



MOVING FORWARD WITH YOU,
together WE EVOLVE.

SUSTAINABILITY
REPORT **2021**



GRI Standards in accordance With ISO26000,
SASB Standards, Indicate 2021, Global Compact.

OBJETIVO  **DE DESARROLLO
SOSTENIBLE**

www.ficohsasustentabilidad.com



Index

Outstanding Figures	7
Our Company	8
Profile and Context	10
Products and Services	12
Coverage	14
Corporate Governance	18
Ethics and Compliance	22
Risk Management	27
Strategy and Sustainability	31
Responsible Banking	33
Client Experience	38
Our People	48
Payroll	49
Training and Career Development	52
Commitment	56
Working Environment and Benefits	60
Our Planet	61
Environmental Management and Footprint	62
Energy and Emissions	64
Our Community	68
Ficohsa Foundation	69
FFG Initiative and Programs	73
Economic Performance	75
Ficohsa Bank Honduras	76
Ficohsa Bank Guatemala	77
Ficohsa Bank Nicaragua	78
Ficohsa Bank Panama	78
Entrepreneur Banking	79
Mortgage Banking	79
Representative Office in USA	80
Ficohsa Insurance	80
Pensions and Severances	82
Ficohsa Brokerage House	82
Annexes	83
Annex I: ESG Management	84
Annex II: Verification	97
Annex III: Reporting Frameworks	100



About this Report

(GRI 2-1, 2-2, 2-3, 2-4)

In Ficohsa Financial Group we continue to move forward with transparency and accountability before our different stakeholders. Year after year, we disclose the results of our main activities, as well as our social, environmental and economic performance. This year, we present our Sustainability Report 2021, which represents the 12^o edition of the company report.

We continue to report our progress based on the materiality study carried out in 2021, which defined the most important ESG (Environmental, Social and Corporate Governance) aspects of the business. In that sense, we use both the standards of the Global Reporting Initiative (GRI), as well as the standards of the financial sector of the Sustainability Accounting Standards Board (SASB).

The contents are validated and reviewed by the different bodies and managers of our Corporate Governance, responsible for ensuring the implementation and monitoring of our sustainability strategy, formed by:

- ✓ **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**
- ✓ **ALL THE AREAS INVOLVED IN THE GROUP**

Additionally, we have external verification by an independent third party

Responsible for reporting through the verification letter on GRI indicators presented in this report.

This report includes the management of Ficohsa Financial Group (FFG, hereinafter), as well as its subsidiaries, from January 1 to December 31st, 2021.

To go deeper into the process of identifying materiality topics, as well as external verification, see the corresponding Annexes.

KEY ELEMENTS OF THE REPORT: INTERNATIONAL SUSTAINABILITY STANDARDS AS A BASIS OF OUR REPORT

This sustainability report is the Communication on Progress (COP) that is presented annually as a member of the UN Global Compact.

For the development and presentation of both quantitative and qualitative data on our extra-financial performance, we use the international standards of



Global Reporting Initiative (GRI)

This year we adapted our content according to the latest update of the standard of October 2021, with special emphasis on general content related to our organization, activities, governance, strategy and stakeholders.

At the same time and for the second consecutive year, we rely on the standards provided by the



Sustainability Accounting Standards Board (SASB)

for the ESG information reports, especially relevant to our investors, improving our performance and positioning ourselves as a benchmark for the financial sector of the region.

We use the following standards:

- Commercial banks;
- Consumer Finance;
- Asset Management Custody Activities;
- Mortgage Financing;
- Investment Banking and Stock Exchange;
- Insurance.

ALIGNED WITH MAJOR INTERNATIONAL SUSTAINABILITY INITIATIVES

As a leading company in the financial sector, we are aware of our contributions to a more just and prosperous world. For that reason, we continue to report our main contributions to the Sustainable Development Goals of the 2030 agenda.

At the same time, and since our adhesion in 2018 as signatories of the UN Global Compact, we present the main advances for compliance with the 10 Principles incorporated in this initiative.

HOW TO IDENTIFY THE CONTENTS OF THIS REPORT:

At the beginning of each section and below the titles, are the indicators that refer to the information on the GRI and SASB standards.

The final list of the GRI and SASB standards, as well as the SDGs and the Principles of the Global Compact that relate to each section, can be found in the Annexes section.



Message from the President

In recent years, the private financial sector of Central America has materialized its great commitment to delve deeply into the application of inclusive services, focused on the well-being of people, development and economic recuperation of the countries where we operate. In FFG, we believe we have a great responsibility to work together to mitigate the impact the pandemic has had on the global economy.

In our region, the expected economic growth for 2022 is 4.8%, with positive expectations for the countries where we operate, especially for Panama, with 7.5%, Guatemala with 4%, and Honduras and Nicaragua with 3.8% respectively (IMF, WEO January 2022).

2021 has impelled us to reinvent ourselves, listening to our clients and applying agile strategies in the communities where we operate. It has also been years of much introspection and revision of processes to optimize our resources, be more productive and strengthen the strength of the group, always oriented to maintaining the trust our clients have given us and to fulfill our corporate purpose of Facilitating Solutions that Transform Lives.

This action has allowed us to have positive financial results that place us among the 5 groups with the highest growth in the region. In Honduras, we have remained for the last 5 years as a leading company in the banking ranking and at the end of 2021, we occupied the first place of the national bank in total assets. Ficohsa Bank Guatemala has undergone relevant changes in terms of portfolio diversification, increasing trends in profitability indicators, better efficiency indicators and stable funding.



CAMILLO ATALA

Ficohsa Bank Nicaragua has maintained high levels of liquidity and solvency indicators. Ficohsa Bank Panama achieved a portfolio growth of 15.3% and deposits of 14% year-on-year.

Currently, the Group has more than 2,500 service points, more than 5,000 collaborators and more than 1,800,000 clients, consolidating us as one of the strongest Groups in the region.

Ficohsa Insurance Honduras has remained the largest insurer in the last 5 years, and we are proud to announce that we occupy position 2 in funds administrated by Ficohsa Pensions in Honduras as of December 2021.

With the commitment to serve as financial advisors, reliable and transparent, we have made special efforts on issues of innovation and digitalization, ensuring a better client experience, a more secure, immediate and flexible service, in addition to promoting the financial inclusion of entrepreneurs, small and medium-sized businesses.

With great pride, we can say that these efforts have been recognized by national and international organizations, which endorse our management focused on financial strength, continuous innovation, equity and gender inclusion and our commitment to the path to consolidating our Responsible Banking practices.

In 2022, Ficohsa Financial Group will continue to grow, supported by our shareholders, driven by our collaborators and corresponding to the economic effort of all our clients.

Message from the Corporate Vice- President and President of the CSR Committee



The year 2021 has been of great importance for us as an organization because we dedicated special efforts to continue professionalizing our focus on sustainability, this being one of the corporate values of Ficohsa Financial Group. In this sense, we focus on defining pillars of the sustainability strategy that profoundly strengthen alignment with the actions of our banking, insurance and pension fund businesses, always considering the 10 Principles of the UN Global Compact, of which we are part, and our corporate purpose to facilitate solutions that transform lives.

It has been an important task to assess our achievements and our shortcomings, propose unique and innovative solutions to our client's problems and ensure a positive footprint of our operation in communities, collaborators and the environment. It is a deep and very comforting work to consolidate our figure as leaders of organizational sustainability and infect our teams to become managers of a cultural change that promotes respect for people, financial advice with human quality and sensitivity for the environment in which we live.

This is a journey we started 27 years ago, with the family's conviction that our business conduct could contribute to the development of the places where we operate. This, which at that time was seen as philanthropy, evolved towards a strategy of social responsibility and the creation of the FICOHSA Foundation in the year 1998. I remember in 2007, when we were first recognized with the seal of Socially Responsible Enterprise (ESR), we made the decision to make this a priority and include it in our business vision, focusing on mutually beneficial relationships with our stakeholders, strengthening our processes to also meet their needs and expectations.

Today, I am proud to say that years of work are evidenced in the tangible results on ESG topics (Environment, Society and Governance) and the international sustainability standards included in this Report. I especially emphasize our commitment in the measurement and verification of the ecological footprint by an independent external third party, which allows us to strengthen our action plan and

continue to promote environmental and social risk mitigation projects to control the possible negative impacts of our operation, but also of the projects we finance.

Secondly, I highlight the great effort we have made advancing the strengthening of our Anti-Corruption and Bribery Management System, by prioritizing the training of 95% of our collaborators, in addition to sharing this good practice with correspondent banks, international organizations, superintendencies, embassies and other forums, thus supporting our commitment of zero tolerance for corruption and bribery.

In addition, I would like to emphasize that we remain focused on working hand in hand with our Stakeholders, promoting well-being and health to our collaborators, a good client experience, driving the growth of our value chain and positively impacting the communities where we are present.

To conclude, I confirm that we will continue working with the commitment to generate a triple economic, social and environmental value in the countries where we are present to achieve the well-being of all.

Figures

Outstanding 2021

50% internal members and **50%** external members make up the structure of the Board of Directors

95% of our collaborators are trained with the Anti-Corruption and Bribery Management System (ABMS)

100% of new clients, suppliers and interested parties' contracts have anti-corruption and bribery clauses

82% of suppliers are domestic



5072 collaborators

57.2% of the payroll is made up by women

215% increase in hours of training at a regional level

590 credits evaluated under Social and Environmental criteria

14 renewable energy projects funded



\$764,652 invested to date in infrastructure to improve our energetic performance

59% reduction in water consumption in the region

24% Increase in the loan portfolio for Entrepreneur Banking

2,100 credits to agricultural producers, equivalent to **\$6.6 MM**



More than **7,757** boys and girls benefited at the regional level

\$675,037 regional investment

140 pre-school centers benefited



1.3 million people reached with the financial education program (clients, collaborators and general public)

3,781 service points at a regional level

67,000 affiliates in Ficohsa Pensions and Severance



Recognitions

2021

Our commitment to the different stakeholders, including the quality of our service, has earned us different types of

recognition, which are testimony to the performance we have achieved as a responsible bank.



Latin Finance Awards 2021

Bank of the Year Award of Honduras



The Banker 2021

Bank of the Year for financial inclusion, with the program De mi Tierra



The Female Economy Awards 2021

Recognition of the inclusion, equity and diversity programs of FFG's companies



e-Commerce Awards 2021

Recognition in the category of Financial Services and Online Banking, highlighting FicoMall.online



ESR Seal 2021 FUNDHRSE

15 consecutive years of recognition to social and business management that transforms lives

Our Company

Ficohsa Financial Group, with more than 27 years in the financial market providing the best products and services with a permanent commitment based on innovation, financial strength and regional growth with transparency, integrity and ethics; committed to the economic, inclusive, responsible and sustainable growth of the countries where we operate.

We base our act as a financial institution on these great pillars:

Responsible: our constant organizational commitment is to provide solutions that transform lives, businesses and countries, being a driver of prosperity and sustainable business.

Inclusive: we serve the needs of our clients, supporting entrepreneurs to create businesses and generate employment through our different programs, fueling local economies and helping people receive the education and training they need to improve their living conditions.

Sustainable: financing renewable energies and supporting

the development of clean and more effective infrastructure and technology. Considering the risks, social and environmental opportunities in activities, actively contributing to sustainable economic growth in the region, meeting present needs without compromising the resources and potential of future generations: a balance must be struck between economic growth, social welfare and environmental protection, thereby, contributing directly to the Sustainable Development Goal (8) "Decent Work and Economic Growth".

