



Banco General ESG REPORT

2023



Banco General

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"With the community, we continue to work using a long-term vision."

Raúl Alemán

I. Message from the Chairman

The year 2023 was a complex one given the increase in international interest rates, which has an impact on clients and the management of assets and liabilities on the balance sheet; however, Banco General was able to present the most solid financial statements in its history as of December 31st, 2023, with a robust capitalization measured in equity to total assets of 16.1%, a solid primary liquidity ratio of 28.4% and a strong level of reserves that covers 126% of our past due and overdue loans.

The bank currently serves more than 1,725,000 customers, which translates into **52% of Panamanians of legal age having a relationship with Banco General**. This demonstrates the great trust placed in the institution and imposes on us the even greater responsibility of continuing to operate the organization with financial discipline, agility and long-term vision.

In 2023 we began the execution of our Responsible Banking strategy, which was developed as part of the 2023-2025 Strategic Business Plan and considers the social and economic context of our country.

On the environmental front, and to achieve our goal of reducing our carbon footprint by 33% by 2025, we placed solar panels in 9 new branches across the country that are already generating renewable energy, as well as starting to replace our car fleet with 7 new electric cars. In addition, in 2023 we hired a consulting firm who will help us expand our environmental strategy into 2024, so we can include climate risk in our business decisions and measure our financed carbon footprint to set targets towards net zero. We are also moving towards the goal of financing a minimum of \$105MM for solar panels for businesses and have

already disbursed more than \$19MM, helping our customers be part of the energy transition.

Internally, we remain committed to offering our employees a healthy, challenging and inclusive workplace. To this end, in 2023 we expanded our Operational Center in Panama Oeste, doubling our capacity to 332 workstations, benefiting more than 300 employees who do not have to commute to the city, and we maintained hybrid work models for different areas. In terms of training, we trained more than 5,270 employees in our Corporate University with first-class national and international educational programs.

As for our goal of continuing to promote financial inclusion, in 2023 our digital transactions increased 45% compared to 2022, marked by an accelerated growth in the use of our app and Yappy, where we reached an average of 1 million transactions per day with more than 1.4 million customers. We continue to deepen financial inclusion in our country, strengthening the digital payments ecosystem and giving access to banking to many Panamanians.

With the community, we continued to work with a long-term vision, and in 2023 we made donations of more than \$8MM through the Sus Buenos Vecinos Foundation, which addresses important social problems in our country, especially in education. We began operations of the ¡Supérate! Center in Santiago de Veraguas, serving 57 students and giving them complimentary education in English, computing as well as values. We are also constructing a new building that we will open in 2024 and will serve 180 students annually; in addition, in 2023 we inaugurated the new building of the Federico José Humbert School that today serves more than 725 children in Burunga, Arraiján. We also continued with our multiple scholarship programs, expanded the Mejorando Mi Comunidad Center in Juan Díaz and continued supporting more than 110 non-profit organizations.

In 2024 we will continue to increasingly refine the way we measure our progress on all these issues, always aligned with the Sustainable Development Goals, with the principles of the United Nations Global Compact and the Principles for Responsible Banking, which give us guidance on best practices and ways to measure our progress in these areas.

Raúl Alemán

President





II. About this Report

This Report contains information on Banco General and all its subsidiaries, the achievements reached in 2023 and proposed goals for the coming years.

The content and structure of this Report are based on environmental, social and governance criteria defined as material and important by our organization, as well as on the Sustainable Development Goals. In this report, we also refer to the universal standards of the Global Reporting Initiative and the Principles of Responsible Banking.

External Verification

The information included in this Responsible Banking Report, from the period of January 1 to December 31, 2023, has been verified by KPMG, in its capacity as an independent verification service provider, with the scope indicated in its Verification Report, which can be found at the end of this Report. KPMG is also responsible for the audit of the Consolidated Financial Statements of Banco General, S.A. and Subsidiaries.

Scope of the Report

This Report covers programs and progress from January 1 to December 31, 2023 and is done annually; the last Report was published in 2022.

Given that 97% of the bank's operations are carried out in Panama, the ESG 2023 Report reflects the initiatives and progress in terms of environmental, social and governance criteria of the offices in Panama, and only the most relevant data from the other countries where the bank has operations is presented. It should be noted that this report includes certain information from our suppliers, limited to issues relevant to our stakeholders; there may be additional information not necessarily analyzed or verified, in any case, by Banco General.

This Report should be reviewed together with our [Consolidated Financial Statements](#), our [Code of Ethics and Conduct](#), and our [Corporate Governance Manual](#), which are available at www.bgeneral.com.



In this report, there are no updates to the information presented in previous reporting periods. In this report and in the GRI INDEX table, we consider Panama as a local community. For questions or suggestions, please contact Corporate Communications and Social Development (jsouter@bgeneral.com).

III. About Us

Banco General, S.A. was founded in 1955 as the first private bank with Panamanian capital and is headquartered in Panama.

It offers its customers a wide range of financial products and services, including consumer, corporate, real estate and investment banking, insurance and reinsurance, pension and severance funds, and securities brokerage. It also has a bank in Costa Rica and representative offices in Guatemala, El Salvador, Colombia and Peru. The operation in Panama represents more than 97% of the operation.

The holding company of 100% of the shares of Banco General, S.A. and Subsidiaries is BG Financial Group, SA and Subsidiaries, which is listed on the Latin American Stock Exchange (Latinex). BG Financial Group, SA and Subsidiaries is, in turn, held by Empresa General de Inversiones (60%) and 490 registered shareholders (40%). Empresa General de Inversiones is also listed on the Latin American Stock Exchange (Latinex).

\$18,731,606,851

Total Assets

\$2,927,346,618

Total Equity

\$680,716,213

Net Income



+1.7MM
Customers

72
Branches

+1.4MM
Customers Affiliated

+23,000
Yappy Commercial

+4,900
Employees

625
ATMs

+1.4MM
People Affiliated to Yappy

Banco General and Subsidiaries

Overseas Capital Markets, Inc. and Subsidiaries

International Banking and Reinsurance

General de Seguros, S.A.

Insurance and reinsurance

BG Valores, S.A.

Securities brokerage house

BG Trust, Inc.

Trust administration in Panama

Profuturo, Pension and Severance Funds Administrator, S.A.

Pension and Severance Funds Administrator

Yappy, S.A.

Payment processor between individuals and businesses

BG Investments Co., Inc.

Securities firm and investment manager

Banco General (Costa Rica), S.A.

Universal bank

Vale General, S.A.

Administration and marketing of food vouchers in Panama

Banco General was the first Panamanian bank to obtain International Investment Grade from Fitch Ratings and Standard and Poor's in 1997, a rating that we maintain without interruption to date. We have also received International Investment Grade by Moody's since 2017.

For more than 65 years, Banco General has conducted its operations with iron financial discipline, a corporate culture based on values, and a commitment to serve the customer and the community with excellence. These are the precepts that define our success and track record.

All products and services offered by Banco General, as well as the terms and conditions of such products and services, are detailed on our website www.bgeneral.com. In the area of Consumer Banking, Insurance and Pension and Severance Funds, Banco General serves all segments of the population and in the business area, companies of all sizes; it is a diversified portfolio.

For further information, please refer to Banco General, S.A.'s Consolidated Financial Statements at www.bgeneral.com/estadosfinancieros.

AWARDS AND RECOGNITIONS 2023



EUROMONEY

Best Corporate Bank in Panama

Best Bank for ESG in Panama

LATINFINANCE

Bank of the Year - Panama

THE BANKER

Bank of the Year - Panama

MERCO

2nd Most Reputable Company in Panama

Most Responsible Company in terms of ESG in Panama

Responsible Banking Commitments



United Nations Global Compact



PRINCIPLES FOR RESPONSIBLE BANKING

Economic Performance

Economic Performance	2022	2023
Direct Economic Value Created (Revenues less provisions plus net fees)	\$1,205,629,331	\$1,457,618,165
Distributed Economic Value	\$956,570,379	\$1,210,934,102
Operating Costs	\$147,778,437	\$141,761,230
Employee Salaries and Benefits	\$170,970,910	\$189,660,469
Payments to Capital Providers	\$559,315,052	\$763,628,507
Payments to Governments (by Country)		
Panamá	\$69,351,129	\$103,409,841
Costa Rica	\$1,898,718	\$1,959,204
Community Investment	\$7,256,133	\$10,514,851
Retained Economic Value	\$249,058,952	\$246,684,063
Dividends Paid	\$295,038,710	\$443,000,000
Deferred Taxes	\$5,841,254	\$8,967,850
Net Profit	\$538,256,408	\$680,716,213

IV. Our Approach

Since its founding in 1955 as the first private bank with Panamanian capital, Banco General has played an important role in the banking market and in the country as a leader in the sector, promoting corporate responsibility as a competitive advantage.

Today more than ever, being the largest private bank in the country, we understand the great responsibility we have with all our stakeholders and the importance of environmental, social and governance criteria in the operation of the business, as these represent risks and opportunities for the business.

In 2001, Banco General was the first Panamanian company to sign the United Nations Global Compact; in 2019 we signed the Principles of Responsible Banking; and, in 2023 we began with the execution of a Strategic Plan for Responsible Banking 2023-2025, thus refining our ability to measure our progress.

In addition, Banco General aims to promote the adoption of ESG criteria in the Panamanian banking system. Therefore, for two consecutive years we have chaired, through an executive, the Sustainability Committee of the Panamanian Banking Association. In addition, in 2018 we were founding members of the Sustainable Finance Protocol of the Banking Association, which today consists of 20 banks.

From the Sustainability Committee we are also part of the Panama Sustainable Finance Working Group and we have been an active part of the constitution of the Group's legal status. In 2023, this group proposed and is directly participating in the creation of a Panamanian Sustainable Finance Taxonomy, which will help all banks to manage the issue. This Taxonomy, developed by the Ministry of the Environment with international experts, is expected to be launched in the first quarter of 2024.



How do we prioritize our ESG approaches?

As we reported last year, in order to develop focused corporate responsibility management with clear objectives, we developed a Responsible Banking Strategic Plan 2023-2025, whose lines of action are based on:

- 1. The United Nations Sustainable Development Goals.**

- 2. Various development plans in our country that seek to solve the most pressing social and environmental problems.**

- 3. Discussions with our stakeholders.**

- 4. Impact analysis of the Principles of Responsible Banking that give us a clear signal of the risks and opportunities in social, environmental and governance matters.**

- 5. The maturity of certain criteria in our business context.**

- 6. Materiality study.**

In 2023 we have made progress on the Responsible Banking Strategic Plan 2023-2025 and we will explain how in this Report, but we have also detailed a bit more the objectives of certain areas to better measure them.

Our material topics focus on Climate Change, Financial Inclusion and Education, however, there are other topics defined in our [Materiality Study](#) such as corporate governance, labor practices and risk management that continue to be very important for the Bank and that we report on in this document. It is worth noting that in 2024 we will conduct a new materiality study to update the current one.

That said, we recognize that our impacts facilitate change, that our country is small and that there are few companies as large as ours, so our stakeholders expect a lot from us.

Impact Analysis: Principles of Responsible Banking

We conducted a second Impact Analysis exercise with the Principles of Responsible Banking tool as of November 2023, which helps us understand where we have the greatest risks and where we can have the greatest impact as our corporate and consumer portfolios are distributed. In this second exercise, there are no significant changes in our portfolios, so we are sticking with our focus areas.

Who are our stakeholders and how do we listen to them?

Stakeholder	Method of Communication	Frequency	Description
Shareholders	General Shareholders' Meeting	Annual	On April 24, 2023, the General Shareholders' Meeting of BG Financial Group, SA and Subsidiaries was held.
	Shareholder Service Office	Permanent	Banco General has a person dedicated exclusively to dealing with shareholder relations and attending to their concerns. The office is located in Torre Banco General.
	Communication from the Chairman	Quarterly	Shareholders receive a quarterly communication in which he makes himself available to receive any concerns.
Employees	Open virtual discussion: "Conversemos" ("Let's talk")	Periodic	Virtual discussions with the Human Capital and Corporate Services EVP with voluntary participation on a first-come, first-served basis.
	Secure Line	Permanent	Telephone line available to all employees where they can anonymously report violations of the Code of Ethics and Conduct.
Clients	Suggestion boxes in branches and websites	Permanent	Suggestions deposited in suggestion boxes or sent via the website are received and evaluated by the Customer Service area.
	Social networks	Permanent	Queries and complaints received through social networks are channeled through the Customer Service area (call center).
	Personalized surveys outside branches	Quarterly	Conducted by an external provider and analyzed by the Customer Service area.
	Customer Service	Permanent	Call Center available during extended hours.
	Customer service via chat and WhatsApp	Permanent	Customers can "chat" with Customer Service executives through www.bgeneral.com .
Providers	Purchasing Management	Permanent	The purchasing area is available to receive calls and complaints from suppliers.
Community	Visits to Projects	Permanent	By 2023, we will visit 38% of the social programs and projects we support as well as new projects.
	Personal appointments	Permanent	The Sus Buenos Vecinos Foundation team receives various nonprofit organizations in its offices on a weekly basis to address requests and concerns.
Regulatory Entities	Regulatory On-Site / Regulatory	Permanent	As indicated in our Code of Ethics, we maintain open communication with regulatory entities and through the appropriate channels. Many visit the bank and are received by different areas.

ESG Strategy:

By taking into account the aforementioned criteria, in 2023 we started with the execution of the Responsible Banking Strategic Plan 2023-2025 which is focused on three main areas:

Climate change

Reduce our own operation's carbon footprint by 33% by 2025 (base year 2021).

Actions taken in 2023

- Installation of solar panels in 9 offices.
- Start replacing the car fleet with the purchase of seven electric cars.
- Replacement of air conditioning equipment and LED lamps.

We have reduced 9.02% out of 33%, from 2021 to 2023.

[See more in Carbon Footprint](#)

To be carbon neutral in our own operation by 2025.

Actions taken in 2023

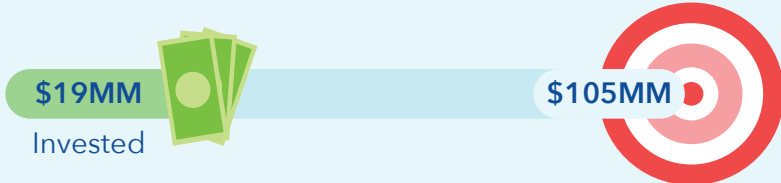
- Follow-up on the launch of the Carbon Market in Panama for offsetting.

[See more in Carbon Footprint](#)

Finance \$105 million in solar energy in the corporate portfolio by 2025.

Actions taken in 2023

- Promote the financing of solar panels for companies.



[See more in Green Financing](#)

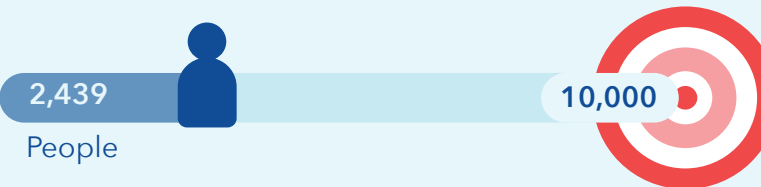


Financial Inclusion

Grow and strengthen our Financial Education Program by reaching more people: 10,000 by 2025.

Actions taken in 2023

- Growth of the financial education program.
- Redesign of the financial education website.



Include more people in the financial system through innovative products and services accessible to all.

Actions taken in 2023

- Launch and growth of the "digital loan" product.
- Launch of Yappy app, a digital payments platform outside of Banco General's app.
- Development of a financial inclusion index with data analytics.
- Definition of specific inclusion objective: Provide greater access to credit to low-income people by increasing by 3% the penetration of clients with one or more credit products, be it Mortgage Loans, Personal Loans, Auto Loans and/or Digital Loans, in our mass segments* by 2026.

*Mass segments refers to customers with a monthly income of less than \$1,000.



Investment in Education

Invest \$10 million in education programs in Panama by 2025, through the Sus Buenos Vecinos Foundation.



Actions taken in 2023

- Investment of \$4.1 MM in educational programs including:
 - Start of operation of Centro ¡Supérate!
 - Granting of scholarships
 - Inauguration of new building at the Colegio Federico José Humbert School



VI. Environment

When considering environmental criteria, Banco General takes into account its impact on the environment, but also how climate change and other environmental challenges affect the business. We know that this double materiality is necessary to have an integral vision of impact.

Panama, a country with a particular geographical position, great biodiversity and forested areas, is facing several environmental crises related to waste management, water scarcity and deforestation. It also has a National Climate Action Plan and we know that we have to align ourselves with the context and plans of our country and we have done so.

That is why we have especially prioritized the issue of Climate Change, and in 2023, as part of our responsible banking plan, for the first time we entered into the process of contracting a climate consultancy to achieve three goals:

- 1. Formally incorporate climate risk into our risk process.**
- 2. Measure our financed carbon footprint and set portfolio decarbonization goals.**
- 3. Strengthen our climate governance.**

At the end of 2023, after a bidding process and review of proposals, a consultant was chosen and in 2024 we began the process, the results of which we will report in the next document of this sort.



