BANCO
HIPOTECARIO

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SUSTAINABILITY REPORT

2024 - 2025


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1. ABOUT THE SUSTAINABILITY REPORT

GRI 2-14

The Sustainability Report of Banco Hipotecario de El Salvador, S.A. provides comprehensive information for the 2024 and 2025 periods, including the main results, progress, and major topics addressed by the institution during these periods. The report was prepared based on the Global Reporting Initiative (GRI) Standards, serving as the reporting framework.

As part of the verification, the information contained in the report went through internal verification and was subsequently approved by the Sustainability Committee, the Corporate Governance Committee, and the Board of Directors, who confirmed that the report provides an accurate description of the institution's performance during the reporting periods.

Furthermore, this report enables the monitoring of the sustainability commitments established by Banco Hipotecario and allows us to assess the performance achieved during the 2024 and 2025 periods, providing information that serves as the basis for determining the institution's future priorities.

The report serves as a tool to promote transparency and communication with stakeholders by providing a clear overview of the institution's progress, offering access to relevant and reliable information on the sustainable performance of Banco Hipotecario, and improving accountability towards customers, employees, suppliers, the community, and investors by providing data for decision-making.

Furthermore, the preparation and publication of the report are part of the ongoing improvement cycle of sustainable management, as they make it possible to identify opportunities for improvement, adjust goals, and consolidate knowledge for future periods.

2. BANK PROFILE AND STRATEGY

Institutional profile

GRI 2-1, 2.2

Banco Hipotecario de El Salvador, Sociedad Anonima (hereinafter “Banco Hipotecario”), was founded on January 29, 1935, in accordance with the laws of the Republic of El Salvador. It operates as a sole entity for an unspecified period, whose main purpose is to engage in financial banking activities as permitted by the laws of the Republic of El Salvador.

The Bank is supervised by Legislative Decree No. 80, “Special Provisions Regarding Banco Hipotecario de El Salvador, Sociedad Anonima,” approved in August 2012, as well as by the Banking Law, the Organic Law of the Central Reserve Bank of El Salvador, the Law on Supervision and Regulation of the Financial System, the Law on the Financial System for Development Promotion, and other laws of general application, including those relating to the agreements and directives issued by the Central Reserve Bank of El Salvador and the Superintendency of the Financial System.

The aforementioned legislative decree establishes state ownership through Fondo de Saneamiento y Fortalecimiento Financiero (FOSAFFI), which is required to hold at least 95.00% of the Bank’s total shares; it may transfer the Bank’s shares only to public institutions and participate in capital increases while remaining as a shareholder, subject to prior authorization and as determined by the Board of Directors of the Central Reserve Bank of El Salvador.

As of the end of 2024, the Bank’s capital stock amounted to $121,403,222.00, represented by 11,992,232 common shares with a par value of $10.00 each and 246,817 preferred shares with a par value of $6.00 each, all of which are fully subscribed and paid up.

At the end of 2025, the Bank’s capital stock amounted to $145,387,686.00, represented by 11,992,232 common shares with a par value of $12.00 each and 246,817 preferred shares with a par value of $6.00 each, all of which were fully subscribed and paid up.

SHAREHOLDER	Number of shareholders		Capital		Total Shares		Ownership Percentage	
	2024	2025	2024	2025	2024	2025	2024	2025
FOSAFFI	1	1	$17,733,052.00	$41,085,338.00	11,838,080	11,838,080	96.72%	96.72%
Small Investors (up to $11,428)	1,011	1,010	$426,360.00	$494,370.00	48,390	48,390	0.40%	0.40%
Other investors (More than $11,428)	14	14	$3,202,852.00	$3,761,010.00	347,756	347,756	2.84%	2.84%
Employees	103	103	$40,958.00	$46,968.00	4,823	4,823	0.04%	0.04%
TOTAL	1,129	1,128	$121,403,222.00	$145,387,686.00	12,239,049	12,239,049	100%	100%

2.1 BANK PHILOSOPHY

Year 2024

Mission: “Making a difference to help you grow.” This involves building a better El Salvador through our role as a financial institution, which guides our actions and enhances our daily efforts, emphasizing that we are not just another bank and that our main goal is to support the country’s sustainable growth.

Vision: “Driving the economic development of a better El Salvador.” These are the needs of the Salvadoran population and the reality they face, which requires improving and strengthening the provision of financial services, not limited exclusively to SMEs but also extending to other economic and social agents. We firmly believe that it is possible to create the conditions that transform the country into a more productive one, where opportunities are available to all and where the efforts of each Salvadoran pay off.

Based on the established mission and vision, we identified a list of core values that guide daily decisions and actions by the Bank’s employees.

Values:

Trust: What brings us together is more valuable than what sets us apart, and operating under the principle of trust is what will ensure that everything we do makes a positive difference in our country's future.

Inclusion: These changing times compel us to think differently and seek solutions that make a positive impact on all those whom the banking sector has failed to serve, creating opportunities where no one else is able to reach.

Commitment: To the country, to the communities, and to Salvadorans, regardless of where they are, because they deserve the best of us.

Innovation: A new country needs a new banking system, one that is more contemporary and accessible. We will be the first to take this step forward, proving to everyone that we can be the role model for the Salvadoran financial system.

Strategic Cornerstones and Objectives

1

2.2 FOCUS CORNERSTONE

"Our institution's focus on the customer experience drives our exponential growth."

Strategic Growth Objective:
"To grow faster than the rest of El Salvador's financial system in terms of deposit-taking and loan portfolio growth while serving new market sectors and segments."

Strategic Customer Objective:
"To improve our customers' experience by providing warm, human service that makes their needs our needs, including those of Salvadorans who have traditionally been excluded from the financial system."

2

2.3 RENEWAL CORNERSTONE

"We recognize the new challenges ahead that require tangible renewal to improve our standing with stakeholders without losing sight of what makes us unique."

Strategic Image Objective:
"To renew our image by securing better risk ratings and changing public perception, becoming a more trustworthy and transparent institution."

Strategic Identity Objective:
"To demonstrate our commitment to our country by supporting strategic sectors and government initiatives and the Sustainable Development Goals within the framework of the Principles of Responsible Banking."

3

2.4 EFFICIENCY CORNERSTONE

"As a financial institution operating under private banking conditions, we must strive to use resources efficiently and effectively pursue our mission."

Strategic Profitability Objective:
"To maximize profits from the resources we manage while remaining self-sustaining."

Strategic Culture Objective:
"To carry out our workday by day with a high-performance culture alongside employees who are committed to and aligned with our goals."

The 2024 period marked the end of a strategic cycle, which was a key stage in consolidating the main objectives and learning outcomes of the period, thereby strengthening the coordination between institutional planning, operational management, and the sustainability approach. The results achieved during this period served as a fundamental basis for planning the next strategic cycle.

Year 2025

Vision: “By 2030, we aim to be the leading bank in comprehensive and sustainable financial solutions that contribute to the country’s development and productive growth.”

Banco Hipotecario aims to be a leading, comprehensive, and sustainable institution seeking not only profitability but also to become a driving force for the country’s economic and social progress.

Mission: “We are the bank that drives the productive growth of businesses and the well-being of people by providing financial solutions that contribute to the transformation of El Salvador.”

Values:

Efficiency: The ability to achieve desired results using the minimum possible resources. We always

strive to provide efficient and accurate service, exceeding our customers’ expectations.

Resilience: The ability to adjust and come out stronger in the face of adversity.

The ability to adapt and emerge stronger from adverse situations. We learn from challenges and come out stronger, while staying committed to stability and ongoing improvement.

Integrity: We always make the right choice.

We act with honesty, ethical standards, and transparency at all times.

Commitment: We fulfill our commitments enthusiastically and responsibly.

We are fully committed to our customers, employees, and the Bank’s mission.

Innovation: A new country needs a new banking system, one that is more contemporary and accessible. We will be the first to take this step forward, proving to everyone that we can be the role model for the Salvadoran financial system.

Strategies for the 2025-2029 five-year period:

Banco Hipotecario has established its prioritized strategies, which will enable it to leverage its strengths, make the most of opportunities, mitigate threats, and address weaknesses. These strategies are designed to strengthen the Bank's market position and ensure its sustainable growth.

The specific strategies for the five-year period are outlined below:

Increasing operational profitability by emphasizing the reduction of financial costs.

This will allow the Bank to operate more efficiently with a lower financial burden and offer its customers better financial conditions.

Promoting responsible financial inclusion by emphasizing digital services.

For Banco Hipotecario, it is important to encourage more people to access banking services and products safely and sustainably by using digital tools that promote financial inclusion.

Diversifying funding sources.

Diversifying funding sources aims to reduce financial risk by obtaining financing from multiple sources instead of relying on a single one; in addition, it will make it easier to negotiate better terms with investors and access more competitive resources aligned with strategic objectives.

Promoting a results-oriented culture.

Banco Hipotecario seeks to foster a culture that emphasizes the achievement of objectives and effective execution of processes, adding value and improving efficiency through the monitoring of key performance indicators (KPIs) and data-driven decision-making.

Optimizing processes by emphasizing ongoing improvement.

This strategy is designed to increase the efficiency, quality, and productivity of Banco Hipotecario's operations through progressive and constant adjustments. It is based on the premise that there are always opportunities to do things better, to reduce waste, time, and costs, without compromising the quality of products or services or affecting the customer experience.

2.5 STRATEGIC PROJECTS

In 2024, the Bank initiated the Process Management Enhancement Project, designed to consolidate institutional document management and update the process map. Its purpose was to optimize operational efficiency, ensure alignment with strategic objectives, and foster a culture of ongoing improvement within the Bank.

By the end of 2024, there was 48% progress reported in updating regulatory documentation. During 2025, the project made further progress, and by the end of December of that year, the level of progress reached 82%. The updating and digitization of regulatory documentation was a significant step in optimizing resources, helping to promote environmental sustainability by reducing paper waste and implementing electronic signatures in internal processes. This approach strengthens institutional efficiency and promotes more sustainable operational practices.

Similarly, regulations have been created and updated to improve products, services, the customer's experience, and environmental and social management. These include policies related to the management of: sustainability, customer and user experience, environmental and social risk, quality management, product and service development, payment methods, and procurement management.

In 2025, the project was approved for the implementation of the Integrated Automated Management System (SIG), which involves integrating different management functions (processing, risk management, and internal auditing) into a single system to standardize and optimize processes and reduce the time and resources required among different departments, thereby facilitating informed decision-making and strengthening the Bank's regulatory compliance. Furthermore, the project is aligned with the institutional strategy of promoting a results-oriented culture.

3. CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-17, 3-3

The Company's governance structure consists of the General Shareholders' Meeting, which serves as the highest decision-making body, and the Board of Directors, which is responsible for its management.

Name	Person in Charge	Date of Appointment	
		From	To
Rodrigo de Jesus Solorzano Arevalo	Chairman of the Board of Directors	09/12/2023* 08/22/2025**	09/12/2025* 08/22/2027**
Miguel Antonio Chorro Serpas	Vice Chairman	09/12/2023* 08/22/2025**	09/12/2025* 08/22/2027**
Karen Elizabeth Gonzalez de Giron	Secretary	09/12/2023* 08/22/2025**	09/12/2025* 08/22/2027**
Julian Seledonio Mendoza	First Alternate Director	09/12/2023* 08/22/2025**	09/12/2025* 08/22/2027**

Claudia Yadira Majano de Garcia	Second Alternate Director	09/12/2023* 08/22/2025**	09/12/2025* 08/22/2027**
Jose Wilberto Hernandez Portillo	Third Alternate Director***	08/22/2025	08/22/2027

*First Term
**Second Term
***Vacant during the term from 09/13/2023 to 09/12/2025.

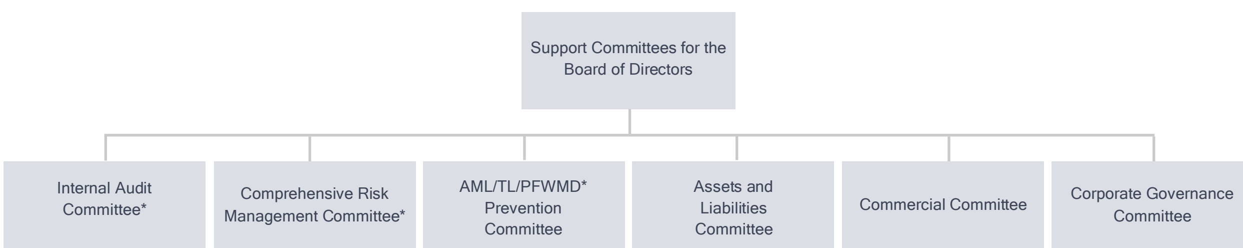
The appointment and election of the members of the Board of Directors are conducted by the General Shareholders' Meeting, which appoints them for a two-year term that may be renewed.

Among the Board of Directors' main responsibilities are establishing the organizational structure, duties, and policies that enable the Bank to maintain a balance between business profitability and proper risk management, thereby ensuring the security of its operations and providing adequate user service.

To ensure adequate support, analysis, and oversight and control when making decisions related to the Bank's management, the Board of Directors has the authority to create Support and Management Committees.

These Committees must be composed of one or more members of the Board of Directors and members of the Senior Management of the Bank, when appropriate.

Support Committees for the Board of Directors



*Regulatory Committees

Audit Committee

Members
Chairman of the Board of Directors
Two external directors of the Board of Directors
Internal Audit Director

It supports the Board of Directors in overseeing and monitoring the policies, plans, procedures, processes, and control mechanisms established by the Bank.

Comprehensive Risk Management Committee

Members
Chairman of the Board of Directors
Two external directors of the Board of Directors
Risk Manager
Finance and Administration Director
Legal Affairs and Corporate Governance Director
Credits and Collections Director

The Committee is responsible for approving, monitoring, and overseeing strategies, policies, manuals, plans, and processes related to risk management, including setting operational limits for the different departments. In addition, it provides information and recommendations to the Board of Directors and the President of the Bank regarding the risks the Bank can accept and provides a detailed overview of the capital required to cover them.

AML/TL/PFWMD Prevention Committee

Members
Chairman of the Board of Directors
Two external directors of the Board of Directors
Compliance Officer
Operations and Technology Director
Legal Affairs and Corporate Governance Director
Risk Manager

The purpose of the AML/TL/PFWMD Prevention Committee, as a joint body, is to provide support to the Compliance Office in making decisions regarding the management of money laundering and asset laundering risks, as well as to oversee the duties performed by the Compliance Office.

The committees detailed below are not regulating bodies; however, they are composed of members of the Board of Directors:

Management Committees:

Committees composed of the Senior Management and Managers of the Bank who are responsible for specific topics assigned by the Board of Directors. Further details regarding this committee's formation, duties, and powers will be provided in specific regulations to be established accordingly.

Appointment and Election of the Highest Governance Body

The appointment and election of the members of the Board of Directors are conducted by the General Shareholders' Meeting, which appoints them for a two-year term that may be renewed. One of the duties of the Board of Directors is to establish the committees it deems necessary to review and resolve specific matters of interest to the Bank and to set the rules to which they must adhere. Directors responsible for managing the Bank must have a proven reputation for integrity and possess extensive knowledge and experience in financial and administrative matters; they must not be subject to any of the prohibitions or conflicts of interest established by the Commercial Code and must not be otherwise disqualified under the Banking Law. Directors holding executive positions and managers must meet the same requirements. The Chairman of the Board or his/her alternate must have at least five years of experience in senior management or executive positions at banking and financial institutions.

Chairman of the Highest Governance Body

The Chairman of the Board of Directors is an executive of the organization; his/her duties are detailed in Article 31 of the Corporate Governance Code, which states that he/she must:

- Comply with and ensure compliance with the Corporate Governance Code.
- Act fairly toward all shareholders.
- Resolve any potential conflicts of interest raised by the departments or by the respective head of those departments that report directly to the Presidency, as well as the aforementioned officers.
- Determine, based on recommendations received from the corresponding department, the appropriate penalties for any violation of this Code.
- Report to the Board of Directors any situations that may cause conflicts of interest, including those arising from legal, family, civil, or personal relationships with employees, customers, publicly traded companies, financial services companies, suppliers, or any other stakeholders of the Bank.
- In addition, he/she must establish and implement adequate internal controls and information systems to safeguard assets and liabilities, when applicable.
- Review the matters to be presented to the Board of Directors and approve the topics to be discussed at each meeting of that body.
- Authorize those matters to be presented to the Board of Directors that are not, or may not be, brought to the attention of the Bank's committees.
- Perform any other duties and exercise any other authority as required by law, regulations, rules, and other relevant provisions, including those assigned by the Board of Directors.

4. IMPACT MANAGEMENT

GRI 2-9, 2-13, 2-14, 2-15

4.1 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors will have the powers set forth in the Banking Act, the Commercial Code, the Articles of Incorporation, and other applicable regulations.