Through actions corresponding to each of the pillars, Ficohsa Financial Group contributes to the SDGs: No Poverty (1), Quality Education (4), Gender Equality (5), Affordable and Clean Energy (7), Decent Work and Economic Growth (8), Industry, Innovation and Infrastructure (9), Reduced Inequalities (10), Peace, Justice and Strong Institutions (16) y Partnership for the Goals (17). In addition, the 10 Principles of the United Nations Global Compact are integrated into our organizational culture.



Profile and Context

COMPANY PROFILE

(GRI 2-1, 2-2, 2-6, FS6)

PURPOSE AND VALUES

We are a financial Group that, since its inception, has been committed to sustainable, economic and inclusive development in the region.

Over the years, we have developed different products and services that have allowed us to create a sense of shared value for both institutions, companies and communities, while growing as an institution always betting on ethical management, transparent, upright and excellent for our clients.

We have advanced in our strategy of financing with environmental impact, granting different types of loans destined for the development of infrastructures and technologies that allow the generation of clean energy in different sectors, which has positioned us as pioneers within the region's financial sector.

MISION

Provide the most innovative financial products and services with high-quality standards and the best technology, provided by a qualified human resource; generating security and satisfaction in those who have given us their trust, always committed to being a socially responsible company.

VISION

Ficohsa will be recognized as a solid and reliable Group committed to the development of the countries where we are present, where our clients will find effective, agile and innovative financial solutions.

1991	At the initiative of a group of businessmen, entrepreneurs and visionaries, the company Financiera Comercial Hondureña S.A. is created in Honduras
1994	Ficohsa Bank opens to the public
1996	Ficohsa Insurance is acquired
2005	The formation of Ficohsa Financial Group is authorized
2011	Ficohsa Financial Group opens its doors in Panama
2012	Beginning of operations in Guatemala
2014	Acquisition of Citibank's Credit Cards operation in Honduras
2015	Acquisition of Citibank Nicaragua and beginning of Ficohsa Pensions and Severances operations

VALUES

- Integrity**
 We act with honesty and transparency, which allows us to make decisions based on ethics and morals.
- Commitment**
 We act with passion and dedication, always maintaining a persevering and positive attitude.
- Respect**
 We are aware and tolerant of the needs, qualities, opinions, decisions and attitudes of other people, despite their differences from those of oneself.
- Sustainability**
 We support initiatives that ensure future development and the balance between economic growth, environmental care and social well-being.
- Service**
 We have a sense of collaboration and urgency with which we ensure the achievement and fulfillment of goals, individual and organizational, through efficient and timely solutions.

LIST OF COMPANIES AND PERCENTAGE HELD BY THE GROUP IN EACH COMPANY

Ficohsa Financial Group, S.A. is formed as a joint-stock company, with a majority fraction of the property in the hands of Honduran capital. The registered office is in Panama City (Panama) and the operational headquarters is in Tegucigalpa (Honduras).

We are active in both countries, as well as in Guatemala, Nicaragua and USA. We operate according to an organizational structure that facilitates the efficiency and specialization of teams by service and country.



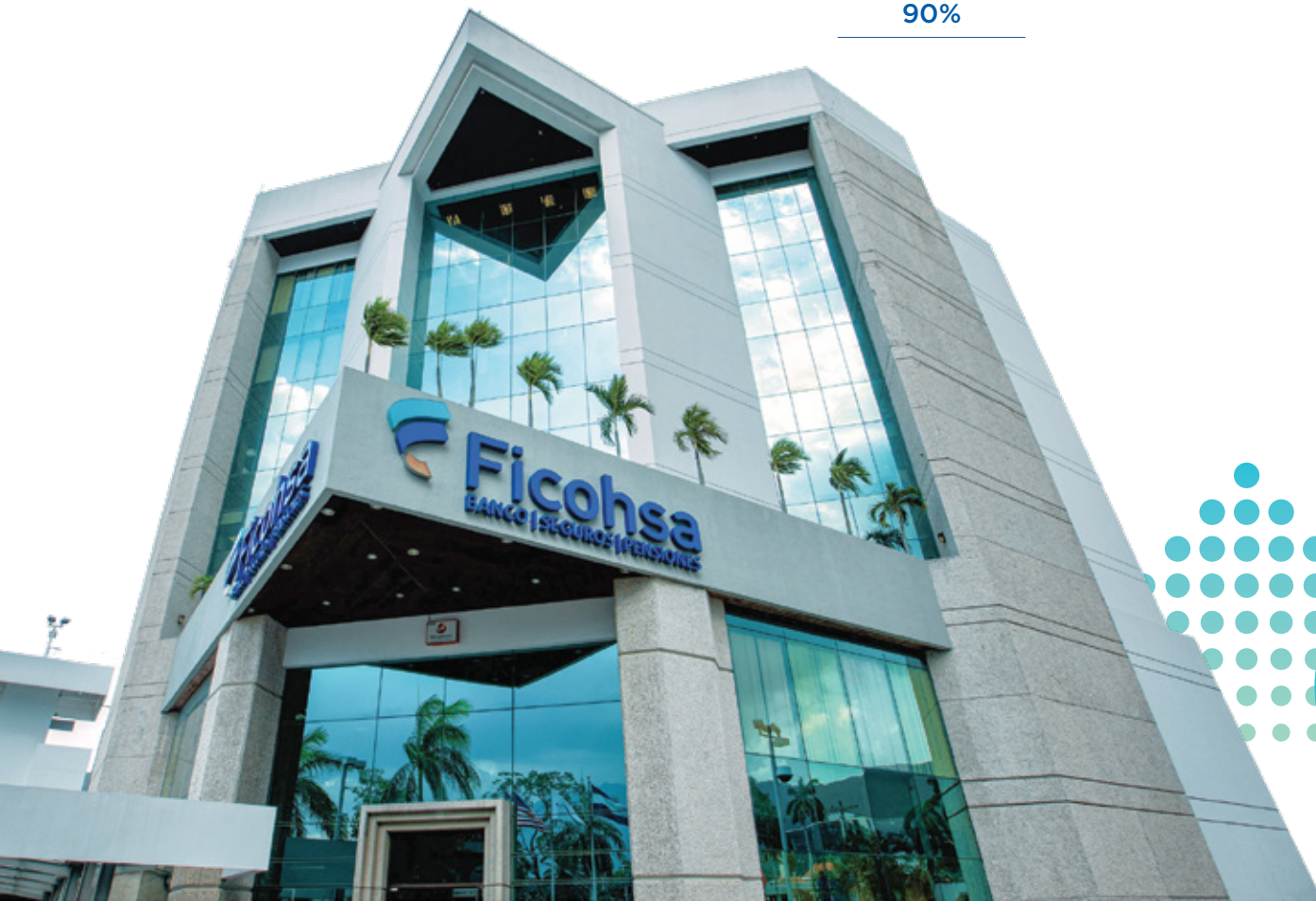
						
FICOHSA BANK HONDURAS S.A.	FICOHSA BANK PANAMA S.A.	FICOHSA BANK GUATEMALA S.A.	FICOHSA BANK NICARAGUA S.A.	INTERAMERICANA HOLDING GROUP	FICOHSA PENSIONS AND SEVERANCES	OTHERS
91%	100%	92%	100%	100%	100%	100%



FICOHSA INSURANCE
92%



FICOHSA INSURANCE S.A.
90%



Products and Services

FICOHSA BANK

We offer financial solutions of the highest quality according to the needs of individuals as well as micro, small, medium and large companies in the four countries where we operate.

PERSONAL BANKING

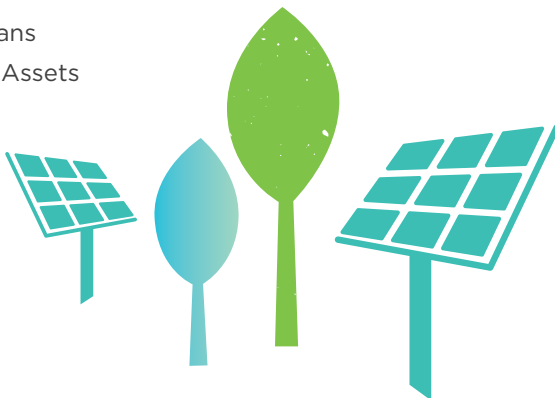
- Insurance Banking
- Remittances
- Savings Accounts
- Checking Accounts
- Credit Cards
- Debit Cards
- Loans
- Digital Services: Mobile Banking, Interbanca, ESRM, FICOTICKET, Ficohsa App
- Term Deposit Certificates

PRIVATE BANKING

- Savings Accounts
- Deposit Certificates
- Credit Cards
- Debit Cards
- Loans
- Checking Accounts
- Pension Fund
- Digital Services

MORTGAGE BANKING

- Housing Loans
- Contingent Assets



CORPORATE BANKING

- Treasury (Savings and Checking Accounts, Trusts, Investments, Cash Management)
- Credit Solutions (Corporate and Business Credit, Factoring, Financial Leasing, Bank Guarantees)
- Payment Solutions (Payroll, Payments, Credit Cards, Checks Confirmed)
- Collection Solutions (FicoPOS, Securities Collection, Corporate Tellers, Collection Channels)
- International Services (Auction, Foreign Exchange Buying and Selling, International Transfers, Sending SWIFT statements, Factoring International/Local, Foreign Trade)
- Integration Solutions (Host to Host, Swift to Host)
- Digital Services

ENTREPRENEUR BANKING

- Savings and Checking Accounts
- Credit Lines
- Letters of Credit
- Loans for Fixed Investments, Machinery, Vehicle Fleets
- Securities Collection
- Payroll Payment/Suppliers
- Tax Payment
- Collections
- Ficocheck Confirmed
- Programmed Savings
- Ficointegra Software
- Medical Assistance Entrepreneur
- Multiassistance Entrepreneur
- Ficomall

FICOHSA INSURANCE

We have 64 years of experience in the insurance sector, providing the best solutions and safeguarding both the personal and material well-being of people who trust us. This year, aware of the new needs of our insured, we included two types of insurance in the product portfolio: pet insurance and bicycle insurance.

PEOPLE INSURANCE

- Medical Expenses Insurance
- Life Insurance
- Individual Insurance
- Personal Accident Insurance (individual or collective)

AUTO INSURANCE

- Individual
- Collective
- Civil Liability
- Bicycle Insurance

DAMAGE INSURANCE

- All fire and/or lightning risk
- Civil Liability
- Maritime hull
- Aviation
- Pet Insurance



FICOHSA PENSIONS AND SEVERANCE

We started operations in 2015 with the purpose of promoting a savings culture that helps ensure a better quality of life. It provides savings plans for companies and their collaborators through the Contributory Business Fund, Non-Contributive Business Fund and Business Layoff. Additionally, it offers an Integral Protection Plan, a unique product in the market that integrates insurance and provides maximum support since, in case of total or permanent incapacity, the affiliate receives the total sum of the plan without having completed it and by death, it is received by its beneficiaries.

We offer products and services for individual and business clients:

- Individual Pension Fund
- Business Pension Fund
- Comprehensive Protection Plan
- Business Layoff

FICOHSA BROKERAGE HOUSE

It is the brokerage house of Ficohsa Financial Group which has been active in the Honduran Stock Market since 1993. Through FICOHSA BROKERAGE HOUSE we offer advice and intermediation in the purchase of securities in primary and secondary markets.

- **Primary Market:** The Primary Market is one in which the issuers and buyers participate directly or through a brokerage house in the purchase/sale of securities offered to the public for the first time.

- **Secondary Market:** The Secondary Market is one in which the buyers and sellers participate simultaneously in the determination of the prices of the securities that are in circulation in the market, in subsequent times to their original negotiation.