Climate change: How do we reduce our carbon footprint

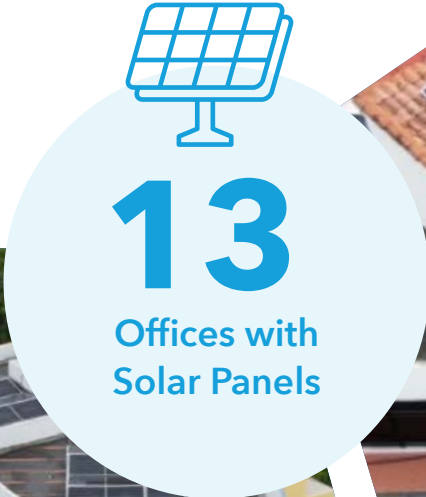
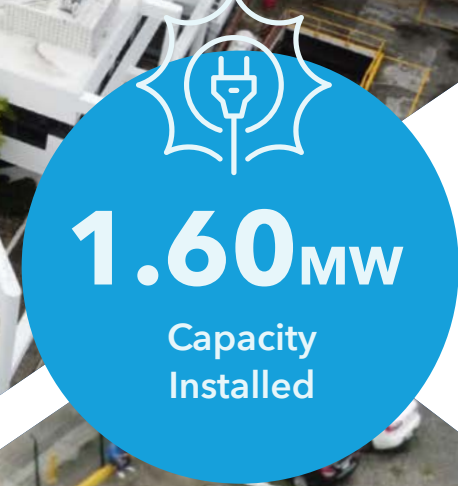
As mentioned, we have set concrete goals to reduce our own operation's carbon footprint (Scope 1 and 2) by 33% by 2025 (baseline year 2021) and to be carbon neutral through offsetting by 2025. However, we have been making these efforts since 2020 and are already seeing a reduction in our carbon footprint.

Our footprint measurement and reduction efforts are calculated using the methodology provided by the Panamanian Ministry of the Environment in its Reduce your Corporate Footprint program, promoted by the Climate Change Directorate ([see Calculation Tool](#)).

We developed the goal in line with Panama's National Climate Action Plan and Panama's National Greenhouse Gas Reduction Determined Contribution, which prioritizes the energy sector and commits the country to reduce up to 10 million tons of CO₂ from 2022 to 2030. Therefore, we have committed to focus on our energy consumption and transition to renewable energy. In 2023 we received the INVENTORY+ and REDUCTION+ awards from the Ministry of Environment for participating in this program by calculating our 2021 Carbon Footprint and making efforts to reduce it, using a verification agency approved by Mi Ambiente.

What are we doing and what have we achieved?

In 2023 we installed solar panels in 9 new branches, for a total of 13 offices that are already operating with photovoltaic energy. With them we are generating 1,922.9 MWh of renewable energy annually, which is equivalent to reducing emissions by 198.06 tons of CO₂ annually.



In 2024 we plan to install panels in 17 new branches, which will be equivalent to a total of 1,200 KW additional to our installed capacity; therefore, upon completion of these projects, we will have a total of 2.80 MW of photovoltaic energy installed.

Additionally, in 2023, we continued to replace fluorescent lamps with LED lamps and to change air conditioning units to the most efficient ones on the market. Also, by the end of 2023 we purchased 7 electric cars, which will represent a decrease in our CO2 emissions by 17.65 tons per year.

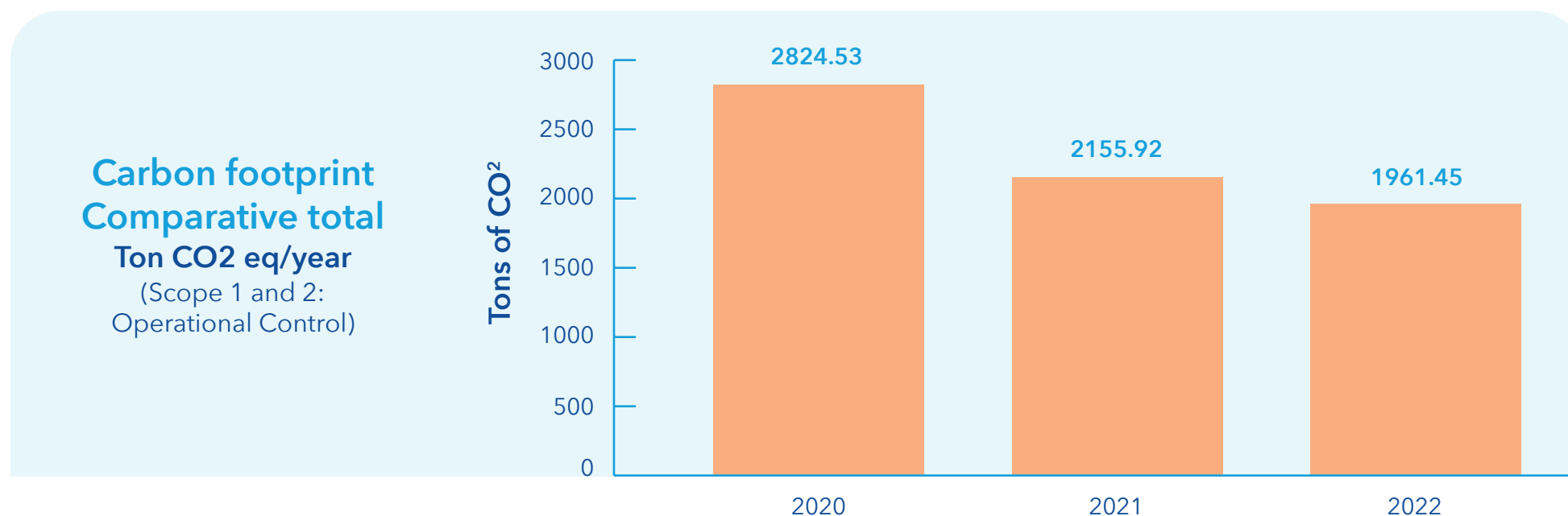
In September 2023 we installed a solar water heating system with a capacity of 1,000 liters, to support the kitchen work at the Operations Center (dishwashing, cleaning, food washing, etc.). This system preheats the water before circulating it through the gas heater, reducing the use of LP gas. Under this system, we expect to reduce approximately 3.4 tons of CO2 per year.

As we can see in the following table, since 2020 we have had a significant decrease in our emissions even though the number of employees has increased, so we are not only reducing our emissions but also becoming more efficient.

In this report, we are reporting the 2022 Carbon Footprint, as we prefer to wait for the publication of the country's 2023 conversion factor, provided by the Ministry of Environment each year; however, we know that we have increased our photovoltaic power generation capacity and that the trend we have been seeing since 2022 will continue. We will report the footprint on our website when the conversion factor is provided.

Source of GHG emissions	2020	2021	2022
Electric Energy *	2,005.53	1,357.62	1,329.92
Stationary Sources Generator fuel and lubricants, LPG, fire extinguishers, etc.	35.29	39.18	87.78
Mobile Sources Fleet fuel, lubricants and fire extinguishers	198.13	297.56	282.77
Fugitive Sources HFC refrigerant gases	533.98	448.87	248.29
Sources in Process Fertilizers	51.88	12.69	12.69
TOTAL CARBON FOOTPRINT	2,824.53	2,155.92	1,961.45
Number of employees*	4,235	4,224	4,410
Ton CO2 eq x employee	0.66	0.51	0.44

Emission factor used in 2020: 0.152 kgCO2 eq/kWh
 Emission factor used in 2021: 0.103 kgCO2 eq/kWh
 Emission factor used in 2022: 0.103 kgCO2 eq/kWh
 *Excludes ProFuturo and Banco General Costa Rica.



Green financing

Renewable energy

In 2023 we continued to grow our corporate loan portfolio for the installation of photovoltaic energy. As mentioned, our goal is to finance at least \$105 million by 2025 in this portfolio.

To drive the energy transition among corporate clients, we have opened the conversation on the topic with companies from different industries, and even held an event together with an international expert from the consulting firm McKinsey in August, where we invited more than 270 clients to raise awareness of climate change and its impact.

Solar panel portfolio at the end of December 2023

47 Projects

\$19MM

Amount Financed*

* 16.3 million disbursed; 2.7 million in the pipeline as of December 31, 2023.

Electric cars

Panama has a National Electric Mobility Strategy and, to support it, since 2022 we have offered car loans at differentiated rates to consumers. The hybrid and electric car market is still small in Panama, but by 2023 it already represents 2.68% of car sales in the country. The government continues to develop regulations and incentives to promote it. **During 2023 Banco General disbursed a total of \$2,190,855 for hybrid or electric car loans.**





Circular economy and other responsible practices

Water Consumption

In 2023, 13,025,108.79 gallons of water were consumed at the Operations Center, which, compared to 2022, corresponds to a 9% increase. At the same time, we achieved a reuse of 859,613.79 gallons of water, which concerns air conditioning condensate water and purge water from the building's air conditioning processes with a mixture of rainwater.

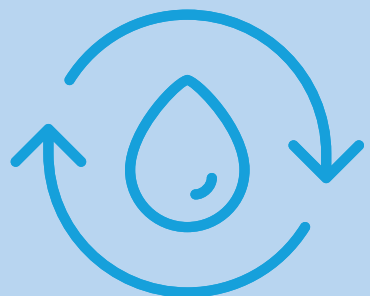
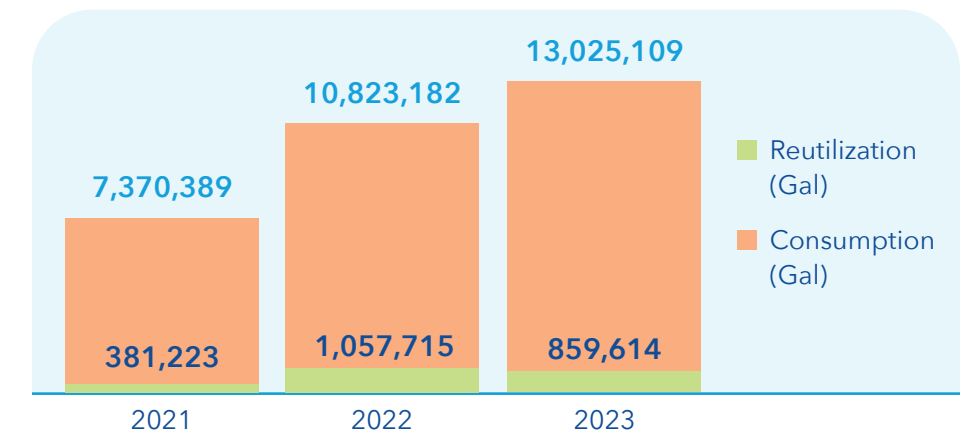
Unlike 2022, in 2023 we consumed more water and reused less rainwater due to the multiple consequences of the El Niño phenomenon, which generated irregular rainfall, drought and a prolonged summer.

During 2023 we installed a 40,000-gallon flexible tank (double the capacity of the existing one), which will allow us to use a greater percentage of the rainwater that previously could not be reused and that drained directly into the street.

Starting in 2022, we enrolled in the new Reduce Your Corporate Water Footprint program, and in September 2023 we obtained the "Quantification" seal of approval from the program in recognition of our quantified water consumption.

With these strategies, we remain aligned with the Panama Water Resources Management Plan 2022-2026 of the Ministry of the Environment.

Water consumption and reuse: Banco General Operating Center



Reduction, reuse and recycling

In 2023, we continued our internal recycling program in which we recycle mostly paper and plastic.

In turn, our program with Bottles of Love, in which we collect flexible plastic waste to be transformed into RPL (Recycled Plastic Lumber) continued to grow and in 2023 we managed to collect 4,668 pounds of material, which translates into 11 containers of plastic-filled bottles.

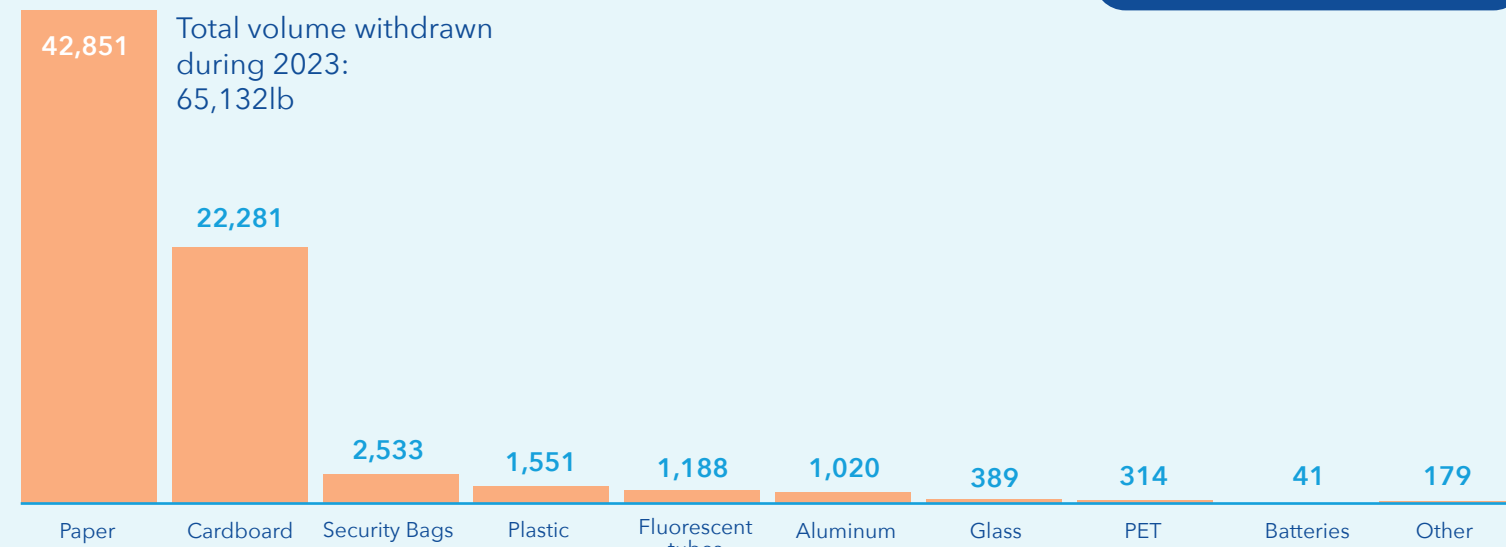
Waste management

During the second half of 2023, we conducted a waste management diagnostic of the Operating Center to understand the main composition of waste generated in the building and potential actions to be taken to mitigate its impact. The results of the research will be available to the bank in 2024.



Total Products Withdrawn 2023

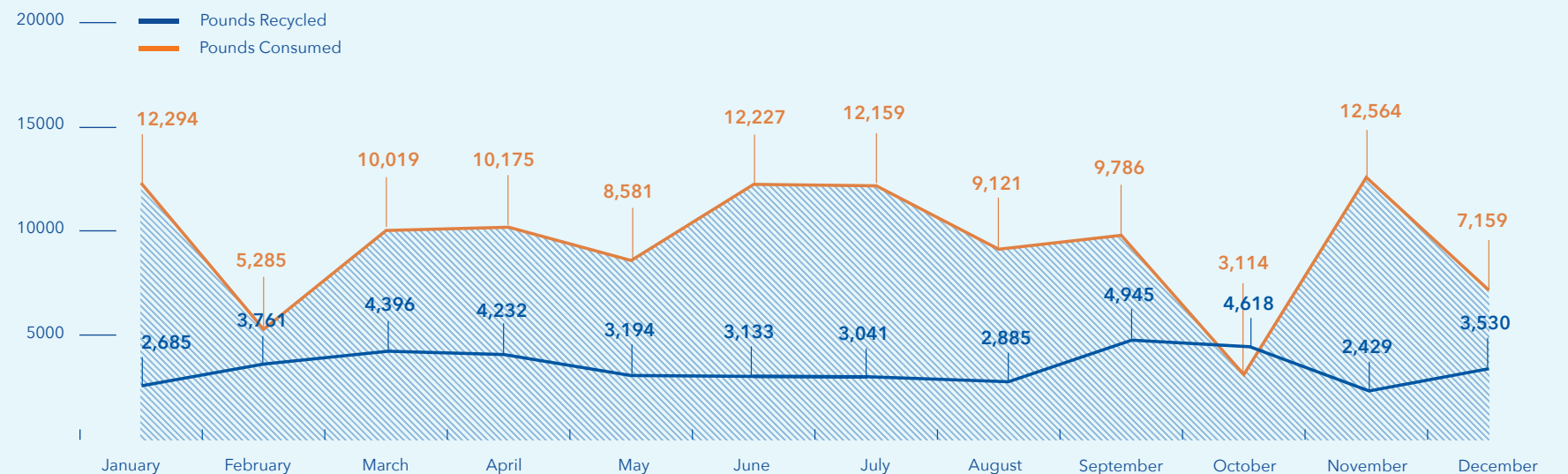
Total Volume Withdrawn Paper and Cardboard 2023
72,348lb



Recycling Report Banco General Operating Center and Buildings Paper Recycling 2023

Total pounds consumed 2023
112,484lb

Total pounds recycled 2023
42,851lb



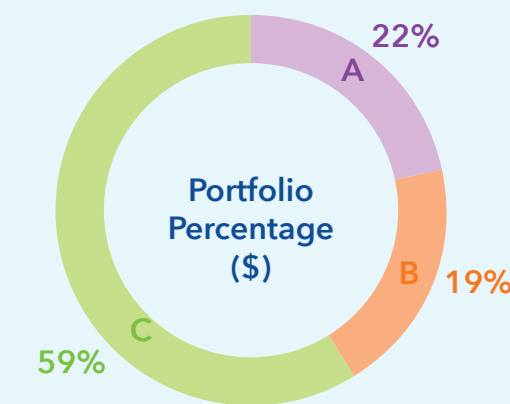
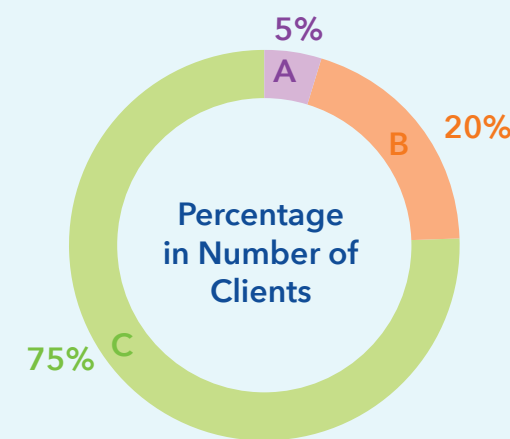
Environmental and Social Risk

Our Environmental and Social Management System (ESMS) consists of an analysis of the environmental and social risks of our credit process. When analyzing the granting of credit, we not only analyze the financial status of the company, but also the client's performance through the management of potential environmental and social risks inherent to its sphere of action. Clients are classified by risk profile, and high-risk industries are closely monitored.