To ensure adequate support, analysis, and oversight and monitoring of decisions related to the Bank's management, the Board of Directors will establish Support Committees for this purpose, which will be composed of members of the Board of Directors and senior management executives and include the following committees: Audit Committee, Comprehensive Risk Management Committee, AML/TL/PFWMD Prevention Committee, Assets and Liabilities Committee, Commercial Committee, and Corporate Governance Committee. Furthermore, the Board of Directors may create Management Committees, whose formation, duties, and powers will be detailed in Regulations designed for this purpose.

Technical Committees may be established, which will be composed of members of Senior Management, the Bank's Management, and employees holding executive positions within the entity, in order to address specific matters. These may be established by order of the Chairman of the Board of Directors.

It will also be responsible for approving regulations, such as policies and manuals, that will govern the Bank in order to achieve its objectives.

The duties of the members of the Board of Directors regarding Corporate Governance state that they must:

- Comply with and ensure compliance with the Corporate Governance Code.
- Act fairly toward all shareholders.
- Refrain from participating in the discussion and voting on any matter involving a conflict of interest, which will be recorded in the relevant minutes.
- Members of the Board of Directors must maintain their relationships with stakeholders to ensure that the entity complies with applicable laws and regulations, and must fulfill their obligations in good faith and make decisions based on impartial judgment while adhering to accepted principles of social responsibility.
- Safeguard the rights and interests of depositors and customers in general.
- Safeguard the rights and interests of shareholders and implement mechanisms which ensure fair treatment.
- Establish a policy for communication and information sharing with shareholders and customers in general.
- Perform their duties by prioritizing the entity's interests and exercising impartial judgment.

The Bank has positions at the executive level whose responsibilities include economic, environmental, and social topics; they are also authorized to report on the exercise of their duties to the different Support or

Management Committees and then report them to the Board of Directors.

Members of Senior Management must perform their duties in good faith and act with loyalty, refraining from engaging in conduct that involves competition or conflicts of interest with the Bank or its shareholders.

Members of Senior Management

Position	Person in Charge
President	Rodrigo de Jesus Solorzano Arevalo
Compliance Officer	Willian Isai Cruz Contreras
Legal Affairs and Corporate Governance Director	Rodrigo Rafael Carranza Aparicio
Retail Banking Director	Trilsen Amanda Olivares Funes
Credits and Collections Director	Luis Benjamin Vargas Mejia
Internal Audit Director	Hegel Alberto Lopez Canizales
Corporate Banking Director	Victor Alfonso Flores Urrutia
Finance and Administration Director	Jose Raul Cienfuegos Morales
Operations and Technology Director	Jose Mario Hernandez Cruz
Analytical Strategy Manager	Karla Maria Monge Alberto
Sustainability Manager	Maria Jose Amaya Deras
Quality Manager	Bertha Nathaly Campos Hernandez
Manager of Products, Services, and Payment Methods	Lisandro Antonio Marin Romero
Risk Manager	Maria Ingrid Duran Garay
Human Resources Manager	Mercedes Payes de Garcia

5. SUSTAINABILITY MANAGEMENT

GRI 2-23, 2-24

At Banco Hipotecario, sustainability management is a cross-cutting priority in decision-making, comprehensive risk management, and stakeholder relationships. This approach ensures that the Bank's performance aligns with economic, social, and environmental standards. Senior management firmly believes that this approach is essential for creating long-term value and for managing key impacts, risks, and opportunities.

The sustainability strategy is aligned with the institutional strategy, with an emphasis on efficiency and cost reduction, responsible financial inclusion, diversification of funding sources, strengthening of the results-oriented organizational culture, and process optimization under a framework of ongoing improvement, all through the People, Planet, and Prosperity frameworks, which guide institutional management matters and allow for the monitoring of commitments and results.

People: Includes ethics, integrity, social and corporate responsibility, equity and human capital development, inclusive and safe work environments, reduction of gender gaps, inclusion of people with disabilities, prevention of discrimination, financial education and inclusion, responsible customer service, and community support.

Planet: Includes internal environmental management and reducing the impact of operations. It prioritizes the efficient use of resources, reducing emissions and waste, addressing climate change through adaptation and mitigation, recycling, responsible procurement, and partnerships that promote environmental culture.

Prosperity: Includes sustainable finance, management transparency, and support for productive development. It promotes responsible economic value, financial inclusion, and innovation, which benefit customers and communities.

The implementation of the strategy is coordinated by the Sustainability Department, with support from Senior Management, through different committees, particularly the Sustainability Committee, and with the approval of the Board of Directors. Through its Sustainability Policy and other internal regulations, the Bank formally commits to ethics, transparency, and compliance; corporate governance with oversight and accountability; integration of environmental, social, and governance (ESG) criteria into comprehensive risk management; promotion of financial solutions that foster inclusion and productive development; responsible management of operational and financial impacts; and promotion of equal opportunities, talent development, and financial education and inclusion programs.

5.1 INITIATIVES AND PARTNERSHIPS

GRI 2-23, 2-24, 2-28

International initiatives:

United Nations Environment Programme Finance Initiative (UNEP-FI)

Banco Hipotecario participates as a signatory to UNEP-FI, committing to integrate environmental, social, and governance (ESG) criteria into its financial management. This membership allows the Bank to align its operations with international standards, promote responsible products and services, participate in global initiatives on sustainability and transparency, and strengthen its focus on mitigating the environmental and social impacts of its financial activities.

Principles of Responsible Banking (PRB)

Banco Hipotecario is committed to the Principles of Responsible Banking to integrate sustainability into its financial strategy and operations. These principles provide guidance for defining internal policies, conducting risk assessments, and managing the environmental, social, and governance (ESG) impacts of financed activities, thus ensuring that the Bank's operations contribute to sustainable economic development and create responsible value for all stakeholders.

Women's Empowerment Principles (WEPs)

Banco Hipotecario is committed to the WEPs to promote gender equality and women's leadership throughout its operations. The initiative guides the implementation of policies, programs, and practices that foster an inclusive and equitable environment within the Bank, as well as in the projects and activities carried out in communities, contributing to the empowerment and autonomy of women.

5.2 NATIONAL INITIATIVES:

National Council for Financial Inclusion and Education (CNIEF)

Banco Hipotecario is a member of the CNIEF, an organization that supports the Bank's strategy and contributes to the implementation of the National Policy on Financial Inclusion and Education. Through this participation, the Bank works on initiatives that strengthen financial education, broaden access to responsible products and services, and promote the development of green finance, thus fostering sustainable economic development aligned with national objectives. This is achieved through different working groups: the Financial Inclusion Support Group, the Financial Education Support Group, the Women's Inclusive Finance Subgroup, and the Inclusive Green Finance Subgroup.

National Climate Change Plan and Nationally Determined Contributions (NDCs)

The Bank supports the goals of the National Climate Change Plan by partnering with public institutions to implement and monitor climate policies, which help mitigate and respond to climate change and ensure compliance with national environmental priorities.

Departmental Cabinets

These serve as forums for inter-institutional coordination that help verify and determine measures to address social and environmental topics. Through this participation, the Bank supports initiatives in financial education, financial inclusion, support for entrepreneurs, and sustainable development at the local level, thus promoting alignment with public policies and generating a positive impact in communities.

5.3 PARTNERSHIPS

Latin American Federation of Banks (FELABAN)

The Bank is a member of FELABAN, and participates in forums and technical exchange networks that promote best practices, innovation, and sustainability across the region's financial sector.

Latin American Association of Development Financial Institutions (ALIDE)

Through ALIDE, Banco Hipotecario works on development banking and responsible financing initiatives, contributing to the productive and sustainable growth of Latin American countries.

Latin American Association of Insurance Supervisors (ASSAL)

The Bank participates in ASSAL to share experiences and best practices in the supervision and management of the insurance sector, promoting sustainable standards and strengthening responsible governance.

5.4 AGREEMENTS / ALLIANCES

ISDEMU – Salvadoran Institute for the Development of Women

Banco Hipotecario has an agreement with ISDEMU to strengthen programs aimed at the economic inclusion and empowerment of women, providing support for financial education and skills development initiatives that contribute to gender equality and women's participation in the economy.

CONAIPD – National Council for Comprehensive Care for Persons with Disabilities

The Bank works with CONAIPD through an agreement to promote the financial inclusion of people with disabilities, fostering access to products and services tailored to their needs and contributing to the equity and well-being of this group of the population.

UN Women

Through a partnership agreement with UN Women, Banco Hipotecario participates in programs and projects that promote gender equality and women's leadership, strengthening internal policies and external actions designed to promote the inclusion and empowerment of women.

6. STAKEHOLDERS AND IMPACT ANALYSIS

GRI 2-29, 3-1, 3-2

For Banco Hipotecario, materiality is a key tool that guides its sustainability management. Through this approach, the Bank defines the topics that require the most attention, taking into account both what is important to its stakeholders and the risks and opportunities that may impact its performance. This approach enables the Bank to maintain a structured, transparent management process focused on the most relevant topics.

Stakeholders

During 2024 and 2025, the Bank continued its ongoing engagement with its stakeholders, which allowed it to continue addressing the identified needs and priorities, as well as follow up on established commitments. Open dialogue and feedback from employees, shareholders, communities, and regulatory bodies provided valuable insights that helped strengthen institutional management and promote ongoing improvement.

This communication took place through mechanisms such as technical meetings with regulatory bodies, round tables with communities, surveys among customers and suppliers, and spaces to engage in dialogue with employees. These mechanisms allowed us to gather key information to better understand the Bank's impacts and strategic priorities regarding environmental, social, and governance matters.

The Bank's stakeholders are listed below:

Stakeholders	Type of Communication	Communication Channels
Employees	Internal communication Newsletters Feedback	Internal email Intranet In-person and virtual meetings Teams Engage Telephone
Shareholders	Financial reports Annual results	Annual reports Website Email Shareholders' Meetings
Customers	Customer Service Product and service information, promotional materials	Contact Center Email Social media Website E-banking Mobile app
Suppliers	Negotiations Contract management Payments	Email In-person and virtual meetings
Supervisor and Regulator	Regulatory Compliance Reports Audits	Regulatory reports Virtual and in-person meetings Email Regulators' portals
Community	Corporate social responsibility (CSR) Community Projects	Social media Website

Materiality

The Bank continues to apply the materiality analysis conducted in 2020, which was developed through a structured process of identifying, assessing, and prioritizing economic, social, and environmental topics relevant to the financial sector and the Bank's stakeholders. This analysis established a matrix of 23 material topics that has guided the Bank's management in recent years.

Among the most relevant matters are: inclusion and equality, cybersecurity and data protection, internal culture, compliance and fraud prevention, relationships with governmental and nongovernmental entities, transparency toward consumers, financial education, risk and crisis management, and community investment, among others.

ECONOMIC

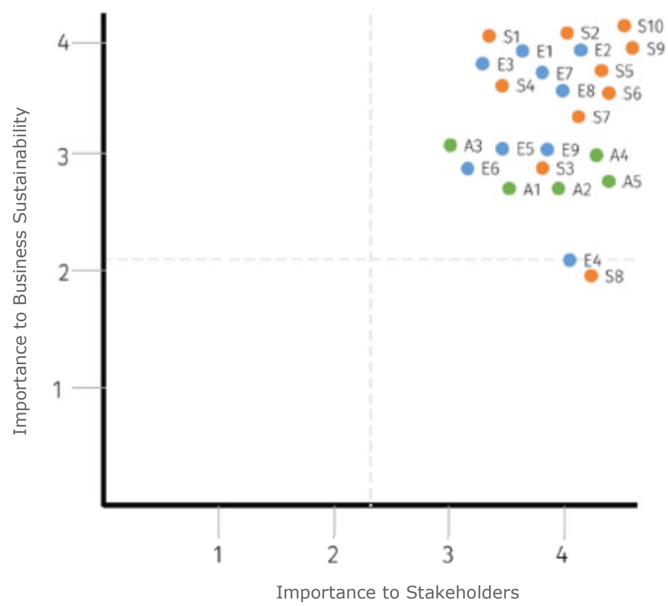
- **E1** Corporate Governance and Ethics
- **E2** Compliance and Fraud Prevention
- **E3** Risk and Crisis Management
- **E4** Digitalization - Digital Banking
- **E5** Financial Inclusion
- **E6** Financial Education
- **E7** Brand and Reputation Management
- **E8** Innovation
- **E9** MSME Development

SOCIAL

- **S1** Work Practices
- **S2** Internal Culture
- **S3** Attraction and Retention of Talent
- **S4** Occupational Health and Safety
- **S5** Relationship with Governmental and Non-governmental Entities
- **56** Transparency towards Consumers
- **S7** Customer Satisfaction
- **58** Community Investment
- **S9** Cybersecurity and Data Protection
- **S10** Inclusion and Equality

ENVIRONMENTAL

- **A1** Waste Management
- **A2** Eco-efficiency and Carbon Emissions
- **A3** Green Procurement
- **A4** Climate Change Adaptation Strategy
- **A5** Environmental Investment



Here are the main actions and progress identified for each of the priority topics:

Topic		Actions
ECONOMIC	E1 - Corporate Governance and Ethics	Updating of the governance structure, policies, and regulations.
		Development of the Bank's Process Map.
		Updating of the Code of Ethics.
		Creation and management of the anonymous reporting channel.
		Development of ethics awareness campaigns.
		Follow-up on cases and reports through formal mechanisms.
	E2 – Compliance and Fraud Prevention	Development of comprehensive regulatory compliance programs (AML/CFT).
		Preparation and updating of the compliance risk matrix.
		Training in AML/TF/FPWMD prevention.
		Strengthening of due diligence processes (KYC).
		Updating of AML/TF risk assessment approaches.
		Development of informational campaigns on regulatory compliance and new guidelines.
		Follow-up on action plans based on compliance findings.
		Ongoing improvement of transactional monitoring systems and tools.
	E3 - Risk and Crisis Management	Updating of the Bank's Risk Management Policy
		Development of simulations for crisis prevention and response. (Occupational Health and Safety, OHS)
	E4 – Digitalization and Digital Banking	Implementation of new digital features in the Bank's channels.
		Improvements in the usage of mobile apps and web platforms.
		Automation of internal processes to streamline service times.
		Implementation of new safe authentication mechanisms.
		Development and ongoing improvement of the institutional mobile app.
		Launch of digital onboarding to facilitate remote product activation.
	E5 - Financial Inclusion	Collaboration with the National Council for Financial Inclusion (CNIEF) on financial inclusion initiatives.
		Strengthening of the Bank's institutional approach to new banking customers as part of its strategy.
		Development of commercial spaces to support entrepreneurs.
		Development of technological tools for financial inclusion to support people with disabilities.
	E6 - Financial Education	Implementation of financial education workshops aimed at vulnerable populations and/or priority sectors.
		Execution of campaigns to raise awareness about responsible finance.
		Supporting government institutions on financial education initiatives.

Topic		Actions
		Partnerships with external organizations to expand the scope of programs.
		Internal financial education training aimed at Bank employees.
		Management of digital presence and customer service for digital channels.
	E8 – Innovation	Development of new digital products and features.
		Automation of internal processes.
		Updating the website and app with new technologies.
		Creation of spaces to support the marketing and development of entrepreneurs.
		Accessible financial products, training, and workshops aimed at MSMEs.
		Partnerships for promoting the development of micro and small businesses.
SOCIAL	S1 – Work Practices	Updating of Human Resources policies.
		Introductory programs for new hires.
		Periodic performance evaluations.
		Offering additional employee benefits beyond those required by law to promote employee well-being.
	S2 – Internal Culture	Strengthening an organizational culture aligned with the Bank's strategy, focusing on results.
		Development of activities to promote organizational culture.
		Implementation of internal campaigns aligned with institutional values.
		Recognition programs for employees.
	S3 – Attraction and Retention of Talent	Benefits and professional development to retain talent.
		Professional growth programs.
	S4 – Occupational Health and Safety	Development of drills and emergency plans.
		Health and safety training for staff.
	S5 – Relationship with Governmental and Non-governmental Entities	Coordination with government institutions for joint projects.
		Participation in working groups with public bodies.
	S6 – Transparency towards Consumers	Regular updating of terms and conditions for products and services offered by the bank.
		Implementation of channels for questions and transparency of information.

