

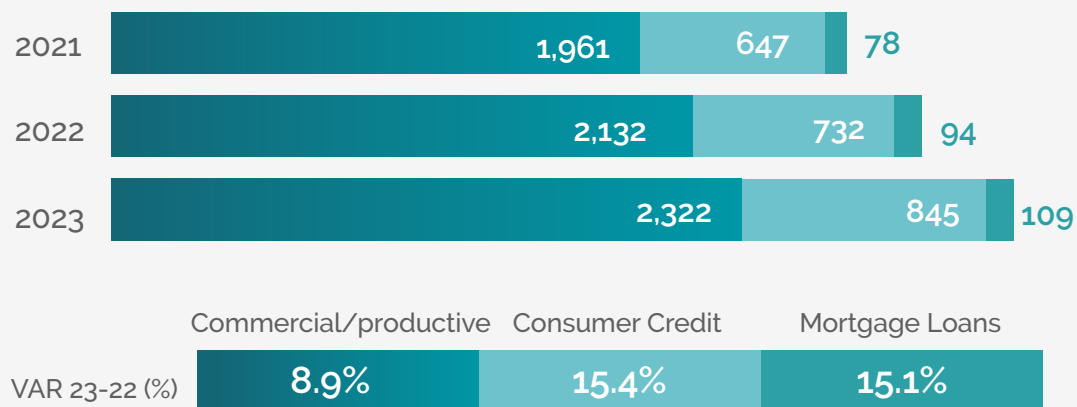
The loan portfolio recorded a balance of USD 3.28 billion, marking an increase of 10.7% compared to the previous year. Our credit portfolio is primarily comprised of the commercial/productive segment, which represents 71% of our entire portfolio, highlighting our focus on supporting companies and contributing to economic development. On the other hand, the consumer credit segment covers 26% of our portfolio, and the remaining 3% corresponds to mortgage loans.

This distribution of our credit portfolio maintains a healthy balance between supporting economic growth and attending to the diverse needs of our clients.



Evolution of the loan portfolio by segment

(In USD millions)



Credit portfolio (December 2023)

Ranking **6**

Bank	USD millions	% of the total
Bolivariano	3,277	7.8%
10 largest banks	39,012	92.6%
Total Financial system	42,129	100%

Evolution of Deposits

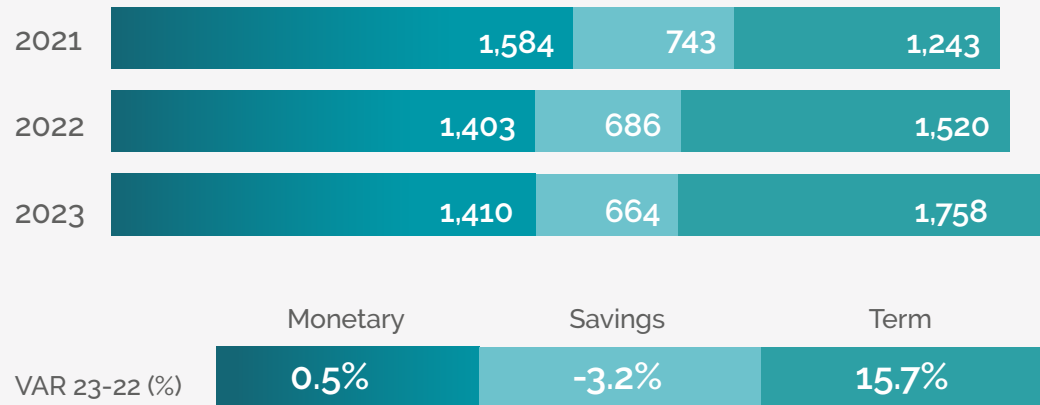
Regarding deposits, at the end of the year, deposits made by our clients amounted to USD 3.84 billion, representing a significant 6.1% increase compared to the previous year.

This increase reflects the trust and loyalty that our clients place in our institution.

Within the various deposit categories, term deposits grew 15.7%. This increase reflects a growing preference among our clients for safer investment instruments with higher returns.

Evolution of total deposits

(In USD millions)



Total deposits

(December 2023)

Ranking **6**

Bank	USD millions	% of the total
Bolivariano	3,844	8.3%
10 largest banks	43,193	93.4%
Total financial system	46,232	100%

International Financing Raised

On the other hand, coordination with local and international organizations, including entities of Commercial Banking, Second Tier Banking, Development Banking and multilateral organizations, fulfills some fundamental purposes:

- It facilitates access to international investment funds.
- It provides support in the processes of placing these credits, so that strict compliance with the objectives that they were established for can be guaranteed.

Our international financing efforts have resulted in the Bank receiving funding during the year, which is shown below:

Institution	Original amount (USD)	Start date	Expiration date	Current balance (USD)	Purpose of Financing
CAF	10.00	30-Jan-23	01-Aug-23	-	Agribusiness
Banco Aliado	10.00	17-Feb-23	20-Feb-24	10.00	Foreign Trade
BICSA	5.00	28-Feb-23	28-Aug-23	-	Foreign Trade
BID Invest (CII)	17.10	27-Mar-23	22-Sep-23	-	Foreign Trade
BICSA	7.00	19-May-23	16-Nov-23	-	Foreign Trade
BLADEX S.A.	20.00	19-May-23	16-Nov-23	-	Foreign Trade
DEG	20.00	30-Jun-23	15-Jul-28	20.00	Green Credits
BID Invest	40.00	26-Jul-23	26-Jul-28	40.00	Blue Credits
FINDEV Canadá	40.00	16-Aug-23	12-Aug-24	40.00	Agribusiness
CAF	10.00	28-Nov-23	22-nov-24	10.00	Foreign Trade
BID Invest	24.20	27-Dec-23	24-jun-24	24.20	Foreign Trade
BID Invest	20.00	27-dic-23	24-jun-24	20.00	Comercio exterior
Total	223.31			164.20	

Among the international deposits managed in 2023, Banco Bolivariano's Blue Bond is especially noteworthy, and the resources related to it are intended to promote and expand the financing of sustainable ocean business projects and opportunities related to water, as long as their objectives address the challenges related to the blue economy.



Please refer to the chapter on **Sustainable Development of the Client** for more information about the Blue Bond.

3.2 Product Evolution: Savings

SASB FN-CF-000.A, FN-CF-000.B; FN-CB-000.A

A detailed table showing the evolution of savings and checking account products in the various customer segments served over time is presented as follows:

Checking and savings accounts by segment	Personal Banking			SME Banking			Business Banking			Corporate Banking		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
No. of checking accounts	59,708	58,177	54,592	13,179	13,938	14,362	1,708	1,718	1,595	349	354	367
Value represented by checking accounts (USD millions)	244.9	225.1	208.2	308.7	280.7	288.6	326.5	272.8	253.6	361.0	301.9	344.0
No. of savings accounts	622,402	617,425	673,686	2,303	2,308	2,497	280	278	261	37	44	47
Value represented by savings accounts (USD millions)	572.3	578.7	562.8	22.9	19.5	15.1	12.5	6.1	5.7	16.4	9.6	7.1

Within this context, we automate the process of closing accounts that remain inactive for more than six months according to current regulations and complying with the respective customer notification processes. In that sense, we previously carry out campaigns to reactivate the accounts that warrant it.