To further strengthen the system, taking into account the problem of water scarcity in various communities in the country, in 2023 we conducted a study on the supply of drinking water in Panama Oeste, an area of high population growth where we finance numerous projects. We currently have an updated cartography, supported by a series of variables that are managed in the ArcGis Platform, which allows us to identify the risk of drinking water shortage in the areas where the residential projects that we finance are located, or where we finance mortgages for projects that are financed by other banks.

Environmental Risk Profile as of December 31, 2023

Category	Quantity	Amount (US\$MM)
A	358	\$2,077
B	1449	\$1,884
C	5517	\$5,622
Total	7324	\$9,583



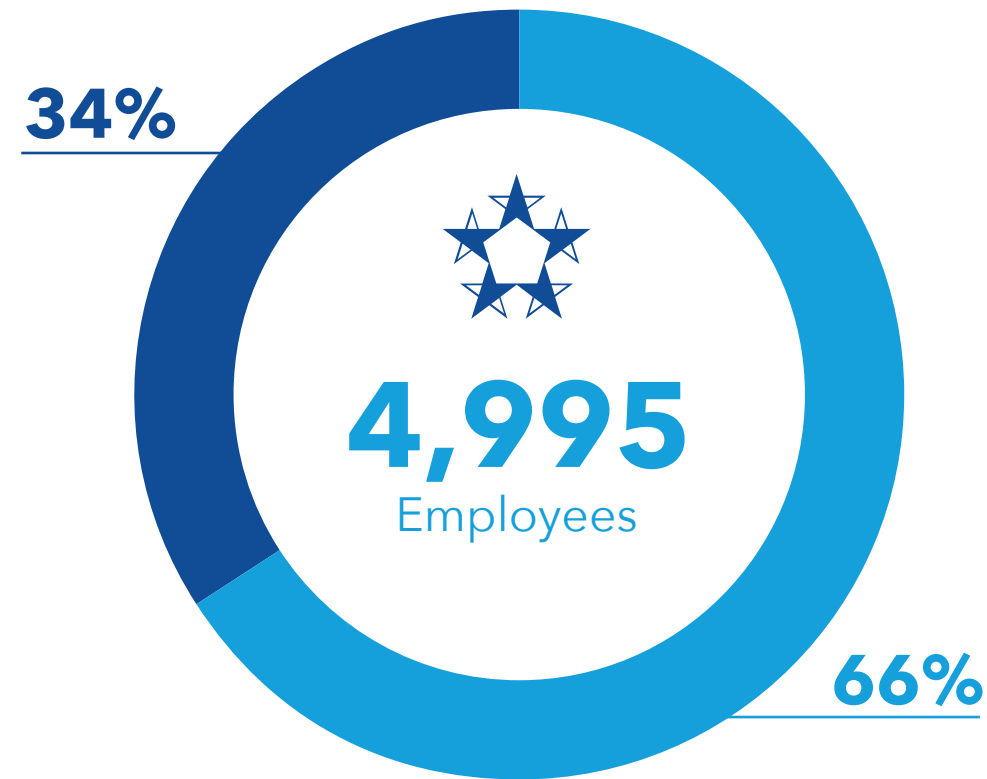
A: High Risk B: Medium Risk C: Low Risk

Sectors	Approved Amount (Thousands USD)	Percentage of loan amounts approved for the period	Number of loans approved for the period	Average amounts for this period (Thousands of US\$)	Service types or sub-sectors
Construction	(Panama) 1,293,538	29.5%	74	\$17,480	Development of residential and commercial projects, contractors.
	(Región) 87,000	2.0%	1	\$87,000	
Industry	(Panama) 324,151	7.4%	60	\$5,402	Food processing, paper industry, cement manufacturing.
	(Región) 745,600	17.0%	23	\$32,417	Refineries, plastic products manufacturing, water processing and bottling, food processing.
Energy	(Panama) 80,600	1.8%	3	\$26,867	Generation and distribution of electricity.
	(Región) (15,000)	0.3%	1	\$15,000	
Other	(Panama) 1,455,913	33.2%	231	\$6,303	Financial, real estate, wholesale and retail sales of various products, restaurants, hotels.
	(Region) 387,106	8.8%	24	\$16,129	
Total	4,388,908	100%	417	\$10,525	

VII. Social

Our People

We closed the year 2023 with a total of 4,995 employees, who make up the most important asset of our organization. As a large employer, we understand the responsibility we have to offer our workforce an equitable, healthy and challenging workplace, where each employee can develop as a professional and as a person in an integral way.



Employee Genre
■ Women ■ Men



Work environment, organizational health and equality

Listening to our Employees

Always seeking to maintain open and constant communication with our employees, since 2022 we have incorporated the “Conversemos” (“Let’s Talk”) program, in which the Executive Vice President of Human Capital and Corporate Services meets periodically with employees from different areas to listen to their concerns and ideas.

Additionally, in 2023, we implemented conversations with the Human Capital agile desks, with the participation of more than 40 area leaders and 200 employees from different departments. Participants had the opportunity to express their opinions and ideas without a defined agenda, to help the Human Capital department understand their concerns, suggestions and perceptions, and thus improve business management.

As a result of these sessions, the following actions were taken:

1. Transportation was reactivated for employees between the Operational Center and the Pedregal-Las Acacias Station of the Panama subway.
2. Employee recognition programs were promoted.
3. Opportunities for transfers to other positions were reactivated.
4. Training programs and team integration workshops were promoted.
5. Digital business cards with QR code were implemented for executives.



Work-life balance: hybrid model and satellite offices

In 2023, we maintained various hybrid work models in the organization and 1,672 employees have worked under this scheme.

Additionally, in October 2023 Banco General expanded the space of the satellite office in Panama Oeste (Market Plaza), benefiting a total of 339 people who will be able to have more quality personal and family time.

Indicator	2022	2023
Jobs in Panama Oeste*	170	332

*263 work on a permanent basis
76 work on a rotating basis

Performance Conversation

In 2023, we continue with our commitment to maintain a culture of trust, highlighting honesty and integrity through the performance conversation model, which aims to reinforce feedback spaces among our personnel. These conversations allow us to highlight the strengths and opportunities for improvement of our employees, within changing and challenging environments.

The content incorporates behaviors for each of the competencies observed: organizational ethics and values, commitment, communication and negotiation, adaptability/flexibility, work execution, solution management, service orientation, leadership, empowerment and delegation, team and resource management, and decision making.

In 2023, we incorporated competencies to highlight the roles associated with agile methodologies, highlighting among them: agile culture and mastery of the framework, creativity, and product design.

Indicator	2021	2022	2023	
Number of employees participating in the process	4,456	4,533	4,827	
Number of employees evaluated	4,394	4,443	4,784	
% of the population evaluated	98.61%	98.01%	99.11%	
Percentage of employees evaluated	Executive and management positions	9.87%	9.65%	10.20%
	Middle management	22.18%	23.52%	23.47%
	Specialist positions	14.74%	15.23%	15.28%
	Administrative positions	53.18%	51.58%	51.05%
	Male	32.81%	33.33%	33.61%
	Female	67.18%	66.67%	66.39%

*Undefined personnel of Banco General, S. A. and subsidiaries in Panama, Costa Rica and the region.





Wellness and health at work

Physical health: sports and preventive health

In 2023, sports activities were reactivated, and new initiatives were implemented to promote a balance between family, work and personal life, strengthen health and safety at work, and increase the connection and culture of internal community.

We developed collective sports leagues throughout the year, with the participation of more than 800 employees in all disciplines. For the first time, we organized an internal volleyball league, with the participation of 336 employees from different hierarchical levels.

We organized the first BG 5K and 10K race-walk with 1,200 participants, including employees and their families, runners, cheering support and volunteers, who enjoyed a physical wellness activity as part of the Banco General family.

We also offered free yoga, fit-combat, dance and running training classes for the staff of the Operational Center, Market Plaza, Boulevard El Dorado and Plaza Banco General.

For the third consecutive year, we carried out the preventive vaccination day for employees: in 2023, 41% of the personnel benefited from the program carried out in alliance with the Expanded Program of Immunization of the Ministry of Health, applying 3,702 doses of vaccines in the 71 locations visited for the prevention of diseases such as Influenza and Covid-19, among others.

A total of 5,004 medical attention visits were made to our medical office at the Operations Center, which, on average, represents the attention of 23 employees per day. This facility allows our employees to receive prompt attention to improve their health.

Mental health: emotional assistance program

During 2023, we continued to promote and care for employees' mental health through the psychological assistance program, with the aim of achieving self-management for their personal balance.

The psychological care program included 1,233 individual appointments for 349 employees, enabling the employee to self-manage the search for psychological support. In addition, 61 employees' family members were assisted.

Active breaks and relaxation activities were incorporated, with the purpose of generating spaces and/or activities to rest and thank the employee for his or her contribution to the organization's achievements.

Gender equity

In relation to the measures for reconciling family and professional life with co-responsibility, in 2023 we increased to six the inventory of breastfeeding rooms in the bank, established in the Operational Center, Costa del Este, Boulevard El Dorado, Plaza Banco General, Torre Banco General and Market Plaza.

In addition, Banco General, S.A. and subsidiaries maintain the Gold category of the SÍGénero program led by the UNDP.

Other benefits: Food Voucher

Other benefits: Food Voucher

In 2023, we continued with the Food Voucher benefit of \$120 per month. This benefit is granted to permanent personnel in administrative and specialist positions working in the Republic of Panama. Its main purpose is to contribute to the monthly basic family expenses. In 2023 the average number of employees benefited was 3,189 and the total investment was \$4,792,843.

Training and Development

During 2023, the Banco General Corporate University, through its various training programs, was an important pillar for the integral development of the workforce.

Focused on continuous learning, the Corporate University carried out a total of 178,487 hours of training that translate into individual development, and the strengthening and integration of work teams throughout the organization. Below is a detail of the 2023 training hours.

Indicator		2021	2022	2023
Total trained employees		4,740	4,865	5,281
Total man hours of training		122,558	136,202	178,487
Total of average hours of training per employee		26	27	33
For clarity of data, the total hours shown are round numbers.	Executive and management positions	33	37	48
	Middle Management	38	33	41
	Special and Administrative positions	20	24	28
	Male	31	33	35
	Female	23	24	32
Total investment in internal training		\$533,453	\$889,743	\$991,853
Total investment in external training		\$159,362	\$345,900	\$690,665
Total investment in training		\$692,814	\$1,235,642	\$1,682,518

*For clarity of data, the total hours shown are round numbers.



Among our achievements for 2023, we highlight the following:

Regulatory training

With a scope of more than 19,000 participations, regulatory training actions are focused on keeping employees updated on current regulations regarding ethics, money laundering, security, operational risk and cybersecurity.

Always Ready

Our reskilling and upskilling programs aim to prepare and reinforce the service teams that are closest to our clients.

Additionally, programs such as Data Analyst and Information Technology Training, seek to develop technical skills in order to prepare employees for their roles within the organization.

Agile Day

This massive event brought together more than 700 people in a hybrid way to connect with the history of agile methodology at Banco General. The Agile Day was characterized by sessions given by our leaders and colleagues, as well as an international guest recognized as one of the authors of the agile manifesto and initiator of the agile movement in software development.

Operational Risk and Cybersecurity Congress

Our 2023 congress was the perfect combination of papers focused on individual protection and understanding the collective impact of risk and cybersecurity at the organizational level.

Through this initiative, which reached more than 3,000 participants throughout the day, we reaffirmed our commitment to protecting our information, our clients' information and the bank's reputation.

Our 2023 figures reflect Banco General's commitment to personal and professional growth, as well as the significant impact that continuous learning brings to the organization.

Always Ready Program

Program	N° of Participants
Basic Program for Service Agents	80
Basic Service Assistant Program	28
Basic Program for Sales Executives	77
Basic Program for Business Executives - Branch Office	50
Basic Cashier Program	25
Basic Program for Data Analysts	12
Basic Program for IT Technical Training	16
Total	288



Labor Force Data

Indicator		2021	2022	2023
Total of Employees		4,521	4,685	4,995
Female		67%	66%	66%
Male		33%	34%	34%
Employee per Contract Type	Permanent	4,510	4,674	4,983
	Temporary	11	11	12
Employees per Region	Panama	4,366	4,539	4,843
	Female	67%	66%	66%
	Male	33%	34%	34%
	Costa Rica	132	126	134
	Female	64%	65%	62%
	Male	36%	35%	38%
	Representative Offices (Peru, Mexico, Guatemala, El Salvador and Colombia)	23	20	18
	Female	52%	55%	50%
	Male	48%	45%	50%
	Employees by Job Title	Management	109	117
Female		50%	53%	53%
Male		50%	47%	47%
Gerenciales		350	358	381
Female		74%	74%	72%
Male		26%	26%	28%
Middle Management		1,000	1,078	1,158
Female		61%	59%	58%
Male		39%	41%	42%
Specialists		663	693	751
Female		66%	65%	64%
Male		34%	35%	36%
Administrative		2,399	2,439	2,590
Female		69%	69%	70%
Male	31%	31%	30%	

Indicadores de Contratación y Rotación

Indicator		2021	2022	2023
Total number of hires		210	421	605
By Genre	Female	39%	54%	60%
	Male	61%	46%	40%
By Age	Age 18-35	180	385	577
	Age 36 +	30	36	28
By Region	Panama	165	399	576
	Costa Rica	45	21	28
	Region	0	1	1

*Indefinite-term employees of Banco General, S. A. and subsidiaries in Panama, Costa Rica and the Region. Employer substitutions and transfers are not considered.

Indicator		2021	2022	2023
Total Turnover Index		5.63%	5.62%	6.06%
By Genre	Female	5.09%	4.77%	5.27%
	Male	6.74%	7.30%	7.60%
By Age	Age 18-35	6.25%	8.59%	8.75%
	Age 36 +	5.06%	3.21%	3.65%
By Region	Panama	4.52%	5.10%	5.79%
	Costa Rica	43.26%	22.05%	14.87%
	Region	0.00%	18.18%	15.93%

Remuneration and Gender Equity

Ensuring timely payment to our employees in these times continues to be a major commitment for us.

Indicator		2021	2022	2023
Minimum wage ratio in Panama*.	Minimum salary paid at Banco General and subsidiaries**	\$ 655	\$ 670	\$ 670
	Minimum wage paid in Panama***.	\$ 652	\$ 666	\$ 666
% paid above the legal minimum wage		0.5%	0.6%	0.6%
Ratio of average salary between genders	Average monthly salary for men - Executive and managerial positions	\$ 7,339	\$ 7,250	\$ 7,108
	Female average monthly salary - Executive and managerial positions	\$ 5,309	\$ 5,358	\$ 5,451
Monthly variation		38.25%	35.30%	30.39%
Ratio of average salary between genders	Average monthly salary for men - Middle management and specialist positions	\$ 2,158	\$ 2,202	\$ 2,226
	Average female monthly salary - Middle management and specialist positions	\$ 1,996	\$ 2,034	\$ 2,053
Monthly variation		8.12%	8.24%	8.39%
Ratio of average salary between genders	Average monthly salary for men - administrative positions	\$ 1,025	\$ 1,024	\$ 1,030
	Female average monthly salary - administrative positions	\$ 962	\$ 967	\$ 964
Monthly variation		6.54%	5.91%	6.84%

*We consider Panama as the only significant location since 97% of our workforce is located here.