Topic		Actions
		Clear publication of rates, fees, and other charges required by law.
	S7 - Customer Satisfaction	Constant monitoring to ensure customer satisfaction.
		Ongoing improvements to customer service processes.
		Timely response to complaints, claims, and feedback.
		Implementation of initiatives to improve the user experience.
	S8 - Community Investment	Participation in initiatives and projects led by the Departmental Cabinet.
		Partnerships with local stakeholders for community projects.
		Corporate volunteering activities.
	S9 - Cybersecurity and Data Protection	Implementation of cybersecurity controls and information protection.
		Training for employees on data protection.
		Internal campaigns to raise awareness on data protection.
	S10 - Inclusion and Equality	Inclusion initiatives for people with disabilities.
		Development of internal non-discrimination policies.
		Partnerships with institutions to promote initiatives for inclusion and equality.
ENVIRON-MENTAL	A1 - Waste Management	Partnerships with licensed waste management and recycling managers.
		Internal campaigns to raise awareness of best practices in waste management.
		Training for employees on best practices in waste management.
		Environmental induction training for new employees, with an emphasis on appropriate waste management.
		Internal campaigns to raise awareness and promote recycling aimed at employees.
	A2 - Eco-efficiency and Carbon Emissions	Internal initiatives to reduce energy consumption
		Monitoring and tracking of water, energy, paper, and fuel consumption.
		Monitoring of energy and water consumption in the Bank's facilities.
		Implementation of energy efficiency measures
		Promotion of responsible resource use in offices and operations.

Topic		Actions
ENVIRONMENTAL	A3 – Green Procurement	Use of environmental criteria in the procurement of goods and services.
		Promotion of eco-efficient products in the Bank's operations.
		Selection of suppliers with responsible environmental practices.
	A4 – Climate Change Adaptation Strategy	Assessment of climate risks impacting the Bank's operations.
		Integration of adaptation criteria within internal policies and processes.
		Participation in national initiatives related to climate change adaptation.
	A5 – Environmental Investment	Development of educational activities on environmental protection.

Based on the actions and progress presented in the table above, it is clear that during 2024 and 2025, the Bank not only worked systematically on the identified material topics, but also strengthened its internal systems to improve the quality of its sustainability management.

This process included updating and creating internal policies, reviewing and adjusting processes to improve the quality and availability of information, as well as increasing coordination among key teams. These efforts have been fundamental for preparing the process of updating materiality and establishing the necessary conditions for the development of the institutional approach toward sustainability.

In this regard, the Bank initiated a project to update its Sustainability Model, a strategic effort that will modernize its management structure, ensure alignment with international standards, and address growing regulatory and stakeholder expectations. As part of this project, it will update its materiality assessment in 2026 based on the double materiality approach.

The updated double materiality assessment will serve as the main source of input for the renewal of the Sustainability Strategy, ensuring that it reflects both emerging risks and opportunities as well as the Bank's most significant impacts. As a result, the new Sustainability Model will be fully aligned with the Bank's strategic vision, strengthening its ability to generate economic, social, and environmental value in a comprehensive and coherent manner.

Loan Portfolio Value:
FS6

Year 2024

The Salvadoran banking sector showed an annual growth rate of 8.1%, equivalent monetarily to $1,312 million in its loan portfolio, highlighted by lending to the commercial, consumer, and construction sectors, which combined grew by $921 million during 2024. The commercial and construction sectors, which typically did not contribute to credit growth in previous years, marked a significant turning point in this performance in 2024.

The Bank has a clearly defined business model focused on financing the country's productive sectors, with a special emphasis on SMEs. This has allowed it to maintain an appropriate and stable financial profile over time, keeping it in fifth place within the banking system.

At the end of 2024, the services (24.02%), commercial (15.03%), and housing (14.35%) sectors represented the largest shares of the loan portfolio. Notably, in recent years, there has been a trend toward greater risk exposure to the retail segment (due to increased lending for housing and consumer credit), which represented 20.39% during that period.

The Bank's customer segments primarily include SME's (38.58%), large corporations (21.85%), and individual customers (20.39%). The Bank's lending products are focused on credit lines designed to support different sectors, providing more favorable financial terms than commercial banks; consequently, the use of the financing granted is directed toward capital formation in other areas that are not specified by the Salvadoran banking system regulator (60.62%) and current expenses or working capital (22.12%).

2024 Loan Portfolio by Economic Sector

Sector	Value (in millions of $)	Share
Services	$259.35	24.02%
Commerce	$162.35	15.03%
Housing acquisition	$155.00	14.35%
Consumption	$97.62	9.04%
Transport, storage, and communication	$88.60	8.20%
Agriculture	$82.81	7.67%
Manufacturing	$79.28	7.34%
Construction	$71.81	6.65%
Other activities	$41.49	3.84%
Financial institutions	$28.23	2.61%
Electricity, gas, water, and health services	$13.35	1.24%
Total	**$1,079.91**	**100.0%**

Note: The categories used correspond to the classification system issued by the Central Reserve Bank, which includes the classification of the target sector.

2024 Loan Portfolio by Type of Customer

Customer	Value (in millions of $)	Share
Large business	$ 235.94	21.85%
Individuals	$ 220.14	20.39%
Medium-sized business	$ 204.87	18.97%
Small business	$ 211.82	19.61%
Government agencies	$ 138.93	12.86%
Microbusiness	$ 68.21	6.32%
Total	**$1,079.91**	**100.0%**

Note: Categories are defined based on annual sales revenue.

2024 Financing Use Categories

Financing Use	Value (in millions of $)	Share
Other (unspecified)	$654.66	60.62%
Operating or working capital expenses	$238.88	22.12%
Loan refinancing	$59.09	5.47%
Construction and improvements	$39.08	3.62%
Machinery and equipment	$37.96	3.52%
Purchase of commercial premises	$21.79	2.02%
Purchase of land lots	$20.21	1.87%
Facilities	$4.89	0.45%
Other activities	$2.11	0.19%
Purchase of office furniture and equipment	$1.10	0.10%
Shelving for commercial premises	$0.10	0.01%
Technical assistance and training	$0.03	0.00%
Total	**$1,079.91**	**100.0%**

Note: The categories correspond to the classification issued by the Central Reserve Bank.

Year 2025

The Salvadoran banking sector showed an annual growth rate of 8.8%, equivalent monetarily to $1,546 million in its loan portfolio, highlighted by lending in the construction, services, and commercial sectors, which combined grew by $876.8 million during 2025. The construction sector has consistently contributed to credit growth, consolidating its position as the most dynamic sector in the commercial banking loan portfolio at the end of 2025.

The Bank has a business model focused on lending to productive sectors, micro, and small businesses, which has allowed it to maintain a diversified financial profile and continue to hold the fifth position in the banking system, with a 6.2% share of the Salvadoran banking system's loan portfolio.

At the end of 2025, the services (25.33%), commercial (17.08%), and housing (14.44%) sectors represented the largest shares of the loan portfolio. Notably, in recent years, there has been a trend toward greater risk exposure to individual customers (due to increased lending for housing and consumer credit), which represented 20.01% during that period.

The Bank's customer segments primarily include SMEs (35.49%), large businesses (23.54%), and individual customers (20.01%). The Bank's lending products are focused on lines of credit designed to support different sectors, offering more favorable financial conditions than commercial banks; consequently, the use of the financing provided is directed toward capital formation in other categories not defined by the Salvadoran banking regulator (55.9%) and current expenses or working capital (25.9%).

2025 Loan Portfolio by Economic Sector

2025 Financing Use Categories		
Sector	**Value (in millions of $)**	**Share**
Services	$275.14	25.33%
Commerce	$185.56	17.08%
Housing acquisition	$156.79	14.44%
Construction	$114.36	10.53%
Consumption	$90.73	8.35%
Transport, storage, and communication	$70.94	6.53%
Manufacturing	$57.97	5.34%
Agriculture	$56.53	5.20%
Other activities	$53.33	4.91%
Financial institutions	$14.59	1.34%
Electricity, gas, water, and health services	$7.65	0.70%
Mining and quarrying sector	$2.52	0.23%
Total	**$1,086.12**	**100.0%**

Note: The categories used correspond to the classification system issued by the Central Reserve Bank, which includes the classification of the target sector.

2025 Loan Portfolio by Type of Customer

Customer	Value (in millions of $)	Share
Large business	$255.72	23.54%
Individuals	$217.29	20.01%
Medium-sized business	$193.12	17.78%
Small business	$192.41	17.71%
Government agencies	$175.88	16.19%
Microbusiness	$51.71	4.76%
Total	**$1,086.12**	**100.0%**

Note: The categories are defined based on annual sales revenue.

2025 Financing Use Categories

Financing Use	Value (in millions of $)	Share
Other (unspecified)	$607.31	55.916%
Current expenses or working capital	$281.66	25.933%
Construction and improvements	$51.27	4.720%
Loan refinancing	$46.87	4.316%
Machinery and equipment	$31.81	2.929%
Purchase of commercial premises	$26.61	2.450%
Purchase of land lots	$23.82	2.193%
Other activities	$10.60	0.976%
Facilities	$5.17	0.476%
Purchase of office furniture and equipment	$0.92	0.085%
Shelving for commercial premises	$0.04	0.004%
Technical assistance and training	$0.03	0.002%
Total	**$1,086.12**	**100.0%**

Note: The categories correspond to the classification issued by the Central Reserve Bank.

7. ETHICS

GRI 2-15, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, FS-15, 3-3

During 2024 and 2025, the Bank developed and implemented several initiatives aimed at strengthening the organizational culture, ensuring that every employee acts in accordance with standards of efficiency, resilience, integrity, and commitment.

These efforts are based on the firm belief that ethics are not merely a regulatory requirement but a strategic value that ensures trustworthy relationships with customers, suppliers, regulatory bodies, and society in general.

Year 2024

The year 2024 marked a turning point in the management of ethics at Banco Hipotecario, characterized by the implementation of strategic improvements that strengthened the culture of integrity and transparency within the organization. These initiatives were aimed at consolidating an institutional framework that ensures the practice of ethical values at all levels, ensuring trustworthy relationships with different counterparts.

Key initiatives included:

Organizational restructuring: The Corporate Governance and Legal Affairs Department was restructured to include a specialist in integrity. This measure allowed the bank to develop specific technical abilities for the design, implementation, and monitoring of ethical policies.

The Ethics and Integrity Management Improvement Plan was developed in phases that included key initiatives:

- Creation of the new Code of Ethics and Conduct: This document establishes clear guidelines for employee behavior and decision-making.
- Ethics reporting channels: These provided easy-to-access means for both internal and external parties to report violations of the Code of Ethics and Conduct.
- “Ethics Detectives” campaign: This initiative involved all employees through interactive activities and rewards, promoting the learning and practical application of the principles included in the Code of Ethics.
- Training Program: This was integrated into the induction processes for new hires, ensuring that every employee understands and adheres to the ethical guidelines from the start of their employment.
- Awareness and Ethical Culture: Monthly infographics were created and distributed to strengthen institutional values, reaching all of the Bank’s employees.

Year 2025

During that period, the work plan on ethics and integrity, which was designed based on the Bank's strategic pillars, was implemented, leading to the following results:

Through a training program consisting of institutional induction training, annual updates, and the communication of ethical guidelines, the competencies of employees and suppliers regarding ethical conduct were strengthened.

Type of Training	BH Employees and Suppliers	Target 100%
Institutional induction	189	100%
Virtual course	830	100%
Critical suppliers	15	100%

Through an **awareness, culture, and advisory campaign,** different efforts were made to increase knowledge, commitment, and compliance with the provisions of the Bank's Code of Ethics and Conduct, including:

ETHICS INFLUENCER CAMPAIGN 2025: This campaign promoted further awareness of the importance of integrity in daily work through two activities involving all BH employees. A total of 40 infographics were distributed during the year, featuring examples and stories related to the Code of Ethics and Conduct, exceeding the projected goal of distributing one per month.

TEDx TALK WITH AN ETHICAL MESSAGE: "La importancia de los valores en nuestra vida profesional" (The Importance of Values in Our Professional Lives) by Jose Ignacio Gorigolzarri.

"ETHICS INFLUENCER" REEL: A total of 33 videos were published, involving administrative departments and agencies; those with the most likes during the campaign were awarded prizes.

In addition, improvements were implemented in the handling of reports submitted through the ethics reporting line, ensuring more efficient and reliable processes for addressing reported cases. Similarly, the management of conflicts of interest was strengthened through clear mechanisms for identification and resolution, which allowed for timely response and follow-up on reports submitted through the ethics reporting channels.

Finally, the update of the Code of Ethics and Conduct and the review of processes ensured the validity and relevance of internal policies, aligning them with the standards required by Senior Management.

These achievements and outcomes reflect the institution's commitment to building an organizational culture based on ethics, transparency, and accountability, which has contributed to significant progress in the prevention and management of integrity risks.

7.1 COMPLIANCE

For the 2024-2025 period, Banco Hipotecario operated under an internal regulatory framework based entirely on national regulations focused on the Prevention, Detection, and Control of Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction (AML/TF/PFWMD), which all Bank officers and employees are required to follow.

This regulatory framework establishes measures for the prevention, detection, and control of crimes related to AML/TF/PFWMD, which apply to all the institution's employees and counterparties without exception from the time the contractual relationship begins and for as long as it continues.

The preventive measures implemented by the Bank include:

- Availability of the internal regulatory framework for the prevention of AML/TF/PFWMD.
- Communication mechanisms for the timely reporting of suspicious transactions identified by employees performing their duties.
- Regular reports to review the implementation of the guidelines established in the internal regulatory framework.
- Monitoring and implementing regulatory updates regarding AML/TF/PFWMD within the internal regulatory framework.
- Developing an annual work plan focused on AML/TF/PFWMD risk management.
- Developing technological projects to strengthen controls for AML/TF/PFWMD risk management.
- Strengthening the culture of prevention through the development of an annual training plan on AML/TF/PFWMD applicable to officers, employees, and relevant third parties based on their position in the institution.

Training on the prevention of AML/TF/PFWMD includes the following topics:

- Comprehensive update on national and internal regulations in this matter.
- Application of due diligence for employees, customers, and counterparties both before and during the contractual relationship.
- Warning signs for detecting suspicious transactions and safe communication channels for the timely reporting of such transactions.
- Types of AML/TF/PFWMD

Training for the Board of Directors

Topic	2024	2025
Prevention of Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction	1	1

Employees trained in the Prevention of Money Laundering, Terrorist Financing, and the Financing of the Proliferation of Weapons of Mass Destruction

Topic	2024	2025
Prevention of Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction	835	841

The Bank seeks to create and strengthen a culture of responsibility; therefore, it recognizes that it is essential to continuously strengthen the institutional culture to prevent AML/TF/PFWMD. To this end, it conducts institutional communications and training sessions, guiding all employees on warning signs to identify and/or avoid contributing to suspicious transactions, as well as the responsibility we have as the Bank's employees and officers to promptly report suspicious transactions through the mechanisms and communication channels designated for such purposes by the Bank.

8. BUSINESS MODEL, PRODUCTS, AND SERVICES

Corporate Banking

Banco Hipotecario is firmly committed to the economic and social development of El Salvador, focusing its business model on strengthening the business sector to drive the country's sustainable development. Its value proposition aims to provide comprehensive support to all business segments—from small businesses to large corporations—by offering financial products and services tailored to each customer's specific needs. This approach is based on clearly defined processes and procedures, which guarantee transparent, efficient, and responsible management, ensuring comprehensive and high-quality service.

The range of Corporate Banking products, as part of Banco Hipotecario's business model, includes credit opportunities, services, and a wide variety of digital channels to meet the needs of the different customers and productive sectors served, as detailed below:

- Agribusiness: Loans and credit lines designed to support the cultivation, distribution, and export activities of companies in the agricultural sector, ensuring the country's access to high-quality harvested products.
- SMEs: Advisory services and support for small and medium-sized businesses through decreasing or revolving credit lines, enabling them to achieve strong and uninterrupted growth.
- Small Businesses and Financial Inclusion: Support for small business owners by offering them the opportunity to obtain working capital or special temporary loans, and by empowering women-owned small businesses.

The following digital services and channels are available:

- BH Point-of-Sale (POS) Services
- Payment Link
- Payment Gateway
- Corporate Debit Card
- Trusts (Fund Management)
- Online Banking (e-Banking for Businesses)
- Transfer 365 Business
- Transfer 365 CARD (Regional interbank transfers within Central America and the Dominican Republic)

Significant changes in products and services:

During 2024, we provided support to women microentrepreneurs—most of whom are the sole breadwinners in their households—through the financing of working capital, which allowed their businesses to grow. This resulted in the amount of $3,481,958.81 in loans that were disbursed that year. In addition, the tourism sector had a great impact in 2024, receiving $1,729,000.00 in loans under the so-called Surf City Special Line. Finally, the construction sector also stood out that year, contributing to the expansion of housing, commercial, and tourism projects. Consequently, $16,935,360.57 was allocated to this sector.

Along with the commitment to El Salvador's inclusive economic development, by 2025, further outreach to women microentrepreneurs has been implemented through financing plans for working capital or debt consolidation, resulting in $2,140,395.15 in loans granted for that year.

The tourism sector continued to play an important role in special financing lines, specifically within the so-called Surf City Special Line, which provides working capital and financing for real estate purchases or renovations, resulting in $780,000.00 in loans granted.

Similarly, the construction sector showed an increase compared to 2024, totaling $34,372,531.35 during 2025.