In addition, with respect to fixed-term deposits, the total balances and the number of clients per segment are presented as follows:

Evolution of Fixed-Term Deposits by Segment

Segment	Year	Total Balance (USD millions)	No. of Clients
Personal Banking	2021	485.2	12,101
	2022	571.1	12,805
	2023	755.6	17,530
SME Banking	2021	125.5	618
	2022	178.4	721
	2023	256.4	852
Business Banking	2021	156.6	1,773
	2022	193.5	1,786
	2023	226.0	1,796
Corporate Banking	2021	173.1	49
	2022	220.1	51
	2023	204.7	60
Total	2021	940.4	14,541
	2022	1,163.1	15,363
	2023	1,442.7	20,238

Number of debit card accounts

	2021	2022	2023
Number of debit card accounts	446,278	459,627	508,646

3.3

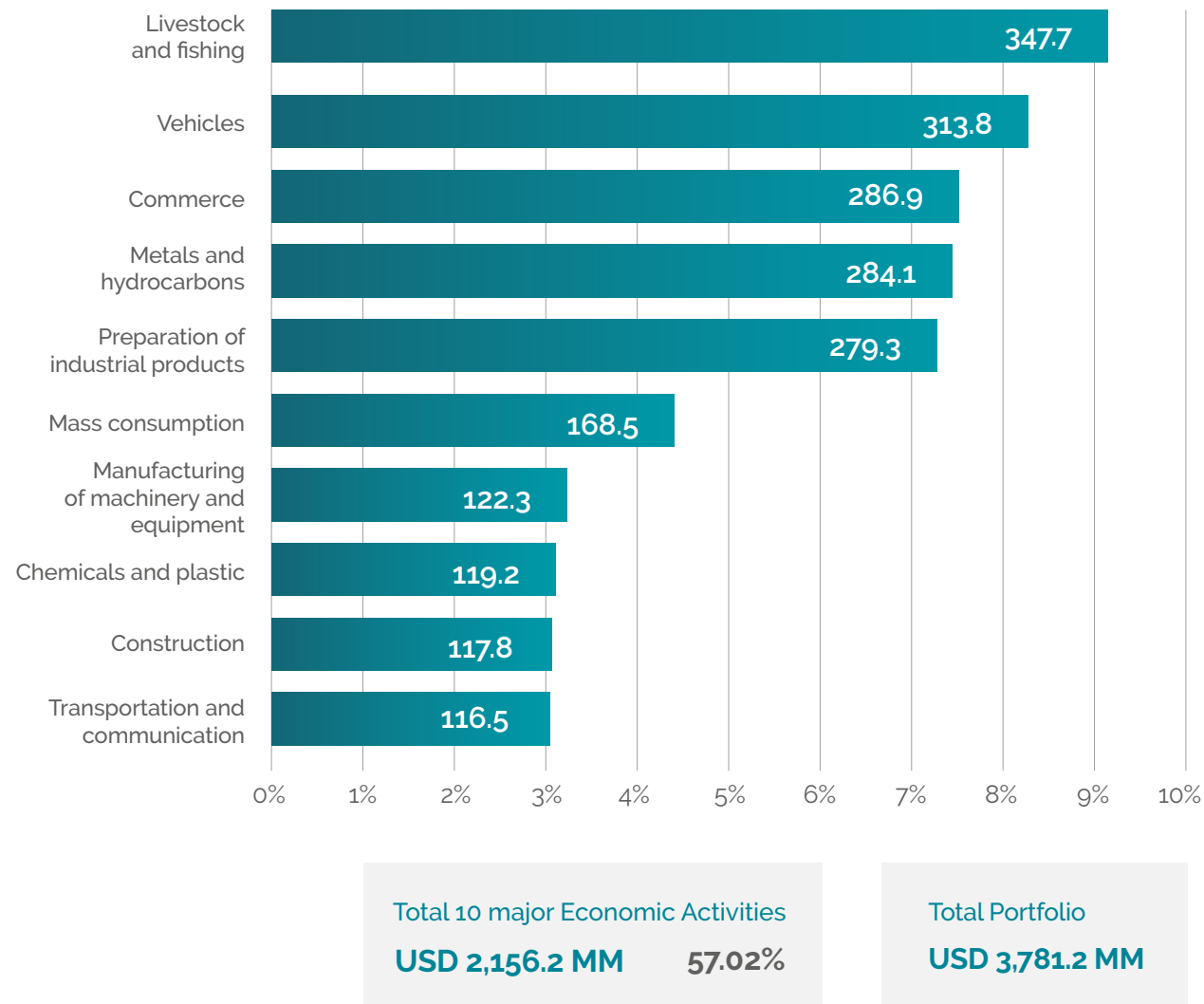
Product Evolution: credit

GRI 3-3, FS6

SASB FN-CF-000.B, FN-CB-000.B, FN-MF-000.A

We are committed to providing companies with the tools that they need to optimize their financial management and facilitate their growth in a competitive environment. To achieve this goal, we not only offer financing options adapted to the specific needs of each company, but also provide solutions that simplify how their funds are managed, streamline their payment operations, and allow them to expand their activities into international markets.

The 10 main economic activities represented in our productive credit investments are shown in the following table. Together they represent 57% of the entire credit portfolio.



Regarding a breakdown of productive credit by company size, our approach covers a wide spectrum, although most of it corresponds to corporate clients.



- **However, we do not neglect attending to business clients and SMEs**, since we recognize their critical impact on the country's economy and their crucial role as job creators.

Productive credit by segment		2021	2022	2023
Corporate Credit	Credit granted in the year (USD millions)	1,569	1,733	1,662
	Average Annual Amount (USD/year)	161,156	203,732	212,082
	Balance at year end (USD millions)	1,266	1,329	1,483
	Number of clients	405	397	446
Business Credit	Credit granted in the year (USD millions)	570	691	753
	Average Annual Amount (USD/Year)	149,283	152,959	170,230
	Balance at year end (USD millions)	441	521	560
	Number of clients	590	640	669
SME Credit	Credit granted in the year (USD millions)	79	114	123
	Average Annual Amount (USD/Year)	108,125	106,269	90,196
	Balance at year end (USD millions)	81	100	103
	Number of clients	671	767	751



By integrating the Personal Banking segment to the types of credit analyzed previously, we seek to offer a complete portfolio of financial products and services that meet the diverse needs of our clients, ranging from large corporations to individuals.

- **This comprehensive approach allows us to effectively contribute to the economic and social development of the country** while reinforcing our position as a reliable financial institution in the market.

	Performance of savings and checking accounts by segment								
	Personal Banking			SME Banking			Businesses Banking		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Number of loans	247,753	283,643	319,471	1,588	2,376	2,757	20,765	22,151	21,005
Value represented (USD millions)	878.0	987.7	1,106.6	81.3	100.2	102.8	1,707.6	1,849.3	2,042.9

A detailed analysis of our loan balances according to the different customer segments we serve is shown as follows. Our loan portfolio covers a wide variety of sectors, from large corporations to individuals.

Loans by segment		2021	2022	2023
Productive	Balance (USD millions)	1,960.9	2,132.4	2,321.7
	No. of new clients	383	299	374
	No. existing clients	5,314	5,460	5,363
Consumer Credit	Balance (USD millions)	647.3	731.7	844.6
	No. of new clients	43,974	39,825	46,785
	No. existing clients	180,523	212,483	235,861
Mortgage Loans	Balance (USD millions)	77.5	94.3	108.5
	No. of new clients	45	68	72
	No. existing clients	873	864	912
Educational	Balance (USD millions)	3.1	2.3	2.4
	No. of new clients	43	41	65
	No. existing clients	345	252	169
Microcredit	Balance (USD millions)	-	-	0.04
	No. of new clients	-	-	142
	No. existing clients	-	-	-
Total Balance (USD millions)		2,689.0	2,960.7	3,277.2

- In addition, the evolution of loan balances granted annually by gender is shown below:

		Women		
Loans by segment		2021	2022	2023
Consumer Credit	Balance (USD millions)	279.4	313.9	362.1
	No. of new clients	18,339	16,620	22,702
	No. existing clients	82,507	95,844	105,879
Mortgage Loans	Balance (USD millions)	19.4	22.8	28.3
	No. of new clients	20	23	22
	No. existing clients	259	252	275
Educational	Balance (USD millions)	1.4	1.0	1.2
	No. of new clients	18	21	36
	No. existing clients	160	111	81
Microcredit	Balance (USD millions)			0.01
	No. of new clients			57
	No. existing clients			0

		Men		
Loans by segment		2021	2022	2023
Consumer Credit	Balance (USD millions)	368.0	417.8	482.5
	No. of new clients	25,635	23,205	24,083
	No. existing clients	98,016	116,639	129,982
Mortgage Loans	Balance (USD millions)	58.1	71.5	80.3
	No. of new clients	25	45	50
	No. existing clients	614	612	637
Educational	Balance (USD millions)	1.8	1.3	1.2
	No. of new clients	25	20	29
	No. existing clients	185	141	88
Microcredit	Balance (USD millions)			0.03
	No. of new clients			85
	No. existing clients			0

		Business		
Loans by segment		2021	2022	2023
Productive	Balance (USD millions)	1,960.9	2,132.4	2,321.7
	No. of new clients	383	299	374
	No. existing clients	5,314	5,460	5,363



In relation to consumer financing, including loans of this type and credit cards, the main indicators are shown below:

Evolution of consumer financing		2021	2022	2023
Consumer Credit	Number of clients	8,843	7,953	7,311
	Credit delivered in the year (USD millions)	121	133	134
	Balance at year-end (USD millions)	146	180	208
Credit Cards	Number of credit card accounts	256,592	282,954	319,689
	Balance at year-end on credit card (USD millions)	518	571	658
	Number of accounts with credit card balance at year-end	218,888	246,178	275,862

Regarding the evolution of credit products, in 2020 the Bank launched Credimax Online, a consumer loan that is freely available to individuals that allows them to take out their loans online without having to go to the bank and without having to give physical signatures. In 2023, 69% of all freely available consumer loans have been placed online.