**Panama's minimum wage is calculated on an hourly rate; the monthly amount paid assumes a 46-hour workday.

Financial Inclusion

Financial inclusion is one of the pillars of Banco General's Responsible Banking strategy. In recent years, Panama has made important leaps in terms of financial inclusion thanks to digitalization, but there are still many opportunities. Although Panama does not yet have a published Financial Inclusion Strategy, we have been guided by information from international bodies such as the World Bank to understand where we want to go.

In 2023, Banco General added 289,308 new customers: 171,081 (59%) totally new customers, 23,924 (8%) existing customers, 94,303 (33%) reactivated customers and 5,225 new legal entities, to end the year with a total of 1,726,509 customers (1,672,779 natural and 53,730 legal).

There was significant growth in deposits and loans thanks to our digital products. In 2023, we opened 555,614 Christmas, Mi Meta (My Goal), Affidavit, and Youth accounts, as well as Regular savings accounts digitally. At the same time, we launched for the first time the offer of digital loans, through our app. As of December 31, we had disbursed a total amount of \$50,686,600 in digital loans to various types of customers. For a significant number of customers, this was their first savings account or their first access to credit through the financial system.

***Types of recruitment:**

New customer: New customer to the bank

Existing customer: Customer who is an additional cardholder or authorized signature of a savings or checking account.

Reactivated customer: A person who at some point was a customer of the bank, but defected and came back again.

** Mass segments refers to customers with a monthly income of less than \$1,000.

That is why we have set as one of our objectives "to include more people in the financial system through innovative products and services that are accessible to all". For 2023, we wanted to make this goal more concrete and measurable. Therefore, we have defined a financial inclusion objective to support this effort: To provide greater access to credit for low-income people by increasing by 3% the penetration of clients with one or more credit products, such as Mortgage Loans, Personal Loans, Auto Loans and/or Digital Loans, in our mass segments* by 2026.

Financial Education

We understand that an important part of inclusion is educating customers about the responsible use of financial products and services. Therefore, we set the goal of growing and strengthening our financial education program by reaching more people: specifically, to impact 10,000 people between 2023 and 2025 through financial education training for various segments.

Financial Education Vecinos en Acción (Neighbors in Action) 2023		
Format	Topics	Participants
Face-to-face lectures (111 lectures)	Savings, Credit and the Importance of Budgeting	2,439 young people, Adult professionals and employees
U Digital (70 webinars)		900+ people from the general public

The year 2023 also saw the redesign of our digital platform Educación Financiera (Financial Education), where we publish articles of interest focused on financial topics. Through the bank's social networks, we disseminate interesting and valuable educational content. Thanks to an alliance with Bolsillo y Sencillo (Pockets and Change), a social media platform driven by two young people that seeks to educate about finances, we were able to disseminate messages about personal finance and entrepreneurship through their social networks.

We continued to support our customers in our Digital Zone, a physical space designed to provide personalized and quick attention to our services. These spaces are located in the branches of Transístmica, Casa Matriz, Penonomé, San Mateo, Costa del Este and Villa Zaita.





Yappy: driving financial inclusion

2023 was a year of great growth for Yappy. At the end of the year, 1,400,272 Banco General customers were registered in Yappy, representing 83% of the institution's total customers. Transactional activity continues to grow exponentially, both in payments between individuals and payments to merchants. During 2023 the monthly average was 30.2 million transactions, setting a new record in the month of December with 38 million transactions made through the Yappy ecosystem.

Yappy Commercial continues with the mission of being an accepted payment method everywhere in the country with more than 23 thousand merchants that can charge using the different payment methods, Yappy Directory, Payment Button and QR codes. More than 14 million transactions were made in 2023 at these merchants.

The most important achievement of 2023 was the launch of the new Yappy app, an independent application that seeks to strengthen the digital payments ecosystem in Panama. The app was launched in September, and in October the first bank, Credicorp Bank, joined the app. More than 41,500 customers already use the Yappy app to make their payments with Yappy.

Relationship with Customers and Suppliers

Customer Relationship

We understand the responsibility we have with our more than 1.7 million customers and we are constantly working to offer them an excellent, friendly and agile service to meet their expectations.

To measure our efforts, during 2023 we conducted 13 comprehensive studies to evaluate our customers' perception and satisfaction with the products and services we offer. With these studies, we were able to identify areas for improvement, to strengthen our customers' expectations and preferences, and to provide valuable information for strategic decision making.

These studies have been essential tools for us to adapt and continuously improve to meet the changing expectations and needs of our customers.

Indicator	1st Semester 2023	2nd Semester 2023
General experience at Banco General	4.6	4.5

*General Experience Indicator from the survey conducted by UNIMER. The calculation range is from 1 to 5, with 1 being very bad and 5 being excellent.

Handling of requests and complaints

In 2023, we received 613,970 cases categorized as requests and claims, representing an increase of 27% over the previous year. Thirty-three percent of these cases are concentrated in requests for Star Redemption - Credit to Cards, a loyalty program that allows our customers to take advantage of incentives and benefits designed to strengthen their loyalty.

Complaints and requests were processed in an average time of 2 working days; in addition, 98% of service cases were resolved within the service agreements agreed with the client, 1% more than in the previous year.

Cases submitted to regulatory entities

Of the total number of customer complaints and requests received in 2023, 82 complaints were filed with the Superintendency of Banks and 61 with ACODECO (Consumer Protection Agency).

Fines were paid to ACODECO for a total of \$30,950 corresponding to 18 complaints (including complaints filed in previous years).

Relationship with suppliers

Banco General has more than 2,900 active suppliers, large, medium and small companies that provide important services to the bank and with whom we have the responsibility to cultivate relationships based on ethics, fairness and equitable treatment.

In 2023, the "Conozca a su Proveedor" ("Know your supplier") policy model continued to be used digitally, in line with the considerable savings in the use of paper, digital files and better organization of information. During the year, the due diligence process was carried out on 873 new suppliers, who were hired by the bank. We currently have a total base of 2,919 active suppliers at the end of 2023.

In 2023 we also began the process of updating supplier data, managing a total of 1,754 suppliers.

Indicator	2022	2023
Number of active suppliers	3,191	2,919
Number of suppliers that received payments	1,472	1,696
Average payment period*	15 días	15 días
Total disbursed to local suppliers: (headquarters: Panama)	\$270,215,049	\$316,933,460
Percentage paid to local suppliers: (headquarters: Panama)	94.44%	94.48%
Total disbursed to foreign suppliers	\$15,919,501	\$18,504,168.78
Percentage paid to foreign suppliers	5.56%	5.52%
Total disbursed in payment to suppliers	\$286,134,551	\$335,437,628.83

*After the invoice has been presented.



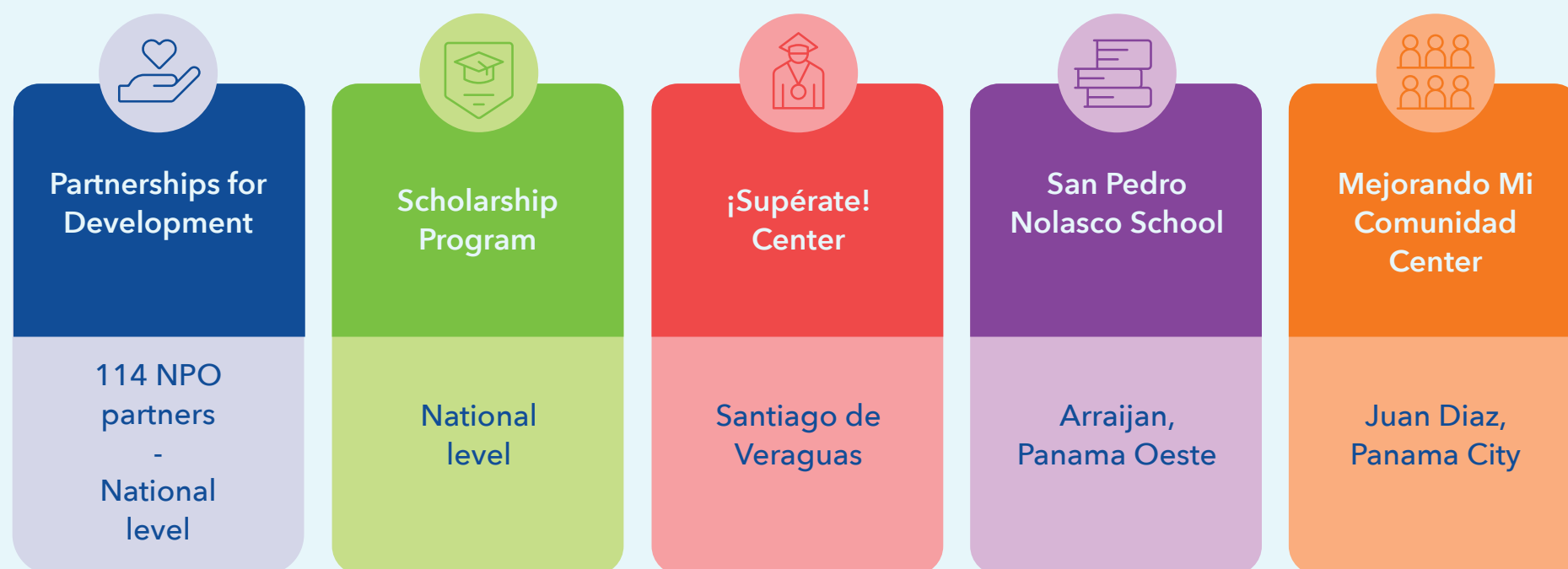
Sus Buenos Vecinos Foundation

Banco General channels all of its investment in the social development of the communities in which it operates through the Sus Buenos Vecinos Foundation (FSBV), a non-profit organization founded in 1996.

Aligned with Banco General's Responsible Banking Strategic Plan, the Sus Buenos Vecinos Foundation works with a multidimensional approach, in its own programs and through other non-profit organizations, and its work is mainly focused on the first four sustainable development goals: (i) end poverty, (ii) zero hunger, (iii) health and wellbeing, and (iv) quality education.

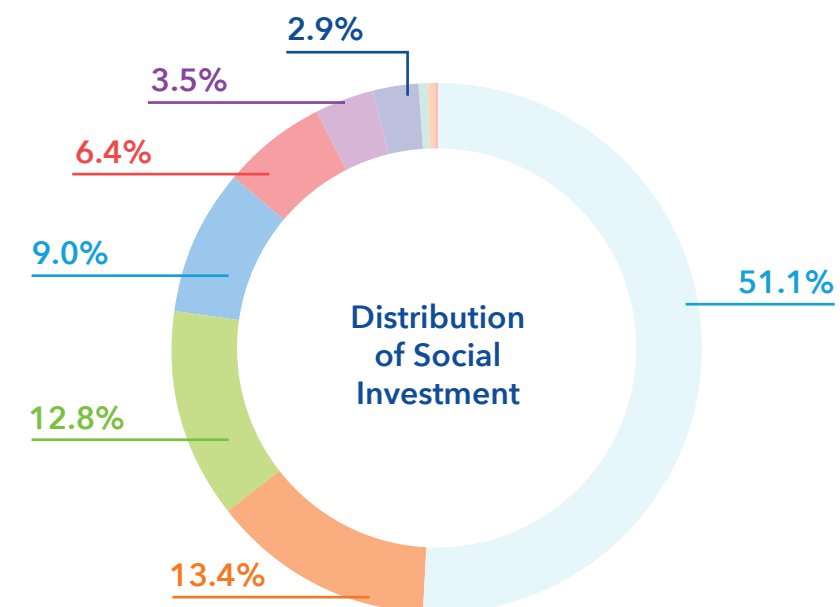
2023 was a year of accomplishments for Sus Buenos Vecinos Foundation in terms of strengthening its governance. An independent director joined the Foundation for the first time, contributing to the diversity and effectiveness of the board. In addition, the Foundation was one of the first nonprofit organizations to be certified with the CAPADESO Seal in Panama for its performance in governance, operational management, and transparency and accountability. The Panamanian Chamber of Social Development (CAPADESO) is a network of nonprofit organizations (NPOs) that promote social development in Panama and, to obtain certification, participating organizations completed a self-diagnostic tool that was then reviewed by an independent consultant.

The Foundation works with 5 models of intervention in the community:



Below, we detail how our social investment was distributed:

Service Area	Investment (\$)
Education	4,100,189.22
Nutrition	1,076,138.20
Health	1,024,348.13
Foster homes	720,374.58
Inclusion	511,836.96
Senior citizens	281,992.11
Housing	232,543.55
Social work	36,401.37
Strengthening of NPOs	31,500.00
Calamities	2,975.61
Total	8,018,299.73



Who Do We Support?