OTHER SERVICES

- Financial Advisory Services
- Subscription of Emissions
- Design, structuring and Registration of Emissions

COVERAGE IN THE REGION (PRESENCE AND POINTS OF ATTENTION)

HONDURAS

	2019	2020	2021
SERVICE POINTS	1,934	2,313	2,660
COLLABORATORS	3,857	3,850	3,435

PANAMA

	2019	2020	2021
SERVICE POINTS	163	161	87
COLLABORATORS	231	232	176

GUATEMALA

	2019	2020	2021
SERVICE POINTS	300	39	40
COLLABORATORS	783	842	862

UNITED STATES OF AMERICA

	2019	2020	2021
SERVICE POINTS	17	16	15
COLLABORATORS	37	42	33

NICARAGUA

	2019	2020	2021
SERVICE POINTS	131	673	979
COLLABORATORS	588	585	599



ECONOMIC CONTEXT OF THE REGION WHERE WE OPERATE

Undoubtedly, the global pandemic caused by the virus Covid-19 brought economic havoc at international level which was reflected in Central America causing one of the worst economic recessions. According to the information from the Economic Commission for Latin America and the Caribbean (ECLAC), the contraction of the region's real per capita GDP in 2020 was 7,1%.

However, 2021 was a year of significant economic recovery. Globally, the economy grew around 5.9% (data from the International Monetary Fund), while in Central America it was 4,8%. The latter is due to the reactivation of key sectors such as agriculture, industry, manufacturing, transport, communications and tourism.

However, it is estimated that it will take many years for the sustained growth that was observed until 2019 to return. To this end, ECLAC itself has issued some recommendations, such as:

- Do not withdraw the fiscal, monetary and financial incentives aimed at vulnerable sectors of the population, as well as to maintain as many jobs as possible.
- Create a consensus among the main political, social and economic actors to redesign the development agenda.

According to the ECLAC report on the Sustainable Development Goals in Central America and the Caribbean, about 30% of the population of the region can be considered in extreme poverty conditions.

On the other hand, on the environmental side, the main challenges are related to reducing the inequalities in

access to water and energy resources; at the same time, there are important challenges associated with vulnerability to natural phenomena, without neglecting the pressures on the ecosystems and land degradation.

In June 2021, the Network for Solutions for Sustainable Development, in partnership with the University of Cambridge, published the Sustainable Development Report 2021, a document that year after year through an index of positions, publicizes the most significant advances that the regions and countries of the world have made to the Sustainable Development Goals (SDG).

As for the countries where Ficohsa Financial Group has operations, Panama is the country with the best position in the ranking, ranked 88 out of 165 and with a compliance score of 68.

Following, the position and scores for the other countries:

Nicaragua 99 (66.3)

Honduras 112 (62.8)

Guatemala 121 (59.9)

On this occasion, the report reflects a particularly positive performance for Latin America and the Caribbean in terms of SDG 7 Affordable and Clean Energy; while other development objectives present important areas of opportunity, such as:



TRENDS IN THE FINANCIAL SECTOR

2021 was a year of economic recovery and reactivation of key sectors, setting trends in banking such as customer service through digital channels and the development of financial products according to the real needs of specific segments.

At the same time, more and more advances are made by the financial sector to evolve to a responsible banking model that allows it to contribute to sustainable development, betting on the financial education and inclusion of its stakeholders, in addition to the incorporation of ESG criteria in the development and offer of products and services.

TRENDS IN BANKING	STRATEGIC RESPONSE OF FICOHSA FINANCIAL GROUP
<p>Digitalization of processes and remote services</p>	<p>Onterbanking: It is a safe and efficient online banking system where the clients can make consultation, own- or third-party payments, as well as transfers and personalized service if needed. We closed in 2021 with more than 43 million consultations.</p> <p>Mobile App: It is a mobile banking system available both for IOS and Android where users can perform the same functions as Interbanca no matter where they are. We currently have a total of 98,530 users.</p> <p>ESRM: In 2019 we innovated our customer service by developing the first virtual assistant in the region that allows our clients to consult their account and card information through our official social networks. In 2020 and in the face of the pandemic, we included WhatsApp. In the course of 2021, our clients made more than 26 million consultations.</p>
<p>Digital means of payment</p>	<p>We have developed specific solutions that facilitate transactions and payments for our clients like the TENGO e-wallet, an app that is also designed to accelerate the digitalization of small businesses and encourage their financial inclusion. In 2020 TENGO launches its new App GO, the most complete in Honduras, positioning itself as the only multi-bank solution in the country.</p> <p>In 2021, TENGO had nearly 100 new payment transactions available and a new user interface.</p>

TRENDS IN BANKING	STRATEGIC RESPONSE OF FICOHSA FINANCIAL GROUP
<p>Cybersecurity</p>	<p>The opening of new digital channels and the growing rise of crimes related to the theft of sensible information and fraud means that we continue to improve our internal security levels, always aligned with international best practices, at the same time training both our staff and our clients, fostering a culture of prevention culture and identification of possible risks.</p>
<p>Customization based on client data</p>	<p>Aligned to our security management system, we make use of the information attached to our values and reciprocity before the trust that our clients give us. Likewise, we have different mechanisms that allow us to avoid abusive commercial practices or invasive and unnecessary communication.</p>
<p>Diversification of the commercial portfolio</p>	<p>We have a wide portfolio of clients who, in turn, represent various economic sectors. Aware of this, we have teams of specialized collaborators by sector, whom we develop and keep in constant training to make solid assessments that allow us to reduce risks when granting credit and financing.</p>
<p>Credit assessment with environmental criteria</p>	<p>Through our Environmental and Social Risk Management System (ESRMS), we evaluate the credit we grant considering the performance, mainly environmental, of our commercial clients. At the same time, we encourage and support their training for the adoption of the best sustainable practices.</p>
<p>Development of banking access products</p>	<p>We continue to advance in the financial inclusion of specific sectors in the region, like Entrepreneur Banking where options of credit, insurance, and pension fund, among others, are included.</p>

Corporate Governance

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18)

In Ficohsa Financial Group our Corporate Governance represents the set of practices, policies and means that allow the optimal functioning of the Group, always aligned to the values that identify us, ensuring transparency in the operations we engage and in compliance with legislation in force in each of the countries in which we have a presence.








In this way, the Corporate Governance model is aligned under an internal control architecture, where each of the companies has a Board of Directors, Internal Audit, Risk Management and Compliance.

At the same time, we have a Code of Corporate Governance in which the specific guidelines on the way in which we manage and control the different subsidiaries that make up the Group are consolidated.

COMPETENCES AND GUIDELINES FOR CORPORATE GOVERNANCE

- 1 Long-term development and growth on a firm and sustainable basis.
- 2 Fulfillment of commitments to different stakeholders.
- 3 Fulfillment of commitments to different stakeholders.
- 4 Observance of ethical duties.

CORPORATE GOVERNANCE STRUCTURE

Stockholders' Meeting							
6 FFG Committees		FFG Board of Directors			Secretary		
FFG President							FFG Vice President
 Ficohsa Bank	 Ficohsa Bank	 Ficohsa Bank	 Ficohsa Bank	 Ficohsa Pensions and Severances	 Ficohsa Insurance	 Ficohsa Insurance	Operations and Technology Strategy and Regulations / CSR Legal HumanTalent Corporate Secretariat Compliance Corporate Finance
Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	
Internal Auditing Risk Compliance	Internal Auditing Risk Compliance	Internal Auditing Risk Compliance	Internal Auditing Risk Compliance	Internal Auditing Risk Compliance	Internal Auditing Risk Compliance	Internal Auditing Risk Compliance	
President CEO	General Manager	General Manager	President CEO	President CEO	President CEO	General Manager	
Bank				Pensions and Severances	Insurance		Corporate Level

COMPETENCES AND GUIDELINES FOR CORPORATE GOVERNANCE

The Shareholders' Meeting is the supreme body of Ficohsa Financial Group, composed of the holders of our securities, who give effect to their right to participate in the decision-making of the business.

Its duties include the responsibility to appoint the members of the Board of Directors of the Company, as well as to approve the financial statements, allocate profits and ensure the payment of dividends. It also has the power to appoint external auditors and to approve or ratify specific operations.

At the same time, each subsidiary has its respective shareholders' meeting, which appoints the members of the corresponding Boards of Directors.

The sessions of the assemblies can be ordinary and extraordinary.

Ordinary Sessions

- The first is convened within 120 calendar days after the fiscal year ends.
- During the present year of the report, we had a 100% attendance of the members of the Assembly at the ordinary sessions held.

THE GENERAL MEETING OF SHAREHOLDERS MEETS AT LEAST ONCE A YEAR ON AN ORDINARY BASIS.

ON THE BOARD OF DIRECTORS

Followed by the Shareholders' Meeting, the Board of Directors is the highest body responsible for the management of the Group. It is also responsible for establishing and approving the corporate strategy and overseeing compliance with internal policies, including internal control systems.

ON THE APPOINTMENT AND EVALUATION OF BOARD MEMBERS

For their appointment, both the Shareholders' Assemblies and Boards of Directors have the power to propose to their candidates, supported by the Corporate Governance Committee in charge of evaluating, according to the needs of the business, the competencies and knowledge of these.

Directors should therefore have a professional profile with extensive experience in the banking, insurance and pension industry and knowledge of the trends in which these sectors are heading. In turn, these should be exempt from any kind of conflict of interest that compromises the reputation of the Group, as well as that of each of the companies. Their participation can be for periods of two or three years with the option of re-election without limitations.

Internal or Executive Directors:

Those professionally linked and remunerated to the companies of the Group; can be shareholders.

External Assets Directors:

Shareowners and not working in the Group's companies.

Independent External Directors:

Those whose relation to Ficohsa Financial Group is solely and exclusively as a member of the Board of Directors.

The remuneration of the Board of Directors and its committees is the responsibility of the General Shareholders' Meeting, which consists of monthly set attendance fees.

We present the composition of the Board of Directors of FFG and its re-elected Committees in the Ordinary Assembly of 2021; the average seniority of its members is 10 years.

POINTS OF REFERENCE ACCORDING TO POSITION

P President

VP Vice-President

PI Proprietary Independent

PR Proprietary Related

FFG BOARD OF DIRECTORS		COMMITTEES					
Nombre		Audit and Regulatory Compliance Committee	Risk Committee	Nomination and Compensation Committee	LA-FT Compliance Committee	Financial Committee	Corporate Governance Committee
Camilo Atala F.	P					PR	
Luis Atala F.	VP					PR	
Jorge Faraj F.							
Juan Atala F.				PR			PR
Diana Asfura M.							
José Alejandro Piedrahita			P			PI	PI
Juan José Daboub A.				PI			P
Richard Aitkenhead C.		PI			PI	PI	
Bruce M. Burdett		PI		P	PI		
Agustín Gutiérrez			PI				

FIVE INDEPENDENT DIRECTORS COMPOSE THE FFG BOARD OF DIRECTORS

ON THE FUNCTIONS OF THE COMMITTEE

COMMITTEE	DESCRIPTION	MEMBERS
Audit and Regulatory Compliance Committee.	Responsible for assisting the Board in the performance of its supervision responsibilities in internal control systems, internal and external audit services, compliance, conflicts of interest and operation with related parties.	3 Members
Risk Management Committee.	Serves as support to the Board of Directors in monitoring potential risks to the business. It is responsible for overseeing the integrity and adequacy of the risk management function of FFG and Member Companies. In this regard, the planning and implementation of the strategy rest fully with the members of Senior Management.	4 Members

COMMITTEE	DESCRIPTION	MEMBERS
Nominations and Compensation Committee.	Supports the Board of Directors in defining and organizing the development of the Group's human talent, as well as reviewing and proposing remuneration structures for Group officials and providing a planned succession or replacement of the Executive President and other senior management members.	4 Members
LA-FT Compliance Committee.	Its function is to assist the Board of Directors in the management of the compliance system aimed at preventing and identifying crimes related to money laundering, terrorist financing and anti-corruption. Together with the Corporate Compliance Unit, ensures the implementation and effectiveness of the different prevention programs existing in the Group.	3 Members
Financial Committee.	This Committee advises the FFG Board of Directors for maintaining a coordinated financial policy in relation to the Group's investing and financing structure in line with its strategic plan.	6 Members
Corporate Governance Committee.	It supports the FFG Board of Directors in the periodic evaluation of compliance with the Corporate Governance practices included in the Bylaws, Regulations and Government Code. In turn, it evaluates the experience of the members of the Board of Directors, Committees and Member Companies. Similarly, it is responsible for reviewing and approving the Annual Corporate Governance Report.	3 Members

The structure of the Committees of the Board of Directors of FFG is organized in a staggered manner in the following two levels or components:

1 Committees of the Board of Directors of Ficohsa Financial Group, S.A

2 Country Committees for Audit, Risk and LA-FT.

Under this scheme, the structure of Board of Directors Committees always originates in the Board of Directors of the parent, Ficohsa Financial Group, S.A. and for some specific areas, such as Audit, Risks and LA-FT, descends at the country level.