- As an institution we also support the availability of investment by offering mortgage loans. **The main indicators regarding new mortgage loans are shown below:**

New Mortgage Loans	Quantity			Value (USD millions)		
	2021	2022	2023	2021	2022	2023
Residential	228	345	298	34	51	43
Commercial	2,417	2,667	2,700	1,190	1,443	1,392

3.4 Economic Value Distributed

GRI 3-3, 201-1, 201-4

- Through our operations, we create value for all of our stakeholders, distributing it directly through salaries to employees, payments to suppliers, and investment in community programs, among others. **This value distribution is done strategically based on our operating income.**

On the other hand, the economic value that we preserve offers us the possibility of having essential resources on hand to maintain the stability of the Bank and achieve our goal of sustained growth.

The economic value generated and distributed is thus complemented by the indirect positive effects caused by the financial products and services we offer.

Economic Value Generated and Distributed (EVG and EVD) (USD thousands)				
	2021	2022	20223	VAR 23-22 (%)
Income (Economic Value Generated, EVG)	323,126	371,920	452,548	21.68%
Expenses (Economic Value Distributed, EVD)	282,284	316,433	386,969	22.29%
1) Operating expenses	97,005	106,418	121,782	14.44%
2) Salaries and benefits	51,219	58,123	62,366	7.30%
3) Payment to capital providers	89,473	100,752	164,565	63.34%
4) Payments to the government (taxes and contributions)	43,563	50,733	37,863	-25.37%
5) Community programs	1,023	407	392	-3.72%
Economic Value Retained (EVG-EVD)	40,842	55,487	65,579	18.19%

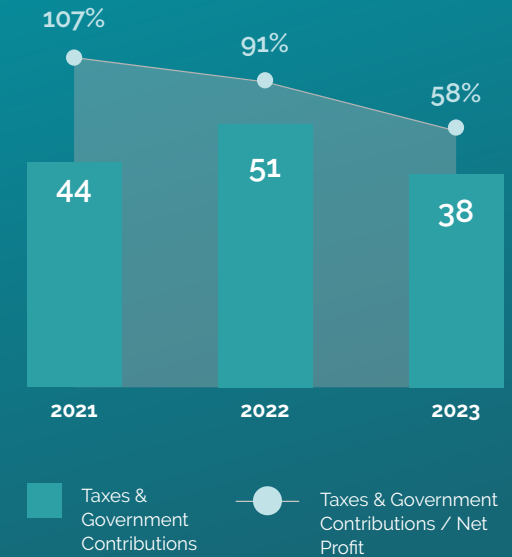
The percentage decrease in the category of Payments to the government (taxes and contributions) is due to the decrease in the contribution paid to the Deposit Insurance Corporation (COSEDE). **In October 2022, the COSEDE contribution was reduced, since a target ceiling in coverage had been reached; this caused this value to fall from USD 19.8 million in 2021 to USD 16.9 million in 2022 and, finally, to USD 2.9 million in 2023.**

The fiscal burden, consisting of taxes and contributions paid by the Bank to the government, totaled USD 37.9 million to December 2023. Income Tax is the largest fiscal burden in the contributions category, representing 53% of the total paid. Likewise, taxes and contributions represented 58% of the net profits for the 2023 fiscal year.

Taxes and Government Contributions

Figures in USD thousands	2023	% Total
Income Tax	19.9	53%
Contribution to the Superintendency of Banks	5.6	15%
Foreign Assets Tax	4.9	13%
Other Taxes	3.7	10%
COSEDE Contribution	2.9	8%
Taxes on Total Assets	1.0	3%
Total Taxes & Government Contributions	37.9	100%
Fiscal Year Results	65.6	
Taxes and Government Contributions / Net Profit	58%	

Taxes and Government Contributions (USD millions)



At Banco Bolivariano we do not receive any subsidies from the Government.

SUSTAINABLE DEVELOPMENT OF THE CLIENT

04

Laguna de El Cajas, Ecuador



Related pillars of our organizational purpose:



- 4.1 Environmental & Social Risk Assessment
- 4.2 Productos con criterios ambientales
- 4.3 Productos con criterios sociales

Focus 5



4.1 Environmental & Social Risk Assessment

GRI 3-3, 201-2, FS1, FS2, FS3, FS4, FS5, FS9, FS10
SASB FN-CB-410a.2; FN-MF-450a.3

- **As a financial entity, we recognize that we are exposed to possible adverse environmental and social impacts** derived from the activities of our clients, which may affect the environment, human health and living conditions.

Accordingly, we work closely with our clients to identify and address any environmental or social risks associated with their operations in order to promote responsible economic growth.

Within this framework of action, the role of the Environmental & Social Risk Management System (ESMS) incorporates tools in the credit granting process to identify and address the possible risks inherent to the financed activities and thus prevent them from materializing. Our objective is to enrich the information available and ensure compliance with legal requirements corresponding to the sector that our clients belong to, as well as encourage them to adopt responsible practices aligned to the Performance Standards on environmental and social sustainability established by the International Finance Corporation (IFC).

Likewise, we keep the documents and procedures in effect according to Resolution SB-2022-1212 of the Superintendency of Banks.

- › The Environmental & Social Risk Policy.
- › The ESMS Manual, which describes the guidelines and steps to follow, as well as the areas responsible for applying them correctly.
- › The Exclusion List of unfunded activities



The ESMS has been fully implemented in all credit applications from Commercial Banking clients, including the Small & Medium Enterprises (SMEs), Business and Corporate segments.

Banco Bolivariano's ESMS procedure begins with the categorization of each credit operation, which takes several critical factors into account to determine the level of potential risk (A, B, C) such

as the sector of the client's business activity, the size of the company, its geographical location, the amount and term requested in the credit and the specific purpose of the funds. In cases identified as high risk, due diligence is carried out. As a measure to address identified risks, we establish compliance commitments and monitor periodically.

In 2023, we categorized 102 clients that represented USD 160.6 million.



Cifras relevantes del SARAS

Clients categorized in 2023	102
Clients evaluated through due diligence	31
Total amount of operations evaluated under the ESMS	\$160,6

Additionally, we are integrating environmental risk assessments into the mortgage appraisal process, focusing on the potential risk of weather events and other extreme natural occurrences such as floods, landslides, earthquakes and volcanic eruptions.

4.2 Products with **Environmental Criteria**

GRI 3-3, FS7, FS8
SASB FN-CB-240a.1

At Banco Bolivariano,
we offer credit
products that are
specifically designed to
accompany our clients
in the transition to a
low-carbon economy.



crediMAX
Crédito Verde



Designed for natural persons to finance the purchase of energy efficient equipment, generate renewable energy, and purchase houses in projects that have a sustainable construction certification that allow them to save on electricity costs and contribute to the environment.

crediPLUS
Crédito Verde



A credit that helps companies finance the purchase of energy efficient equipment and technologies, and launch energy efficient projects to reduce their environmental impacts and improve their production costs.

One of the most significant milestones achieved in 2023 was the issuance of the first **Blue Bond** by Banco Bolivariano. This bond, valued at USD 80 million, includes the participation of two important investors: the Inter-American Development Bank (IDB Invest) and FinDev Canada. This is a pioneering achievement, since it is the first Blue Bond in the world with incentives linked to compliance with sustainability objectives, such as the integration of TNFD (Taskforce on Nature-related Financial Disclosures) recommendations.