FUNDACIÓN PROBIDSIDA
 IGLESIA CATÓLICA ARQUIDIÓCESIS DE PANAMÁ
 FUNDACIÓN PROED ALEXANDER PSYCHOYOS
 FUNDACIÓN OPERACIÓN SONRISA DE PANAMÁ FUNDACIÓN NUEVA VIDA
 FUNDACIÓN EDUCATIVA SAN PEDRO NOLASCO FUNDACIÓN LATIDOS
 CONGREGACION MISIONERAS DE LA CARIDAD ASOCIACIÓN LUZ Y VIDA
 BANCO DE ALIMENTOS DE COSTA RICA (ABACOR) FUNDACIÓN SOY CAPAZ
 ASOCIACIÓN PRO NUTRICION INFANTIL CHIRIQUI FUNDACIÓN UN TECHO PARA MI PAÍS
 AMIGAS DE MALAMBO ASOCIACIÓN COMUNIDAD DE PADRES CARMELITAS ASOCIACIÓN PANAMEÑA DE DEBATE
 VOCES VITALES DE PANAMÁ FUNDACIÓN OBSEQUIO DE VIDA J. THOMAS FORD FUNDACIÓN ÁNGEL LUIS APARICIO
 PATRONATO CIUDAD DEL NIÑO FUNDACIÓN BANCO DE ALIMENTOS PANAMÁ (BAP) FUNDACIÓN MÓNICA LICONA
 SOCIEDAD DE ESPOSAS DE BANQUEROS DE PANAMÁ FUNDACIÓN CARMEN CONTE LOMBARDO
 FUNDACIÓN CALICANTO FUNDACIÓN POR LA EXCELENCIA EN EL APRENDIZAJE ASOCIACIÓN RELIGIOSOS MERCEDARIOS
 FUNDACIÓN DANILO PÉREZ CASA ESPERANZA PRO RESCATE DEL NIÑO EN LA CALLE FUNDACIÓN TRANSICIÓN A LA VIDA
 FUNDACIÓN PAN DE LOS POBRES ASOCIACIÓN DE ALDEAS INFANTILES SOS DE PANAMÁ ASOCIACIÓN DE DAMAS GUADALUPANAS
 FUNDACIÓN LUCES PANAMÁ PATRONATO HOGAR LEONÍSTICO PARA ANCIANOS DE AZUERO ASOCIACIÓN HOGARES CREA DE PANAMÁ
 HOGAR SAN JOSÉ CABUYA PACORA FUNDACIÓN PARROQUIA DE SAN JOSÉ EL VALLE DE ANTÓN FUNDACIÓN VOLUNTARIOS DE PANAMÁ
 FUNDACIÓN VALORATE FUNDACIÓN SINFONÍA CONCERTANTE DE PANAMÁ (FUNSICOPA) MAREA VERDE
 CLUB ROTARIO DE PANAMÁ ASOCIACIÓN PANAMEÑA PARA EL PLANEAMIENTO DE LA FAMILIA PATRONATO DEL MUSEO DEL CANAL
 FUNDACIÓN PRO INTEGRACIÓN ASOCIACIÓN DE AMIGOS DEL HOSPITAL DR. CECILIO CASTILLERO ASOCIACIÓN PRO ARTESANA PANAMEÑA
 INSTITUTO TÉCNICO DON BOSCO CONGREGACION DE LAS HERMANAS FRANCISCANAS ELISABETINAS DIÓCESIS DE SANTIAGO DE VERAGUAS
 JUNTOS PODEMOS FUNDACIÓN PARA EL NEURODESARROLLO INTEGRAL DEL NIÑO Y EL ADOLESCENTE CONGREGACION SIERVAS DE MARIA
 FUNDACIÓN PIDE UN DESEO ASOCIACIÓN DE AMIGOS Y VOLUNTARIAS DEL INSTITUTO ONCOLÓGICO NACIONAL FUNDACIÓN GRAMO DANCE
 CONGREGACION DE HERMANAS DE LA CARIDAD DOMINICAS DE LA PRESENTACION DE LA SANTÍSIMA VIRGEN
 FUNDACIÓN DONA VIDA ASOCIACIÓN CULTURAL DE LAS RELIGIOSAS TERCARIAS CAPUCHINAS DE LA SAGRADA FAMILIA TECHO (COSTA RICA)
 FUNDACIÓN SAN JUAN BOSCO FUNDACIÓN DONANTES AFILIADOS Y ADMINISTRADORES DEL DIEZMO DE DIOS CRUZ BLANCA PANAMEÑA
 ASOCIACIÓN NACIONAL CONTRA EL CÁNCER ASOCIACIÓN HERMANAS DE LA MISERICORDIA FUNDACIÓN PSORIASIS DE PANAMÁ
 ABOU SAAD TEMPLE A AONMS ASOCIACIÓN PANAMEÑA DE AYUDA AL NIÑO QUEMADO (APANIQUEM) FUNDACIÓN CASITA DE MAUSI
 FUNDACIÓN FÚTBOL CON CORAZÓN ASOCIACIÓN CLUB DE LEONES DE SAN SEBASTIÁN (COSTA RICA) CLUB KIWANIS DE PANAMÁ
 FUNDACIÓN HOGAR DE NIÑAS DE LA CAPITAL CONSEJO DEL SECTOR PRIVADO PARA LA ASISTENCIA EDUCATIVA FUNDACIÓN ESPACIO CREATIVO
 FUNDACIÓN AID FOR AIDS PANAMÁ COMPAÑÍA DE LAS HIJAS DE LA CARIDAD SAN VICENTE DE PAUL FUNDACIÓN ESPACIO CREATIVO
 FUNDACIÓN BIBLIOTECA DE BOQUETE CONGREGACION HERMANAS MERCEDARIAS DE LA CARIDAD ASOCIACIÓN DE RELIGIOSOS DE SAN AGUSTÍN
 FUNDACANCER FUNDACIÓN COMEDOR INFANTIL SENDEROS ASOCIACIÓN DE RELIGIOSOS DE SAN AGUSTÍN FUNDACIÓN HOGAR BETHANIA
 FUNDACIÓN OFRECE UN HOGAR HOGAR JUANA MARÍA CONDESA PARA LA JOVEN PANAMEÑA JAGUAR EDUCATIONAL FUND
 ASOCIACIÓN ENSEÑA POR PANAMÁ ASOCIACIÓN HERMANAS OBLATAS DEL CORAZÓN DE JESÚS
 ASOCIACIÓN EL BUEN SAMARITANO ASOCIACIÓN PRO NUTRICIÓN INFANTIL - NUTRE HOGAR
 FUNDACIÓN CIUDAD DEL SABER CUERPO DE VOLUNTARIAS GENERAL CSS DE PANAMÁ COMITÉ DE AYUDA SOCIAL
 CLUB DE LEONES DE DAVID MOVIMIENTO SOCIAL Y CULTURAL NUEVA GENERACIÓN FUNDACIÓN OÍR ES VIVIR
 ASOCIACIÓN PRO NIÑEZ PANAMEÑA CUERPO DE VOLUNTARIAS DEL HOSPITAL DEL NIÑO
 FUNDACIÓN EDUCATIVA JUAN PABLO II FUNDACIÓN INFANTIL RONALD MC DONALD PANAMÁ
 PATRONATO CASA HOGAR SELMA Y HERBERT TRISKER
 FUNDACIÓN NUESTRA SEÑORA DEL CAMINO ASOCIACIÓN PRO NUTRICIÓN INFANTIL VERAGUAS
 OLIMPIADAS ESPECIALES DE PANAMÁ INSTITUTO PANAMEÑO DE EDUCACIÓN POR RADIO
 UNION NACIONAL DE CIEGOS DE PANAMÁ CAMARA PANAMEÑA DE DESARROLLO SOCIAL
 FUNDACIÓN SAN FELIPE ASOCIACIÓN HIJAS DE MARÍA AUXILIADORA
 HOGAR RAYOS DE LUZ



The Cuidarte program, implemented by United Way Panama, is a family and community care modality for hard-to-reach areas that supports mothers or caregivers in the comprehensive care of children from 0-3 years of age in the tasks of care and development.



Partnerships for development

During the year, the Foundation continued to support 114 non-profit organizations working in the areas of education, food, health, inclusion, senior citizens, foster homes and housing. However, investment in education continues to be the largest, as educational quality is one of the greatest social challenges facing Panama.



In 2023, we partnered with Marea Verde Foundation to contribute to the construction of "La Casade Wanda", an interactive environmental center that seeks to raise awareness among the population on how to mitigate solid waste pollution in Panama's rivers and coasts.



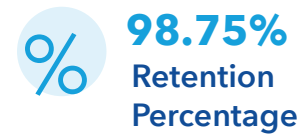
Scholarship Programs

Our largest scholarship program is the Sus Buenos Vecinos Scholarship to Excellence program, which provides scholarships to public school students with excellent academic performance to complete their entire high school education at a private school. In 2023, we continue to strengthen the program by providing scholarship recipients not only the opportunity to study at a private school but also English classes, leadership workshops and mentoring for graduates.


In 2023 we will also continue with the Mi Buen Vecino (My Good Neighbor) Scholarship program, aimed at the children of employees with good academic performance.



To further boost the potential of students in the Sus Buenos Vecinos Scholarship to Excellence program, **in 2020 we incorporated the University Scholarship to Excellence, offering scholarships to study abroad to graduates of this program.** As of December 31, 2023, we have six scholarship recipients, five studying at the Monterrey Institute of Technology and one studying at the Universidad de Los Andes.




Felix Rodriguez
Scholarship holder at Tecnológico de Monterrey



Ericel Barria
Scholarship holder at Tecnológico de Monterrey



Manuel Cordoba
Scholarship holder at Tecnológico de Monterrey



Jeshua Mafla
Scholarship holder at Tecnológico de Monterrey



Sofia Perez
Scholarship holder at Tecnológico de Monterrey



Guadalupe Guerrero
Scholarship holder at Los Andes University



¡Supérate! (Surpass Yourself) Center - Sus Buenos Vecinos Foundation

In 2023 classes started at the ¡Supérate! Center - Sus Buenos Vecinos Foundation located in Santiago de Veraguas. The ¡Supérate! Business Program offers selected students the opportunity to receive 3 years of training in English, computer skills, and values in addition to their high school studies in a public school, including the opportunity to receive international certifications, use of technology, and access to free meals.

The inaugural group of this Center was made up of 65 students who were awarded the ¡Supérate! scholarship. In addition, construction began on the Center's future facilities, which will be able to accommodate up to 3 levels of students at a time.

St. Peter Nolasco School/Federico José Humbert School

The San Pedro Nolasco Educational Foundation continues to provide quality education and services to the community of La Alameda in Burunga, Arraiján through the San Pedro Nolasco School and the Federico Humbert School. The foundation, formed by an alliance between Federico Humbert Foundation, Religiosos Mercedarios Association, Pro Niñez Panameña Association and Sus Buenos Vecinos Foundation, manages and administers these schools to offer early stimulation and education services from preschool through ninth grade to children and adolescents in the community. In 2023 we have a total population of 731 students benefiting from this innovative model.



As planned in the master plan, this year we inaugurated the new Federico José Humbert School building, which has spacious classrooms to directly impact the quality of learning of our students.

This year, the school proudly celebrated its second ninth grade graduation with 27 students completing their pre mid level education, fulfilling all the requirements of the Ministry of Education and with a strong formation in ethical and moral values. All graduates will continue their high school studies in public or private schools. Students who continue their studies in private schools do so with the support of scholarships managed through the John Paul II Educational Foundation.

In addition, we continue with the support of Banco General's "Vecinos en Acción" volunteer program, who lead the school's extracurricular activities program. This complementary training includes folklore classes, the Coding Hour, theater classes, music and workshops for parents and teachers in order to have a comprehensive impact on our educational community.



Mejorando Mi Comunidad (Improving My Community) Center

Banco General and Sus Buenos Vecinos Foundation contribute to the human development of the neighboring communities of its Operational Center through the Mejorando Mi Comunidad initiative, which benefits people from communities such as Ciudad Radial and Concepción in Juan Díaz. This project is carried out with the support of four well-known non-profit organizations: Casa Esperanza, Pro Niñez Panameña Association, Calicanto Foundation, and Fútbol Con Corazón (Football with Heart) Foundation, which in turn involve multiple community stakeholders.

During 2023, the 4 social interventions of Mejorando Mi Comunidad reached 477 direct beneficiaries in the target communities:

Early Stimulation Service implemented by Pro Niñez Panameña Association: 113 children from 0 to 4 years old received early stimulation with their significant adult.

Program for Recruitment for Work (CAPTA) implemented by the Calicanto Foundation: 83 adults (63 women and 20 men) were trained and have access to follow-up program.

Community Empowerment Program implemented by Casa Esperanza: 138 children and their families received guidance and comprehensive follow-up on nutrition, health, education and personal development.

Community Empowerment Project implemented by Fútbol con Corazón (Football With Heart): 143 children and adolescents and their families were educated in life skills through soccer.

Additionally, the Mejorando Mi Comunidad Center expanded its physical facilities and coverage by adding its second room for early stimulation, and a training room for the use of all partners, through which 54 group sessions were provided to complement the 4 interventions of the program during the year.

Looking to the future...

In 2024, the Sus Buenos Vecinos Foundation will implement its first Annual Operating Plan, which has as its main objective to continue with the goal of strengthening the investment in education made through partner nonprofit organizations and the programs managed and executed directly by the FSBV. Among these objectives, the most important will be the completion of the construction and inauguration of the ¡Supérate! Center in Santiago de Veraguas, a work with an investment of \$2,110,296 that, once completed, will have an impact on the lives of more than 150 young Veraguans annually.



Corporate volunteer program: "Vecinos en Acción" (VEA) - (Neighbors in Action)

As a complement to Sus Buenos Vecinos Foundation's social investment in the community, our corporate volunteer program "Vecinos en Acción" (VEA), founded in 2001, continues its social work for the benefit of the community through non-profit organizations.

The program focuses on 6 main pillars of work:

1. Environment, pet care and sustainability
2. Inclusion
3. Education and culture
4. Support for vulnerable populations
5. Health and emotional well-being
6. Strengthening nonprofit organizations

By the end of 2023, more than 3,800 employees, family members and retired former employees are enrolled in the program. Of these, 2,292 participated in one or more volunteer activities during 2023.

(Vecinos en Acción Colombia / Bicycleschool)



Vecinos en Acción Active (VEA) Volunteers				
Country	VEA Employees	VEA Youth	VEA Family	VEA Retirees
Panama	2,018	60	106	15
Costa Rica	55	15		
Colombia	2	6		
Guatemala	6	9		
Total	2,082	89	106	15
Total VEA Volunteers	2,292			

*Total volunteers who participated in one or more activities in 2023.

Main achievements in 2023

Corporate volunteering is an important tool for social transformation through which the talent, time and skills of the employees can have a positive impact on the community. These benefits are obtained through social commitment, constant updating and the establishment of new objectives. In 2023 we will reach these achievements:

Crossing borders:

Neighbors in Action expanded to our representative offices and now has volunteers in Colombia and Guatemala.

We strengthened program management with a Volunteer Guide:

This document provides relevant information on volunteer programs such as: volunteer management policy, recruitment process, orientation, volunteer offerings, supervision, evaluation and volunteer recognition.

We launched a new "Vecinos en Acción" website:

A web page dedicated to the work of "Vecinos en Acción" (Neighbors in Action) was published on the Bank's internal network, making it easier to communicate activities and register volunteers for the various monthly activities that take place.

We implemented a virtual attendance register:

Starting in 2023, "Vecinos en Acción" volunteers can register their attendance at activities via a QR code, using their cell phones. Thanks to this new measure, we streamline the registration process, reduce paper consumption and digitize the registration automatically to generate a more efficient process.

We incorporated volunteering in the Mónica Licona Foundation Bicycleschool:

Within the education and culture pillar, we incorporated support for road safety education. On Sundays, our volunteers contribute their time and knowledge to teach children, adolescents and adults how to ride a bicycle on the Cinta Costera.

Promoting savings: Futurín Tour

Since 2010, our subsidiary ProFuturo has been taking the "Futurín Tour" to schools, where the message of the importance of saving, as well as caring for the planet through recycling, water and energy saving, is conveyed to children in a creative and fun way. During 2023, the Futurín Tour was resumed with a live presentation, "The Futurín Teleporter", in schools, reaching 5,220 children between 4 and 9 years of age.

VIII. Governance

Corporate Governance

Good corporate governance practices are fundamental for a sustainable and efficient business operation. That is why we are committed to strong and robust corporate governance, always focused on transparency and accountability.

All of the organization's corporate governance policies and guidelines are available in our Corporate Governance Manual, a public document disclosed on our website www.bgeneral.com. This document also details the benefits and compensation policies for directors, the succession plan, the composition of committees and their responsibilities, as well as other related aspects.

Code of Ethics and Conduct

Our Code of Ethics and Business Conduct is the document that compiles our commitments and policies for responsible business conduct. In this document, we detail our commitments to our most relevant stakeholders: shareholders, employees, customers, suppliers, regulators and the community. It includes our commitment to the Universal Declaration of Human Rights, non-discrimination, a fair relationship between capital and labor, and many others. The Code details that these commitments apply to Board directors, executives and all employees of the organization and governs all of the organization's business relationships. Any updates or changes to this document must be approved by the Board of Directors.

The content of the Code of Ethics and Conduct is presented to all new employees and changes are communicated through our intranet. It is also publicly available on our website www.bgeneral.com.



Governance of ESG criteria

Environmental, social and governance criteria are integrated in different areas of the business, but the execution of the objectives outlined is under the direction of the Corporate Responsibility Committee, led by the Chairman of the Board of Directors of Banco General.

Corporate Responsibility Committee

Responsible for monitoring and ensuring compliance with the Responsible Banking objectives:

 **Responsible**
Chairman of the Board

-  **Other Members**
- Director - Banco General Board of Directors
 - EVP and General Manager
 - EVP and Assistant General Manager
 - Human Capital and Corporate Services EVP
 - EVP of Corporate Banking
 - VP Consumer Banking
 - VP Administration
 - AVP for Operational Risk
 - AVP of Credit, Environmental, Social and Reputational Risks
 - AVP of Treasury
 - AVP of Communications and Social Development

The Human Capital and Corporate Governance Committee, as well as the Ethics and Compliance Committee (both committees of the Board of Directors), also address ESG-related issues, and the Environmental and Social Risk Committee likewise ensures that these types of risks are considered in the business.

In addition, we have several corporate manuals and policies that guide us in the proper governance of ESG criteria:

- **Environmental and Social Risk Policies and Procedures Manual of Banco General, S.A. and Subsidiaries.**
- **Reputational Risk Policies and Procedures Manual of Banco General, S.A. and Subsidiaries.**
- **Code of Ethics and Conduct of BG Financial Group, S.A. and Subsidiaries**
- **Corporate Governance Manual of Financial Group BG Financial Group, S.A. and Subsidiaries**
- **Anti-Corruption and Anti-Bribery Policy**

Ethical culture and risk management

The corporate culture of Banco General, S.A. and subsidiaries is based on clearly defined values, which are detailed in our Code of Ethics and Conduct, a living document that must be known and strictly complied with by the directors, executives and employees of the organization. This document is presented and explained to all new employees who join Banco General and we also conduct an annual mandatory training for all employees, reminding them of certain concepts associated with our ethical culture.

In 2023, there were more than 12,000 participations in trainings related to risk, ethics, compliance, prevention, among others, which are detailed here:

Training	Participants
Code of Ethics and Conduct 2023	5,132
Norms and standards for preventing the financing of Money Laundering, Terrorism and Proliferation of Weapons of Mass Destruction 2023	4,835
Basic Organizational Induction Program	616
Data Update, Revenue Support and Due Diligence 2023	581
Security Issues Enhancement 2023	273
Fiduciary Update 2023- PROFUTURO	118
FATCA/CRS and Beneficial Ownership 2023	108
Money Laundering Preceding Offenses Training 2023	71
Fiduciary Update 2023: Operating and Accounting Practices of Guarantee Trusts	25
FATF Grey List Update for Panama 2023	73
Compliance Issues Update 2023	49
Tax Update 2023	29
Conversatory on Security Fraud 2023	45
FIBA AML Conference 2023	7
Know Your Employee Policy	10
Compliance Issues and Data Updates 2023	41
UAF-DGI "Tax Evasion and Tax Fraud in Panama" 2023	15
XXVII Hemispheric Congress Panama 2023	63
Total	12,091

Anonymous ethics hotline

In addition to training, we understand that an important mechanism to combat any breach of ethics within the company is to maintain an anonymous and direct reporting channel, so we maintain a telephone line so that any employee can make a report anonymously. This telephone line is managed by an expert third party, who then channels the report to the bank.