Retail Banking

Banco Hipotecario promotes the economic and social development of El Salvador by directing its business model toward the financial well-being of individuals and their families. Through Retail Banking, the institution offers a comprehensive value proposition designed to support customers at every stage of their lives, through financial products and services that respond to their savings, credit, investment, and protection needs. This approach is based on clearly defined procedures, which guarantee transparent, efficient, and responsible management, ensuring comprehensive, personalized, and high-quality service.

As part of its business model, Banco Hipotecario structures its Retail Banking offer through credit products, financial services, payment methods, and digital channels, aimed at meeting the needs of different customer segments and productive sectors served by the Management, as detailed below:

1. Salvadorans Living Abroad

25% of the disbursements managed by Retail Banking are concentrated among customers residing in the United States, representing a strategic opportunity tied to retirement planning and wealth investment in El Salvador. This demonstrates that the bank is bringing Salvadorans abroad—a segment historically served only to a limited extent—into the formal financial system.

2. Salaried Employees and Self-Employed Professionals

The distribution of customers by economic sector shows a clear concentration among low-wage employees and other natural persons, who represent 95.381% (with a high concentration in loan amounts (< $15k), representing 93.5%, (> $15k) 2.71%, and (> $30k) 3.76%), which reflects our mission to balance the market and support vulnerable sectors. These data directly support our contribution to financial inclusion, as they show that the bank prioritizes access to credit for individuals and households, who often face barriers to getting access to the formal banking system, because of limited income, informal employment, or a lack of credit history. By providing them with access to formal financing, the Bank helps reduce their reliance on informal lenders or loan sharks.

Through its Retail Banking Department, Banco Hipotecario offers its customers a wide range of financial services, including the following:

- Consumer Loans
- Mortgage Loans
- Debt Consolidation Loans
- Family Remittances
- Insurance and Assistance
- BH Point-of-Sale (POS) Services
- Debit Cards
- Online Banking (e-Banking for Businesses)
- Transfer 365
- Transfer 365 CARD (Regional interbank transfers within Central America and the Dominican Republic)

Significant changes in products and services:

New customers

From 2022 through the end of 2025, we have added 80,000 customers, which reflects the Retail Banking Department’s ability to drive significant growth in our customer base. This trend demonstrates a massive influx of people into the formal financial system and suggests that Banco Hipotecario successfully reduced barriers to access by reaching out to customers who previously did not use formal financial services and facilitating their first experience with key banking products such as accounts, loans, and digital channels.

Retail Banking Loans

Between 2024 and 2025, a total of 1,533 customers who already had an active deposit account but had not previously had access to credit were added to the Retail Banking loan portfolio. This progress reflects a positive impact on financial inclusion by facilitating progressive access to formal financial products, thereby promoting stronger customer relationships and the effective use of the banking system beyond transactional services.

Loans from Fondo Especial para el Financiamiento de la Micro y Pequeña Empresa (FECAMYPE)

As of today, referrals from Banco Hipotecario branches towards existing FECAMYPE credit lines have enabled the granting of 11 active loans, benefiting microentrepreneurs who face barriers to getting traditional financing. This effort reflects the bank's commitment to financial inclusion and to strengthening the small-scale productive sector.

Debit Card Portfolio by Volume and Transaction Value

Between 2022 and 2024, the number of customers with debit cards grew from 70,352 to 95,315, representing a significant increase in access to electronic payment methods and basic financial services. This growth shows greater financial inclusion, increased access to transactional accounts, and the inclusion of more customers in the formal financial system.

In addition, the product's transaction value shows a very solid growth trend throughout the entire period analyzed. Between 2022 and 2025, the transaction value increased more than sixfold, rising from USD 32.5 million to USD 210.5 million. This data demonstrates that an increasing number of people are actively using this product to carry out formal transactions. Financial inclusion is not limited to having an account or a card, but rather to frequent and meaningful use of financial services, and this indicator confirms this.

Family Remittances

The remittance business continues to show positive results. We have observed growth in the average remittance amount per transaction, which reflects our customers' greater confidence and the greater importance of our service. The average transaction amount increased from $404 (2024) to $435 (2025), representing an 8% increase, which indicates that families are receiving more funds per transfer. This allows them to allocate resources to education, healthcare, housing, or small businesses, leading to greater financial stability and economic resilience in households. In addition, this growth translates into a stronger relationship with customers, who are taking the next step by activating cards, opening accounts, and using the mobile app. This trend allows the remittance business to serve as a gateway to financial inclusion, facilitating access to other products and services, strengthening long-term customer relationships, and generating greater value for both customers and the institution.

Significant Changes and Improvements:

TYPE	DESCRIPTION	RESULT	ECONOMIC, SOCIAL, OR ENVIRONMENTAL CONTRIBUTION
Operational Initiative	Installation of Phone Booths	By the end of 2025, Banco Hipotecario branches had handled more than 3,000 requests related to personal banking products and services, showing improvements in service quality and responsiveness to customers	It reduces congestion in branches, reduces waiting times for service, and reduces paper use by eliminating physical paperwork
Strategic Initiative	Insurance Sales	During an insurance sales campaign, 9,802 policies were enrolled, reflecting increasing adoption of insurance products and progress toward financial inclusion.	It provides more customers with access to formal mechanisms for coverage and financial security.
Operational Initiative	Restructuring of the Waiting List System in Branches	Service management has been improved by service type and customer segment.	We guarantee priority service for vulnerable groups (people with disabilities, pregnant women, and elderly people) and optimization of the service flow.
Strategic Initiative	Family Remittance Campaign	There was an increase in the volume of remittances	It strengthens the customer-bank relationship and promotes long-term financial inclusion

Products and Services Offered in 2024:

Lending Products	Deposit Products	Insurance products
1. Housing Loans 2. Consumer Loans 3. Student Loans 4. Mortgage-Backed Debt Consolidation Loan 1. Current Account Overdraft	1. Savings Accounts o Standard Savings Account o Sumate Savings Account o Children's Savings Account o Horizontes Savings Account for Individuals o Horizontes Savings Account for Women Entrepreneurs 2. Current Account 3. Term Deposit 4. Horizontes Savings Account for Entrepreneurs	1. Solido Life Insurance 2. Ahorro Vida Insurance 3. Protektor Plus Insurance 4. Critical Illness Insurance 5. BH MULTIPLE ASSISTANCE 6. BH Pet Insurance

Debit Card	Credit Card	Electronic Channels
2. Visa Platinum Credit Card 3. Veterans Debit Card 4. Visa Classic Debit Card 5. Visa Gold Debit Card 6. Visa Diaspora Debit Card	1. Visa Classic Credit Card 2. Visa Business Credit Card 3. Visa Gold Credit Card 4. Platinum Credit Card	1. Mobile Banking App 2. ATM 3. POS 4. E-Banking
• Financial Correspondents 1. Transfer 365 CA-RD from the Central Reserve Bank 2. Transfer365 from the Central Reserve Bank 3. Transfer365 Mobile from the Central Reserve Bank		

Products and Services Offered in 2025:

Lending Products	Deposit Products	Insurance Products
1. Housing Loans 2. Consumer Loans 3. Student Loans 4. Mortgage-Backed Debt Consolidation Loan 5. Current Account Overdraft	1. Savings Accounts o Standard Savings Account o Sumate Savings Account o Children's Savings Account o Horizontes Savings Account for Individuals o Horizontes Savings Account for Women Entrepreneurs 2. Current Account 3. Term Deposit 4. Horizontes Savings Account for Entrepreneurs	1. Solido Life Insurance 2. Ahorro Vida Insurance 3. Protektor Plus Insurance 4. BH MULTIPLE ASSISTANCE
Lending Products	**Deposit Products**	**Insurance Products**
1. Visa Platinum Credit Card 2. Veterans Debit Card 3. Visa Classic Debit Card 4. Visa Gold Debit Card 5. Visa Diaspora Debit Card	1. Visa Classic Credit Card 2. Visa Business Credit Card 3. Visa Gold Credit Card 4. Platinum Credit Card	1. Mobile Banking App 2. ATM 3. POS 4. E-Banking
• Financial Correspondents 1. Transfer 365 CA-RD from the Central Reserve Bank 2. Transfer365 from the Central Reserve Bank 3. Transfer365 Mobile from the Central Reserve Bank		

8.1 CUSTOMER EXPERIENCE

GRI 2-25, 3-3, 203-1

Infrastructure and Operations

At Banco Hipotecario, we engage with stakeholders and assess their actual impact on the institution's customers and users. In accordance with the internal regulatory framework, the Customer Experience Policy was updated in 2024 to prevent and mitigate potential negative impacts. This update aims to establish the necessary guidelines for the organization and customer service departments to improve the well-being and quality of service provided to individuals who visit the institution.

The implementation of this initiative includes raising awareness, training, and distributing the document to Bank staff, ensuring they understand and apply it properly.

Furthermore, the active participation of stakeholders–including customer service staff from the Branch, Contact Center, and Back Office channels (in the case of Digital Channels) allows for timely responses and the appropriate resolution of requests, complaints, and claims.

Thanks to coordination among these departments, it is possible to ensure efficient response times and comprehensive management focused on customer satisfaction.

The following is a statistical summary of the requests handled at the end of 2024, showing the number of cases handled by channel, timeframe, and product.

8.2 RESPONSIBLE MARKETING

GRI 3-3. FS15

The Procedure for Responsible Sales was developed to prevent potential negative impacts on business relationships and to promote responsible financial practices. This document establishes the guidelines that staff must follow to ensure that users and customers receive clear, adequate, and transparent information about the products and services offered.

The procedure also defines the criteria to identify scenarios in which a product is not suitable for the customer's needs or capacity, indicating to staff the importance of refraining from offering it and instead guiding customers toward appropriate financial alternatives. This practice directly contributes to maintaining a healthy portfolio, preventing over-indebtedness, and strengthening business relationships based on trust and transparency.

As part of its implementation, the substance of the procedure is included in the induction program for new hires, which is aimed at customer service staff at branches and team leaders. The purpose is to ensure that all staff who are involved in the sale of financial products and services adhere to standardized, ethical criteria that prioritize the customer's well-being.

In addition, and as a way to foster an institutional culture of ongoing improvement, the internal newsletter "Enfocados" was established. This newsletter, aimed specifically at branches, regularly highlights key customer experience metrics, service recommendations, guidelines related to responsible sales, and best practices that help identify and address potential negative impacts. The newsletter has become a key tool for reinforcing ethical behavior and promoting sustainable business decisions within the institution.

By 2025, as part of the measures adopted by the Bank to ensure a healthy business relationship aligned with the available products, services, and channels, the Bank developed design guidelines for the update of the new Online Banking platform, a project scheduled for implementation in 2026. These guidelines aim to ensure a responsible, accessible digital experience tailored to user needs.

The usability guidelines were further developed through focus group sessions, as well as validation using functional prototypes presented to real customers of different ages (this allowed us to identify opportunities for improvement and ensure that the platform is intuitive for all segments). The new banking app also promotes financial literacy, as its home screen features a customizable expense tracking module that includes income, expenses, and a graphical limit, helping users manage their finances more effectively.

8.3 EXPERIENCE MANAGEMENT

As part of our Customer Experience Management efforts and with the purpose of offering a tailored proposal to different customer groups and segments, we conducted an assessment of suppliers and strategic partners capable of providing accessible solutions for people with disabilities. This process seeks to expand access to financial products and services for vulnerable groups or those typically excluded from the financial system, giving special attention to people with hearing impairments, thereby making it easier for them to participate in the economy.

Furthermore, as part of our ongoing efforts to strengthen financial inclusion, we developed a technological initiative aimed at improving the experience of elderly people when using ATMs. This initiative includes setting parameters for free requests and increasing the number of no-cost transactions, thereby encouraging the adoption of digital channels and providing easier and more accessible access to financial services.

To continue promoting people’s well-being through financial solutions that enhance the customer and user experience, an assessment of strategic partners was conducted to develop a customer service ChatBot powered by AI tools. The purpose of this automated channel is to provide customers with general information about the Bank whenever they need it, offering accessible, immediate responses that meet customer experience standards.

8.4 MANAGEMENT WITH REGULATORY BODIES

GRI 2-27

During 2024, Banco Hipotecario did not receive any legal penalties, significant fines, or monetary penalties related to regulatory violations, internal policies, or provisions issued by supervisory authorities.

Regarding complaints related to the protection of financial consumers’ rights, the following data were recorded:

Number of Complaints Submitted				Number of Complaints Resolved			
Number submitted	Number submitted by other agencies, organizations, etc.	Number of complaints examined by the institution	Number of cases resulting in monetary penalties	Amount of monetary penalties (USD)	Number of cases resulting in non-monetary penalties	Number of resolved cases that were appealed	Number of cases resolved favorably
Year 2024							
21,421	144	21,565	$0	$0	0	0	21,565
Year 2025							
20,492	305	20,797	$0	$0	0	0	20,797

These results highlight the institution’s commitment to accountability, regulatory compliance, and the appropriate fulfillment of its obligations to regulatory bodies.

Measuring the Customer Experience

For Banco Hipotecario, meeting the needs and expectations of its customers and users is essential. Therefore, key customer experience indicators are continuously monitored. Using the obtained results, the bank can make informed decisions and develop initiatives aimed at improving service quality and strengthening relationships with users.

Net Promoter Score (NPS)

The indicator closed 2024 at 79% (reflecting a high level of customer recommendation). By the end of 2025, it is projected to increase by at least two percentage points through actions focused on personalized service, improving processes, and enhancing the customer experience across different channels.

As a result of all the actions implemented during 2025, this indicator for branches closed the year at 84.82%, which shows a high level of satisfaction among customers and users regarding the service received. Although the percentage of negative feedback is low, these insights help identify opportunities for improvement and establish action plans that help strengthen the culture of ongoing improvement within the organization.

8.5 SUPPLY CHAIN RELATIONSHIPS AND ACTIVITIES

GRI 2-6, 204-1

In 2024, Banco Hipotecario de El Salvador's network of goods and services suppliers consisted of individuals and legal entities, including suppliers with operations both nationally and internationally. This network is a key component ensuring the appropriate development of operations and the continuity of the services the Bank provides to its customers.

To strengthen management and control mechanisms, the Bank internally classifies its suppliers according to the nature of the goods and services provided, as detailed below:

Regular supplier: a supplier from whom goods, projects or services are regularly purchased to meet the needs arising from the Bank's daily operations.

Outsourced supplier: a supplier contracted in order to perform certain Bank processes on its behalf.

Critical supplier: a supplier that provides essential services related to the Bank's critical processes, where any interruption could significantly affect its operational continuity.

By 2025, the Bank managed a network of goods and services suppliers consisting of 391 active suppliers—including both individuals and legal entities—operating both nationally and internationally, contributing to the development of a supply chain aligned with the Bank's strategy.

While maintaining its focus on strengthening internal controls, in 2025 the Bank continued to implement mechanisms aimed at strengthening the comprehensive management of its supply chain, operational control, and risk mitigation through the internal classification of its suppliers based on the nature of the goods and services they provide.

By the end of 2025, the internal composition of the network reflects a prevalence of regular suppliers, who represent the majority of contracts associated with the Bank's daily operations. In addition, the network includes outsourced suppliers, who provide support for specific processes, and critical suppliers, whose services are essential to strategic processes and whose interruption could significantly affect the Bank's operational continuity.

At the end of both periods, the Bank's supplier network consisted of a total of:

Type of Supplier	Year 2024 Quantity	Year 2025 Quantity
Critical suppliers	21	21
Outsourced Suppliers	20	14
Regular Suppliers	389	356
Total	**430**	**391**

Regarding the nature of the bank's suppliers, the portfolio was composed as follows at the end of both fiscal years:

	Year 2024		Year 2025	
Type of supplier	**Quantity**	**%**	**Quantity**	**%**
Legal entity	334	78%	292	75%
Natural person	96	22%	99	25%
Total	**430**	**100%**	**391**	**100%**

This structure reflects the institution's preference for business relationships with suppliers that have formal organizational structures, which strengthens transparency, traceability, and compliance within the supply chain.

Furthermore, the participation of suppliers classified as natural people shows the Bank's openness to integrating individual suppliers and specialized service providers into its supply chain.

This composition reflects a balanced supply chain between institutional and individual suppliers, which helps promote responsible procurement practices, foster economic opportunities, and strengthen the diversity of stakeholders involved in providing goods and services for the Bank's operations.

In addition, the Bank promotes responsible management of its supply chain through its Procurement Policy, which requires its suppliers to sign a commitment to environmental and social risk management. This commitment aims to ensure the implementation of appropriate environmental protection and social responsibility practices, as well as to mitigate risks that could affect the Institution.

In addition, the Bank ensures that the goods and services purchased comply with ethical, quality, and sustainability standards, which are aligned with its institutional values and contribute to the responsible management of its operations and its environment.