- **Additionally, we have developed a technical assistance program to support our construction sector clients implementing EDGE certification for sustainable construction, accompanying them as they transition towards a low-carbon economy.**



Evolution of Products with Environmental Criteria

Indicators	2021	2022	2023
Number of green credit operations in the year	36	40	38
Amount in green credits delivered (in the year) (USD millions)	25.07	34.86	59.4
Balance at year end (green credits) (USD millions)	28.51	56.85	101.9

4.3

Products with Social Criteria

GRI 3-3, FS7

SASB FN-CB-240a.1

As a financial entity, we recognize that **our savings and credit products have a social impact.**

Whether through savings accounts that encourage long-term financial planning or lines of credit that support business expansion and the realization of personal goals, we strive to be a trusted ally of our clients in achieving their financial goals.

All of our products and services are designed for a wide range of clients. However, we have a specific credit product, Credimax Mujer, which allows us to promote greater accessibility for women, creating opportunities for all users of the financial system. In addition, we have a set

of complementary online products designed specifically for women, **Contigo Mujer**, a community for sharing knowledge and fostering development.

Satisfying other needs of our clients, we created **Credimax Educativo** for those seeking to advance their professional development by financing their postgraduate studies, both in the country and abroad. This credit product facilitates access to quality educational opportunities and contributes to the development of human capital in our community.

Saving



cuentaMÁS+

(Scheduled Savings Account) By offering a preferential rate, clients can achieve their goals on a scheduled basis by saving reserve funds, extra payments, or any other additional income.



cuentaKids

(Kids Account) Designed to help instill savings in children ages 0 to 12. Once they turn 13, this automatically becomes a Youth Account.



cuentaJoven

(Youth Account) Aimed at young people between 13 and 17 years old who are in the process of learning the value of money and the responsibility that comes with its use. When the young person turns 18, their account can be upgraded to a full-service Savings Account.

Evolution of Social Savings Products

Indicators	2021	2022	2023
Value of deposits - Cuenta Más+ (scheduled savings; USD millions)	31.3	36.3	38.4
Number of clients - Cuenta Más+ (scheduled savings)	85,415	99,982	116,129
Value of deposits - Cuenta Kids (Kids Accounts) (USD millions)	6.4	5.3	4.5
Number of clients - Cuenta Kids (Kids Accounts)	8,093	7,557	7,256
Value of deposits - Cuenta Joven (Youth Account)	8.0	7.5	7.8
Number of clients - Cuenta Joven (Youth Account)	11,721	11,313	11,638



Credit

credimax Mujer

Segmented free-use consumer credit product designed for the Bank's female clients through online or in-person channels.



Evolution of Credimax Mujer			
Indicators	2021	2022	2023
Credimax Mujer credit granted in the year (USD millions)	6.4	10.7	8.0
Credimax Mujer: number of operations in the year	711	1,332	1,105

credimax Educativo

Designed for financing postgraduate studies such as master's degrees and/or Ph.D programs locally or abroad.



Evolution of Credimax Educativo			
Indicators	2021	2022	2023
Credimax Educativo in the year (USD millions)	0.8	0.8	1.2
Clients of Credimax Educativo	57	55	74
Credimax Educativo Balance at the end of the year (USD millions)	3.1	2.3	2.4

Credit

Evolution of mortgage loans

Evolution of Credimax Mortgage			
Indicators	2021	2022	2023
Mortgage loans granted in the year (USD millions)	34.6	51.3	43.9
Mortgage clients	188	263	230
Balance at year-end Mortgage Loans (USD millions)	76.73	93.4	107.6



credimax
Hipotecario



By facilitating access to mortgage loans, we are not only contributing to the well-being and stability of our clients, but we are also supporting the development of solid and prosperous communities where housing is a fundamental pillar in the lives of individuals and families.

Evolution of Credit for SMEs			
Indicators	2021	2022	2023
Amount in credit granted to companies in the value chain of business and corporate clients (USD millions)	221.19	305.46	285.93
Balance at year end (value chain credit granted to suppliers of corporate and business clients) (USD millions)	71.58	69.95	67.19
Number of large and small SME credit clients within the value chain of corporate and business clients (in the year)	847	1,044	881



Credit for SMEs

We highlight credit granted to large and small SMEs that are suppliers to our business and corporate clients. By offering this product, we generate a positive social and economic impact, helping them to operate and create more jobs.



credirol

Due to its social impact, the payroll credit that we provide to employees of companies that process their payrolls with Banco Bolivariano is also worth highlighting. This is a consumer loan whose purpose is to offer an agile, financially attractive product to staff members to help them meet expenses or make investments.

Evolution of Credirol

Indicators	2021	2022	2023
Payroll credit granted during the year to employees of companies with corporate or business credit (USD millions)	0.78	9.03	4.82

Other Products that Generate Social Impacts

At Banco Bolivariano, we offer a variety of financial products that go beyond the conventional needs of our clients, all of which are designed to generate a positive social impact.



Bankard Hit

In 2023, we launched Bankard Hit, a MasterCard aimed at microbusinesses and entrepreneurs that offers exclusive benefits such as local and international offers from digital businesses, education and mentoring, security and protection, education expenses and tuition, funeral home expenses, accident protection, and others.



Ecuagiros (Family remittances)

Ecuador is experiencing the third largest migration wave in the last 50 years, and given our 23-year history as a leading bank in Ecuador, we are concerned about offering our clients and users fast, nearby and familiar/friendly services – the service that they deserve.



Sending money to and from Ecuador has an enormous economic and social impact on our country. Remittances are Ecuador's third largest source of foreign exchange, generating a notable boost to the purchasing power of Ecuadorian households and also of foreigners living in the country.

Banco Bolivariano offers one of the largest payment networks in Ecuador, as well as the following benefits for those collecting remittances from abroad:

- We work with all of the banks and companies specialized in sending international money around the world so that Ecuadorians abroad can always access our service from wherever they are.
- Banco Bolivariano does not charge or deduct any transfer fees from beneficiaries.
- We serve the Bank's account holders, depositing their money 24/7

- We also serve non-customers of the Bank who wish to collect cash over the counter or to whom we can deposit money orders directly into their accounts in any of the 32 banks or the 400+ savings & credit unions in the country, immediately and without additional costs.
- In addition, together with our network of "PuntoBB" Non-Banking Correspondents, we pay out money transfers in all of the Farmacias Economicas and Medicity pharmacy chains nationwide, which provide the service in extended hours and provide cash-at-counter payment. With this, we offer one of the most complete payment networks in Ecuador.
- All beneficiaries are notified via SMS or a call that their money has arrived
- During the year, we run campaigns with prizes and raffles to reward the loyalty of our customers over the last 23 years.

In 2023, USD \$134,000,000 in transfers were made to Banco Bolivariano accounts. In other words, our banking transaction index remains above 35%.

This is a demonstration our commitment to continue banking with our customers and increase the number of digital transactions made in the Bank from year to year.

Channels	No. remittances paid in 2023	Percentage (%) per channel
Savings and checking accounts – Banco Bolivariano	403,630	37%
Counters – Banco Bolivariano	356,820	27%
SPI (transfers to other banks or cooperatives)	296,550	32%
Counters – correspondents and agents	50,165	4%
Total	1'107,165	



With respect to the average transfer by country of origin, the United States is the market that is growing the fastest:

Average transfer amount by country of origin (USD)

\$487

United States

\$285

Italy

\$325

Spain

\$353

Other countries¹

¹ Such as Canada, England, Chile.



ANNEXES

Laguna de Cuicocha, Ecuador

- I | Details of ESG
- II | Contribution to the Sustainable Development Goals (SDGs)

ANNEX I: DETAILS OF ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

Relationship with our Stakeholder Groups

(GRI -28, 2-29)

- Our relationship with stakeholders is of utmost importance to Banco Bolivariano, since it represents an essential link that directly influences our daily operations and long-term sustainability. Effective communication with stakeholders helps us understand their needs and expectations.

Internally, among our employees, transparent communication and active listening promotes a collaborative and harmonious working environment. In our external interactions with clients, regulators, the financial community and other stakeholders, we also always prioritize the fundamental values of the 'Siento BB' philosophy. These relationships with constant points of contact also allow us to understand our stakeholders'

expectations and challenges, identify areas for improvement, implement favorable changes, and strengthen the organizational culture.