Risk Management

Banco General has an integral risk management system based on a set of objectives, policies, procedures, structures and limits of integral risk management; supported by the appropriate documentation of the same and records generated in the process; personnel with the necessary competencies and experience to fulfill the roles of responsibility; resources necessary to carry out the work; and tools and information technologies in accordance with the sophistication of the corresponding methodologies and activities.

The Risk Vice-Presidency oversees the work of the risk area, which evaluates various types of risks and has detailed manuals of procedures, responsibilities and roles. The Comprehensive Risk Management Manual describes how Banco General identifies, measures, monitors, controls, mitigates and informs the operating areas of the different types of risk to which they are exposed.

Cybersecurity and data privacy

As cybersecurity risks and threats grow and become more sophisticated, protecting the bank and our customers becomes the highest priority. For this reason, Banco General invests significant resources in technology, personnel, constant training and tools that allow us to stay one step ahead on the subject. We have policies and processes in place to manage these risks in accordance with the laws, rules and regulations of the countries in which we operate, with strict internal controls.

To reinforce the current definition of Cybersecurity and Data Privacy, in recent years our organization structured a collaborative, flexible and pragmatic approach, establishing within the Operational Risk area, a Cybersecurity Risk and Technology Risks area, as a second line of defense.

In 2023, we started with exercises of Cybersecurity Risk Indicators (KRI) and the design of attack simulations involving technical teams and the Crisis Management Committee. By 2024, a broader work plan is in place to ensure that the appropriate organizational processes and objectives are implemented to be aligned and maintain continuous risk management.

Data Privacy

Personal data protection refers to the set of measures and practices that aim to protect the privacy of individuals and ensure that their personal data is used in a responsible and ethical manner. In Panama, where 97% of our operations are located, Law No. 81 establishes the principles, rights, obligations and procedures that regulate the processing of personal and sensitive data of citizens and foreign residents of the Republic of Panama.

In order to comply with it, in 2023 a Personal Data Protection Officer was appointed in the bank, who is permanently and specially responsible for the management of privacy and security programs; the supervision of technical and operational measures for data protection; compliance with the requirements of the Law; the existence of the proper structures in terms of Data Governance; and the management of the corresponding general awareness program for Banco General and subsidiaries.

Information Security

Over the past year, our Information Security area has undergone an unprecedented transformation, redoubling its capabilities. This growth reflects our unwavering commitment to cybersecurity and recognition of its critical role in protecting our clients' financial integrity and privacy. We have invested significantly in cutting-edge training and external consulting with leading global firms, ensuring that our team is not only abreast of emerging trends, but also equipped to stay ahead of evolving threats.

With resilience and transformation at the core of our cybersecurity strategy, we have established new specialized areas such as Offensive Security, Security Architecture and Personal Data Protection. These new areas reflect our proactive approach, designing and continuously improving our defenses that actively protect against cyber incidents while respecting and safeguarding our customers' privacy and personal data. The growth vision for our department is bold and based on strategic planning that ensures scalability and agility in our security operations.

Investment in advanced tools and professional development of our team has culminated in the completion of multiple Penetration and Red Teams exercises, which not only test us on our resilience, but also reinforce the security culture within our organization. These exercises, along with the continued awareness of our employees and customers, form the foundation of our commitment to safety.



CONTENT INDEX OF THE GLOBAL REPORTING INITIATIVE

Banco General has reported the information cited in this GRI content index for the period of Januari 1st to December 31st 2023, with reference to the GRI Standards

GRI 2 - 2021 FUNDAMENTALS

GRI Standard	Content	Location
2-1	Organizational Details	About us, p.6 www.bgeneral.com/informacion-corporativa/
2-2	Entities included in the organization's sustainability reporting	About this report, p.5
2-3	Reporting period, frequency, and contact point	About this report, p.5
2-4	Restatements of information	About this report, p.5
2-5	External assurance	p.52
2-6	Activities, value chain and other business relationships	About us, p.6 Suppliers, p.27
2-7	Employees	Our People, p.18
GOVERNANCE		
2-9	Governance structure and composition	Corporate Governance Manual
2-10	Nomination and selection of the highest governance body	Corporate Governance Manual
2-11	Chair of the highest governance body	The Chair of the Board of Directors does not serve as an executive of the organization.
2-12	Role of the highest governance body in overseeing the management of impacts	The Chair of the Board of Directors does not serve as an executive of the organization.
2-13	Delegation of responsibility for managing impacts	The Board of Directors has delegated to the Corporate Responsibility Committee (ESG criteria) the responsibility for managing the impacts of the organization on the community, the environment and other stakeholders.
2-15	Conflicts of interest	Code of Ethics and Conduct Corporate Governance Manual
2-19	Remuneration policies	Corporate Governance Manual
2-20	Process for determining compensation	Corporate Governance Manual
2-22	Sustainable development strategy statement	Message from the Chairman, p. 3
2-23	Commitments and policies	Code of Ethics and Conduct Corporate Governance Manual Our approach, p.8

GRI Standard	Content	Location
2-24	Incorporation of commitments and policies	Code of Ethics and Conduct Corporate Governance Manual
2-27	Compliance with laws and regulations	Code of Ethics and Conduct Relations with clients and supplier, p.27
2-28	Membership in associations	Our approach, p.8
2-29	Approach to stakeholder engagement	Our approach, p.8
GRI: 3 MATERIAL ISSUES		
3-1	Process for determining the material issues	Our approach, p.8 , Materiality study
3-2	List of material issues	Our approach, p.8 , Materiality study
3-3	Management of material issues	Our approach, p.8 , Materiality study
ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	About us, p.7
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Banco General's priority is to incorporate the risks and opportunities derived from climate change into its operations, including physical and transition risks, in accordance with international frameworks such as the TCFD, local and international banking regulations such as the NIFF S2 and best practices. To this end, in 2023 we hired a climate consultancy that will help us identify and manage these risks and opportunities, taking into account the financial implications, and make decisions to manage them as part of our operation. We expect to see results progressively as we develop this capability and leave it in place in our risk processes.
202-1	Range of ratios of standard entry level wage by gender to local minimum wage at significant locations of operation	Our people, p.18
MARKET PRESENCE 2016		
202-2	Proportion of senior management hired from the local community at significant locations of operation.	All Directors are from the local community except one; all Executive Vice Presidents are from the local community except one.
INDIRECT ECONOMIC IMPACT 2016		
203-1	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, pro bono, or in-kind commitments.	Sus Buenos Vecino Foundation, p.28

GRI Standard	Content	Location
PRÁCTICAS DE CONTRATACIÓN 2016		
204-1	Proportion of spending on local suppliers.	Relations with clients and supplier, p.27
COMPORTAMIENTO DE COMPETENCIA DESLEAL 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No actions were taken.
ENVIRONMENTAL PERFORMANCE		
Emissions, discharges and waste 2016		
305-1	Direct greenhouse gas emissions (Scope1)	Environment p.13, Calculation Tool - Carbon Footprint
305-2	Indirect greenhouse gas emissions (Scope 2)	Environment p.13, Calculation Tool - Carbon Footprint
305-4	Intensity of greenhouse gas emissions	Environment p.13, Calculation Tool - Carbon Footprint

GRI Standard	Content	Location
SOCIAL: LABOR PRACTICES AND DECENT WORK		
Employment 2016		
401-1	Hiring of new employees and staff turnover	Our people, p.18
401-2	Benefits for full-time employees, which are not provided to part-time or temporary employees.	There are no part-time employees; temps are given full benefits.
Training and Education 2016		
404-1	Average number of training hours per year per employee	Our people, p.18
404-2	Programs to develop employee competencies and programs to assist with performance transition and career development	Our people, p.18
404-3	Percentage of employees receiving regular performance and career development appraisals	Our people, p.18
Diversity and Equal Opportunity 2016		
405-1	Diversity of governing bodies and employees	Our people, p.18
405-2	Ratio between basic salary and remuneration for women and men	Our People, p.18

GRI Standard	Content	Location
SOCIAL: SOCIETY		
Public Policy 2016		
415-1	Total value of financial and in-kind contributions to political parties or related institutions by country	As stipulated in the Code of Ethics and Conduct, no financial or in-kind contributions are made to political parties or related institutions.
PRODUCT AND SERVICE LABELING 2016		
417-1	Types of information on products and services that are required by current procedures and regulations, and percentage of products and services subject to such information requirements	As required by Banking Law, the rates, fees and commissions for all financial services offered are published on our website www.bgeneral.com .
417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	There were no non compliances
417-3	Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion and sponsorship, broken down by type of outcome of such incidents.	There were no non compliances
CLIENT PRIVACY 2016		
418-1	Substantiated complaints regarding customer privacy and loss of customer data	There were no claims

Responsible Banking Principles Content Index based on the UNEP FI Self-Assessment, September 2022 version

Reporting and Self-Assessment Requirements	Response	Links and References
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to the needs of people and societal goals as expressed in the SDGs, the Paris Agreement and relevant national and regional frameworks.</p>		
<p>Business model: describe (at a high level) your bank's business model, including the main customer segments served, the types of products and services provided including the main customer segments served, the types of products and services provided, the main sectors and types of activities in the main geographies in which your bank operates or provides products and services. Also quantify the information by disclosing, for example, the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e., by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p>	<p>Banco General, S.A. was founded in 1955 as the first private bank in Panama. Banco General, S.A. and Subsidiaries currently offers a wide range of financial products and services, including consumer, corporate and private banking, securities, trust and investment banking, insurance, and pension and severance funds and private banking, securities brokerage, trust and investment banking, insurance, and pension and severance funds. We have a world-class digital platform, 72 branches nationwide, more than 600 ATMs, and telephone and chat service. We also have a small bank in Costa Rica with 8 branches and representative offices in Guatemala, El Salvador, Colombia and Peru. We serve more than 1.7 million customers in Panama, including individuals, SMEs, businesses and corporations.</p> <p>Around 97% of our portfolio is concentrated in Panama, a country with 4 million inhabitants, which is our core business. An important figure is that, by 2023, almost 52% of adults over the age of 18 in Panama have some kind of banking relationship with Banco General, which is evidence of the market penetration in the country. Only 3% of the portfolio is distributed regionally, in Costa Rica and the other countries mentioned above where we have a presence.</p> <p>In Panama, around 60% of our portfolio is consumer banking, that is, loans to individuals, including mortgage loans, auto and personal loans, credit cards, among others. In addition, we are leaders in the local market in loans to individuals and local deposits. We serve all segments of the population, although we see a greater concentration in loans to middle-income individuals who are traditionally creditworthy because they have formal employment. In Panama, about 34% of our portfolio is corporate, where we offer lines of credit, commercial loans, leasing, and other services. The rest of the portfolio in Panama belongs to Investment Banking, a portfolio that we have not included in this scope.</p> <p>All of our product and service offerings are available at www.bgeneral.com and the portfolio volumes in each of the items are evidenced in our 2023.</p> <p>Key Financial Figures Banco General and Subsidiaries (as of Dec. 31, 2023) Total Assets: \$18.7 million Total shareholders' equity: \$11.6 million Net income: \$680.7 million</p>	<p>2023 Earnings Report</p> <p>2023 ESG Report, About Us</p> <p>Website: Corporate Information</p> <p>Website: Responsible Banking</p>
<p>Strategic alignment Does your corporate strategy identify and reflect sustainability as a strategic priority for your bank? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Describe how your bank has aligned and/or plans to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks. Does your bank also reference any of the following sustainability reporting frameworks or regulatory requirements in its strategic priorities or policies to implement them? <input type="checkbox"/> United Nations Guiding Principles on Business and Human Rights International Labour Organization Core Conventions <input checked="" type="checkbox"/> United Nations Global Compact <input type="checkbox"/> United Nations Declaration on the Rights of Indigenous Peoples <input type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which: <input type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which: <input type="checkbox"/> None of the above</p>		

Reporting and Self-Assessment Requirements	Response	Links and References
<p>Describe how your bank has aligned and/or plans to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>As announced in our Responsible Banking Report (ESG criteria) 2022, our ESG approach was one of the strategic pillars of our 2023-2025 Business Plan, which states that "we must reaffirm our commitment to our employees, customers, community and environment through concrete actions". Our ESG objectives and sustainability programs are aligned with the SDGs, the Paris Agreement and various national frameworks.</p> <p>For example, one of the focus of our strategy is Financial Inclusion, an approach that is aligned with SDG 8, as we understand that financial inclusion is key to economic prosperity and reducing inequality. Our financial inclusion efforts specifically target these two priority parts of SDG 8: (a) formalization of the informal economy and (b) entrepreneurship, micro, small and medium-sized enterprises. To this end, we developed the Yappy and Yappy Comercial digital payments platform, which allows people in the informal economy and entrepreneurs and small businesses to start receiving payments through this digital ecosystem, keep track of their business finances digitally, and aspire to credit to grow their business.</p> <p>We also developed two digital credit products that are offered in our application (Digital Loan and Digital Microcredit) that are offered to entrepreneurs and informal businesses that, due to their transactionality, can aspire to to this credit. Understanding the importance that access to credit means for entrepreneurs, microenterprises and informal businesses, we believe that we are having an impact on their businesses through these products and we are aligned with SDG8. This is one of the areas in which a financial institution can make a real difference in society.</p> <p>Locally, we are aligned with Panama's Financial Inclusion Strategy and Financial Education Strategy, and we actively participate in two initiatives: the financial education program of the Superintendency of Banks of Panama and the financial education program of the Panamanian Banking Association. We also have a section on our website with educational information on personal finance management and entrepreneurship: https://www.bgeneral.com/educacion-financiera/ . In this way we also contribute to the education of society on this important topic and align ourselves with these national frameworks that seek to promote financial education.</p> <p>Another of our strategic pillars, Climate Change, is aligned with SDGs 12 and 13, and we are committed to doing our part to fulfill Panama's commitment to the Paris Agreement. For example, we developed our Climate Change goal in line with Panama's National Climate Action Plan and Panama's Nationally Determined Greenhouse Gas Reduction Contribution, which prioritizes the Energy sector and commits the country to reduce up to 10 million tons of CO2 from 2022 to 2030. Therefore, we have focused our attention on our energy consumption and on financing for the transition to renewable energies with special conditions for companies and individuals.</p> <p>Locally, we are founding members of the Panama Sustainable Finance Task Force, through the Panamanian Banking Association, helping the government to drive the ESG agenda and in 2023 we were part of a working group that helped create the Panamanian Sustainable Finance Taxonomy, with technical support from the United Nations Environment Program and funding from the European Union. This Taxonomy was launched in the country on March 27, 2024 and one of our executives, our Environmental, Social and Reputational Risk Manager at Banco General, actively participated as a member of the multidisciplinary team of the Task Force that worked on the initiative. Banco General's vision is to actively participate from the beginning in aligning ourselves with local initiatives in Panama to promote Sustainable Finance and other initiatives in the fight against climate change.</p> <p>Our Responsible Banking Report (ESG criteria) 2023 describes in greater detail our ESG approach and strategy, which has been defined by listening to our stakeholders, analyzing our portfolio and aligning ourselves with the SDGs.</p>	<p>2023 ESG Report, Our approach www.yappy.com.pa</p> <p>www.bgeneral.com/educacion-financiera</p> <p>https://tubalboaconsentido.gob.pa/</p> <p>https://transparencia-climatica.miambiente.gob.pa/wp-content/uploads/2022/02/Plan-Nacional-de-Accion-Climatica.pdf</p> <p>https://dcc.miambiente.gob.pa/wp-content/uploads/2021/03/PANAMA-NDC.pdf</p> <p>https://finanzassostenibles.org</p>