Ethics and Compliance

ETHICAL CULTURE

(GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 410-1, 412-1, 412-2, 412-3) (SASB FN-CB-510a.2, FN-AC-510a.2)

As a financial Group, we are committed to acting under ethical conduct that is in accordance with our corporate values and the compliance with the self-regulation mechanisms we have, as well as with external regulations and legislation.

Since 2012, we have had a Code of Ethics and Conduct which applies to all entities, as well as to the different internal stakeholders, such as Shareholders, Directors, Advisors and Collaborators, which is regularly updated according to the needs of the Group and its environment.

In addition, we have Codes for Suppliers and Clients, which set the guidelines of conduct and ethics that we expect in the business relationships we carry out.

[See the Supplier Code of Conduct here](#)



[See the Client Code of Conduct here](#)



Additionally, there is a Conflict of Interest Policy, which is part of the Corporate Governance Manual, which applies to both clients and collaborators.

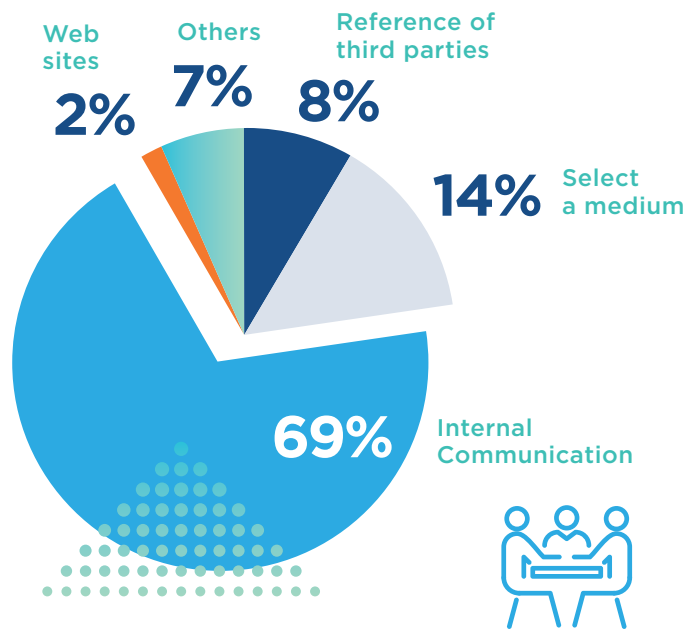
[See the Conflicts of Interest Policy here \(p.62\)](#)



To strengthen and promote a culture of ethical compliance in FFG, we have the Code of Ethics and Regional Conduct, which is transversal and applies to all subsidiaries. It also aims to train and raise awareness of the rules and policies of the institution.

The code has its respective reporting channels.

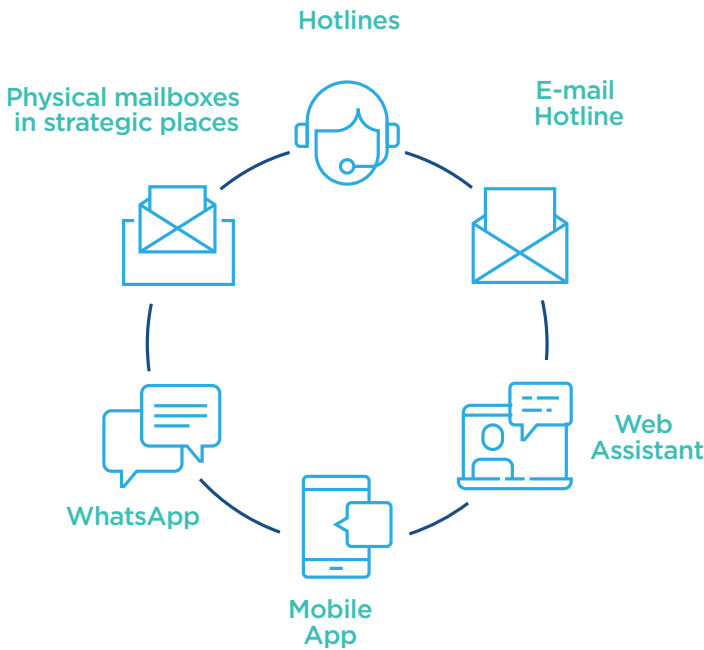
As part of this strategy, we carry out an internal consultation to know which are the channels of communication where the collaborators receive information about it. In this sample, we found that almost 70% of them identify the internal channels as a source of direct information.



IN 2021, NEARLY 70% OF COLLABORATORS CONSULTED BECAME AWARE OF THE COMPLAINT CHANNELS THANKS TO INTERNAL COMMUNICATION

We have our Reporting System, which is a secure, easy, confidential and anonymous platform for reporting unethical conduct or integrity. The system is operated by a third-party, independent report management specialist called EthicsGlobal.

At the same time, we have other anonymous and private reporting channels that strengthen confidentiality, such as:



To learn about the means of reporting, visit:

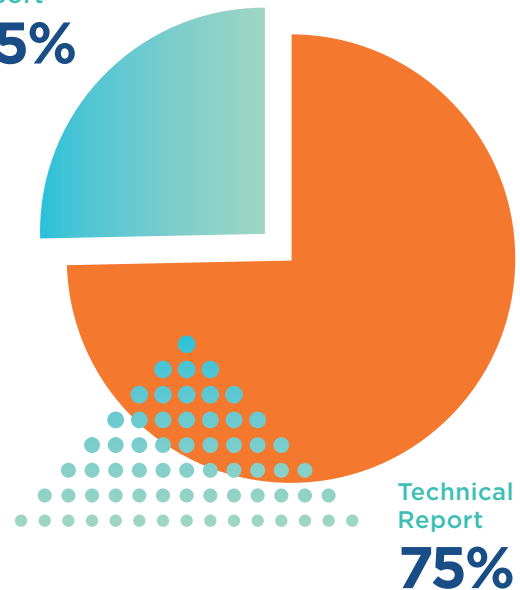
[Ficohsa Ethics here](#)

The cases identified are monitored by the Ethics Committee, which consists of five full members, five alternate members and a secretary. This body is responsible for evaluating possible sanctions, according to each of the offenses.

To follow up cases with groups outside the organization, a third party was hired to analyze them.

TYPE OF REPORT	QUANTITY	PERCENTAGE
Disciplinary Report	123	74.55%
Ethics Report	42	25.45%
TOTAL	165	

Disciplinary Report
25%



In 2021, we created processes to formalize Ethics Committees in each of the countries, to improve the management of those topics, according to the reality of each country.

ANTI-CORRUPTION AND BRIBERY MANAGEMENT SYSTEM (EMS)

We have the Anti-Corruption and Bribery Management System (ABMS), which emerged as an initiative of the Board of Directors of the Group, to consolidate the culture of integrity, to keep updated our policies and mechanisms, to identify promptly the main risks in which different companies and areas are involved. To achieve this, in 2021 we advanced in the consolidation of risk matrixes that apply to all companies and countries.

Other substantial changes include:

Publication of the FFG Anti-Corruption and Bribery Policy, as well as the compendium of policies that make up the system (ABMS Roles and Responsibilities Manual, Integrity Committee Rules and Ethical Requirements for Members).

Launch of the Internal Communication Channel.

Training for new and existing collaborators.



THE COMPONENTS DE ABMS ARE:

- Anti-Corruption and Bribery Policy
- Code of Ethics for Collaborators
- Ethical Requirements for FFG Business Partners
- Policy for the Management of Conflicts of Interest
- Corruption and Bribery Risk Matrix
- Training Programme and Dissemination (for collaborators)
- Supplier Certification Policy
- Policy of Processes of Donations and Sponsorships

The ABMS is based on the recommendations given by the International Standard ISO 37001 of Anti-Corruption and Good Corporate Practices. The medium-term vision is to achieve regional certification of this standard.

IN 2021 WE STARTED THE CERTIFICATION PROCESS OF ISO STANDARD 37301 FOR FICOHSA BANK HONDURAS



The effectiveness of our Management System has been such that it has begun to be replicated in the region. During 2021, talks were held with the Inter-American Development Bank (IDB), with which agreements were created to bring this model to companies in the sector starting in Honduras and, at the end of the year, in Panama.

The aim is to generate a regulatory framework or guide that allows progress on transparency issues in the sector on a regional basis.

In addition, through communication campaigns and workshops, we provide knowledge for the prevention of possible cases of corruption and/or bribery. This year, in the context of the International Anti-Corruption Day, we created a campaign that lasted approximately one week, in which we generated valuable messages in our various internal communication channels.

9 DE DICIEMBRE Día internacional contra la corrupción



En GFF contamos con el Sistema de Gestión de Anticorrupción y Soborno (SGAS), que tiene por objetivo consolidar la cultura de integridad, transparencia, honestidad y de cumplimiento en nuestras relaciones de negocio.

Componentes de SGAS



En GFF tenemos cero tolerancia a conductas y/o prácticas de corrupción



COMPLIANCE

(GRI 419-1) (SASB FN-CF-220a.2, FN-CF-270a.5, FN-MF-270a.3, FN-CB-510a.1, FN-AC-510a.1, FN-IB-510b.4)

All our policies, codes, processes and the Anti-Corruption and Bribery Management System (ABMS) are designed to strengthen us as an organization and ensure the transparency of each of our operations.

The efforts in ethics and anti-corruption are an example of the importance we grant to our internal guidelines, which complement the adherence to external legislation and the commitments we have made to our stakeholders.

In that sense, at the regional level, we have a Vice President of Compliance who along with the performance of the Audit and Compliance Committee of FFG, as well as those responsible in each country, is key to monitoring the implementation of our standards and the effectiveness of internal controls. Given our sector and context, we place special emphasis on preventing corruption in any of its forms. Thanks to this during the year, we have not had sanctions concerning non-compliance with national and local regulations, within the countries where we operate.

On the other hand, but not least, we maintain a commitment to compliance with our clients through financial products that meet their needs, while also maintaining the highest standards of transparency. To do this, we developed a commercialization and marketing strategy that highlights the qualities and specifications of each of our products, such as tariffs, interest rates and restriction clauses, to name a few.