This healthy relationship with our stakeholders allows us to adapt our products and services, meet regulatory standards, and proactively respond to market demands. Effective articulation with these groups helps us build relationships of trust, promote transparency and accountability, and ensure a continued commitment to sustainability and development.

Regarding our relationship with international associations, we are part of the Latin American Federation of Banks (FELABAN). In addition, we have subscribed to the Principles for Responsible Banking coordinated by the United Nations Environment Program Financial Initiative (UNEP FI).

At the national level, we participate as members of the Association of Private Banks of Ecuador (ASOBANCA), including its Sustainable Finance Committee, in addition to the committees on Regulatory Matters, Compliance Officers, Risks, Human Resources, Security and Public Affairs.

On February 13, 2023, we become members of the Ecuadorian Consortium for Social Responsibility and Sustainability (CRES). Through our participation in the Consortium, we received the ESRE Award on September 28, which is given to companies that demonstrate a steadfast and ongoing commitment to corporate social responsibility and the sustainable development of Ecuador.



Please **visit our website** for more information.



Associations, Chambers and Initiatives

Associations

- Latin American Federation of Banks (FELABAN)
- Association of Private Banks of Ecuador (ASOBANCA)
- Ecuadorian Consortium for Social Responsibility and Sustainability (CERES)



Chambers

- Guayaquil Chamber of Commerce
- Ecuadorian American Chamber of Commerce
- British Chamber of Commerce



Main initiatives supported

- Principles for Responsible Banking (UNEP-FI)
- Network for Child Nutrition (REDNI)

In addition, we provide a detailed description of the mechanisms that we've implemented to add value for each stakeholder, as well as the communication channels we use to interact with them. These mechanisms are designed to ensure that their needs, expectations and concerns are fully understood, allowing us to adapt our strategies and activities accordingly. We develop specific communication strategies and use a variety of channels, such as face-to-face meetings, digital platforms, specialized reports and periodic surveys, in order to maintain open and two-way communication that fosters trust and transparency with each of our stakeholders.



Stakeholder Groups

Shareholders and other capital providers

(Includes development and/or multilateral banking)

Added Value

Sound operational and financial results, with management closely aligned to the strategic plan, as well as the risk levels authorized by the Board of Directors.

Corporate governance based on best practices, which safeguards institutional interests and the continuity of operations over time.

Attractive opportunity to channel financial resources that contribute to economic and social development and support business activity.

Channels

- Shareholders 'meeting and minutes thereof
- Specific section on the website
- Individual services provided on request
 - Shareholders 'report
 - Materiality exercise
 - Sustainability report

Stakeholder Groups

Employees

Added Value

Opportunities for professional development and promotion of work in high-performance teams.

Growing hand in hand with clients through a service proposal tailored to them, which improves the employees' experience at work. We have created and promote a culture of trust and respect aligned with our principles and values.

Channels

- Work environment evaluation
- Complaints channel
- Intranet and regular internal communications
- Training sessions
- Materiality exercise
- Sustainability report and other publications



Stakeholder Groups	Clients	Authorities
Added Value	<p>Attention given to their different needs through relevant products and services with clear conditions and advice from employees.</p> <p>In Business Banking, the opportunity to access financing to grow the business, along with a broad portfolio of business management services.</p> <p>In Personal Banking, we are especially known for tailoring and customizing our products to our clients' needs, providing personalized treatment and advice especially for clients with independent businesses, which provides us with a greater understanding of their circumstances.</p>	<p>Strict adherence to regulations, with a robust culture of compliance in the different teams of the Bank.</p> <p>It makes the financial system particularly sound, and management is fully engaged.</p>
Channels	<ul style="list-style-type: none"> ➤ Agencies, branches and extension offices ➤ Puntos BB (non-banking correspondents) ➤ Remote channels (web, mobile app, telephone banking) ➤ 24/7 virtual assistant (Avi24) ➤ Performance of the client ombudsman (by law) ➤ Materiality exercise ➤ Institutional publications in addition to commercial ones (e.g. sustainability report) 	<ul style="list-style-type: none"> ➤ Reports/documentation required ➤ Relationships with professional associations

<p>Stakeholder Groups</p>	<p>Suppliers (Includes companies that serve as non-banking correspondents)</p>	<p>Civil Society (Includes: unions, allied social organizations and media)</p>
<p>Added Value</p>	<p>Business opportunities in long-term relationships with fair conditions.</p> <p>High quality standards, which reinforce supplier operations.</p>	<p>Contribution to economic and social development through customers and suppliers, which extends to the rest of society.</p> <p>Commitment to high ESG (environmental, social and governance) standards and issues, which translate into the Bank's contribution to the Sustainable Development Goals (SDGs).</p> <p>Development of the Financial Education Program, creating a culture in participants of different ages for better financial management both today (adults) and in the future (children and youth).</p> <p>Transparency in our performance and results, as the foundation of trust in the Bank.</p>
<p>Channels</p>	<ul style="list-style-type: none"> ➤ Contracting meetings and daily service operations ➤ Administrative processes 	<ul style="list-style-type: none"> ➤ Performance of the Financial Education Program ➤ Social investment initiatives and collaboration with organizations ➤ Committees and union work sessions ➤ Press releases and other announcements give by spokespersons ➤ Sustainability report

Materiality Analysis

(GRI 3-1, 3-2)

- **Our Sustainability Strategy** is built on the fundamental pillars of the material environmental, social and governance (ESG) issues that we have identified through a meticulous, rigorous and participatory process whereby we determined the most critical aspects in each of these areas.

These critical issues are the basis of our Sustainability Report, which has been prepared under international standards. By aligning our strategy with these ESG issues, we seek to not only comply with international regulations and standards, but to also ensure a robust and coherent approach to addressing sustainability challenges and opportunities across our operations.

We apply the concept of double materiality in accordance with international trends:



Impact Materiality:

Reflects the most significant impacts of the company abroad: on the economy, the environment and people. These impacts can have positive or negative consequences (both operationally, reputationally, as well as financially).

Thematic consultations are carried out using qualitative and quantitative methodologies, aimed at a representative selection of internal and external stakeholder groups, which includes strategic level employees such as the Executive Vice President and management.

Financial Materiality:

Reflects ESG factors that could be reasonably likely to affect the financial conditions, operating performance and cash flows within the Bank. To do this, we apply the key topics established by the Sustainability Accounting Standards Board (SASB) for the industries that, due to the nature of our operations, apply to our case in the financial sector: Commercial Banking, Consumer Financing and Mortgage Financing.

Process for analyzing impact materiality:

1

Identification and review of information

Involves preparing a list of potentially relevant topics based on the analysis of:

- Sector-specific reference documents that propose key topics (related to the international extra-financial reporting frameworks of the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB))
- Sustainability frameworks for the financial sector promoted by UNEP-FI
- Local and global trends in multi-sector sustainability, such as the global risk analysis presented annually by the World Economic Forum (WEF)
- Our strategic business plan and internal risk analysis
- The Bank's appearances in the media

2

Prioritization:

Corresponds to the pseudo-experimental survey of the significance of potentially relevant topics for stakeholder groups and for Banco Bolivariano's business strategy.

To develop each axis, direct consultations were carried out with the respective stakeholder groups of Banco Bolivariano

- For the X-axis, first-line management and the executive vice president were interviewed.
- For the Y-axis, surveys were carried out with employees, clients, suppliers, regulatory entities and shareholders. Additionally, qualitative consultations with business officers and branch managers considered the perspective of SMEs, corporate and personal banking through a series of workshops. Using the same mechanism, consultations were carried out with the Bank's main clients.

3

Validation

The Bank's Senior Management was closely involved in the process.