Reporting and Self-Assessment Requirements	Response	Links and References
<p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts and at the same time reduce the negative impacts of our products and services, managing risks to people and the environment. To this end, we will set and publish targets where we can achieve the most significant impacts.</p>		
<p>2.1 Demonstrate that your bank has conducted an impact analysis of your portfolio(s) to identify your most significant impact areas and determine priority areas for target setting. The impact analysis shall be updated periodically and meet the following requirements/elements (a-d):</p> <p>(a) Scope: what is the scope of your bank's impact analysis? Describe which parts of the bank's core business areas, products/services in the main geographies in which the bank operates (as described in 1.1) have been considered in the impact analysis. Also describe which areas have not yet been included and why.</p>	<p>We conducted an Impact Analysis with the help of the UNEP FI's Portfolio Impact Analysis Tool for Banks.</p> <p>In this second exercise, we analyzed our portfolio as of November 30, 2023 (the first exercise was conducted as of September 2022), i.e. almost a year has passed. In this second exercise, we have continued to consider only our operations in Panama, given that 97% of our transactions occur within this country and we are the largest bank in that country. Due to the size of our operations in the Panamanian market, this is the country where we can have a real impact on our stakeholders and society.</p> <p>The Impact Analysis was composed of our Corporate Banking Portfolio (34% of the portfolio in Panama) and our Consumer Banking Portfolio (60.54% of the portfolio in Panama) our largest business areas, which represent about 94% of our portfolio in Panama as of November 2023.</p> <p>We have not included our business in the region, nor the Investment Banking portfolio (as a large percentage of this portfolio is outside of Panama), as it is still quite small compared to our entire portfolio.</p>	<p>2023 ESG Report, Our approach</p> <p>Results Report 2023</p>
<p>b) Portfolio composition: Has your bank considered the composition of your portfolio (in %) in the analysis? Provide the proportional composition of your portfolio globally and by geography.</p> <p>i) by sector and industry for commercial, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %); and/or</p> <p>ii) by products and services and by client types for consumer and retail banking portfolios.</p> <p>If your bank has adopted another approach to determine the scale of the bank's exposure, please explain this to show how you have considered where the bank's core business/main activities are located in terms of industries or sectors.</p>	<p>Our Impact Analysis has remained relatively unchanged from the last one presented; there have been no major changes since the previous exercise conducted in September 2022. For example, in our last 2022 Self-Assessment Report, we reported that our Panama Consumer Banking Portfolio represented 62%; in this report we are reporting 60.54%, a very slight difference of 1.46%. Our consumer portfolio in Panama continues to represent our largest and most important business. As for the corporate portfolio, there was no change from our last report to this one: it represents 34.5% of the portfolio in Panama.</p> <p>We analyzed our Consumer Banking Portfolio as of November 2023, which, as we mentioned, represents around 60% of our operation and is one of the cores of our business. For this analysis, we consider all our consumer products: checking and savings accounts, certificates of deposit, mortgage loans, credit cards, auto loans and personal loans. Unep Fi asks: proportional composition of your portfolio.</p> <p>For the analysis, clients were divided into three main groups, to better understand how our consumer portfolio is divided and to define the areas of greatest opportunity and impact:</p> <ul style="list-style-type: none"> - Low, middle and high income - Age - Gender 	<p>Results Report 2023, Note 7</p>

Reporting and Self-Assessment Requirements	Response	Links and References
	<p>In this analysis we find that our credit ratio with the low-income sectors is much lower than with the middle-income or high-income sector. Although in the last 3 years we have attracted more than 500,000 new clients, launched the Yappy digital platform and have increased the transaction rate through digital channels from 54% in 2020 to 83% in 2023, we still have the challenge of opening more doors to this segment through credit. Understanding that people with lower incomes are usually excluded from the financial sector, we seek to explore other ways to include them in the system and give them access to credit. That is why we have defined financial inclusion as a pillar of our strategy.</p> <p>Our Corporate Banking Portfolio represents 34.5% of our operation in Panama. In this second analysis, the portfolio has not presented significant changes and four sectors continue to represent more than half of our portfolio:</p> <p>Real estate activities: 18.02% vs 18.42% of the previous report Wholesale trade: 15.42% vs 14.71% of the previous report Building construction: 10.09% vs 11.51% of the previous report Retail trade: 10.38% vs 11.43% of the previous report.</p> <p>Taking this analysis into account, we understand that it is in these industries of the corporate portfolio where we could have more impact because we have more exposure and relationship with these types of clients.</p>	
<p>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? Describe how these have been considered, including the stakeholders you have engaged to help inform this element of the impact analysis.</p> <p>This step aims to put the impacts of your bank's portfolio in the context of societal needs.</p>	<p>According to the most recent World Bank report, "Panama has benefited from steady economic growth, but poverty and income inequality have been persistent and have disproportionately affected rural indigenous territories and Afro-Panamanian populations". In addition, according to several economic experts, unemployment rates are still high since the pandemic and in November 2023, a Supreme Court ruling ordered the closure of the country's largest mining operation, which will impact economic growth in the coming years.</p> <p>Similarly, Panama's third voluntary report on the country's progress towards the SDGs reveals that, although we have made progress, there are still major challenges for the country, especially in the areas of economic and social inequality, multidimensional poverty, and education. The Report reveals that there are still more than 600,000 Panamanians living in multidimensional poverty and that all actors in society must focus our efforts to do our part.</p> <p>With this in mind, we understand the fundamental role the bank plays in including people and groups usually excluded from the banking system and providing them, especially those in vulnerable situations, with access to banking, credit and financial education.</p> <p>This context aligns well with two priority areas we have identified in our impact analysis: social convergence and availability, accessibility, affordability and quality of resources and services. We believe that our financial inclusion strategies target these two impact areas.</p> <p>In terms of the environment, the World Bank has noted that "an increase from 33% to 54% of protected land and strong ocean conservation efforts have resulted in Panama being one of only three carbon-negative countries in the world..." However, they also foresee "climate crises, including an increase in the frequency and intensity of El Niño". In 2023, the Panama Canal has seen the biggest drought in its history directly affecting its operations, showing us the real effect of climate change in our country.</p>	<p>www.bancomundial.org/es/country/panama/overview</p> <p>https://www.gabinetesocial.gob.pa/wp-content/uploads/2023/12/Tercer-Informe-Voluntario-comprimido.pdf</p>

Reporting and Self-Assessment Requirements	Response	Links and References
	<p>Similarly, Panama's third voluntary report on the country's progress towards the SDGs shows that although Panama has recovered forest and mangrove areas and is one of the few carbon negative countries, it must work on climate resilience and ensure sustainable consumption patterns.</p> <p>Panama also has a National Climate Action Plan and a Determined Contribution to GHG reduction, which detail its commitments to reduce its emissions and which it must comply with.</p> <p>Therefore, we have prioritized Climate Change in our ESG Strategy. Although our corporate portfolio is not comprised of large polluters, we understand that industries such as construction and real estate can emit a significant carbon footprint. We want to help finance the energy transition by interacting with our customers and offering them the financial products they need.</p>	
<p>Based on these first 3 elements of the impact analysis, what positive and negative impact areas has your bank identified? What (at least two) significant impact areas did you prioritize to carry out your target setting strategy (see 2.2)? Please disclose.</p>	<p>Banco General, through the Impact Analysis Tool, identified and prioritized these two areas: Financial Inclusion and Climate Change. This prioritization was based on the evaluation of several criteria such as impact areas associated with key sectors and/or relevant portions of the portfolio and associations with positive and negative impacts. It is important to note that last year we also placed circular economy, but we have decided not to go into this approach yet, because we are working strongly on climate change and we want to advance as much as possible with this approach before expanding it, so as not to dilute efforts.</p> <p>Financial Inclusion</p> <p>The UNEP FI Impact Analysis tool showed a 100% positive impact correlation with "Availability, accessibility, affordability and quality of resources and services," a priority area for Panama, according to the tool. In the map of interconnected issues, it shows us issues of access to online services, access to housing, among other issues directly related to financial inclusion. In the tool we analyze our consumer portfolio, asking ourselves: To whom are we giving credit and can we include more? In recent years, our data indicates that we have included thousands of people in the financial system through the opening of digital accounts and the use of the Yappy digital platform, but the second step to achieve true financial inclusion is to responsibly offer credit to people usually excluded from the formal financial system. Looking at the data in the impact analysis, which included the entire consumer portfolio in Panama - representing around 60% - we could clearly see that our penetration in the low-income market (people with incomes of less than \$1,000) is still low compared to middle- and high-income people. We could also see that in terms of gender, the difference is not as significant.</p> <p>Taking into account the challenges that Panama has in terms of economic development and high rates of informality, being a financial institution that now through digital tools can give access to credit to more people, we decided to focus on financial inclusion as an area of impact. The Principles of Responsible Banking Impact Analysis tool allowed us to clearly see where the opportunity for impact lies. Our consumer portfolio is an important part of our business and that is where we can have a significant impact.</p>	

Reporting and Self-Assessment Requirements	Response	Links and References
	<p>How are we going to measure our positive and negative impacts? We are going to measure which segments we are giving credit, who is opening new accounts, using Yappy, the levels of late payments and the education efforts we are undertaking. The indexes are:</p> <ul style="list-style-type: none"> # of people we gave credit to for the first time (broken down by income) % of late payment of people accessing first credit. # of people who opened their first Banco General account % of active clients in digital channels Portfolio penetration in the lower-income segment (people earning less than \$1,000) <p>Climate Change</p> <p>In terms of Climate Change, we chose this area because, based on our portfolio, the UNEP FI's impact analysis tool yielded a 90.67% correlation in negative impact with climate change issues, and because it appears to be an important issue for Panama as a country - taking into account our geographic position and our commitments to the Paris Agreement - and also in our business portfolio - which represents 34% of our portfolio in Panama, we can see that the construction and real estate sectors represent a significant percentage of our portfolio, two polluting sectors in which we could have an impact by promoting the fight against climate change. Additionally, it is the most urgent threat facing humanity and our stakeholders are increasingly demanding our participation from financial institutions. The Impact Analysis tool of the Principles for Responsible Banking allowed us to see where our impacts converged with the country context and climate change appeared as one of those priority areas.</p> <p>How are we going to measure our positive and negative impacts? We are measuring disbursements on solar panel loans on a quarterly basis. The indexes are: Quarterly disbursements in \$ Loans in the pipeline in \$</p>	
<p>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 actual positive or negative impacts? Describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p>	<p>The UNEP FI Impact Analysis Tool has allowed us to identify positive and negative associations between sectors and impact areas, as well as types of clients and impacts.</p> <p>For Financial Inclusion we have used quantitative indicators and our clients' own data. For example, we measure how many clients are active in digital channels, how many new savings accounts are opened per month and per year, how many new clients are opened per month and per year, how many new customers Yappy adds monthly, and how many transactions are made through this platform. We are also measuring how many of our new consumer banking loans will go to people with no credit history with a bank or financial institution. These are people who, in the past, were not subject to credit. We have also looked at how our lending volumes break down in terms of age, gender and income level. What we have learned is that there is an opportunity to help and include lower-income customers who can now aspire to a personal loan, a car loan or a credit card. Our Impact Analysis revealed that we must provide responsible and appropriate products for this segment of the population.</p>	

Reporting and Self-Assessment Requirements	Response				Links and References
<p>When determining priority areas for target 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 proxy indicators of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has adopted another approach to assess the intensity of impact resulting from its activities and provision of products and services, please describe it. The outcome of this step will also provide the baseline (including indicators) that you can use to set targets in the two most significant impact areas.</p>	Year	2022	2023	GOAL 2024	
	% of customers actively using online/mobile banking platform/tools	80%	83%	To be	
	Number of Yappy transactions annually	229 million	348 million	454 million	
	<p>As for the negative impacts, we are aware that offering credit to lower-income people can affect their level of indebtedness. Therefore, we believe that financial education should be part of our financial inclusion strategy. To measure this possible negative impact, we measure the late payment rates of the different portfolios on a regular basis and we are involved in financial education programs together with the Superintendency of Banks of Panama, the Panamanian Banking Association and the Micro, Small and Medium Enterprise Authority (AMPYME). Based on the annex provided by PRB, we report here some financial education indicators:</p>				
Year	2023	2024 GOAL	2025 GOAL	TOTAL	
# of people supported through financial education initiatives	2,439 (On-site training)	3,780 (On-site training)	3,781 (On-site training)	10,000	
# of active partnerships to achieve inclusion goals	2	3	3		
<p>For Climate Change, we have analyzed our Corporate Portfolio to better visualize who we finance and understand the impact these industries have. As we commented in our last report, we did not have a green product for our Corporate Portfolio before 2023, so we did not engage with our clients in this regard.</p>					
<p>It is important to report that in February 2024 we have started a climate consultancy, which will allow us to measure our funded carbon footprint in three sectors and there we will be able to better measure the positive and negative impacts that our climate strategy could have and what concrete targets we can place. We will be reporting back to the UNEP FI on these developments in the next report. We believe that, if the consultancy runs smoothly, in our next report in early 2025 we will be able to report an interim SMART Target for decarbonization.</p>					

Self-Assessment Summary:

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

Scope: Yes Ongoing No

Portfolio Composition: Yes Ongoing No

Context: Yes Ongoing No

Performance Measurement: Yes Ongoing No

Reporting and Self-Assessment Requirements	Response	Links and References
<p>What are the most significant impact areas you have identified for your bank as a result of the impact analysis? Climate change mitigation, climate change adaptation, resource efficiency and circular economy, biodiversity, health and financial inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify</p> <p>1. Financial inclusion 2. Climate change</p> <p>How recent are the data used and disclosed in the impact analysis?</p> <p><input type="checkbox"/> Up to 6 months prior to publication <input checked="" type="checkbox"/> Up to 12 months prior to publication <input type="checkbox"/> Up to 18 months prior to publication <input type="checkbox"/> More than 18 months prior to publication</p>		
<p>2.2 Demonstrate that your bank has established and published a minimum of two objectives that address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>Objectives should be specific, measurable (qualitative or quantitative), achievable, relevant and time-bound (SMART). Disclose the following elements of objective setting (a-d), for each objective separately:</p> <p>(a) Alignment: what international, regional or national policy frameworks for aligning your bank's portfolio have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and further contribution to appropriate Sustainable Development Goals, Paris Agreement targets and other relevant international, national or regional frameworks. May draw on the context elements of 2.1.</p>	<p>A. Alignment</p> <p>For the Financial Inclusion objective we have identified several policy frameworks: At the national level our financial inclusion objective is aligned to Panama's National Financial Inclusion Strategy that seeks to achieve greater penetration of financial products and services; and strengthen the use and accessibility of financial products and services in vulnerable populations. We have already done this with our app, with Yappy, and with the opening of digital accounts, and now we will do it with the responsible supply of credit, leveraging our new digital loan and digital microcredit products, but also our traditional credit products such as mortgages and personal loans. We are also aligned to SDG 8: Decent work and economic growth. 8.10 calls on Panama to "Strengthen the capacity of domestic financial institutions to foster and expand access to banking, financial and insurance services for all" and it is obvious that this target is closely linked to the issue of financial inclusion.</p> <p>For Climate Change, we have identified the following policy frameworks: At the national level, Panama's National Climate Action Plan, which has among its objectives, that Panama reduce its emissions to comply with the Paris Agreement, promote increased investments and the use of green financing instruments, promote increased private investments in adaptation and mitigation measures and decarbonization of energy use. Our objective of boosting renewable energy financing with a specific financing goal aligns with this objective because what we are doing is boosting the adoption of solar energy among companies in Panama, offering them special conditions and at the same time educating these companies about the benefits. We are also aligned with SDGs 12 and 13 and the Paris Agreement, which, among other things, seeks to achieve the sustainable management and efficient use of natural resources, and which details that renewable energy is one of the ways to do so.</p>	<p>https://www.mef.gob.pa/wp-content/uploads/2020/12/Propuesta-para-la-Estrategia-de-Inclusion-Financiera-en-Panama.pdf</p>

Reporting and Self-Assessment Requirements	Response	Links and References																								
<p>b) Baseline: Have you determined a baseline for the selected indicators and assessed the current level of alignment? Provide the indicators used, as well as the baseline year.</p> <p>You can build on the performance measurement done in 2.1 to determine the baseline for your target.</p> <p>A suite of indicators for climate change mitigation and financial inclusion and health has been developed to guide and support banks in their target setting and implementation process. An overview of the indicators can be found in the Annex to this template.</p> <p>If your bank has prioritized climate mitigation and/or health and financial 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 such as the one below that includes the impact area, all relevant indicators and corresponding indicator codes:</p>	<p>B. Baseline</p> <p>Financial Inclusion:</p> <p>Baseline: In 2023, 19.6% of Mortgage Loans, Personal Loans, Auto Loans and/or Digital Loans disbursed by Banco General were approved for clients with monthly incomes below US\$1,000.</p> <table border="1" data-bbox="913 576 2390 723"> <thead> <tr> <th>Year</th> <th>Baseline</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>GOAL</th> </tr> </thead> <tbody> <tr> <td>% of loans approved for individuals with incomes less than \$1,000 in Banco General's consumer portfolio</td> <td>19,3%</td> <td>20,3%</td> <td>21.3%</td> <td>22.3%</td> <td>22.3%</td> </tr> </tbody> </table> <p>Climate Change :</p> <p>Since Banco General introduced its first green product in 2023 for the Business Banking portfolio, our baseline for financing \$105 million in solar panels is \$0.00 in 2022. That is, we had not disbursed anything for solar panel loans in our Business Banking portfolio. We start with this loan in 2023.</p> <table border="1" data-bbox="913 957 2390 1104"> <thead> <tr> <th>Year</th> <th>Línea Base</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>GOAL</th> </tr> </thead> <tbody> <tr> <td>\$ Financed for solar panels in the portfolio of corporate banking</td> <td>\$0.00</td> <td>\$19MM</td> <td>\$43MM</td> <td>\$43MM</td> <td>\$105MM</td> </tr> </tbody> </table>	Year	Baseline	2024	2025	2026	GOAL	% of loans approved for individuals with incomes less than \$1,000 in Banco General's consumer portfolio	19,3%	20,3%	21.3%	22.3%	22.3%	Year	Línea Base	2023	2024	2025	GOAL	\$ Financed for solar panels in the portfolio of corporate banking	\$0.00	\$19MM	\$43MM	\$43MM	\$105MM	
Year	Baseline	2024	2025	2026	GOAL																					
% of loans approved for individuals with incomes less than \$1,000 in Banco General's consumer portfolio	19,3%	20,3%	21.3%	22.3%	22.3%																					
Year	Línea Base	2023	2024	2025	GOAL																					
\$ Financed for solar panels in the portfolio of corporate banking	\$0.00	\$19MM	\$43MM	\$43MM	\$105MM																					
<p>c) SMART objectives (including key performance indicators (KPIs): indicate the objectives for your first and second most significant impact areas, if they are already in place (as well as other impact areas, if they are in place). What KPIs are you using to monitor progress toward achieving the objective? Please disclose.</p>	<p>C. SMART Objectives</p> <p>Financial Inclusion Goal</p> <p>To provide greater access to credit for low-income people by increasing by 3% the penetration of clients with one or more credit products, such as Mortgage Loans, Personal Loans, Auto Loans and/or Digital Loans, in our mass segments* in our consumer loan portfolio by 2026. *Mass segments refers to customers with a monthly income of less than US\$1,000.</p>																									