We also make sure to communicate the main client support channels. In this way, our clients will be able to make any kind of inquiries or complaints. For further details, please refer to the Client Experience section of this report.

These efforts allowed us not to have sanctions in the year for bad sales practices, lack of transparency and/or misuse of products by clients.

In 2021 we carried out the first annual training program, reaching more than 5,000 collaborators.

IN 2021, 95% OF OUR COLLABORATORS RECEIVED TRAINING IN ANTI-CORRUPTION ISSUES.

HUMAN RIGHTS

By our commitment to the protection of Human Rights in our operations, we have the Human Rights Policy that we made official in 2020, promoting its respect and recognition among the different stakeholders with which we have relations.

Likewise, we remain part of the Human Rights Committee of the Honduran Council of Private Companies (COHEP).*

*For more information visit page 96

RELATION WITH THE VALUE CHAIN

(GRI 204-1, 205-1)

In a year of economic reactivation and with all the difficulties that this represented, our suppliers were always present with quality deliveries, in time and form. Being an essential piece that contributes to maintaining our leadership in the sector.



The relationships of Ficohsa Financial Group with suppliers are based on:

- **Supplier Code of Ethics and Conduct**
- **FFG Code of Conduct**
- **FFG Anti-Corruption and Bribery Policy**
- **Supplier Certification Policy**



We have a Group-level purchasing team, which allows us to validate processes and facilitate the implementation of our supplier certification scheme.

In 2021 we redesigned this management scheme, seeking greater efficiency and control according to regulatory requirements. We focused our efforts on the certification and due diligence process, which allowed us to mitigate local and international risk.

In addition to the latter, this year we consolidated the centralization project, which is aimed at identifying areas of opportunity in suppliers, as well as standardizing processes in the business relationships we maintain with them. This project aims to maintain long-term

relationships, develop those key suppliers and, where appropriate, identify those that may represent some kind of risk.

DETAIL OF THE VALUE CHAIN

	2019	2020	2021
Total Suppliers	4,440	4,079	939
 % National	77%	85%	82%
 % International	23%	15%	18%

Annual Purchase Value: \$84,504,335.18

Our main suppliers fall into the following categories:

- Technology (Procurement of equipment, infrastructure and telecommunications)
- Information Security
- Software Development
- Licensing
- Promotional items
- Marketing
- Miscellaneous maintenance (ATM, POS, Hardware)
- Legal advice
- Other services (Administrative, consultancy, telephony)
- Securities transport
- Landlords
- Local supplies



Risk Management

(GRI 2-12; 2-13; 2-15) (SASB FN-IN-450a.1; FN-IN-450a.2; FN-MF-450a.3)

We are aware of the importance of prevention, identification and management of present risks, and latent and relevant potentials within the operation of the Group and our subsidiaries. To do this, it is necessary to have the mechanisms that allow us to manage in advance and thus ensure the continuity of the business.

WE HAVE A REGIONAL RISK COMMITTEE AND LOCAL COMMITTEES BY COUNTRY.

The Board of Directors is primarily responsible for establishing the overall risk management framework and is also responsible for overseeing the implementation of the relevant prevention, control and response activities, always supported by the regional Risk Committee, as well as by the local committees of the countries.

It is the responsibility of the Senior Management to plan and monitor risks through specialized teams by subsidiary and country.

The Board of Directors has a risk chart that is updated quarterly, which monitors the risk and performance in the management and is classified by categories. For its part, the Chairman of the Risk Committee, together with the subsidiary's team, are responsible for analyzing and providing the necessary measures that mitigate a latent or present risk.

RISK IDENTIFICATION AND MANAGEMENT PROCESS IN FFG

1

Quarterly performance summary to the Board of Directors on the main risk categories identified for FFG.

2

Identification of out-of-range risk indicators.

3

The Board of Directors delegates the Chairman of the Risk Committee and the subsidiary team the approach of response measures mitigating the risk expressed.



In the table below, we present the main risks identified by FFG:

RISKS	DESCRIPTION	REFERENCE (PAGE/S)
Cybersecurity	Risks related to technological information and infrastructure including information security.	45
Personal Data	Risk of vulnerability in the security or misuse of data that are generated and/or shared by clients, as well as information available from collaborators.	45
Climate Change	It refers to risks due to physical impacts of climate change on Group assets, which affect operational continuity and/or business results. Includes the consequences of the occurrence of risks, acute physical (storms or floods) or chronic (changes in rainfall patterns that cause water problems) among others. This is the case for example of the possible effects on the insurance business.	29
Corruption	Risk of bribery, fraud, and money laundering among others that violate the honesty and transparency of employees, and commit the company's assets.	22, 23 y 24
Financial	It includes the credit, liquidity and market risks associated with our activity in the financial sector: Credit: non-payment of customers, delinquency. Liquidity: a shortage of funds to meet our obligations as a financial institution. Market: decrease in the value of the loan and investment portfolio due to changes in the variables that determine it (e.g., interest rate)	75
Social and Environmental Credit Risks	Credits are subject to an environmental and social risk assessment of the corporate and corporate portfolio.	33 y 34

CLIMATE CHANGE RISKS

We have conducted for the first time a climate change risk identification exercise under the nomenclature of the Task Force on Climate-related Financial Disclosures (TCFD), since as a financial institution, we are exposed to climate risks and opportunities directly, through our operations and the use of natural resources, and indirectly, through financial intermediation activities with borrowers, customers and counterparties.

Transition risks

The transition to a low-carbon economy can entail major political, legal, technological and market changes to

address mitigation and adaptation requirements related to climate change.

Depending on the nature, speed and approach of these changes, transition risks can pose financial and reputational risks at different levels for the organizations.

Physical risks

Physical risks from climate change can lead to (acute) events or long-term (chronic) changes in climate patterns. They may have financial implications for organizations such as direct damage to assets or indirect impacts from production chain disruptions

TRANSITION RISKS FFG

RISK SUBTYPE	RISK ASSOCIATED WITH CLIMATE CHANGE	DESCRIPTION
Legal and regulatory	Pricing of GHG emissions.	Probability of financial risk for FFG's industrial customers, which would directly affect their liquidity by having to invest in emissions neutralization investments resulting from regulatory changes.
	Increase in monitoring and control obligations.	Increase in trained personnel in the environmental area and financial resources for the study and monitoring of the bank's clients regarding their level of compliance with environmental requirements. (ESMR)
	Risks of claims against third parties.	Possible environmental demands addressed to FFG's customers, which could have an impact on customers' loss of solvency by impacting their relationship with FFG.
Technologica	Replacement of existing products and services with low-emission options.	FFG customers who are positioned in sectors that are overtaken by clean technologies and low emissions could lose competitiveness, affecting their financial projection.
	Costs for the transition to low-emission technology.	Investment in the refurbishment and adaptation of FFG buildings including cleaner and innovative technology. Investment required by customers to stay ahead and change their production models, reducing their environmental impact, can have a significant economic impact if not done with caution so as not to affect their profitability.

RISK SUBTYPE	RISK ASSOCIATED WITH CLIMATE CHANGE	DESCRIPTION
Market	Changes in (market) trends, financial agents' and consumers' preferences.	Increasing evolution of ESG requirements by capital providers, such as multilateral banks and institutional investors.
	Increased cost of raw materials.	Abrupt changes in commodity prices that affect customers' productivity and liquidity.
	Financial risks.	Risk of a significant increase in the cost of financing for customers with higher exposure to climate risks so as to affect their solvency making it more difficult for them to meet their credit commitments.
Reputación	Change in client's preferences.	Potential loss of customers due to increased customer demand for FFG to meet climate change commitments and sustainability criteria.

PHYSICAL RISKS FFG

RISK SUBTYPE	RISK ASSOCIATED WITH CLIMATE CHANGE	DESCRIPTION
Acute Risks	Increase in severe extreme weather events such as cyclones and floods.	Direct losses due to damage to assets (FFG and customers). Increased cost of insurance. Reduction of economic income and damage to infrastructure for customers due to these phenomena.
Chronic Risks	Changes in precipitation patterns and extreme variability in climate patterns.	Loss of value of clients' assets (guarantees) because they are in areas with water supply problems (desertification). Increases in customers' operating costs (investments in agriculture). Impact on the agribusiness sector, an important sector for FFG. Lower production of renewables (hydro and wind).
	Increase in average temperature.	Population movements that can lead to depression in certain areas accompanied by loss of business.
	Rising sea levels.	Threats to customers' assets that can result in loss of profits and solvency.

Sustainability Strategy

CSR MODEL

(GRI FS9)

At Ficohsa Financial Group, since the beginning of our operations, we have as part of our culture a sense of responsibility towards our environment. So, in 1998, four years after our foundation as a bank, we began the implementation of a social investment strategy through Ficohsa Foundation to support pre-school education and thus contribute to the development of the most vulnerable communities in Honduras.

In 2006, we created the Corporate Social Responsibility (CSR) department, developing the first policies, programs and guidelines that marked our path towards the strengthening and consolidation of a transparent, resilient and sustainable culture.

As a result, over the years, we adapted our sustainability model according to industry trends, as well as the expectations of our different stakeholders, so that we structure our environmental, social and governance (ESG) priorities in four pillars:

IMPORTANT MILESTONES IN SUSTAINABILITY

- 1998** Start of Ficohsa Foundation.
- 2006** Establishment of the CSR Department and obtaining the first Fundahrse seal of Socially Responsible Company.
- 2007** Obtaining recognition of Exemplary Company of CSR in Latin America granted by the Mexican Center for Philanthropy (CEMEFI).
- 2009** Member of SUMARSE in Panama.
- 2013** Member of CENTRARSE in Guatemala.
- 2016** Mainstreaming the SDGs into our sustainability strategy.
- 2017** Member of UNIRSE in Nicaragua.
- 2018** Adherence to the UN Global Compact.



These priorities represent the critical business topics and allow us to mark the lines of action to improve the sustainable performance we have as a Group. In that sense, in late 2020 and early 2021 we updated the materiality study* in which, through a thorough analysis, we identified ESG aspects that require special attention and of which we are accountable in this report.