Process for analyzing financial materiality

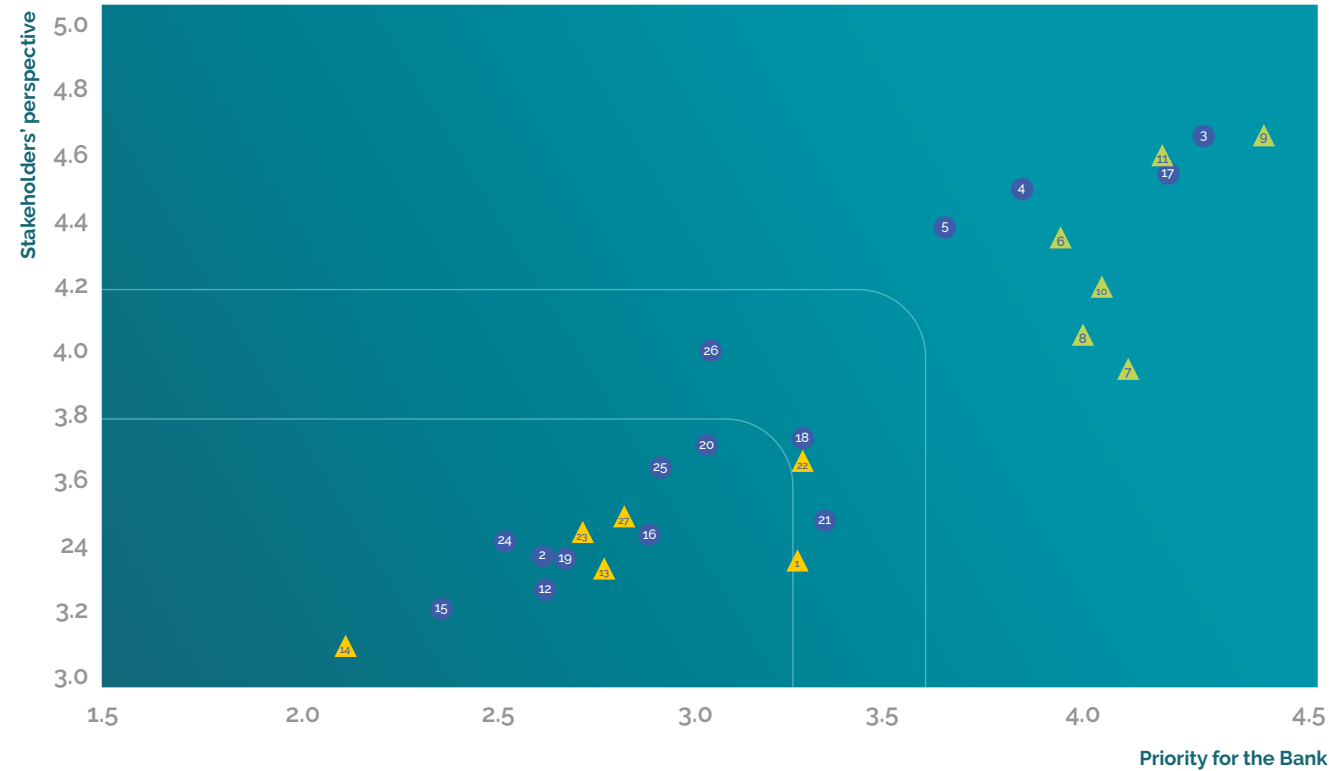
The material topics defined by the Sustainability Accounting Standards Board (SASB) at Banco Bolivariano have been used, specifically through the standards that apply to the areas of: Commercial Banking, Consumer Financing and Mortgage Financing.

This materiality process, developed by SASB, has involved consulting various actors in the global financial market, including risk-rating agencies, financing entities, and academic institutions, among others. The SASB process covered 77 industries, grouping six of them into the financial sector.

The material topics established by SASB provide an essential framework for identifying and addressing the most critical and relevant aspects in the context of sustainability according to the financial vision for some specific areas of operation within Banco Bolivariano.



The double materiality matrix and its respective explanatory legends is presented below:



Impact materiality:

x	y	Material issues	Double materiality issues
≥4.2	≥3.6	Material issues	Double materiality issues
≥3.8	≥3.3	Emerging issues	Financial materiality issues
<3.8	<3.3	Non-material issues	Impact materiality issues



Material issues / 16


- 9 Regulatory compliance
- 3 Client services
- 17 Ethics and anti-corruption
- 11 Brand positioning
- 4 Digital transformation
- 6 Cybersecurity
- 10 Client privacy
- 8 Financial performance
- 7 Sales practices
- 5 Product innovation
- 1 Financial inclusion
- 27 Financial education
- 13 Sustainable financing and investment
- 23 Diversity and equal opportunities
- 22 Employee attraction and retention
- 14 Climate change risk management

Emerging issues / 6

- 21 Training and development for employees
- 26 Socioeconomic development of communities
- 25 Working environment
- 18 Corporate governance
- 20 Relationships with investors
- 16 Relationships with authorities

Non-material issues / 5

- 2 Responsible supply chain
- 24 Workplace health & safety
- 12 Products and services with environmental benefits
- 19 Disclosure and transparency of ESG information
- 15 Eco-efficient processes



The materiality analysis, from both the impact and financial perspectives, is broadly oriented towards the relationships that our Bank establishes with a variety of stakeholder groups. It covers a general spectrum of interactions, considering synergies and commitments with multiple stakeholders, including employees, clients, suppliers, communities and regulatory entities. On the other hand, an analysis of the effects on the Bank's portfolio, such as the one presented in the next section, specifically assesses how our financial products can directly influence the lives and activities of our clients.

Both analyses are critical to understanding our full impact, both in terms of specific products and services, as well as the broader relationships we have with our network of stakeholders. This comprehensive approach allows us to make more informed and strategic decisions to promote more responsible and sustainable management.

Identification of Portfolio Impacts

To guide our actions towards responsible banking, it is essential to identify the areas within our portfolio that have the greatest potential to cause positive social and environmental impacts. This analysis allows to prioritize the development of financial products and services that are not only profitable, but also contribute significantly to social well-being and care for the environment.

- **Identifying these areas offers us a strategic opportunity to focus our efforts on promoting activities and sectors that have the potential to generate a greater positive impact on society and the natural environment.**

By understanding the areas with the greatest capacity to generate these types of positive effects, we can design more effective strategies aligned with the principles of sustainability, thus promoting positive change in the financial, social and environmental areas.

Within this framework, Banco Bolivariano carried out an initial analysis of its portfolio in 2022 with the portfolio collation data at the end of the previous year, also serving as input for the formulation of the 2023-2025 Sustainability Strategy. This process is a response to the requirements established for signatories of the Principles for Responsible Banking (PRB), coordinated by the United Nations Environment Program Finance Initiative (UNEP FI).

The aforementioned portfolio impact analysis focuses on the direct relationship with clients through financial products in a complementary manner to the materiality analysis, which focuses on the general relationships that the bank maintains with its various stakeholder groups.

Below is the process followed with data taken from the 2021 year end, in accordance with the requirements established by the initiative, to identify the main potential areas of impact in our portfolio.



The procedure followed is presented using the Portfolio Impact Analysis Tool for Banks, developed by UNEP-FI, which has established the possible areas of impact within the framework of its Impact Radar initiative.



Availability, accessibility, suitability and quality of:	Quality and efficient use of:	Creation of economic value for the people and civil society
People, planet and prosperity: integrated and inseparable		



Identification and dimensioning of impacts: characteristics of the analysis

➤ **Organizational scope:**

For this fiscal year, 82% of the Institution's credit portfolio was considered

➤ **Geographic scope:**

Ecuador - country that we operate in nationwide

➤ **Types of Business**

Ecuador – country that we operate in nationwide

▲ **SME Banking and Corporate Banking Portfolio**

The main sectors are vehicle sales, marine aquaculture, real estate activities, and food and beverage retail. At the end of 2021, it represented 76% of the total credit portfolio.

▲ **Personal Banking (Consumer Banking) Portfolio**

The products with the greatest coverage are credit cards, checking accounts, savings accounts, term deposit certificates, consumer and overdraft loans, structured loans, mortgage loans, and vehicle financing and educational loans. At the end of 2021, personal banking represented 24% of the Bank's credit portfolio.

➤ **Exposure scale**

In the case of the SME Banking and Business Banking portfolio, we work on the sectors and industries that we finance. In the case of Personal Banking, we work under a methodology of socioeconomic segmentation of clients in accordance with the Bank's strategy.