In line with its commitment to sustainability, during 2025 Banco Hipotecario continued to strengthen, compared to the previous period, its responsible procurement principles through its Procurement Policy, which requires suppliers to sign a commitment to environmental and social risk management. This approach aims to promote compliance among suppliers with ethical, quality, and sustainability criteria in the goods and services provided to the Bank, as well as to prevent and mitigate environmental, social, and reputation risks associated with the supply chain.

In addition, the Bank strengthened the implementation of its Code of Ethics and Conduct, promoting its formal approval by suppliers as a key requirement in the business relationship. This practice enables the assessment and ensures compliance with principles of integrity, transparency, and responsible behavior within the supply chain, which helps consolidate a network of suppliers aligned with the Bank’s institutional values.

9. SUSTAINABLE FINANCE

In terms of sustainable finance, in 2024, green lending opportunities were provided through the Financing Line for Energy Management and Sustainable Production, designed to promote investment in environment-friendly and economically feasible projects that contribute to the reasonable use of energy and resources, transform production processes, and improve working conditions for employees across our country's business supply chain. These initiatives were part of projects focused on renewable energy, energy efficiency, and sustainable production.

Along these same principles, the Bank's Sustainability Policy, since its approval in 2025, has included the creation of credit products focused on inclusion and environmental protection; this seeks to provide our customers with financing opportunities that are environment-friendly and designed to build resilience against the impacts of climate change.

In this regard, promoting the policy on this issue meant, by 2025, a process of designing and redesigning the existing green credit line to identify new green financing alternatives within the Bank's existing catalog of products and services and to promote climate change adaptation measures through customers' productive activities. Thus, in October 2025, the creation of a special credit line to promote climate change adaptation measures was approved.

9.1 GREEN LENDING

FS8

Year 2024

Funding Breakdown for 2024-2025 by investment category

Investment Category	2024 Amount	%	2025 Amount	%
Energy Efficiency	$4,592,551.83	26.16%	$14,761,708.20	77.85%
Renewable Energies	$1,041,326.87	5.93%	$875,696.02	4.62%
Sustainable Production	$11,924,874.54	67.91%	$3,323,505.20	17.53%
Overall Total	**$17,558,753.24**	**100.00%**	**$18,960,909.42**	**100.00%**

Investment Category	2024 Credits	%	2025 Credits	%
Energy Efficiency	43	56.58%	38	66.67%
Renewable Energies	4	5.26%	3	5.26%
Production Sustainable	29	38.16%	16	28.07%
Overall Total	**76**	**100.00%**	**57**	**100.00%**

Investment Category	2024 Amount	%	2025 Amount	%
Conventional Portfolio	$1,061,291,280.52	98.37%	$1,066,819,331.31	98.25%
Green Portfolio BH	$17,558,753.24	1.63%	$18,960,909.42	1.75%
Overall Total	**$1,078,850,033.76**	**100%**	**$1,085,780,240.73**	**100%**

By promoting sustainable investments, the Bank supports companies in their environmental and social commitments, as well as in leveraging opportunities arising from the early identification and mitigation of climate change-related risks. It also enhances market competitiveness and encourages investments aimed at aligning environmental stewardship with business profitability.

9.2 SOCIALLY RESPONSIBLE PRODUCTS

FS7

During the period, the Bank enhanced its approach to financial inclusion by refining its loan underwriting criteria, prioritizing not only access but also the sustainability and quality of operations. This development was in line with a strategic vision aimed at building stronger, more responsible, and sustainable financial relationships over time.

Although there has been a fluctuation in the volume of loans granted for the expansion of microbusinesses, this trend reflects a deliberate effort to strengthen risk management and formalize operations, with a focus on promoting more robust lending structures that offer greater repayment capacity and lower exposure to indebtedness.

This approach enabled the Bank to move toward a healthier and more resilient portfolio, in line with the principles of responsible banking, while simultaneously contributing to the financial stability of its customers and the sustainability of its institutional business model.

At the same time, the financial inclusion strategy continues to play a key role in reducing barriers to access by integrating digital solutions, simplified products, and service mechanisms tailored to the needs of targeted segments.

Executed Actions	2024	2025
Number of loans granted for the expansion of microbusinesses	487	335
Banked people	31,655	20,413

Altogether, these initiatives reaffirm the institution’s commitment to sustainable financial inclusion, which is understood not only as access to credit but also as the development of responsible, balanced, and long-term financial relationships.

Following the change in the number of active accounts observed in 2023, a significant recovery was registered in 2024, with a total of 29,369 accounts. By 2025, the indicator remains on a positive trajectory, sitting at 32,268 accounts.

This trend underscores the product's growing role in the bank's financial inclusion strategy, as well as the portfolio's increasing stability, in line with the bank's efforts to strengthen access to formal financial services through simplified and accessible solutions.

Number of People with Simplified Accounts	
Year	**# of Customers**
2023	9,155
2024	29,369
2025	32,268

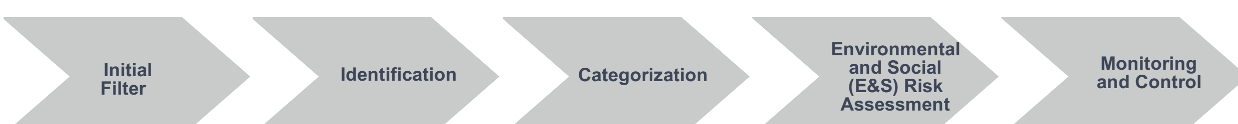
9.3 ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

GRI 3-3, FS1, FS2, FS3, FS4, FS5, FS9, F10, FS11

Banco Hipotecario is committed to protecting and preserving the environment, as well as upholding fundamental social principles. This commitment is reflected in the implementation of processes for the identification, assessment, mitigation, and timely monitoring of environmental and social risks to minimize any negative impacts that may arise from the activities of its customers, suppliers, and business partners.

The Bank has an Environmental and Social Risk Management Policy, established in 2025, which sets forth guidelines for providing and managing financing to the country's different productive sectors, as well as for managing business relationships with suppliers and strategic partnerships—all aimed at preventing and mitigating the indirect negative environmental impact caused by the Bank's financing activities and the procurement of goods and services. It includes the implementation of a transversal management model within the institution that brings together different departments and efforts to identify, assess, and monitor the environmental and social risks associated with loan customers, mortgage securities, and suppliers of products and services.

For its implementation and follow-up, the following measures were established as part of the methodological risk management model, which is outlined below:



Initial Filter

As an initial step in managing E&S risk, the Bank conducts a verification to determine whether the economic activity, project, or construction work is included in the Bank's E&S Exclusion List. For customers, suppliers, or business partners engaged in more than one activity, the activity with the highest risk category is given priority.

The Exclusion List consists of activities that the Bank has defined as not eligible for financing, contracting, or partnership due to their potential severe E&S or reputational impact, or because they violate national and international regulations.

As part of the E&S assessment process, a preliminary review is conducted to determine whether the economic activity reported by the customer, supplier, or business partner is aligned with the guidelines established in the Bank's E&S Risk Policy. This review includes verifying the information contained in the application forms or initial documentation submitted by the customer, supplier, or business partner.

Once it has been confirmed that the applicant is not on the Exclusion List, the following steps are then taken:

Identification of E&S Risks

At this stage, E&S risks arising from the activities, construction projects, or initiatives to be financed, as well as from relationships with suppliers and business partners, are identified in order to minimize the possibility that the Bank will incur costs resulting from these risks.

- Customers, Construction Works, or Financed Projects: Proposed activities, construction works, or projects, including their nature, location, and scope.
- Suppliers: Primary economic activity, production processes or service provision, and employment or community relations.
- Permanent Business Partnerships: Joint business model, type of customers served, services offered, and in-field operations.

Categorization:

For the categorization of E&S risk, customers, suppliers, or business partners are classified according to the level of potential risk that their activities, construction works, or projects may pose to the environment, public health, safety, working conditions, or communities.

This classification allows the Bank to determine the type of assessment to be conducted, based on the level of risk and exposure.

The risk categories are the following:

High Risk Level: Designated for activities, construction works, or projects that may generate significant, widespread, and irreversible environmental and social impacts.

Medium Risk Level: Designated for activities, construction works, or projects that may generate limited adverse environmental and social impacts, which are generally small in number and occur at specific locations where the financed activity takes place, and are mostly reversible.

Low Risk Level: Designated for activities, construction works, or projects that involve minimal environmental and social risks and/or impacts.

The categorization of a customer, supplier, or business partner is determined by their economic activities and does not consider the activities of related parties, as long as they are not involved in that particular transaction, although they must be disclosed for information purposes.

E&S Assessment

The E&S assessment helps analyze aspects related to the environment of financed projects, including, but not limited to, natural conditions, waste management, potential impacts on communities, and the implementation of risk prevention and mitigation measures.

This approach improves decision-making by promoting responsible practices that contribute to the sustainability of operations, the appropriate management of non-financial risks, and the creation of long-term value.

Results of E&S Management

During the reporting period, the bank continued to strengthen the integration of environmental and social variables into its risk management model, consolidating mechanisms that enable early detection, mitigation, and management of potential exposures resulting from financed activities.

The assessments conducted facilitated the timely identification of relevant risks, thereby enabling the implementation of preventive measures and providing support to customers and counterparties throughout the process of improving their environmental and social performance.

This process reflects the institution's commitment to prudent and responsible management aligned with sustainability standards, contributing to the stability of the portfolio and the promotion of sustainable business practices.

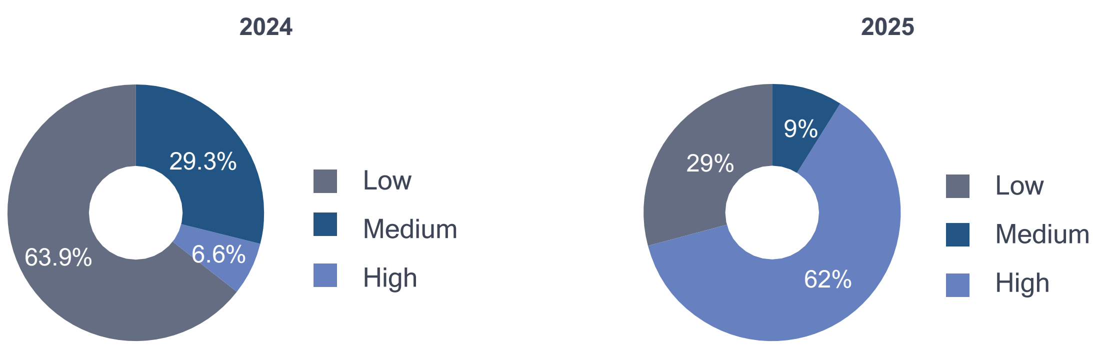
Monitoring and Ongoing Improvement

It is based on monitoring and oversight following the provision of financing and the establishment of relationships with suppliers and long-term business partners, to ensure compliance with the conditions established in the action plans for each E&S risk assessment

Once the new Environmental and Social Risk Management Policy took effect, we aimed to strengthen the identification of environmental and social risks in the business relationships established by the Bank, seeking to mitigate them through preventive management while adding value for both parties. Since the creation of the new Policy, 71 assessments were conducted by E&S risk category based on the Risk Management Department's recommendation, resulting in 36 high-risk operations and 35 medium-risk operations.

At the end of both periods, the bank's loan portfolio was classified according to its level of environmental and social risk, following the criteria defined in its management framework:

Categorization of the Loan Portfolio



E&S risk management is conducted through a comprehensive and transversal approach, which enables the incorporation of sustainability criteria into the institutional risk analysis. This framework helps identify and mitigate potential socio-environmental impacts associated with financing operations and business relationships.

Loans classified as low risk are not assessed for all segments, and medium-risk loans for small businesses are not subject to an E&S assessment. However, as part of a process of improvement for the year 2026, a proposal will be developed aimed at their inclusion in the loan assessment process for economic groups. This means that assessments will be conducted on a group of natural or legal persons who are affiliated for different reasons. The purpose is to identify, propose, assess and determine the associated risks that may exist from third parties related to the Bank's key stakeholders.

In 2025, 759 loans were assessed, representing a decline over the past 5 years. This reduction is mainly due to the performance of the loan portfolio and the update of categorization criteria resulting from the implementation of the new E&S risk management policy. These adjustments contributed to a more efficient prioritization of the assessed operations, aligning the model with the Bank's current risk structure.

Internal Environmental Management

GRI 301, 302, 303, 305, 306, 307

Internal environmental management is connected to the institution's strategic plan by optimizing processes through ongoing improvement; this drives internal eco-efficiency to optimize resources and processes. This includes environmental improvements that simultaneously generate economic benefits for the Bank—such as in energy, water, paper, and fuel consumption, as well as the appropriate disposal of solid waste—all within the framework of the circular economy approach.

Monitoring of consumption and waste is essential for making informed decisions, reducing costs, improving environmental performance, and making progress toward more sustainable practices aligned with regulatory requirements, national commitments, and the institutional strategy for process optimization focused on ongoing improvement.

9.4 CARBON FOOTPRINT

During 2024 and 2025, Banco Hipotecario, as part of its institutional commitment to environmental management and the progressive improvement of its sustainability practices, has been strengthening its abilities to measure and manage its carbon footprint, making gradual progress in the collection and systematization of data related to its operational emissions.

The scope of the measurements conducted to date covers the main emission sources within the Bank's operations, identifying both direct and indirect sources of greenhouse gases (GHGs).

Direct emissions were calculated based on stationary combustion at power plants, mobile combustion determined by average fuel consumption by type of vehicle and type of fuel, and refrigerant loads from air conditioning systems. Regarding indirect emissions, calculations were based on data related to electricity, paper consumption, water consumption, and solid waste management. It is important to note that employee commuting, business travel, purchased goods, and investments were not included in these calculations.

Based on the above, the Bank's total greenhouse gas (GHG) emissions for 2024 amounted to 444.62 tCO_2e. In addition, the carbon footprint per employee for that year was 0.52 tCO_2e, calculated by assessing operational efficiency in terms of emissions per person and monitoring progress toward internal reduction targets.

Type of Emissions	Total Emissions (tCO2e) in 2024
Direct	131.09
Indirect	313.53
TOTAL	444.62

During 2025, the consumption of resources such as water and electricity was monitored on a monthly basis by the Sustainability Committee, which analyzed the results and implemented different measures aimed at optimizing their use and promoting resource efficiency. As a result of these actions, the institution successfully met its established goal regarding the reduction in the use of these resources during 2025.

In addition to having systematized consumption indicators for water and energy, the Bank strengthened the collection of operational data related to fuel consumption, which provided a more comprehensive overview of emissions associated with the vehicle fleet; unlike in 2024, this also included emissions generated by the average distance traveled by the Bank's vehicles, based on fuel consumption.

Regarding 2025, the Bank's total greenhouse gas (GHG) emissions, based on available data, were 433.00 tCO_2e, resulting in a total footprint per employee of 0.50 tCO_2e;

Type of Emissions	Total Emissions (tCO2e) in 2025
Direct	124.13
Indirect	308.87
TOTAL	433.00

These improvements reflect the progressive strengthening of the bank's internal mechanisms for managing and recording environmental information. During the reporting period, ongoing efforts continued to improve data monitoring and collection processes, aiming to establish a more accurate measurement of the environmental impacts associated with the bank's operations.

In this regard, by 2026, the Bank plans to expand the measurement variables currently included and introduce new data sources to improve the accuracy of monitoring consumption, emissions, and waste generation. This will help identify opportunities to improve resource efficiency and strengthen decision-making processes related to the Bank's environmental management.

9.5 SOLID WASTE MANAGEMENT

GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

Solid waste management represents one of the most significant environmental challenges across the globe, driven by factors such as population growth, consumption patterns, and infrastructure limitations regarding appropriate treatment and final disposal processes.

For Banco Hipotecario, this issue is a key aspect of its environmental management, which is focused on minimizing the impacts associated with waste generation and promoting practices aligned with the principles of circular economy.

During 2024, 29.6 metric tons (t) of waste were properly managed. This process was conducted through coordination with the Bank's different branches, by implementing waste separation practices at the point of origin and working with companies specializing in waste treatment and disposal, thereby ensuring efficient management.

Non-hazardous Waste in 2024		
Type of Waste	**Amount Generated (t)**	**Waste Disposal**
Paper	13.5	Recyclable waste manager
Cardboard	3.0	
Plastic	1.4	
Aluminum	0.5	
Iron and other metals	5.6	
Copper	0.002	
Non-recyclable waste*	N/A	**Landfill**
Total	**24.1**	

* Currently, there is no measurement mechanism available to quantify non-recyclable waste, such as organic waste and other materials that are not suitable for recycling.

Hazardous Waste in 2024		
Type of Waste	**Amount Generated (t)**	**Waste Disposal**
Electrical and electronic waste (WEEE)	4.4	WEEE waste manager
Biohazardous waste	0.05	Specialist biohazardous waste manager Biohazardous waste
Total	**4.50**	

Regarding 2025, internal waste collection and disposal efforts continued, raising employee awareness through campaigns, communications, and recycling days. As a result of these initiatives, a total of 31.0 metric tons of waste was managed, reflecting the consolidation of responsible waste separation and disposal practices.