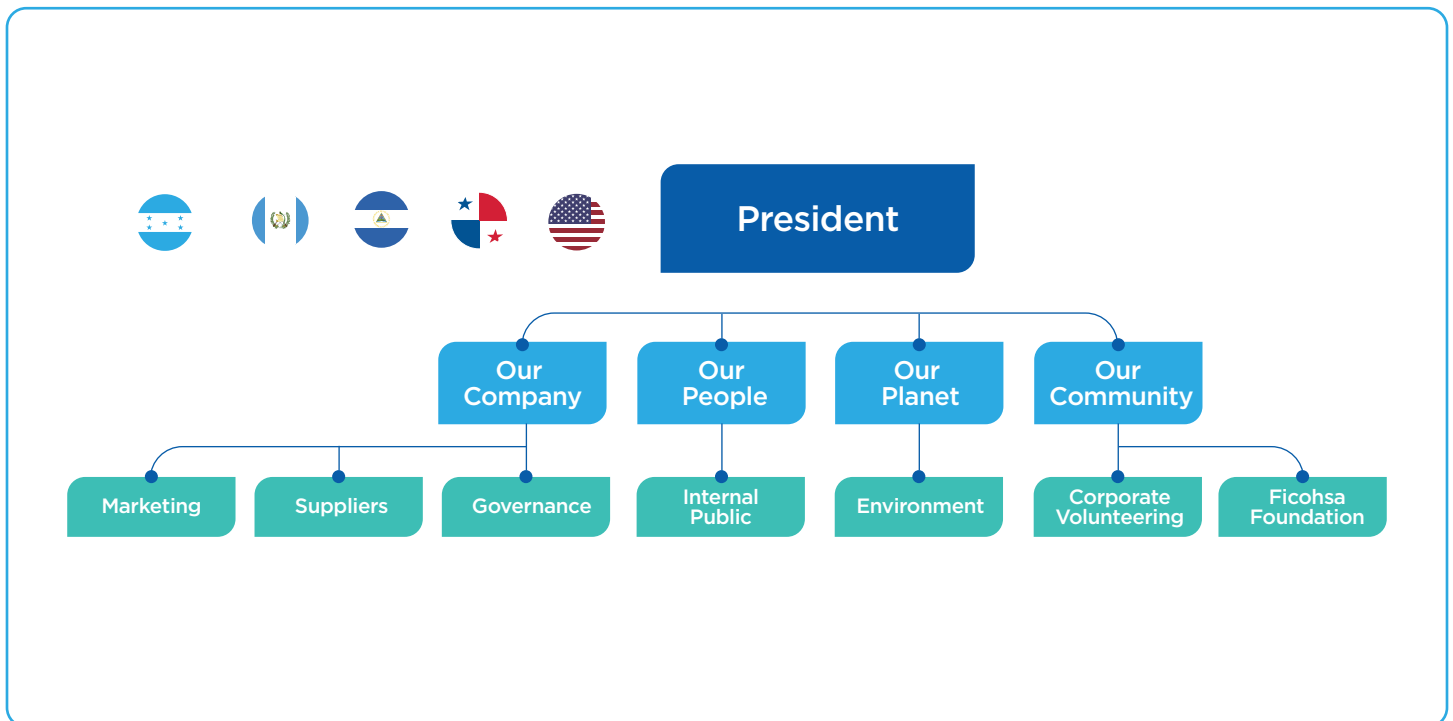
In turn, this materiality analysis allowed us to improve our contribution to the Sustainable Development Goals (SDGs), identifying those ESGs that are directly related to the sustainability strategy.

We also remain committed to the initiative of the United Nations Global Compact, in the implementation in our business strategy and corporate culture of its 10 principles, which include labor practices, respect for human rights, protection of the environment and anti-corruption practices.

The involvement and commitment of the Senior Management guide the path of the different corporate areas of the Group, ensure sustainability in the different operations and are always under the focus of social responsibility that commits us to economic development, social and environmental issues in Honduras.

We have a Regional Committee of Corporate Social Responsibility, which is composed of a President and four managing members charged with monitoring progress in each of the four pillars of the sustainability model. In turn, this committee serves as a link between companies, ensuring that all activities carried out are aligned with the Group's strategy.

STRUCTURE OF THE REGIONAL CSR COMMITTEE



■ In this committee, there is regional representation of the countries where Ficohsa Financial Group has a presence.

At Ficohsa Financial Group we understand the importance of our activity as creators of value, through access to inclusive financial products and services that generate a positive economic, social and responsible impact on the environment.

Responsible Banking

INTRODUCTION

(FS1, FS15)

From FFG we promote inclusion and financial accessibility, so we work on products and services that meet the needs of our clients, encouraging sustainability in them under the inclusion of ESG criteria (environmental, social and corporate governance).

We are working on several lines of action in this regard:

Assessment and management of environmental and social risks of clients in the granting of credit, through the application of the Environmental and Social Risk Analysis System (ESMRS).

Development of specific credit products that promote sustainable environmental practices.

Generation of savings and credit products that contribute to financial inclusion.

Contribution to the development of a financial and forecasting (secure) culture in customers through the financial education initiatives.

ENVIRONMENTAL AND SOCIAL CREDIT ASSESSMENT

FS2; FS3; FS4; FS5; FS9; FS10; FS11; SASB FN-CB-410a.2

Through the Environmental and Social Risk Analysis System (ESMRS) which is part of the Socio-Economic Credit Policy, we identify, evaluate, manage and monitor the risks of the credit portfolio, which focuses on the systematic and structured improvement of our clients' socio-environmental performance.

Its application has as scope the portfolio of Corporate and Business Banking, as well as the sectors of high-risk of entrepreneurial banking.

The due diligence of the system is based on the requirements of national legislation, and for cases of increased risk, the IFC Performance Standards apply, and account is taken of the reputational risk to which the bank might be exposed by the activities and actions carried out by customers.

This year, 2021, we separated the Environmental and Social Credit Policy from the Manual of the Environmental and Social Risk Analysis System to give greater clarity to the evaluation process. From the results of the evaluation, we establish the conditions to be met by the applicant to be a recipient of funding, and we monitor compliance with them.



ENVIRONMENTAL AND SOCIAL RISK CLASSIFICATION CATEGORIES



Projects with potential risks and/or significant environmental and social adverse impacts that are diverse, irreversible or unprecedented. These applications are evaluated according to the parameters established by current national legislation and international standards such as the IFC Performance Standards.



Projects with potential risks and/or limited adverse environmental and social impacts, which are few, usually located in specific sites, mostly reversible and easily accessible through mitigation measures.



Activities that generate minimal or non-adverse environmental and social risks and/or impacts.

ANALYSIS CARRIED OUT AT REGIONAL LEVEL:

	2019	2020	2021
HONDURAS			
TOTAL ANALYZED CASES	493	431	384
A%	13%	16%	15%
B%	68%	66%	65%
C%	19%	18%	20%
GUATEMALA			
TOTAL ANALYZED CASES	8	35	54
A%	25%	9%	7%
B%	55%	54%	30%
C%	20%	37%	63%
NICARAGUA			
TOTAL ANALYZED CASES	23	38	20
A%	18%	5%	10%
B%	65%	66%	65%
C%	17%	29%	25%
PANAMÁ			
TOTAL ANALYZED CASES	121	169	129
A%	11%	15%	7%
B%	47%	53%	53%
C%	42%	32%	40%

During 2021, we trained the employees involved in the process, in charge of evaluations and customer relations; this year we trained 146 employees in this regard.

By 2022, we aim to maintain the optimization of the system, completing the integration of all the elements established in the CNBS Regulation implementation plan.

GREEN FINANCING

(FS8)

As part of our commitment to responsible banking, we are moving forward in the development of financial solutions with an environmental focus.

We provide financing for renewable energy projects, thus favoring the development of the region. Supporting hydroelectric, photovoltaic, wind and solar projects.

DISBURSING:

\$18.4 MM

REPRESENTING 7.5% OF RENEWABLE ENERGY PROJECTS AT THE PORTFOLIO LEVEL, EQUIVALENT TO

\$219 MM

CURRENTLY, WE HAVE

14

RENEWABLE ENERGY PROJECTS FINANCED



FINANCIAL INCLUSION AND SUPPORT FOR THE ENTREPRENEUR AND ENTREPRENEUR SUPPORT

(GRI 203-2, FS1, FS7, FS8, FS14, FS15) (SASB FN-CB-240a.1)

Through Entrepreneurial Banking, we support the growth and development of small and medium-sized enterprises, thus contributing to the economic growth of the country and the generation of employment.

IN 2021, WE HAD A 24% GROWTH IN THE CREDIT PORTFOLIO



CURRENTLY HAS MORE THAN 1,500 PARTICIPANTS AMONG ENTREPRENEURS AND BUSINESSMEN.

In 2021 we carried out various activities to support entrepreneurs, among which we highlight:

We strengthened the program Hecho en Casa

Alliance with TENGU to promote the movement Hecho en Casa.

Social media campaigns to promote the integration of more entrepreneurs in Hecho en Casa.

Hecho en Casa (Made at Home), is one of our programs with more trajectory and whose objective is to promote initiatives that promote productive activities of entrepreneurship, innovation and the growth of Microenterprises and SMEs.

In 2021 we reinforced the concept “Buy Homemade” (Buy Locally), which is to have a catracho (Honduran) heart that aims to support entrepreneurs and promote the growth of small and medium-sized enterprises, generating a feeling of pride about the consumption of Honduran products and of generating awareness in the buying habits by preferring products made 100% by Honduran hands, since when we consume our own, we all grow.





De mi
Tierra

In continuation of the program together with La Colonia Supermarket and Fundación para el Business Development Foundation (FUNDER), we provide access to financing for agricultural producers in rural areas of Honduras, in addition, technical trainings that support efficient agricultural processes with the support of eco business Fund (European impact fund that promotes sustainable practices in Latin America).

2,100 CREDITS DELIVERED	+ \$6.26MM FINANCING
850 PRODUCERS BENEFITED	+ 100 COMMUNITIES

12 DEPARTMENTS

During 2021 we held a series of events that strengthened and gave greater visibility to this initiative.

- The second phase of the partnership with the Eco-business Fund:** Agreement to provide technical assistance that contributes to the sustainable development of the country and whose main objective is to support the agricultural productive sector.
- Case study with INCAE:** INCAE has an extensive collection of case studies that are used by the faculty in the study and research programs.
- Participation Regional Circular Economy Forum CNP+L:** This event seeks to allow the different sectors of the Central American region to know about the topic of Circular Economy.
- The Banker Financial Inclusion Award:** Recognition for having one of the best Financial Inclusion initiatives.



FINANCIAL EDUCATION

(FS16) (SASB FN-CB-240a.4)

WWW.TUONCIENCIAFINANCIERA.COM

In Ficohsa Financial Group we have as a fundamental pillar to provide and promote good financial health to society in general. We believe that financial education will help to manage finances in an orderly manner, which will improve the quality of life of a family. So, we always try to be one step ahead by acting responsibly under our corporate purpose "Facilitating Solutions to Transform Lives".



Through Ficohsa Foundation, we implement the Social and Financial Education program, aimed at children of pre-school age (3 to 6 years). With this we guarantee to form citizens from an early age in the management of their finances that permeates their families, being able to transform their communities.

In addition to the Foundation's activities, as part of our Financial Education program, we launched the radio program "Tu Conciencia Financiera Radio" which seeks to reach more Honduran households and raise awareness in society about the importance of proper management of their personal finances.



Under the various initiatives that we carried out in the year to our collaborators, customers and the general public, in 2021 we managed to reach more than 1.3 million people of which more than 43,700 are clients. This is thanks to the use of various channels and formats such as webinars, talks, social media posts, financial magazine submissions, programs and content on our portal Tu Conciencia Financiera (Your Financial Conscience).

In addition, in order to raise awareness of the importance of managing the credit history of clients and educating them on the responsible management of personal finances, we have made available, in partnership with the Equifax credit bureau, a new Online Personal Credit Score Consultation service where the first consultation is free.

[CONSULT HERE](#)



Finally, we highlight that for the sixth consecutive year we participated in the Global Money Week (GMW), a worldwide event that seeks to raise awareness about the importance of ensuring that young people, from an early age, become aware of finances and gradually acquire the knowledge, skills, attitudes and behaviors needed to make sound financial decisions and achieve financial well-being.



Client Experience

RESPONSE TO ADVERSITY

Faced with the challenges posed by the pandemic by COVID-19, this 2021 we continue to maintain and improve the measures and initiatives that have allowed us to guarantee the continuity of the business, as well as the trust of our clients. Undoubtedly, this context was the ideal time to accelerate the process of digitization of our services in which we were already working.

We maintained the financial support intended to alleviate the situation in companies that were affected by COVID-19.

We continue to provide special services. Among them, the medical assistance line, by Ficohsa Insurance, as a channel for guidance in case of suspected infection and insurance coverage against this disease.

We remain committed to ensuring the physical well-being of both our employees and the customers who visit us at each of the agencies

To this end, we maintained the Biosafety Protocol, complying with the necessary safety measures to avoid infections and health complications.