➤ **Context and relevance:**

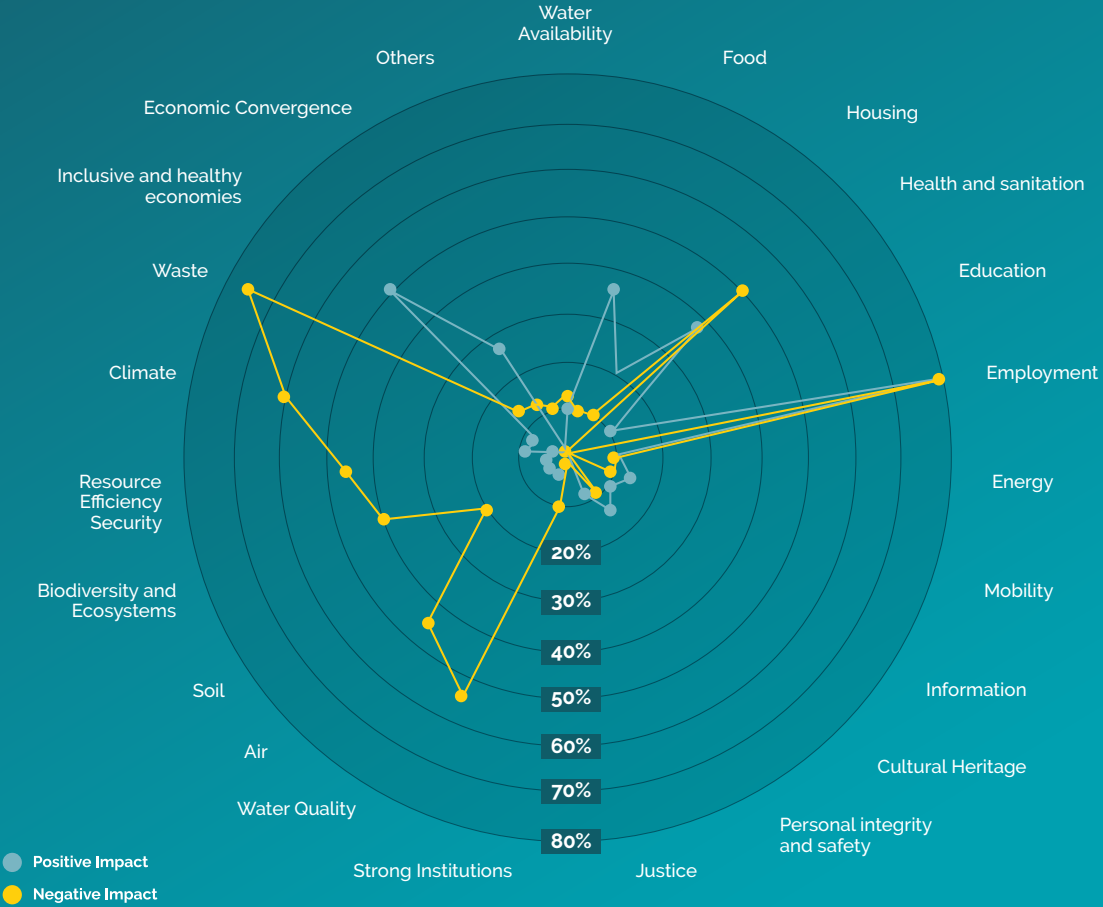
Once the areas of economic, social and environmental impact of our portfolio have been identified, we analyze the country criticality of these impacts. The combination of both approaches help us establish the impacts that we want to focus on as an Institution.



Identification and Dimensioning of Impacts: results

The areas of impact are presented below, considering the data as of December 31, 2021.

Main areas of impact – Business Banking



Within the SME Banking and Business Banking analysis, we have considered an 80% exposure level. The sectors with the greatest participation, according to the ISIC (International Standard Industrial Classification), are:

9%	8%	7%	4%
Vehicle sales	Aquaculture	Real estate activities	Retail food and beverage sales

Our most significant areas of positive impact are:

- Accessible mobility, by granting credit to companies that sell vehicles.
- Inclusive and healthy economies, economic convergence and employment, which are primarily evident in the marine aquaculture sectors and real estate activities. Both sectors are great sources of employment, and marine aquaculture, especially, is a great generator of foreign currency for the country due to the exports made.



The generation of waste, as well as the impact on the climate, are potential negative impacts on all of the sectors that we grant loans to, particularly in the vehicle sale and real estate sectors. However, through our Crediplus Green Credit product, we facilitate sustainable practices in different industries;

In the construction sector, we specifically support our clients in obtaining the EDGE certification for sustainable construction. This promotes better construction practices, which result in greater efficiency in buildings in the areas of energy, water and materials.

On the other hand, we identify potential negative impacts in areas such as inclusive and healthy economies and economic convergence evidenced mainly in the real estate sector.

The general population could have difficulty accessing goods in this sector, but the Bank's role is to actively support the purchase of homes through credit.

Finally, a potential negative impact in the area of employment cuts across all sectors in the country due to the current dynamics of the labor market. However, the Bank's financing options support business activity and sustainability over time and, therefore, job creation and stability.

Type of Impact	Significance	Area of Impact
Positive	1	Inclusive and healthy economies
	2	Economic convergence
	3	Mobility
	4	Food
	5	Employment
Negative	1	Waste
	2	Inclusive and healthy economies
	3	Economic convergence
	4	Mobility
	5	Climate
	6	Employment

Main Areas of Impact – Personal Banking



The use of savings accounts, checking accounts and credit cards has a positive impact on the dynamics of the economy by making it easier to have resources for savings or financing. Consequently, this has a positive effect on employment.

- Our products and services contribute to financial inclusion and, therefore, to an inclusive and healthy economy as well as to economic convergence, which are some of the main impacts revealed by the analysis.

However, to avoid a potential risk of over-indebtedness, credit must always be accompanied by advice and clarity on credit conditions, which is why we provide personalized attention to our clients as one of our fundamental pillars and through financial education programs.

Type of Impact	Significance	Area of Impact
Positive	1	Employment
	2	Healthy and inclusive economy
	3	Economic convergence
	4	Justice
Negative	1	Healthy and inclusive economy

Main Areas of Impact
Integrated Impact Map (Business Banking and Retail Banking)



Having identified the impacts on the Bank's portfolio, the participation of each of the business lines within the structure of the institution's total portfolio of products and services was integrated into a single impact map.

For this, the integrated table of the main areas of positive and negative impacts is shown below. These include areas whose average integrated score and country-level criticality exceed 50% (see spider chart).

We consider that the critical areas to work on are those highlighted in both areas. We will continue by integrating the approach of the Principles for Responsible Banking within the Sustainability Strategy.

Based on the analysis, we set our objectives, which are presented in the Responsible Banking section of the Profile & Strategy chapter.

Type of Impact	Significance	Area of Impact
Positive	1	Inclusive and healthy economies
	2	Economic convergence
	3	Mobility
	4	Food
Negative	1	Waste
	2	Inclusive and healthy economies
	3	Economic convergence
	4	Mobility



See our objectives in the **Responsible Banking section of the Profile & Strategy chapter.**

ANNEX II: CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

OBJETIVOS DE DESARROLLO SOSTENIBLE

- At Banco Bolivariano, we strive to promote sustainable development through a responsible banking perspective in our interactions with customers, employees, suppliers and other external stakeholders. We promote economic and social progress while caring about the conservation of the environment.

These initiatives contribute to the fulfillment of the 2030 Agenda, an action plan promoted by the United Nations to address the most important challenges facing society. Specifically, we support the Sustainable Development Goals (SDGs) that are most closely linked to our activity, which we have identified through a materiality analysis.



See
Annex I



Our contribution, which is detailed throughout the report, is summarized in the following table:



Goals

- 1.4
- 1.5

Contribution

- Products that have significant social impact: scheduled savings accounts, savings accounts for children and youth.
- Delivery of productive credit to SMEs.
- Support with easy access to financial operations through the correspondent model (Puntos BB network). Furthermore, due to the empowerment that we have given to digital channels, they are increasingly accessible to all segments of the population.



Results and Impacts

7,256 customers using CuentaKids (Kids Accounts).	USD 123 million in SME credit.	3,021 correspondents (Puntos BB).
11,638 customers using Cuenta Joven (Youth accounts).	USD 168 million in transactions at BB points.	



Goals

- 4.3
- 4.4

Contribution

- Training program that we offer to our employees.
- The Data Governance training program is particularly noteworthy due to its social impact on the growth of the Bank's employees.
- Availability of products for financing postgraduate studies for clients.

Results and Impacts

34,905 total hours of training.	608 hours of training in Data Governance.	USD 1.2 million granted in CrediMax Educativo.
23 average hours of training per employee.	USD 197,433 invested in employee training.	