Non-hazardous Waste in 2025		
Type of Waste	**Amount Generated (t)**	**Waste Disposal**
Paper	9.3	Recyclable waste manager
Cardboard	1.5	
Plastic	0.3	
Aluminum	0.1	
Iron and other metals	15.9	
Copper	0.00	
Non-recyclable waste*	N/A	Landfill
Total	**27.1**	

Hazardous Waste 2025		
Type of Waste	**Amount Generated (t)**	**Waste Disposal**
Electrical and electronic waste (WEEE)	3.9	WEEE waste manager
Biohazardous waste	0.03	Specialist biohazardous waste manager Biohazardous waste
Total	**3.94**	

* Currently, there is no measurement mechanism available to quantify non-recyclable waste, such as organic waste and other materials that are not suitable for recycling.

10. ENERGY

GRI 3-3, 302-1, 302-3, 302-4

Energy consumption is directly linked to greenhouse gas emissions, since a significant portion of the global energy mix still depends on fossil fuels. In this regard, the transition to cleaner and more efficient energy sources helps reduce emissions and mitigate long-term environmental and climate impacts.

At Banco Hipotecario, energy consumption management is conducted under an internal eco-efficiency approach, which includes regular monitoring of consumption at all branches and facilities. In accordance with the Sustainability Policy, when significant variations or increases in consumption levels occur, assessments are conducted to identify causes and implement corrective measures.

During 2024, the monthly energy consumption of each of the Bank's facilities was recorded. Compared to 2023, a 7.7% increase in energy consumption was observed, which resulted in the identification and implementation of energy-saving initiatives and the replacement of equipment with more efficient technologies.

As a result of the monitoring conducted in 2025, a 0.5% reduction in energy consumption was observed compared to 2024.

Monthly monitoring allows for the consolidation of annual consumption data in kWh, whose indicators are key to analyzing trends, energy performance, and making decisions focused on energy efficiency.

Year	Energy (kWh)
2019	2,473,643
2020	2,139,312
2021	2,250,759
2022	2,199,060
2023	2,391,178
2024	2,575,281
2025	2,563,642

Based on the results obtained, measures were implemented to incorporate more efficient technologies, including equipment replacement, assessments of energy consumption in facilities, and renovations that primarily involved installing inverted air conditioning systems and replacing conventional lighting with LED technology.

During 2024, 11 renovation projects were completed, focusing primarily on infrastructure improvements and the optimization of workspaces. All of these projects involved replacing lighting with LED technology.

In 2025, 10 renovation and space adaptation projects were reported at different Bank branches, incorporating LED lighting in all cases. In addition, 23 inverted air conditioning units were installed in accordance with identified operational needs.

Within the framework of internal eco-efficiency, managing fuel consumption is critical, since it is directly linked to operational efficiency and greenhouse gas emissions.

The use of diesel and gasoline represents a significant component of operating costs, as well as a source of direct emissions (Scope 1). In this regard, monitoring consumption allows us to assess trends, identify opportunities for optimization, and strengthen the Bank's environmental management.

The following table shows fuel consumption associated with the vehicle fleet and power plant operations for the 2023-2025 period, expressed in gallons:

Year	Diesel Vehicle (gallons)	Gasoline Vehicle (gallons)	Power Plants Diesel (gallons)
2023	3,202.90	1,450.60	1,042.00
2024	6,625.00	80,169.00	1,426.43
2025	6,554.52	57,589.20	1,178.88

The increase in fuel consumption observed since 2024 is directly linked to the incorporation of the vehicle fleet into the scope of institutional measurement and control. Prior to that period, such consumption was not included in the consolidated operating inventory. Consequently, the recorded variation is primarily due to an adjustment within the methodological scope of monitoring, rather than a structural change in consumption patterns.

This variation is also associated with the outsourcing of the fuel supply service, which allowed for meeting increased operational requirements related to commercial visits and administrative activities. This operational adjustment helped strengthen internal consumption control and recording mechanisms.

10.1 WATER

GRI 3-3, 303-1, 303-3, 303-5

Water is a strategic natural resource, and its availability is facing increasing demands worldwide. In this regard, monitoring consumption patterns helps identify deficiencies, detect leaks, and identify opportunities for optimization, which contributes to the responsible management of water resources.

During 2024, Banco Hipotecario conducted monthly monitoring of water consumption across its service centers and administrative facilities. This monitoring allowed for the analysis of average consumption patterns per facility and the identification of significant irregularities.

In 2025, upon the implementation of the Sustainability Policy, internal mechanisms for following up on and monitoring water consumption indicators were strengthened.

In accordance with established parameters, the focus was prioritized on variations equal to or greater than 7%, reporting incidents through the Request Management System. These actions helped identify significant leaks and the need to replace water meters in different bank facilities, and addressing these issues in a timely manner helped prevent excessive operating costs and reduce water loss.

Year	Water (m^3)	Variation (%)
2023	17,763	
2024	18,882	6.3%
2025	17,020	-9.9%

In 2025, compared to 2024, a 9.9% reduction in water consumption was observed, reflecting the effectiveness of the monitoring, control, and maintenance measures implemented. The organization will continue to promote internal initiatives aimed at the efficient use of water resources and the strengthening of an eco-efficient culture.

10.2 PAPER

GRI 3-3, 303-1

Monitoring and responsible use of paper are part of Banco Hipotecario's internal eco-efficiency practices, designed to optimize the consumption of supplies without compromising operational efficiency.

In 2025, the Sustainability Policy strengthened the implementation of measures aimed at optimizing resource consumption and incorporating the principles of the circular economy.

Within this framework, the Sustainability Department implemented monthly monitoring of paper consumption by cost center, enabling the consolidation of institutional consumption indicators. As a result, in 2025, paper consumption amounted to 8,095 reams, representing a 4% reduction compared to 2024.

Efficient management of paper consumption helps reduce waste generation, optimize operating costs, and minimize the direct environmental impacts associated with the production and transportation of this resource.

Year	Number of Reams Used	Kilograms	Variation (%)
2024	8,095.00	73,424.04	
2025	7,753.50	70,326.53	-4%

Internal Initiatives for an Eco-Efficient and Sustainable Culture

In line with the Sustainability Policy, Banco Hipotecario has implemented different internal initiatives aimed at strengthening an eco-efficient culture and promoting responsible practices in the use of resources.

These actions contribute to the Bank's environmental performance and its institutional commitment to sustainability. Some of the key initiatives to highlight include:

- An activity conducted with all employees to recognize their commitment to a sustainable culture and measures for saving and efficiently using resources.
- Survey of sustainable practices among suppliers of products and services to the Bank.
- Installation of waste separation stations in all Bank facilities.
- Waste separation at recycling stations in Bank branches and administrative facilities and periodic management of final disposal through specialized recycling companies.
- Waste collection campaigns with employees to promote circular economy.
- Monitoring and following up on resource consumption at various service points to calculate indicators and inform decision-making.
- Promoting awareness-raising initiatives with employees to promote a sustainable culture at the Bank through training, informational and awareness campaigns, internal communications, and commemorative activities.
- A beach cleanup activity with employees, collecting over 300 pounds of beach debris and contributing to the conservation of marine wildlife by releasing 120 turtles in the Natural Protected Area of Los Cobanos.
- Promoting responsible business partnerships focused on sustainable management with the Bank's product and service suppliers by signing an Environmental and Social Risk Analysis (ARAS) agreement.

Each of these initiatives is key to strengthening progress toward sustainable management and addressing challenges in this regard.

10.3 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

GRI 308

Banco Hipotecario has established guidelines aimed at including environmental and social criteria when selecting and assessing suppliers.

During 2025, a survey was conducted among 67 suppliers of products and services. According to the results, 67% of suppliers reported having internal environmental policies or guidelines; 61% stated that they use organic and biodegradable products in their operations; and 69% reported implementing recycling and/or reuse practices in their operations.

This enables the identification, assessment, and management of environmental and social risks associated with activities, projects, or operations. It also ensures the selection and establishment of business partnerships with suppliers that demonstrate responsible and sustainable practices.

11. BH TEAM

Employees

GRI 2-7, 401-1, 405-1

Employees by Geographic Region – 2024 and 2025

Permanent Contract					Temporary Contract			
Year	**Western Region**	**Central Region**	**Paracentral Region**	**Eastern Region**	**Western Region**	**Central Region**	**Paracentral Region**	**Eastern Region**
2024	92	587	87	89	0	4	0	0
2025	91	592	76	88	0	4	0	0

	2023	2024	2025
Total number of employees	936	859	851

During the 2024-2025 period, the bank had a total of 859 employees, representing a decrease of 8.23% compared to the previous year, a variation associated with an internal restructuring process.

By 2025, the total number of employees had dropped to 851, reflecting a change of 0.93%, which demonstrates stability in the bank's workforce structure.

In both periods, 99% of the staff consisted of employees with permanent contracts, in accordance with current organizational structures. In addition, the Bank considers hiring temporary employees under fixed-term or short-term contracts, primarily to address specific operational needs, such as increased workloads, project execution, or replacement due to disability.

All employees, both permanent and temporary, work full-time. Permanent employees are those with open-ended contracts, while temporary employees have fixed-term contracts ranging from one month to a maximum of nine months.

The Bank does not have employees working on a non-guaranteed hourly basis or under a part-time employment contract.

Employees by Type of Contract and Gender					
	Permanent Contract		Temporary Contract		
Year	**Female**	**Male**	**Female**	**Male**	**Total**
2023	513	422	0	1	936
2024	450	405	2	2	859
2025	452	395	3	1	851

Employees by Job Profile, Gender, and Age - 2024

Type of Position	<30		30-50		>50		TOTAL		
	F	M	F	M	F	M	F	M	Overall Total
Administrators	3	6	10	22		6	13	34	47
Analysts	13	26	71	34	6	6	90	66	156
Assistants			1		1		2	0	2
Support staff	5	16	9	8	3	4	17	28	45
Coordinators		1	5	8			5	9	14
Directors			1	7			1	7	8
Executives	15	17	56	33	4	3	75	53	128
Managers			5	6	3	4	8	10	18
Heads	1		32	28	8	4	41	32	73
Police officers Bankers		1		18		9	0	28	28
Customer service	77	40	69	34	2	2	148	76	224
Other services			1	2			1	2	3
Deputy managers			7	12	2	5	9	17	26
Deputy chiefs			1	2	1		2	2	4
Supervisors	4	1	21	15	3	1	28	17	45
Technicians	2	2	5	19	1	1	8	22	30
Managers (L1)			3	4	1		4	4	8
Total	**120**	**110**	**297**	**252**	**35**	**45**	**452**	**407**	**859**

Executives*: Business Executives, Comprehensive Solutions Executives, Contact Center Executives, Sales Executives, Customer Service Executives

**: Customer Service Executives and Tellers.

Employees by Job Profile, Gender, and Age - 2025

Type of Position	Under 30 years old		Between 30 and 50 years old		Over 50 years old		TOTAL		
	F	M	F	M	F	M	F	M	TOTAL
Administrators	3	6	7	23	0	8	10	37	47
Analysts	16	27	67	38	11	3	94	67	161
Adviser	0	0	0	0	0	0	0	0	0
Assistants	0	0	0	0	1	0	1	0	1
Support staff	11	8	19	7	4	2	34	27	61
Employees	0	0	0	0	0	0	0	0	0
Legal partners	0	0	0	0	0	0	0	0	0
Coordinators	0	1	5	4	0	1	5	6	11
Directors	0	0	1	7	0	1	1	8	9
Executives	8	15	45	31	3	4	56	50	106
Managers (L1)	0	0	4	1	1		5	1	6
Managers	0	0	4	7	1	4	5	11	16
Heads	0	0	32	31	10	6	42	37	79
Operators	0	1	5	1	0	0	5	2	7
Police officers Bankers	0	1	0	16	0	11	0	28	28
Customer service	81	44	66	21	0	4	147	69	216
Other services	0	0	1	2	0	0	1	2	3
Deputy managers	0	0	7	13	3	6	10	19	29
Deputy chiefs	0	0	0	0	0	0	0	0	0
Supervisors	5	2	25	12	2	2	32	16	48
Technicians	3	2	3	13	0	1	6	16	22
TOTAL							454	397	851

Executives*: Business Executives, Comprehensive Solutions Executives, Contact Center Executives, Sales Executives

Customer Service**: Customer Service Executives and Tellers.

The information corresponds to the total number of employees at the end of each period, specifically as of December 31, 2024, and December 31, 2025.

During the 2024-2025 period, the Bank's workforce composition showed stability in terms of gender balance. In both periods, women represented 53% of the total workforce. Women represented 13% of those in executive positions, while they accounted for 46% of those in management positions.

These indicators reflect the continuity of the organizational structure and the institution's commitment to promoting gender equality and professional development across different job profiles.

The data presented was obtained from the database of the information system used for employee management.

11.1 COMPENSATION AND BENEFITS

Compensation

GRI 2-19, 2-20, 2-21, 401-3, 405-2

Fixed compensation at Banco Hipotecario consists of twelve base salaries to which employees are entitled upon signing a contract with the institution; this amount is divided and paid biweekly each month. Variable compensation is designated for certain positions within the organization, and such compensation is determined directly based on the achievement of established metrics.

Annual Performance Bonus: As part of employee benefits, the Bank may offer an annual performance bonus to employees. Payment of the annual bonus is subject to the achievement of the projected net profit for that year, which is authorized by the Board of Directors.

Annual Bonus: The Bank will grant employees who meet the established requirements compensation equivalent to one month's regular salary.

Notice periods for senior executives differ from those for other employees; specifically, Directors, Managers, Administrators, department heads, and specialized employees must submit their notice of voluntary resignation 30 days prior to the effective date of resignation.

For all other employees, notice must be given 15 days prior to the effective date of resignation.

Compensation is based on the number of years of service with the Bank and applies to all employees who resign from their positions in compliance with the notice periods specified in the Regulatory Law on Financial Benefits for Voluntary Resignation, provided they have met the minimum service requirements established by said law.

Retirement Benefits: Upon retiring from the Bank, every employee will receive the equivalent of 100%

of their accrued employment liability based on the current maximum legal salary.

The Bank maintains a structured job assessment process aimed at ensuring internal equity, organizational coherence, and objectively managed compensation.

The method of assessment is based on a technical analysis of competencies, responsibilities, functional complexity, and requirements associated with each position within the organizational structure.

This approach provides a relative value to positions, establishing internal hierarchies and salary ranges aligned with objective and consistent criteria.

The process is carried out in coordination among specialized Human Resources departments, including the units responsible for organizational development, compensation management, and the different departments involved.

The steps for determining the value of each position are as follows:

- The job description is updated by the immediate supervisor with support from Human Resources Management.
- The value of a position represents what makes it significant within the Bank's structure; that is, the contribution it makes to the Bank. To the extent that a position requires a higher level of competencies, requirements, and responsibilities, its contribution will be proportionally greater.
- To ensure internal equity, each position is assessed using both matrices and job descriptions. As part of the assessment, an analysis and discussion process is conducted to determine the necessary score based on competencies, responsibilities, complexity, and job requirements; this helps to define a numerical value associated with each functional position, and an internal hierarchy (job categories and levels) is established in which the position would be placed according to the score obtained.
- The following departments are involved in the job assessment to determine the position's score and thus establish the salary range: Human Development Department, Compensation and Benefits Department, the manager responsible for the position being assessed, and the Human Resources Manager, when required.
- A market salary survey (external, and salary surveys) is conducted among companies in the same sector, and a "matching" process is conducted to identify comparable positions. Finally, the market benchmark that aligns with the bank's competitiveness strategy and implementation plan is defined.

Annual Total Compensation Ratios

Year	Ratio	Percentage Increase Ratio
2024	13.71	-1.44%
2025	12.86	0.44%

Note: When calculating the total annual compensation ratios for 2024 and 2025, the total annual fixed compensation—including monthly salaries, special bonuses, and year-end bonuses—was considered.

The calculations were based on the consolidated payroll at the end of each fiscal period.

Base Salary and Compensation for Women and Men in 2024 and 2025

The institution does not apply gender-based pay differentials. The following table presents the ratios by professional category; the differences are due to the distribution of women and men within each category, without any gender-based differences in terms of responsibilities or seniority.