OUR VALUE PROPOSITION

CORPORATE AND BUSINESS BANKING

VALUE PROPOSITION



We are focused on providing financial support and advice to companies with sales greater than \$2.2 M, offering products and services developed specifically for this segment.

Ensuring exceptional attention is of paramount importance so we have a select group of highly trained business executives, who can listen and attend to the customer according to their needs.

We ensure that we have the best technological tools and the highest security standards so that our clients can optimize the management of their finances and financial transactions.

✓ SIGNIFICANT ACHIEVEMENTS 2021

This year highlights the creation of an exclusive space for Corporate and Business Banking within the official website, which aims to communicate the main changes and innovations in our financial products and services.

This subsection is structured based on different categories of interest for this segment, such as: Treasury Solutions; Credit; Payment; Collection; International; among others.

At the same time, we developed quick access to tutorial video libraries for the use and detail of our products, as well as information about Interbanca, regulatory information and other news of interest.

WE DEVELOPED THE FIRST EXCLUSIVE SPACE FOR CORPORATE AND BUSINESS BANKING ON THE FICOHSA OFFICIAL WEBSITE

CONSULT HERE



In addition, we renewed and relaunched the Factoring and Financial Leasing solutions, with the aim of providing our Corporate and Business clients with two important financial tools to support their growth and development.

We also launched the communication and marketing campaign "If your company needs it, Ficohsa has it", which aimed to publicize the comprehensive services we offer to help companies in their management and operational needs.



In May, we joined with the Customs Administration of Honduras to provide a comprehensive electronic banking service, where natural or legal users of the country's customs system can have the possibility to make tax payments, providing greater ease in transactions and a means of payment with the highest level of security. With this online payment system, we managed to open a new customs tax collection channel.

WE PARTNERED WITH THE CUSTOMS ADMINISTRATION OF HONDURAS TO OPEN A NEW TAX COLLECTION CHANNEL.

Among other important alliances are the companies HUGO PAY and TENGO, as an additional channel to collect payments.

Finally, to facilitate the management operations and treasury of some of our most important corporate clients, we installed five new service windows in their workplaces: Distribuidora Istmania; Empresa Avícola El Cortijo; Fruit of the Loom; and Customs Administration of Honduras.

ENTREPRENEUR BANKING

VALUE PROPOSITION



We are aware of the importance of entrepreneurs to the region's economy. We know that many micro, small and medium-sized enterprises (MSMEs) face major challenges both financially and operationally. That is why in 2018 we decided to develop specialized banking and become an ally for the development of this sector.







We have financial services and products for companies with annual sales of up to \$2.2 M

✓ SIGNIFICANT ACHIEVEMENTS 2021

To increase the portfolio, in 2021 we added new products and services to our offer.

In this sense, we identified that digitization processes in this sector, as well as training for a successful transition represent a real need and, therefore, an opportunity. Because of this, we designed Ficointegra, a software that optimizes the management of MSMEs, providing automation tools and business intelligence.

On the other hand, we announced the service of "Entrepreneurial Medical Assistance" health insurance that includes follow-ups and coverage through PorSalud clinics. Among its benefits are:

-  PorSalud medical chat
-  Telephone medical assistance
-  Telemedicine
-  Reimbursement of medical expenses
-  Consultation with a general practitioner
-  Funeral assistance

We continue with the assistance service for the business through Multiasistencia Emprendedor, which provides support and advice in legal, tax, administrative, digital marketing and accounting, among others.

Finally, we were recognized at the Ecommerce Award 2021 of the Ecommerce Institute for innovation and excellence in digital banking services thanks to our initiative Ficomall.online, a platform aimed at providing visibility to our customers' businesses and connecting with potential consumers.

All this has managed to position us as the number one bank in support of the entrepreneurial sector by placing credits with the Guarantee Fund for Economic Reactivation.

No. 1 BANK

IN LOANS THROUGH THE
MSMEs GUARANTEE FUND

\$12.20
million

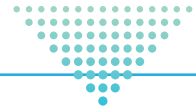


IN LOANS THROUGH
THE BANHPROVI - BCH
GUARANTEE FUND

\$16.12
million

PERSONAL BANKING

VALUE PROPOSITION



In Ficohsa Financial Group we are characterized by being an innovative bank, able to offer services according to the needs of individuals, through channels increasingly accessible.

SIGNIFICANT ACHIEVEMENTS 2021

From 2021, our strategy was aligned in providing personalized advice according to the different consumer behaviors of clients, which were divided into four major segments:

Remittances: 20 remittance windows to collect remittances from abroad.

Payroll: Collection products and loans with special conditions plus the cash back benefit in stores with the new Mipisto+ debit card of the savings account.

Banca +: Exclusive service with preferential attention for differentiated deposits and active products, access to differentiated benefits, promotions and events.

Banca Premier: Premium offer of consumer products such as deposits, active products and certificates of deposit, as well as personalized advice in special agencies located in Tegucigalpa and San Pedro Sula.

LEARN MORE ABOUT
PERSONAL BANKING HERE



In addition, this year we introduced three new savings, debit and credit products:

REMITTANCES SAVINGS ACCOUNT

Collection product focused on saving remittances collected at Ficohsa Bank, with unique benefits as a loan option, attractive interest rate and no minimum balance charges.

DEBIT CARD MI PISTO+

The only debit card that returns money to customers who receive their monthly payroll payment anchored to their account for purchases accumulated in affiliated stores such as Supermarkets La Colonia, Diunsa and Kielsa Pharmacies. They also have access to different digital channels such as Interbanca, App Ficohsa, ESRM, Ficocel and TENGO.

FUTURA CREDIT CARD

The first card aimed at a young sector. Designed to buy and save at the same time. It has a permanent CashBack of two percent for online shopping; as well as 3% for shopping in restaurants and bars. One of the most important aspects of this card is that two percent of purchases (except for online shopping and restaurants) are accumulated for the client's pension fund.

THROUGH FICOHSA FUTURA AND FICOHSA PENSIONS AND SEVERANCES WE PROMOTE SAVINGS FOR RETIREMENT THROUGH CONSUMPTION IN OUR YOUNGER CUSTOMERS.

PRIVATE BANKING

VALUE PROPOSAL

Specially designed to offer integral financial solutions to the most exclusive clients. During the last years, we have positioned ourselves as the best alternative for this segment of clients in the region, providing the best experience and the highest quality of service.

Our service is characterized by having the necessary care mechanisms that give immediate and quality responses to our clients. In this way, Ficohsa Private Banking Executives have extensive knowledge of the products. In turn, a preferential hotline is available 24 hours a day, 365 days a year.

For the convenience of face-to-face transactions, we have two exclusive care agencies, located in Tegucigalpa and San Pedro Sula. In turn, Guatemala, Nicaragua and Panama have one, respectively; however, the attention is not limited to these preferential agencies, they also have priority attention in any agency.

LEARN MORE ABOUT PRIVATE BANKING HERE



FICOHSA EXPRESS

VALUE PROPOSAL

It is our care unit dedicated to providing services to the Hispanic and Honduran communities living in the United States.

Through Ficohsa Express we facilitate the sending of remittances, as well as the payment of services in Honduras.

We have 15 agencies in the United States.

✓ SIGNIFICANT ACHIEVEMENTS 2021

This year we carried out one of the most important innovations within our product portfolio by launching the digital platform FicoSend, which, through an app and website, allows sending remittances to all Latin America and paying for services in Honduras at any time of day and anywhere, providing our clients better management of their finances.

IN 2021, MORE THAN 50 CLIENTS MADE USE OF THE FICOSEND APP.

LEARN MORE ABOUT FICOHSA EXPRESS HERE



REMITTANCES

VALUE PROPOSAL

We facilitate the sending and collection of remittances, developing a set of associated banking solutions, with the aim of supporting our compatriots abroad and their families in our countries.

✓ SIGNIFICANT ACHIEVEMENTS 2021

We implemented the payment of Western Union remittances through the mobile wallet TENGO and also through ESRM.

We included the Co-Branding with Intermex remittance in our call center.

We launched the “Hondureños en el Mundo” (Hondurans in the World) campaign.



FICOHSA BROKERAGE HOUSE

VALUE PROPOSAL

We offer the service of advising and intermediation in the purchase of securities in primary and secondary markets, as well as the service of structuring bond issues

✓ SIGNIFICANT ACHIEVEMENTS 2021

In 2021 we managed and opened the custody account at Bank of America, which allowed us to provide clients with international title custody services. This represents an advance in the growth of the stock market in the country allowing fixed-income investments in the international market. Also, we started the process of contracting an operating system for the registration of stock exchanges and management of the client portfolio.

Other achievements of Ficohsa Brokerage House include:

- We increased the customer portfolio from 11 to 18.
- We increased investments with better profitability.

By 2022 we aim to reach a profit of \$3.67M, which represents 49.50% return on equity. While offering services as a broker of corporate bonds issued by the different institutions of the National Financial System, as well as increasing participation in the negotiation of international bonds in the secondary market.

MORTGAGE BANKING

VALUE PROPOSAL

We provide the best housing financing options and facilitate access to decent housing for the population in the region.

To achieve this, we offer plans that fit the different economic possibilities of payment, with preferential interest rates according to the currency used by our customers.

Benefits:

Specialists in housing to provide personalized advice.

Preferred interest rates in Lempiras and dollars.

Discounts on legal fees and appraisals.

LEARN MORE ON MORTGAGE BANKING HERE



FICOHSA INSURANCE

VALUE PROPOSAL

We are the leading insurance company in Honduras. We provide peace of mind to our policyholders, taking care of their tangible and non-material goods through a wide range of products.

LEARN MORE ON FICOHSA INSURANCE HERE

SIGNIFICANT ACHIEVEMENTS 2021

We continue to provide digital attention through the Online Insurance platform where the insured can know, review and track their policies.

This year, we include two new offers to our product line:



Pet Insurance

It aims to provide medical security in case of accidents or unforeseen events, as well as medical follow-up, among other benefits.



Bicycle Insurance

Covers damages, thefts, damages to third parties, as well as expenses for accidents and disabilities.



In addition, it is already possible to purchase **Medical Expenses Insurance through the ATM Banred24 and Ficored.**



FOR THE FIFTH CONSECUTIVE YEAR, WE OBTAINED THE ISO QUALITY SEAL: 9001:2015

FICOHSA PENSIONS AND SEVERANCES

VALUE PROPOSAL



With more than 6 years of experience, we continue to fulfill our brand promise to all affiliates: security and transparency for their investments, high profitability and innovative service.

✓ SIGNIFICANT ACHIEVEMENTS 2021

MORE THAN 67,000 AFFILIATES TRUST US

20% market share

Faced with the uncertainty caused by the pandemic, we continue to innovate with digital tools that allow customers to consult, manage and modify their contributions anywhere and at any time.

OUR SELF-MANAGEMENT PORTAL IS A UNIQUE PLATFORM IN THE MARKET, FACILITATES ACCESS FROM ANYWHERE AND AT ANY TIME FOR AFFILIATES TO MAKE THE MOST FREQUENT ARRANGEMENTS.

We achieved excellent results in the management of unemployment funds since many companies continue to see the importance of having this type of financial instruments to meet their work commitments with their employees.

Parallel to these improvements, we launched a product especially for Hondurans in Spain and the United States. In this way, we respond to their needs and help them achieve their dream of returning and retiring in their country.

ATTENTION AND DIGITIZATION CHANNELS

(SASB FN-IN-270a.4, FN-IN-410b.2, FS13,)

This year has been key to improving our client experience model, incorporating new products into our business lines and strengthening digitalization.






Among the most representative innovations is the launch of Ficosend (Ficohsa Express virtual platform available on the Web and in App for sending remittances).