Goals

5.1

5.5

Contribution

- We promote equal opportunities and gender equity in access to employment, career development, remuneration and benefits.
- The percentage of women on our payroll is worth highlighting, especially in executive positions.



Goals

6.3

6.6

Contribution

- Financing of investment projects that fall into the Water and Wastewater Management category through the Blue Bond.



Goals

7.2

7.3

Contribution

- Availability of credit products with an environmental purpose, both in Business Banking and Personal Banking. Intended to finance the purchase of efficient equipment and technologies for production centers or homes, respectively.

Results and Impacts

55%
of all Bank employees are women.

60%
of all management positions are held by women.

45.5%
of all executive positions are held by women.

45%
of all employees are men.

40%
of management positions are held by men.

54.5%
of executive positions are held by men.

Results and Impacts

Initiatives that promote healthy aquatic ecosystems through pollution control, water and energy efficiency, and increasing resilience to floods are particularly beneficial.

Results and Impacts

USD 59.4
million delivered through green credit (Companies and Individuals).

38
new green credit operations (Business Banking and Personal Banking).





Goals

- 8.2
- 8.3
- 8.5
- 8.6
- 8.10

Contribution

- Financing that we provide to companies -our main target market- as well as complementary services that reinforce their business activity (foreign trade, transactional services, and payment methods, among others).
- Job stability for our employees.
- Employment and professional development opportunities without gender bias, as well as opportunities for young people and adults who have more experience.
- Support for onboarding employees with disabilities and including them in our teams.



Goals

- 9.2
- 9.3
- 9.4
- 9.7

Contribution

- Credit products for companies facilitate the incorporation of equipment and technology to advance their productive capacity and competitiveness.
- ESMS operation, which we use to evaluate the environmental and social risks of credit in cases in which, due to the type of sector and operational volumes, potential impacts are higher. We thus promote the adoption of best operational practices.
- Investment by the Bank for greater agility and digitalization of our processes, including those involving our relationships with our clients.



Goals

- 10.2

Contribution

- Development and improvement of the Financial Education program.
- Availability of accessibility products: savings accounts for deposits, microcredit for financing.
- Culture of respect and inclusion, appreciation of diversity in the workforce.

Results and Impacts

USD 2.16

billion in financing through commercial/ productive credit.

9.3%

of employees >50 years old.

99.6%

of employees have permanent employment contracts.

37.5%

of employees <30 years old.

Results and Impacts

USD 160

million evaluated under the ESMS.

69%

of free-use consumer loans have been placed online.

Results and Impacts

20,373

people received in-person training in financial education.

Active compliance with the **Code of Ethics** by monitoring our ethics line and by providing continuous training.

USD 50.7

million in deposits in inclusive savings products (Cuenta Más+, Cuenta Kids (Kids Accounts) y Cuenta joven (Youth Account).





Goals
12.2
12.6

Contribution

- Credits with environmental purposes (green credits from the portfolio and the Solid Waste Management and Circular Economy category of the Blue Bond).
- Use of the ESMS in the evaluation of business credit.
- Bank's direct environmental management program, which includes energy monitoring.
- Environmental awareness initiatives aimed at clients, such as Caja Verde.
- Financing for investment projects oriented toward solid waste management and the circular economy through the Blue Bond.



Goals
13.3

Contribution

- The use of the ESMS and granting of green and blue credits, whereby we promote good practices that boost companies' resilience to climate change, i.e. in the face of future advances in environmental and climate regulation.
- Annual calculation of our greenhouse gas (GHG) emissions. We also neutralize our emissions (Scope 1 and 2).

Results and Impacts

USD 59.4

million delivered through Green credit (companies and individuals).

38

new Green credit operations (Business Banking and Personal Banking)

9.2

GJ/employee (electricity consumption in the main offices).

The blue bond particularly benefits those initiatives related to improving solid waste management, and the reduction and recycling of plastic waste

Results and Impacts

USD 59.4

million delivered through Green credit (companies and individuals)

38

new Green credit operations (Business Banking and Personal Banking)

1.3

tonCO₂eq/employee (GHG emissions in main offices).

Carbon neutrality.



Goals

14.1
14.2

Contribution

- Financing of investment projects aimed at the Seafood category through the Blue Bond.



Goals

16.5
16.6
16.7

Contribution

- Adhering to the best corporate governance practices included in our Good Governance manual.
- Culture of integrity and compliance by our employees.
- Management structure for the Administration of the Risk of Money Laundering and Financing of Crimes such as Terrorism (ARLAFDT).
- Validity of the Anti-Bribery Management System (SGAS).

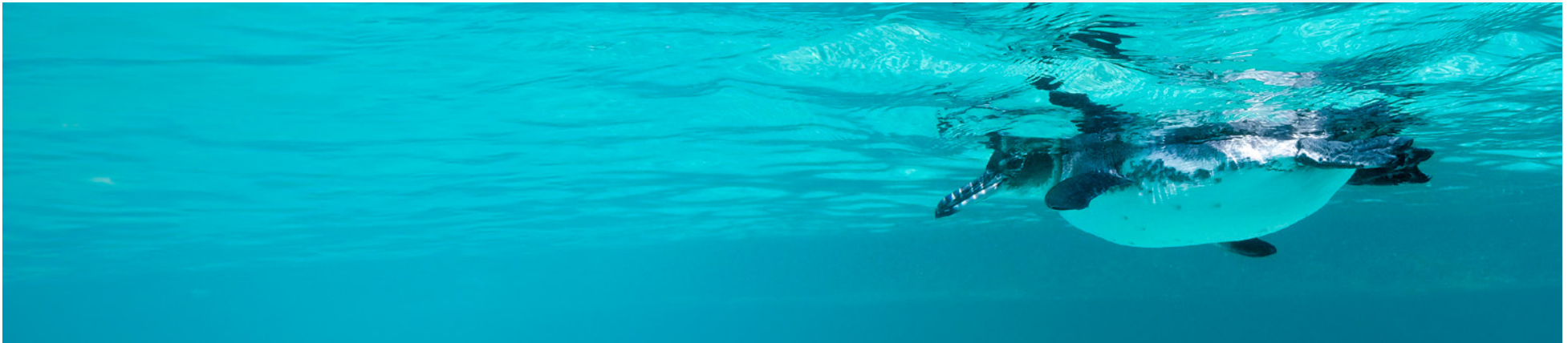
Results and Impacts

The blue bond particularly benefits those initiatives related to the sustainable fishing and aquaculture production (i.e. conservation of mangroves, living coastlines, nature-based solutions).

Results and Impacts

Good Governance Code

Absence of significant sanctions.



Confirmation Letter



Bureau Veritas Certification



DECLARACIÓN DE VERIFICACIÓN LIMITADA INDEPENDIENTE

Otorgado a

BANCO BOLIVARIANO C.A.

Dirección: Oficina Principal: Junín 200 y Panamá.
Guayaquil - Ecuador

Bureau Veritas Ecuador S.A., Organismo de Verificación independiente de tercera parte, declara que la organización mencionada ha sido verificada y se muestra acorde con los requisitos especificados en:

PRINCIPIOS PARA LA BANCA RESPONSABLE
Publicado por UNEP FI en septiembre 2019

SERVICIOS DE BANCA

Fecha de Verificación:	2024-06-10 a 2024-06-13
Período de Verificación:	2023-01-01 a 2023-12-31
Nivel de Aseguramiento:	Limitado
Verificador Líder:	Juan Carlos Cerón
Modalidad de Verificación:	Remota

Declaración No. **EC-DV-2024-002** Versión No. **1** Fecha de emisión: **17-Junio-2024**

Isabel Muñoz R.

Bureau Veritas Ecuador S.A.

Dirección del Organismo de Verificación: Bureau Veritas Ecuador S.A., Av. Checoslovaquia E9-95 y Suiza, Edificio Eveliza Plaza, Piso 8, Of. 802, Quito-Ecuador


Información adicional de la Declaración se muestra en las siguientes páginas. Se pueden obtener más aclaraciones sobre el alcance de esta declaración y la aplicabilidad de los requisitos de la norma/método en referencia consultando a la organización. Para verificar esta validez de la declaración, llame al: 593 - 2 227 3190.

(GRI 2-1)

Banco Bolivariano

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