Base Salary and Compensation for Women and Men		
PROFESSIONAL CATEGORY	YEAR 2024 SALARY RATIO (F/M)	YEAR 2025 SALARY RATIO (F/M)
Analysts, business executives, and officers	0.98	1.01
Assistants and support staff	1.74	1.58
Executives	0.32	0.44
Managers	0.84	0.72
Mid-level managers	1.11	0.91

Definition Used for Professional Categories	
Analysts, business executives, and officers	Technical and operational positions
Assistants and support staff	Assistants and support staff
Executives	Directors, Managers, and Officers reporting to the President
Managers	Managers reporting to Executives
Mid-level managers	Deputy Managers and Officers with staff under their supervision, Department Heads, Coordinators, Deputy Heads and Administrators with staff under their supervision, and Supervisors

Parental Leave in 2024 and 2025				
	MALE	FEMALE	MALE	FEMALE
Employees who are eligible for parental leave	0	20	3	16
Employees who have used parental leave	0	20	2	16
Employees who returned to work during the reporting period after completing parental leave	0	20	3	16
Employees who returned to work after completing parental leave and were still employed 12 months after returning to work	0	14	3	14
Return-to-work and retention rates for employees who used parental leave	0%	70%	100%	88%

11.2 BENEFITS

GRI 401-2, 201-3

The Bank maintains a comprehensive employee benefits program designed to promote the well-being, stability, and quality of life of its employees, complying with current regulations and as part of its approach to social sustainability.

Regarding working conditions, the institution grants additional days off in addition to those established in the Labor Code, thereby strengthening the work-life balance. Likewise, there are provisions tailored to employees' geographic locations, taking into account local cultural practices and holidays.

As part of its commitment to financial well-being and job transition, the Bank implemented "Plan Diamante" (Diamond Plan), a program aimed at assisting employees who are about to retire. This program includes specialized legal and financial counseling, contributing to structured retirement planning.

Additionally, the Bank provides benefits that surpass the minimum benefits established by law. As of the end of 2025, a total of 29 employee benefits were reported, including 23 additional benefits.

This program includes early childhood care centers (CAPI), further providing comprehensive support to employees' families and promoting conditions that foster a healthy work-life balance.

Law	Financial benefit in the event of the death of a BH employee, equivalent to 60 days' pay
Law	Days of paternity and/or maternity leave
Law	Entitlement to legal holidays
Law	Lactation rooms in the workplace
Law	Early childhood care center (CAPI). By reimbursing the individual for the average cost of services provided by a duly authorized CAPI that has been selected based on their educational preferences and values
Law	Permissions granted by the Bank to comply with legal obligations
BH Benefit	Supplement to regular salaries not covered by the Salvadoran Social Security Institute's allowance
BH Benefit	Voluntary retirement above the legal requirement
BH Benefit	June bonus equivalent to one month's salary
BH Benefit	Performance bonus.
BH Benefit	Holiday pay above the legal requirement.
BH Benefit	Right to financial benefits as compensation for the dependent or beneficiary of an employee diagnosed with total or permanent disability, or in the event of the employee's death
BH Benefit	Financial assistance in the event of the death of parents, spouses, and children
BH Benefit	Payment of a year-end bonus equivalent to one month's salary, above the legal requirement
BH Benefit	Training
BH Benefit	Christmas gift
BH Benefit	Loans at preferential rates for employees with more than 6 months of service
BH Benefit	Scholarships
BH Benefit	Holiday celebrations
BH Benefit	Recognition for years of service
BH Benefit	Recognition for achievements in sports
BH Benefit	Paid leave for serious illness or the death of parents, spouses, and children up to 8 consecutive days
BH Benefit	Marriage leave above the legal requirement
BH Benefit	A half-day off on the month of the employee's birthday.
BH Benefit	Flexible schedules
BH Benefit	Remote work
BH Benefit	Corporate clinic
BH Benefit	Health Insurance - Hospital Coverage
BH Benefit	Life Insurance

Human Resources management is a strategic priority for the Bank and is carried out in a planned and responsible manner. It is aligned with the continuous improvement of processes and the enhancement of operational efficiency, fostering a strong and committed workforce that contributes to the sustainability of the business and the overall well-being of all the staff.

In 2025, there was a decrease in total staff dismissals, which fell from 281 in 2024 to 195, indicating greater job stability and human resources management practices that are better aligned with the Bank’s strategic needs. The reduction in involuntary dismissals reflects more effective workforce planning, while voluntary dismissals were primarily due to personal decisions related to new job opportunities or retirement.

Hires (total for the year)		
	2024	2025
# of women hired	106	112
# of men hired	98	76
Total	204	188

Dismissals (total for the year)		
	2024	2025
Total voluntary dismissals (resignations)	176	156
# of women’s dismissals	108	91
# of men’s dismissals	68	65
Total involuntary dismissals (layoffs)	105	39
# of women’s dismissals	59	18
# of men’s dismissals	46	21
Total dismissals	281	195

Turnover Rate

In 2025, there was a significant reduction in employee turnover, which fell from 37.63% in 2024 to 27.60%. This change is primarily due to a significant decrease in involuntary turnover, reflecting greater stability in management decisions and staffing adjustments aimed at improving efficiency and ensuring the sustainability of the business in order to achieve institutional results.

Voluntary turnover increased from 17.69% to 21.16%, primarily due to labor market dynamics and individual career development decisions.

The turnover rate is calculated using the following formula:

To calculate annual turnover

$$\text{Total employee separations} \;/\; \left(\frac{\#\text{ of employees at the beginning of the year} + \#\text{ of employees at the end of the last month}}{2}\right) \times \left(\frac{100}{\#\text{ months}}\right) \times 12\text{ months}$$

Turnover Rate		
	2024	2025
Voluntary	17.69%	21.16%
Involuntary	18.34%	6.22%
Average	37.63	27.60

In addition to its permanent employees, the Bank outsources certain specific services to external contractors, as detailed below:

	2024				2025			
Description	**F**	**M**	**Non-binary**	**Total**	**F**	**M**	**Non-binary**	**Total**
Staff hired for IT system development	2	1	0	3	0	4	0	4
IT Quality Assurance Testers	0	2	0	2	1	1	0	2
Staff responsible for the collection and delivery of mail between the Bank's branches and offices in the metropolitan area of San Salvador.	0	5	0	5	0	3	0	3
Security guards assigned to various agencies and administrative buildings of the Bank	7	83	0	90	7	79	0	86
Housekeeping staff	93	7	0	100	92	4	0	98

11.3 TRAINING AND PROFESSIONAL DEVELOPMENT

GRI: 404-1, 404-2

The organization maintains a structured approach to training and professional development, aimed at strengthening its human capital and aligned with its institutional sustainability strategy.

Training and Professional Development				
	2024 TRAINING		2025 TRAINING	
Trained Employees	Total # of Hours	Average hours per person	Total No. of Hours	Average hours per person
Executives (Senior Management)	644	35.78	1,151	52.3
Managers	782.5	35.57	1,291	64.5
Mid-level managers	4,535.70	33.6	8,516	45.1
Analysts, Executives, and Officers	13,765.40	18.5	13,952	27
Assistants, technicians, and auxiliary staff	2,532.70	19.33	5,626	21.9
Total	**22,260.30**		**30,536**	

Main Training Programs		
Training Program	**2024 Participants**	**2025 Participants**
Internal training - BH Learning	13,120	12,299
Specialized training for internal staff	1,696	9,839
Specialized external training	2,394	2,512
Induction for new hires	222	206

BH Learning				
	2024		2025	
	01/2024	02/2024	01/2025	02/2025
# of courses	7	9	10	8
Total # of hours	4,246	5,043	4,797	4,427
# of participants	5,661	6,724	6,396	5,903
Amount of hours per participant	0.75	0.75	0.75	0.75

As part of this effort, the company launched the BH Learning online platform, a tool that centralizes the training programs available to all employees. This program includes both training courses on mandatory regulatory compliance and cross-functional programs aimed at strengthening organizational skills.

Training courses are designed in coordination between the departments responsible for legal or regulatory compliance and the unit in charge of staff training and development, ensuring consistency, traceability, and implementation follow-up.

In addition, the bank promoted specialized training programs designed to address skill gaps identified in specific areas or among specific employees. These programs may be delivered by internal specialists or external providers, depending on the nature of the training required.

As part of its efforts to strengthen institutional capacity, the bank has implemented ongoing training programs on technological tools, promoting skill development and operational efficiency.

Additional Training Programs:

One of the objectives for the five-year period is to develop an organizational culture that promotes productivity and customer satisfaction. Therefore, as part of the Learning and Growth initiative, strategies were designed in 2024 to strengthen the skills and competencies of the Bank’s workforce, including training programs aimed at fostering a results-oriented culture among employees. These programs began in 2025 with training for all staff, covering the following topics: 1) Attitudinal Change: Change Starts Individually, 2) Your Actions Make a Difference, Emotional Intelligence, and Communication, 3) Teamwork: We Are One Team, 4) Unleashing Creativity and Generating New Ideas.

In addition, 193 leaders received training through the Leading with Values program to strengthen their skills in efficiency, resilience, integrity, and commitment, in order to foster a results-oriented culture.

Worker Training on Occupational Health and Safety

The company has a training program named SYSO, which focuses on compliance with external and internal Occupational Health and Safety Regulations. The training is delivered by external specialists in the field and is aligned with current legislation. It is provided to each of the different groups according to the schedules established for the year.

The topics and content are as follows:

Topics	Contents	Purpose
48-hour training for the SYSO committee	Legal regulations regarding occupational safety and health, workplace risks and requirements, practical aspects of implementing management systems in this area, common causes of workplace accidents and occupational diseases, risk identification, basic principles of occupational hygiene, methodologies for conducting inspections and investigating accidents, reportable occupational diseases, compensation, and sick leave benefits for employees	To efficiently perform assigned occupational safety and health tasks
Training for Emergency Responders	First aid, evacuation, and fire prevention and control	To efficiently perform assigned occupational safety and health tasks.
Job-related training	Depending on the risks associated with the job, such as working in confined spaces, working safely at heights, safe handling of chemicals, psychosocial risks, and managing work-related stress.	To safely perform the tasks assigned to the employee in that position

Performance Evaluation

As of June 30, 2025, 87.17% of all employees had been evaluated, provided that they had been with the company for at least 6 months up to that date. The evaluation process is top-down, from manager to employee. It assesses skills, values, and attitude, as well as performance indicators in line with the job profile, with the aim of identifying gaps and opportunities for improvement to guide training and development toward enhancing the workforce skills.

	2023		2024-2025	
Women	422	56.7%	381	51. 9%
Men	321	43.3%	353	48.1%
Total evaluated	743	92.3%	734	90.1%
(Overall performance average)				

11.4 RESPONSIBLE HIRING

GRI 406-1, 3-3

It is based on the organizational culture and promotes a suitable work environment for all staff, aiming for each employee to uphold the institutional values: Efficiency, Resilience, Integrity, and Commitment (ERIC)

Inclusion is promoted throughout the organization, from hiring and promotion processes to internal development and all other institutional procedures. The Bank has regulations that promote equal opportunity, particularly the Internal Work Regulations (IWR).

The IWR are updated by the Human Resources Department, the Legal and Corporate Governance Department, and supported by external labor consultants; it is submitted to the President and the Board of Directors and subsequently to the Ministry of Labor for approval. Afterward, it is distributed to all staff and published on the internal communication network so that all employees can access it.

Likewise, the Code of Ethics and Conduct and the operation of the ethics line seek to create open and safe spaces for employee communication, as well as guidelines for fair, ethical, and responsible conduct.

11.5 OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-6, 403-8, 403-9, 403-10

Occupational Health and Safety Management System

The well-being, safety, and health of our employees are our top priority. Therefore, we recognize the importance of implementing an Occupational Health and Safety Management System that not only ensures regulatory compliance but also promotes a safe, healthy, and productive work environment.

Last year, an Occupational Health and Safety Management Program was developed in accordance with the requirements established in current national law. These requirements are listed below:

Requirements of the Occupational Health and Safety Management System:

1. Mechanisms for periodic evaluation.
2. Identification, assessment, control, and monitoring of occupational risks.
3. An updated record of workplace accidents and occupational illnesses.
4. Design and implementation of an emergency and evacuation plan.
5. Theoretical and practical training.
6. Establishment of an occupational medical examination program.

7. Establishment of educational programs on disease prevention.

8. Planning of activities and meetings of the Occupational Safety and Health Committee.

9. Development of an outreach and awareness program.

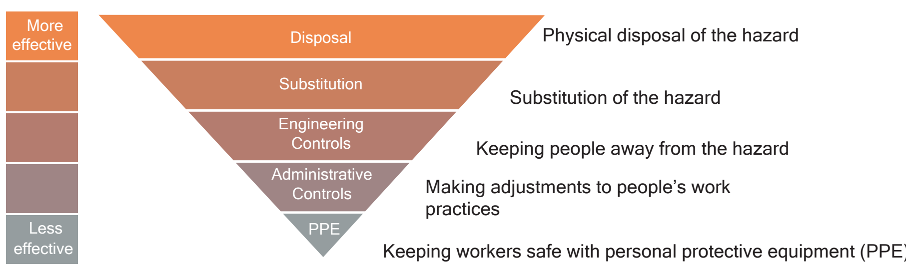
10. Development of prevention and awareness programs (on violence and harassment against women).

The Occupational Risk Prevention Management Program applies to all employees, suppliers, and contractors who provide services at any of the physical facilities.

Hazard Identification, Risk Assessment, and Investigation of Incidents and Accidents

The hazard identification and risk assessment process is conducted in accordance with the requirements of the General Law on Risk Prevention in the Workplace and its regulations, which are updated during the first five months of each year or whenever significant changes are implemented in the facilities or in the activities performed by employees.

This hazard identification and risk assessment process is conducted by the Occupational Health and Safety Committees and prevention representatives. When necessary due to the specialized nature of the activities, the Committees and representatives may seek support from consulting companies or accredited experts for this purpose.



Additionally, we encourage employees to help identify and report hazardous conditions or situations, channeling such incidents through the Occupational Health and Safety Committee (SYSO) or the appropriate prevention representatives.

This preventive approach strengthens risk control and mitigation mechanisms, helping to reduce incidents and create safe work environments.

Occupational Health Services

As part of its workplace well-being management program, employees are provided with access to occupational health services through the company clinic, which operates under the supervision of the Salvadoran Social Security Institute (ISSS) through the Corporate Healthcare System.

This program guarantees access to medical services focused on the prevention, treatment, and follow-up of employees' health conditions.

Some of the main services available include:

- General medical check-ups
- General physical examinations
- Laboratory examinations
- Metabolic health check-ups
- Menopause and climacteric check-ups
- Pregnancy check-ups
- Metabolic health campaign
- Occupational health check-ups

Employee Participation in the Occupational Safety and Health Management Program

Occupational Safety and Health management is conducted in accordance with the provisions of the General Law on Risk Prevention in the Workplace. If a workplace has 15 or more full-time employees, an Occupational Safety and Health Committee is established; if the workplace has fewer than 15 full-time employees, a preventive representative is assigned.

Currently, the Bank has 9 Occupational Safety and Health Committees and 24 prevention representatives who are responsible for ensuring compliance with the Occupational Risk Prevention Management Program. These management structures hold regular meetings once a month and additional meetings as often as necessary, in order to plan and coordinate all activities related to Occupational Safety and Health at their respective workplaces.

As part of the Occupational Safety and Health Management System, drills are conducted with the following objectives: to practice responding to emergency situations (earthquakes, fire outbreaks, etc.). During these drills, the response capacity of the emergency response team members is assessed, as well as the behavior of employees during evacuation.

Employee Training on Occupational Health and Safety

Employee training related to occupational health and safety is conducted through an annual training plan, which is developed jointly by the Human Development Department and the Occupational Health and Safety Analyst.

The training plan is designed to include the applicable legal requirements and the institution's specific needs. The structure of the plan is as follows:

Training	Description
48-hour training for members of the Occupational Safety and Health (SYSO) Committees and training for members of emergency response teams	Compliance with legal requirements for occupational safety and health emergency management and response structures.
Job-specific training	Compliance with legal requirements regarding theoretical and practical training to address the various risks associated with specific job positions.
Optional trainings	These are training sessions not required by law but that are considered appropriate to help establish a safe and healthy work environment.

Management of Workplace Accidents and Occupational Diseases

Workplace accident management is conducted by the SYSO committees and prevention representatives. When a workplace accident occurs, they are responsible for conducting the appropriate investigation and establishing or recommending the necessary corrective measures.

In accordance with the provisions of the law, accidents are reported through the National Workplace Accident Reporting System (SNNAT). The reported accident rate is detailed below.

Year	Number of Accidents	Accident Rate
2024	4	4.70%
2025	6	7.05%

The number of accidents was obtained from reports submitted to the National Workplace Accident Reporting System. It is important to note that the years 2024 and 2025 closed without any cases of occupational disease or deaths.

Medical Consultations and Medication Delivery

2024–2025 Periods

Occupational health care is a key component of workplace well-being, considering its impact on employees' health, stability, and productivity.

During this period, access to general medical consultation services and medication delivery was provided, promoting the early detection of health conditions, the monitoring of chronic conditions, and the continuity of medical treatment.

Comparatively, in 2025 there was a decrease in the number of medical consultations with respect to 2024. This variation was primarily associated with temporary limitations in healthcare staff availability, which reduced healthcare capacity during certain periods of the year.