Reporting and Self-Assessment Requirements	Response	Links and References
	<p>(It is important to note that in our last report we had committed to launch a digital lending product for consumer banking by 2025. The product was launched in 2023 and as of December 31, 2023 we have disbursed US\$50,686,600.)</p> <p>It is specific because we are proposing a specific penetration in the low-income segment of the population (people with monthly incomes below \$1,000). It is measurable because we have the credit figures and data on the clients to whom we lend. We will measure loan disbursements by client segment on a quarterly basis.</p> <p>The indexes are: # of people we gave credit to for the first time (broken down by income). % rate of people on late payments accessing first credit # of people who opened a first account with Banco General % of active clients in digital channels Portfolio penetration in the lower-income segment (people earning less than \$1,000)</p> <p>It is achievable because we have analyzed the portfolio and our growth plans in that segment. It is relevant because what we are looking for is to give access to credit to lower-income people, some of whom were not previously eligible for credit. It is defined in a specific time frame of 3 years. Base year: 2023 and target year: 2026.</p> <p>Climate change goal</p> <p>Promote the adoption of solar energy in Panama and commit to finance at least US\$105 million for investment in solar panels among clients in our Corporate Portfolio with special financing conditions, by 2025.</p> <p>It is specific because we are proposing an exact financing figure. It is measurable because disbursements are tracked on a quarterly basis. The indexes are:</p> <p>Loans disbursed for solar panels in the Corporate Banking portfolio quarterly in \$ Loans in the pipeline for solar panels in the Business Banking portfolio quarterly in \$.</p> <p>It is achievable because several companies are looking for this solution in the market and we have previously studied it. Customers have been visited and we already have 47 projects that have been financed with solar panels. It is relevant because renewable energy helps us to reduce greenhouse gas emissions. It is defined in a specific time frame of three years. Base year: 2022 - target year 2025</p> <p>It is important to note that in 2024 Banco General will receive a consultancy to incorporate climate risk, measure financed emissions and define a climate governance model. This will allow us to have more impactful climate goals as we move towards Net Zero targets in the coming years. In our next report we expect to be able to report on another new SMART target related to climate change.</p>	

Reporting and Self-Assessment Requirements	Response	Links and References
<p>d) Action plan: what actions, including milestones, have you defined to meet the established objectives? Please describe.</p> <p>Also demonstrate that your bank has analyzed and recognized significant indirect (potential) impacts of the stated objectives within the impact area or in other impact areas and has established relevant actions to avoid, mitigate or compensate for possible negative impacts.</p>	<p>D. Action Plan</p> <p>In terms of financial inclusion, our current efforts lie mainly in promoting our digital loan product among a segment of low-income customers (people earning less than \$1,000); in addition, we have the digital microcredit product, and we are going to offer it more aggressively in our app, with the support of the Business areas, and the data analysis area that conduct monthly campaigns to offer credit responsibly to segments of people with lower income (people earning less than \$1,000). Through this product we hope to reach a population that historically has had little access to credit. Similarly, we will continue to promote the simplified digital account, Yappy, Yappy commercial and the Yappy app, digital financial products that promote financial inclusion. We will do this through strong digital marketing campaigns with specialized teams.</p> <p>We do the measurement on an annual basis, measuring our penetration in this segment (people earning less than \$1,000). In 2023, for example, we did a measurement and we can report that 34% of the digital loans approved were for this segment of the population. For 2024, 2025 and 2026 we have concrete targets for penetration in this segment.</p> <p>Our climate efforts in 2023 focused primarily on financing solar panels for our Corporate Portfolio; to date, we have financed over US\$19 million in solar panels. We will continue to promote this product in the coming years, reaching out directly to major corporate clients to facilitate a transition to renewable energy sources. We have a Business Officer in charge of promoting the product and, in the Corporate Responsibility Committee, we measure the disbursements of this product on a monthly basis to track and monitor this progress. We specifically measure the # of contracts, disbursements, and system processing.</p> <p>Another important action the Bank has taken is to offer more incentive and subsidized rates for solar panel loans in the corporate portfolio. This is to further promote the adoption of renewable energy among the Bank's corporate clients at the local level.</p> <p>It is worth noting that our most important action in 2024 is to conclude our consulting process to integrate climate risk into our lending process, measure our financed carbon footprint and set concrete decarbonization targets, which we will be reporting on in the next PRB report.</p>	

Self-Assessment Summary

Which of the following components of objective setting in accordance with PRB requirements has your bank completed or is currently in a process of assessment for your...

Financial inclusion
 Alignment Yes In progress No
 Baseline Yes In progress No
 SMART Targets Yes In progress No
 Action plans Yes In progress No

Climate change and circular economy
 Alignment Yes In progress No
 Baseline Yes In progress No
 SMART Targets Yes In progress No
 Action plans Yes In progress No

Reporting and Self-Assessment Requirements	Response	Links and References
<p>2.3 Demonstrate that your bank has implemented the actions it had previously defined to meet the agreed objective.</p> <p>Report on your bank's progress since the last report towards achieving each of the stated objectives and the impact of your progress, using the indicators and KPIs to monitor the progress you have defined in 2.2. Or, in case of changes in implementation plans (relevant only for the second and subsequent reports): describe the potential changes (changes in priority impact areas, changes in indicators, acceleration/revision of targets, introduction of new milestones or revisions of action plans). and explain why these changes have become necessary.</p>	<p>In terms of Financial Inclusion, we have identified an incredible growth of new clients in the last 4 years, more than 500,000, and we now have more than 1.7 million clients of which 83% are active in digital channels. However, only 300,000 have a credit relationship with us and we know there are opportunities for more people to access credit.</p> <p>To achieve the objective of including more lower-income people in the financial system, we are taking several actions: (a) We launched the digital loan product in 2023, a loan offered on the Bank's app to customers from various segments to whom we offer credit.</p> <p>(a) We launched the digital loan product in 2023, a loan offered on the Bank's app to customers in various segments for whom we created a credit profile with data analytics, based on their digital transactionality and other factors. This loan, and the data analytics behind it, helps us to be able to offer loans to people who previously had no access to credit. The launch of this product - digital lending - was a goal we reported on in the PRB 2022 Report and was met ahead of schedule. The product was launched and is available, and more than \$50MM has already been disbursed. This 2024 we will continue to expand the offering through digital lending, monitoring late payment rates and expanding the audience to whom we offer it.</p> <p>Additionally, in 2023, of the 146,454 consumer loans offered, 39,500 (27%) went to people who had never had credit with a financial institution, which shows that we are having an impact in opening the doors to credit to people who were previously excluded from the system. In addition, in 2023 we launched the Yappy app, a stand-alone application that will allow customers of other banks to make payments and transfers through this digital payment platform.</p> <p>For our objective related to climate change, the actions we have taken are as follows: (a) we started to aggressively offer our solar panel financing product with special conditions; a business officer was appointed specifically in charge of promoting this product and supporting other officers to do so. In addition, disbursements in this area are followed up in the Corporate Responsibility Committee (b) in 2023, we organized an event in which more than 200 business clients were invited to listen to a presentation by a McKinsey expert on climate change with the objective of starting this conversation with them, educating them and showing the urgency of the climate change problem. Below we present the progress of our engagement.</p> <p>The other action we have taken that is extremely important is the hiring of an external consultancy to help us with a climate governance model, the incorporation of climate risk into our operations and the measurement of our financial footprint to set decarbonization targets. The consultancy started in February 2024 and will run for 12 months and will include the development of KPIs. We will be reporting to the UNEP FI as the consultancy deliverables are developed and executed.</p>	

Principle 3: Customers
 We will work responsibly with our customers to promote sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Does your bank have a policy or process for engaging with clients and customers to promote sustainable practices?
 Yes Ongoing No

Does your bank have a policy for the sectors in which you have identified the greatest (potential) negative impacts?
 Yes Ongoing No

Reporting and Self-Assessment Requirements	Response	Links and References
<p>3.1 Describe how your bank has worked and/or plans to work with its clients to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support client transition, selected indicators of client engagement and, where possible, impacts achieved.</p> <p>This should be based on and aligned with the impact analysis, target setting and action plans implemented by the bank (see P2).</p>	<p>With our consumer banking clients, we constantly encourage them to express their thoughts and opinions through various channels such as social networks, service surveys, etc. Specifically on the topic of financial inclusion, when developing the digital lending product, for example, we conducted interviews with customers to offer a product that is easy for them to adopt and understand. Similarly, the Yappy digital payments platform, used by 1.4 million Panamanians and more than 23,000 businesses, small and large companies, constantly adds new features based on customer needs. In this way, we promote the digital payments ecosystem in our country and all the benefits that come with it.</p> <p>In terms of our environmental objective, we are initiating a process of outreach to our corporate customers. Through individual visits, we introduce them to clean energy in an effort to start changing mindsets. In addition, in August 2023, we organized a major event with an ESG expert to promote discussion among our Business Banking clients. In addition, we offer loans for electric and hybrid cars with special conditions. Another way of promoting sustainability among our customers is through communication campaigns that we develop and constantly publish in our social networks and mass media, promoting clean energy, recycling, environmental volunteering, among others.</p>	<p>https://www.bgeneral.com/empresas/financiamiento-paneles-solares/</p> <p>https://www.bgeneral.com/ventas/prestamo-de-auto/hibrido-electrico/</p>
<p>3.2 Describe what strategic business opportunities in relation to increasing positive impacts and reducing negative impacts that your bank has identified and/or identified and/or how you have worked on them during the reporting period.</p> <p>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 in which SDGs or impact areas you are striving for positive impact (e.g. green mortgages - climate, social bonds - financial inclusion, etc.).</p>	<p>Our ESG strategy is aligned to our business plan and represents several business opportunities. In terms of Financial Inclusion, our new customer base has grown significantly in the last 4 years; more than 1.7 million customers have a relationship with us and more than 80% of those customers are active in digital channels. In addition, our Yappy digital payments platform has been growing rapidly, counting more than 1.4 million users. In 2023, we launched a new application, the Yappy app, independent of the Bank's app, which can be joined by customers from other banks to use this digital payments platform, representing more business opportunities.</p> <p>In terms of Corporate Banking and our green finance objective, in 2023 we disbursed US\$19 million in loans for renewable energy. We know there are great opportunities for green lending in both corporate and consumer banking. In 2024, we will launch the solar panel product for individuals with special conditions, and we expect to win new business with this product.</p>	

Principle 4: Stakeholders
 We will proactively and responsibly consult, involve and partner with relevant stakeholders to achieve our social objectives.

Does your bank have a process to identify and periodically consult, engage, collaborate and partner with stakeholders (or groups within stakeholders) that it has identified as relevant to the impact analysis and goal setting process?
 Yes Ongoing No

Reporting and Self-Assessment Requirements	Response	Links and References
<p>4.1 Describe which stakeholders (or groups within stakeholders) you have identified.</p>	<p>Our stakeholders were identified in a Materiality Study conducted by KPMG and, as a financial institution, the categories have remained unchanged. We detail how we relate to our stakeholders in our latest ESG Report.</p> <p>One of our most important stakeholders is our customer base of more than 1.7 million. Specifically, we constantly interact with our Consumer Banking customers through our service channels, interviews and surveys. In this regard, we have learned that they have high expectations for the bank, appreciate how our digital banking platforms make everyday life easier, and that there are opportunities for improvement that they want us to address.</p>	<p>ASG 2023 Report, Our Focus</p>
<p>Principle 5: Governance and Culture We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve social objectives.</p>		
<p>Does your bank have a governance system that incorporates the PRB? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Ongoing <input type="checkbox"/> No</p>		
<p>5.1 Describe the relevant governance structures, policies and procedures that your bank has implemented or plans to implement to manage significant (potential) positive and negative impacts and support effective implementation of the Principles. This includes information on</p> <ul style="list-style-type: none"> • which committee has responsibility for the sustainability strategy, as well as for 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 with which the board of directors oversees the PRB's <p>the implementation of the PRB (including corrective actions in the event that targets or milestones are not met or unexpected negative impacts are detected), as well as</p> <ul style="list-style-type: none"> • remuneration practices linked to targets and milestones 	<p>At Banco General, the Corporate Responsibility Committee is responsible for overseeing the bank's sustainability strategy, as well as approving and monitoring objectives. This committee meets every 3 months and is chaired by the Chairman of the Board of Directors, who represents the Board on this Committee. Two other Directors, the General Manager and other members of Senior Management also participate and follow up on the KPIs that have been defined. The Committee is part of Banco General's Corporate Governance structure. In addition, progress on the goals of the Principles of Responsible Banking are presented to the Board of Directors at least once a year.</p> <p>For the time being, there are no compensation practices linked to sustainability objectives.</p>	<p>ESG Report 2023</p> <p>Corporate Governance Manual</p>
<p>5.2 Describe the initiatives and measures your bank has taken to foster a responsible banking culture among its employees (e.g., capacity building, e-learning, sustainability training for customer-facing roles, inclusion in remuneration structures and performance management and leadership communication, among others).</p>	<p>We foster a culture of responsible banking among our employees through the following measures and initiatives:</p> <ul style="list-style-type: none"> - Ongoing communication campaign called Green Fridays, where we share important news and tips with our employees through internal channels. - Presentations at least 3 times a year to promote a green lifestyle. - Annual regulatory ethics training for all our employees. 	

Reporting and Self-Assessment Requirements	Response	Links and References
<p>5.3 Does your bank have policies that address environmental and social risks within its portfolio? Please describe. Describe what due diligence processes your bank has in place to identify and manage environmental and social risks associated with its portfolio? This may include aspects such as identifying significant risks, mitigating environmental and social risks and defining action plans, monitoring and reporting on risks and any grievance mechanisms in place, as well as the governance structures you have in place to oversee these risks.</p>	<p>Yes, since 2009 we have had an Environmental and Social Risk Policy and Framework covering our entire portfolio. The monitoring and mitigation of these risks is supervised by the Environmental and Social Risk Committee, an Executive Committee in which the General Manager and the President of the Bank participate.</p>	<p>ESG Report 2023 Corporate Governance Manual</p>
<p>Self-Assessment Summary Does the CEO or other senior management periodically monitor the implementation of the Principles through the bank's governance system? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Does the governance system include structures for monitoring the implementation of the PRB (e.g., including impact analysis and target setting, actions to achieve these targets, and corrective action processes in case targets/milestones are not achieved or unexpected negative impacts are detected)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> No</p>		
<p>Principle 6: Transparency and Accountability We will periodically review our individual and collective implementation of these Principles and be transparent and accountable for our positive and negative impacts and our contribution to social goals.</p>		
<p>6.1 Has this publicly disclosed information about your PRB commitments been underwritten by an independent insurer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Partially <input type="checkbox"/> No If applicable, include the link or description of the assurance statement.</p>		
<p>6.2 Does your bank disclose sustainability information in any of the standards and frameworks listed below? <input checked="" type="checkbox"/> GRI <input type="checkbox"/> SASB <input type="checkbox"/> CDP <input type="checkbox"/> IFRS sustainability disclosure standards (to be published) <input type="checkbox"/> TCFD <input type="checkbox"/> Other....</p>		
<p>6.3 What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis , target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>Over the next 12 months, Banco General will focus on four main areas with the help of a consulting firm: incorporating climate risk into the lending process, measuring our financed emissions, setting decarbonization targets, and designing a climate governance model. This will also help us to promote a culture of sustainability among employees in key areas, as they will be asked to participate in the process. The Bank's objective is to leave the capacity in place within the organization and set more concrete targets that can be followed up. We expect to obtain deliverables and report to stakeholders in the next report. In addition, we will continue to drive renewable energy financing through lending to our corporate portfolio at special rates and terms in order to reach our \$105MM goal.</p> <p>We will also continue to drive our financial education and inclusion strategy, offering responsible lending products to low-income populations and striving to reach our goals.</p>	



Banco General

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