However, it is important to note that variations in the demand for healthcare services may also be influenced by factors such as the implementation of preventive measures, timely treatment follow-up, and overall improvements in employees' health.

Pre-Employment Occupational Health Assessments

The Bank conducts pre-employment occupational health assessments as part of its preventive approach to occupational health and safety, aimed at promoting safe and sustainable work environments.

These assessments enable the early detection of relevant health conditions, thereby facilitating the management of occupational risks and the implementation of measures that contribute to the overall well-being of employees.

The process helps ensure the appropriate assignment of duties, prevents workplace incidents, and reduces factors associated with absenteeism, thereby strengthening organizational stability. This approach helps reinforce the institution's culture of prevention, prioritizing the protection of employees' health from the early stages of employment.

During the 2024-2025 period, the institution conducted a total of 465 occupational health assessments, which reflects the continuity of its monitoring and preventive management of occupational health practices.

Occupational Health Check-ups.

	Male	Female	Total
2024	123	119	242
2025	94	129	223

Metabolic Health Campaigns

Metabolic health campaigns are one of the Bank's key preventive health strategies, focused on the early detection of noncommunicable diseases.

	Employees Screened
2024	330
2025	531

The increase in the number of employees served reflects the expanded outreach of preventive health initiatives and growing staff participation. These health campaigns enable the early detection of risk factors associated with chronic diseases, facilitating timely intervention and control of health conditions.

Vaccination Campaigns

As part of the preventive approach to occupational health, periodic vaccination campaigns were conducted through coordination with the Corporate Health System and the ISSS. During 2025, campaigns were carried out to prevent major diseases, thereby strengthening employee health protection and reducing health risks. High staff participation was reported in the immunization campaigns, highlighting an increase and a positive trend in these activities.

	Vaccinations Administered
Tetanus	100
Pneumococcal vaccine	82
Influenza	218
HPV	12

Pap Smear Campaigns

The pap smear campaigns are part of preventive health initiatives aimed at promoting women’s overall well-being.

The annual increase reflects greater participation in preventive check-ups, as well as greater awareness of the importance of early detection.

	Employees
2024	46
2025	53

Blood Donation Campaigns

In 2025, the institution resumed its blood donation campaigns following logistical and infrastructure adjustments.

Male	Female	Total
38	36	74

These initiatives reinforce the bank’s social commitment and promote values of solidarity and social responsibility.

The health-related actions implemented during the 2024-25 period reflect the consolidation of a preventive model focused on:

- Early detection of diseases
- Reduction of occupational health risks
- Promotion of comprehensive well-being
- Strengthening of a culture of prevention

Health management continues to be a strategic component of the institution’s commitment to sustainability and human resources.

12. COMMUNITY BENEFIT

The Bank's top priority is to promote inclusive and sustainable financial inclusion, enabling nearby communities to access financial services through our service locations that strengthen their ability to save and access credit, thereby contributing to economic growth and local development.

As a member of the National Council for Financial Inclusion and Education (CNIEF), the Bank played a leading role in promoting and consolidating the National Financial Inclusion Policy (PNIF) and the National Financial Education Strategy (ENEF). Their participation became a driving force behind initiatives to expand opportunities, build capacity, and make financial solutions more accessible to more Salvadorans, so they can actively participate in the formal financial system.

The following specific actions were taken to address the specific objectives of each specialized work group that is part of the Council:

Actions	2024	2025
Financial Inclusion Support Group (GATIF)	33	12
Financial Education Support Group (GATEF)	4	4
Roadmap for Inclusive Finances for Women (HRFIV)	6	6
Roadmap for Inclusive Finances for Women (HRFIV)	6	6
Total	**49**	**28**

These efforts led to concrete and measurable progress, providing more tools for decision-making and greater opportunities to access services that promote their economic well-being.

Each initiative helped integrate more Salvadorans through innovative technological solutions. In this context, the Digital Onboarding platform, featuring the savings account "Sumate," established itself as a strategic tool by enabling customers to open 100% digital accounts with immediate access to all of the bank's digital channels. This innovation not only simplifies the onboarding process but also makes financial services more accessible to more people, breaking down traditional barriers and promoting a modern, secure, and accessible experience.

Throughout 2025, the Bank worked on the implementation of an inclusive digital app designed specifically for people with hearing impairments, reaffirming its institutional commitment to universal accessibility. This tool is intended to facilitate communication and access to financial information through tailored features, enabling people with disabilities to interact with the Bank's services independently, securely, and freely.

In this way, the Bank not only expands its scope, but also fosters a more human, inclusive experience centered on each person's needs, ensuring that no one is excluded from the opportunities offered by financial digitalization. The bank aims to implement a pilot test of the app in 2026.

With these results, the Bank reaffirms its commitment to promoting initiatives that strengthen financial education, inclusion, and equitable access to formal financial services. Its social affairs management efforts have become a cornerstone of the country's economic and social development, positioning the Bank as a leader in creating sustainable value for society. By implementing innovative, inclusive solutions aligned with the real needs of the population, the institution promotes initiatives that enhance the current well-being of communities and create opportunities for future growth and resilience, making a significant contribution to a more equitable, prosperous, and sustainable country.

Financial Education

The Bank implemented financial education initiatives aligned with the guidelines of the National Financial Education Strategy (ENEF) and the National Financial Inclusion Policy (PNIF), aimed at strengthening basic knowledge of the responsible use of financial products and services.

During the reporting period, the content addressed topics related to credit management, cybersecurity best practices, the use of digital channels, the importance of saving, and basic knowledge for managing entrepreneurial ventures and microenterprises. Each piece of material was designed specifically to meet the particular needs of each target audience.

These initiatives were designed to promote a better understanding of financial services and help participants make more informed financial decisions.

Workshops	2024					2025			
	Target audience	Number of Workshops	Women	Men	Total Participants	Number of Workshops	Women	Men	Total Participants
Basic Financial Education	Society	17	471	30	501	36	659	131	790
"Desarrollate" Business School	Customers	2	188	129	317	4	44	47	91
Webinars	Employees	1	118	81	199	13	314	173	487
	Youth					1	24	9	33
Events	Young people	1	68	76	144	2	108	81	189
GMW	Young people	1	426	414	840	1	413	402	815
BH Learning	Employees	2	880	784	1,664	2	880	783	1,663
Total		**24**	**2,151**	**1,514**	**3,665**	**59**	**2,442**	**1,626**	**4,068**

The Bank participated in the design and implementation of the pilot phase of the "Todas Sumamos" program, developed in collaboration with the National Council for Financial Inclusion (CNIEF), led by the Central Reserve Bank of El Salvador, with support from the EFI Program: UN Women. This initiative engaged 81 women from the eastern and western regions of the country, representing a diverse group of rural women over the age of 60. Its objective was to strengthen participants' financial capabilities through practical content and guided activities tailored to their specific needs, combining in-person training with digital support and follow-up.

The main impacts of the "Todas Sumamos" program for the benefit of these women were:

- A significant increase in confidence when opening a bank account.
- A significant increase in the percentage of women who systematically track their income and expenses.
- Greater understanding of the difference between "needs" and "wants," which leads to more informed financial decisions.
- A significant increase in the perception that they are better prepared to avoid scams or fraud, a critical issue for this segment.

In addition, in coordination with the Salvadoran Pension Institute, the Financial Education Program for Elderly People was implemented. The program aimed to empower older adults with knowledge and practical tools through the use of clear and simple language, prioritizing the understanding and practical application of concepts and resources for managing their finances. This approach enabled participants to make informed and confident financial decisions, optimize the management of their resources, and strengthen their financial well-being during this stage of life.

As a result of the training process, participants developed and presented business initiatives along with their respective business plans, demonstrating the practical application of the knowledge and skills acquired in financial education and entrepreneurship.

BH Market

As part of its efforts to promote economic inclusion and strengthen local entrepreneurship, the Bank organized 24 commercialization and market access events throughout 2024 and 2025, engaging more than 100 entrepreneurs annually.

These BH Market events generated an estimated sales volume of $42,283.00 during this period, highlighting the Bank's contribution to creating economic opportunities for small businesses.

The program aims to provide visibility and access to new customer segments, contributing to the development of commercial capabilities and the strengthening of participants' economic autonomy, with a particular focus on women.

Year	Sales (approximate)	Slots	Women	Men	Total Number of Entrepreneurs
2024	$19,759	12	139	10	149
2025	$22,524	12	113	10	123

Through this initiative, the Bank reinforces its commitment to local productive development by promoting mechanisms that foster economic dynamism, inclusion, and the sustainability of entrepreneurial ventures.

Volunteering

During 2024 and 2025, the Bank carried out environmental volunteer activities focused on beach clean-ups in protected areas, promoting the participation of employees and their families.

In 2024, 56 volunteers participated, contributing a total of 336 service hours aimed at waste reduction and environmental protection.

In 2025, there was a significant increase in the scope of this initiative, with 112 volunteers participating and a total of 896 hours of service.

The increase in participation levels reflects the strengthening of the institutional culture of sustainability and the consolidation of volunteerism as a means of contributing to environmental and social causes. These actions help raise awareness about responsible practices, particularly regarding waste reduction, reuse, and proper waste management.

Banco Hipotecario de El Salvador, S.A.

Principle 1: Alignment

Banco Hipotecario integrates sustainability as a cross-cutting component of its institutional strategy, aligning its management with international frameworks such as the United Nations Sustainable Development Goals and the UNEP-FI Principles for Responsible Banking.

In addition, the Bank actively participates in national initiatives such as the National Council for Financial Inclusion and Education (CNIEE), the National Climate Change Plan, and other partnerships aimed at strengthening its efforts in financial education, inclusion, environmental protection, and local development.

This approach is aligned with the Bank's institutional vision, which is oriented toward developing sustainable financial solutions that contribute to productive growth and the country's economic well-being.

Sustainability is integrated into decision-making processes, comprehensive risk management, and stakeholder engagement, promoting the identification and management of relevant environmental, social, and economic impacts.

During the reporting period, the Bank continued strengthening the integration of environmental, social, and governance (FG) criteria into its institutional management, consolidating progress in financial inclusion, financial education, internal environmental management, and financing for productive sectors.

Links and references

2024-2025 Sustainability Report "Sustainability Management section page 19

Principle 2: Impact and Goal Setting

During the 2024-2025 period, the Bank continued strengthening the integration of sustainability into its business model, based on its materiality matrix and its institutional strategy structured around the Planet, People and Prosperity approach. It identified priority areas of impact related to financial inclusion, the development of micro and small enterprises, financial education, and internal environmental management..

In relation to the previously defined objectives in climate matters and financial education, the progress made during the period is detailed in the specific sections of the 2024-2025 Sustainability Report

In the climate area, the Bank reports progress through the placement of credits with environmental purposes and the development of a new line focused on climate change mitigation, currently in the initial implementation phase. Although these initiatives are not yet structured as specialized independent lines, they represent a significant step in the progressive incorporation of environmental criteria into the loan portfolio.

In addition, the Bank implements environmental eco-efficiency measures focused on monitoring and reducing resource consumption and on strengthening -environmental management. These aspects are detailed in the "Sustainable Finance" section, "Green Lending" subsection, and in the "Planet" section, "Internal Environmental Management" subsection, of the Report

In terms of financial education, the Bank reports progress related to the expanded use of digital channels, the growth in the number of people accessing simplified accounts, and the implementation of financial education initiatives aimed at different segments of the population. The relevant information is presented in the "Community Benefits" section, sub-section "Financial Education," of the Report. The corresponding information is presented in the "Community Benefits" section, under the "Financial Education" subsection, of the Report.

Additionally, the Bank started updating its Sustainability Model, which includes the implementation of a double materiality analysis. This will help strengthen the identification of priority impacts and the definition of targets aligned with the institutional strategy and the principles for Responsible Banking

These actions reflect an ongoing process of integrating environmental, social, and governance criteria into the Bank's operations and the definition of strategic objectives, aimed at generating economic and social value in the long term

Links and references

- 2024-2025 Sustainability Report, "Sustainability Management" section, page 19
- 2024-2025 Sustainability Report, "Stakeholders and Impact Analysis" section, page 24
- 2024-2025 Sustainability Report, "Sustainable Finances" section 8, "Green Lending" subsection, page 48
- 2024-2025 Sustainability Report, "Planet section 5, "Internal Environmental Management" subsection, page 54
- 2024-2025 Sustainability Report, "Community Benefits" section, "Financial Education" subsection, page 82

Principle 3: Customers and Users

The Bank takes into account the priority issues identified in its materiality matrix in the management of its products and in its relationships with its customers.

In environmental matters, the Bank monitors loans allocated to Experience" activities that contribute to environmental protection.

During the reporting period, there was progress in designing a credit line focused on climate change mitigation.

In the social sphere, the institution continues to promote financial inclusion through access to simplified products, digital channels, and financial education programs aimed at different segments of the population.

During 2024, guidelines related to customer experience and responsible selling were updated, strengthening the assessment of repayment capacity and appropriate offering of products.

In 2025, inclusive service criteria were incorporated for persons with disabilities, older adults, and pregnant women, reinforcing the consumer protection approach.

The Bank has various communication and service channels for customers and other stakeholders, including branch service, a Contact Center, online banking. a mobile application, institutional social media, and formal channels for inquiries, suggestions, complaints, and claims. These mechanisms enable continuous communication and timely follow-up on received requests.

These actions reflect the Bank's commitment to promoting responsible financial practices and strengthening trust-based relationships with its customers.

Links and references

- 2024-2025 Sustainability Report, "Ethics" section, "Customer subsection, page 42
- 2024-2025 Sustainability Report "Stakeholders and Impact Analysis" section, page 24
- 2024-2025 Sustainability Report, "Sustainable Finance" section 8, page 48
- 2024-2025 Sustainability Report, "Loan Portfolio Value" section, page 31

Principle 4: Stakeholders

The Bank maintains an ongoing relationship with its key stakeholders – including customers, employees, shareholders, regulatory bodies, suppliers, and communities– in order to understand their expectations and properly manage the environmental and social impacts associated with its activities.

Consultation and engagement are carried out through different mechanisms, including working groups, formal feedback processes, satisfaction surveys, forums with employees, compliance with regulatory requirements, and open channels for questions and complaints. These spaces allow the Bank to identify risks, opportunities, and areas for improvement as well as to follow up on priority issues defined in the materiality.

In the regulatory area, the Bank maintains constant coordination with regulatory and supervisory bodies and participates in technical forums when required, thus contributing to regulatory compliance and the progressive adoption of best practices.

Furthermore, the Bank actively promotes strategic partnerships to develop initiatives related to financial inclusion, financial education, and sustainability, in coordination with public and private institutions. These partnerships help expand the outreach of these programs and strengthen the management of significant impacts.

Links and references

- 22024-2025 Sustainability Report "Stakeholders" section, page 25
- 2024-2025 Sustainability Report "Sustainability Management" section, "Initiatives and Partnerships" subsection, page 23
- 2024-2025 Sustainability Report, "Ethics" section, "Customer Experience subsection, page 42

Principle 5: Governance and Culture

The bank's governance structure consists of the General Shareholders' Meeting. Lin as the top decision-making body, and the Board of Directors, which is responsible for its administration and strategic supervision.

The composition, functions, and operations of these bodies are described in the “Corporate Governance” section of the 2024-2025 Sustainability Report.

Within the framework of the Principles of Responsible Banking, the Board of Directors provides general supervision of the institutional strategy, including guidelines related to sustainability, risk management, and regulatory compliance. Environmental and social risk management is carried out by the Risk Management Department as part of the Bank’s comprehensive risk management system, while the Sustainability Department coordinates the follow-up of the commitments made.

Progress is reported periodically to Senior Management as part of the Bank's internal accountability mechanisms.

To promote a culture of responsible banking, the Bank conducts at least two mandatory training sessions annually on topics related to sustainability. Additionally, internal incentives are implemented, such as activities to encourage energy conservation, in which employees are recognized and rewarded for their participation, thus strengthening their commitment to efficiency and sustainability.

During the period, there were no structural changes in governance.

Links and references

- 2024-2025 Sustainability Report “Corporate Governance section, page 14
- 2024-2025 Sustainability Report. “Financial Education”, page 82
- 2024-2025 Sustainability Report , “Planet” section, Internal initiatives for an eco-efficient and sustainable culture, page 60

Principle 6: Transparency and Accountability

As part of its commitment to transparency and accountability, the Bank provides its stakeholders with relevant institutional information through its periodic reports, including the annual report and different sustainability reports.

These documents present the main financial, operational, and institutional management results for this period.

As of this date, the sustainability information included in the 2024-2025 Sustainability Report has not been subject to independent external verification or validation.

Links and References

- 2024 and 2025 Annual Reports
- Link: https://www.bancohipotecario.com.sv/memoria-de-labores
- https://www.bancohipotecario.com.sv/memoria-de-labores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