FICOSEND IS A FICOHSA EXPRESS DIGITAL PLATFORM THAT FACILITATES THE SENDING OF REMITTANCES FROM THE UNITED STATES TO HONDURAS AND ALL LATIN AMERICA.



We prioritized the development of our service channels, both face-to-face and digital.

SERVICE POINTS

	 HN	 GT	 NI	 PA	 USA
Agencies	73	10	13	2	15
TENGO	2,044				
ATM	499		112	2	
Kiosks	32			3	
Multi payments		30		80	
Auto banks	12		2		
Tellers			1		
Extended payment network			851		
TOTAL	2,660	40	979	87	15

Interbanca, App Ficohsa and the Agile Automatic Response Service (ESRM) stand out as the main non-physical point of attention for the administration of accounts and/or contracting services.

Digitalization is the future of our business. During 2021 we invested more than \$2.25M to improve digital attention services.

Undoubtedly, ESRM has established itself as a vital channel thanks to its accessibility with clients through our official social networks, with a growth of 24 percent of active users, compared to the previous year.

Finally, we consolidated our TENGO electronic wallet with the launch of the GO APP in September 2021, becoming the most complete payment option on the market with more than 100 types of transactions available and a new user interface that makes it easy to navigate. Approximately 200,000 transfers and payments were recorded. Similarly, the TENGO points network grew by 25 percent.



INFORMATION SECURITY

FN-CB-230a.1; FN-CB-230a.2; FN-CF-230a.1; FN-CF-230a.3

For us, the security and privacy of information is an essential part of the business and one of our pillars in every operation we perform.

The guidelines on which we rely are reflected in the Information Security Policy which has a scope at the Group level and is adaptable to each of the businesses.

At the same time, we have a corporate governance that ensures the protection and confidentiality of our clients, which bases its action on an internal regulatory framework, as well as best practices worldwide that are replicated in the different processes, as well as in the policy itself.

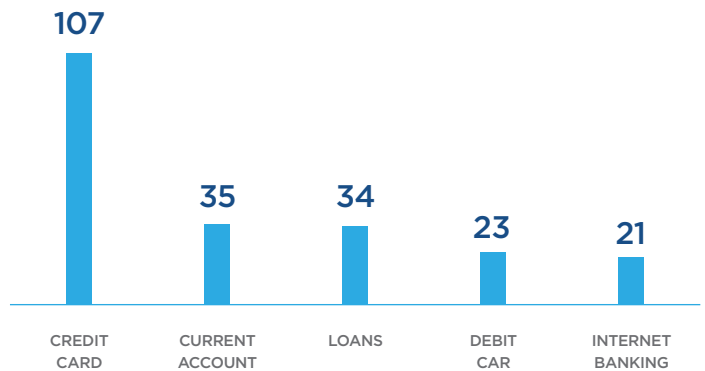


To maintain and improve our levels of security, we conduct continuous monitoring of both information security and internal, external and regulatory audits by applying review processes to identify any opportunity for improvement.

At the same time, we keep our collaborators and business executives in constant training. This allows us to provide them with the tools to manage theoretical and practical processes related to financial services and thus transmit peace of mind and adequate information to clients.

CLAIMS BY PRODUCT

(GRI 418:1)



General Detail of Claims:

Of the 247 claims received during 2021, 64% were resolved unfavorably and 36% favorable to the client, with an average response of 8 business days. An extension of 19% (47) of the claims received was requested. The average number of claims received during 2021 was 21 claims per month.

A client-friendly resolution can be given by exception issues, application of regulations, policies, operational regulations, etc. However, they are not specifically recorded as operating losses.

TRANSPARENCY AND CLIENT SATISFACTION

(GRI 416-1, 416-2, 417-1, 417-2, 417-3, FN-CF-270a.1, FN-CF-270a.3, FN-CF-270a.4, FN-CF-270a.5, FN-IN-270a.1, FN-IN-270a.3, FN-IN-270a.4, FN-AC-270a.3, FN-MF-270b.3, FN-IB-550b.1)

Our commitment to our clients goes beyond providing effective, personalized and accessible financial solutions. With this same relevance, it is vital to act under our values and ethical guidelines; consequently, offer transparent and fair services.

To achieve this, we work hand in hand with our financial advisors and executives whom we maintain in constant

development to fully accompany our clients in the contracting processes and attend any questions about the details of the services they will acquire. Also, we have an online tariff where the specifications of the products are detailed.

[CHECK OUR SERVICE TARIFF HERE](#)



100% OF OUR CLIENTS ARE INFORMED ABOUT THE TERMS AND CONDITIONS OF THE PRODUCTS WE OFFER

Their efforts are accompanied by commercial objectives with varying percentages of remuneration, thus promoting good sales practices.

We present below the relationship between fixed and variable salary in these profiles for each of the subsidiaries in Honduras:

	2020			2021		
	% Variable	Collaborators	Salary Variable annual/ Collaborator (\$)	% Variable	Collaborators	Salary Variable annual/ Collaborator (\$)
Bank	19%	2,353	5,187.18	51%	3,536	6,787.36
Cards	48%	1,070	7,585.31	26%	831	7,696.67
Insurance	17%	342	1,976.53	31%	451	2,033.46
Pensions	48%	48	6,562.65	23%	49	5,536.71

NONE OF OUR COLLABORATORS WAS INVOLVED IN LEGAL PROCESSES INITIATED BY CLIENTS

Along the same lines, we place special emphasis on the commercial and marketing practices we carry out. We align ourselves with the recommendations of organizations such as the Central Bank of Honduras, the National Banking and Insurance Commission, as well as of the Honduran Association of Banking Institutions. For this reason, we did

not receive any kind of penalty related to the promotion of our products or services.

During the period covered by this report, there were NO complaints on sales or marketing practices.

We constantly monitor the level of service we offer. Annually and every three months, we apply the Top Down and Bottom Up (NPS) methodology in our different business/country lines to know the net recommendation index that customers give us

Thus, we make sure to identify the possible areas of improvement that are presented to us.

	NPS SCORE
Bank	41%
Cards	45%
Insurance	46%
Pensions	49%

WE HAD A RETENTION RATE OF CLIENTS OF 1.02, AS WELL AS AN INCREMENT OF THEM OF 2% COMPARED TO 2020

On the other hand, we remained attentive to the complaints and observations that took place during the period of this report, always with the orientation of achieving just resolutions in each of the cases.



	HONDURAS	GUATEMALA	NICARAGUA	PANAMA	FICOHSA INSURANCE
Claims	247	125	31	40	21
Percentage of client-friendly resolutions	36%	40%	23%	94%	33%

Our People



COMMITMENT TO OUR COLLABORATORS

The Covid-19 pandemic allowed us to strengthen the capacity to adapt to change and resilience to guarantee the operation of the business, which represented the ideal opportunity to reinforce the commitment established with each of our collaborators.

At Ficohsa Financial Group we believe that sustainability starts at home. This year we continue to strengthen the different biosecurity measures we carried out in 2020, in addition to implementing new programs to ensure the well-being of our staff.

We continue with the teleworking modality. Around 2701 staff continued their work from home with the option of visiting workplaces only if necessary

In addition, we strengthened biosecurity measures and protocols, increasing antigen testing by 37.5% to detect possible cases of Covid-19 in workspaces. This represented an increase of 15,000 tests compared to 2020.

WE PERFORMED MORE THAN

40,000 Tests

ANTIGEN FOR COVID-19

We had a rebound in the use of our medical and psychological hotline with a total of 2800 consultations, 300 more than the previous year.

We increased by 10.7%

THE CONSULTATIONS WITH THE MEDICAL AND PSYCHOLOGICAL CARE LINE



DESCRIPTION OF THE PAYROLL

(GRI 2-7, 401-1, 405-1) (SASB FN-AC-330a.1)

We believe that the talent of each of our employees is a fundamental part of the success we have achieved as a company and of what we can achieve in the future.

For this reason, we are committed to their professional and personal development. At the same time, we work every day to make Ficohsa Financial Group an attractive company where employees want to grow and pursue a professional career.

In a year of economic reactivation, despite the difficulties of recruitment presented by the sector at the start of 2021, we maintained the stability of the payroll, presenting a slight reduction compared to the previous year, especially in Honduras and Panama due to a restructuring of the business strategy.

COLLABORATORS PER COUNTRY

	2019	2020	2021	Δ21-20*
Honduras	3,867	3,813	3,435	9.9
Guatemala	783	842	862	2.3
Nicaragua	588	585	599	2.3
Panama	231	223	176	-21
TOTAL FFG	5,469	5,463	5,072	-7.15

WE CLOSED 2021 WITH

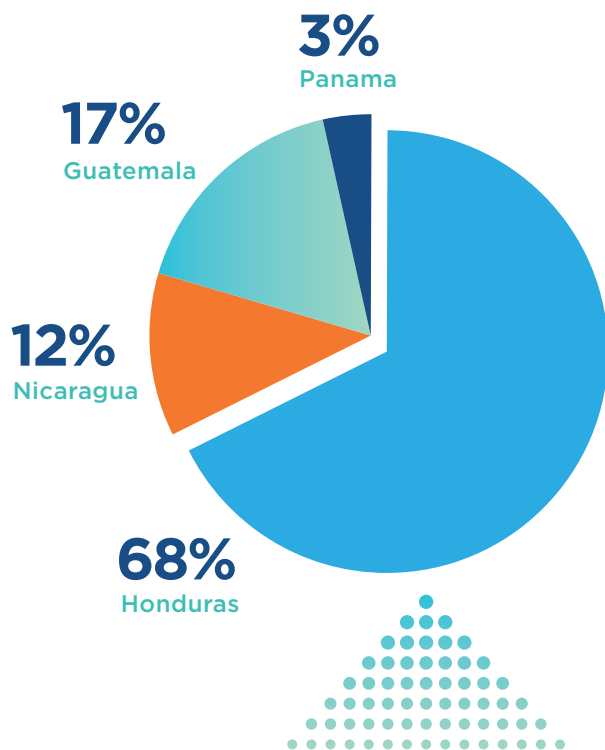
5,072 Collaborators

COLLABORATORS BY TYPE OF CONTRACT

	2020			2021		
	Permanent	Contract	Total country	Permanent	Contract	Total country
Honduras	3,519	294	3,813	3,173	262	3,435
Guatemala	834	8	842	853	9	862
Nicaragua	585	0	585	599	0	599
Panama	222	1	223	175	1	176
TOTAL FFG	5,160	303	5,463	4,800	272	5,072

94.6% of staff on payroll have a permanent contract

PERCENTAGE OF COLLABORATORS BY COUNTRY



We continue to promote gender equality in the selection and recruitment processes for different jobs. In that sense, we kept relatively the same percentage in our recruitment form compared to 2020.

OUR PAYROLL IS COMPRISED BY

57.2% of Women



FFG COLLABORATORS BY COUNTRY, BUSINESS AND REPRESENTATION OF WOMEN IN 2021

	HONDURAS			GUATEMALA			PANAMA			NICARAGUA			TOTAL FFG		
	Total Country	Total Women	% Women	Total Country	Total Women	% Women	Total Country	Total Women	% Women	Total Country	Total Women	% Women	Total Country	Total Women	% Women
Bank	2,292	1,329	58%	779	366	47%	172	96	56%	585	351	60%	3,765	2,142	56.8%
Insurance	357	207	58%	83	37	45%	N/A	N/A	N/A	N/A	N/A	N/A	440	244	54.5%
Pensions	50	39	78%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50	39	78%
Cards	736	471	64%	N/A	N/A	N/A	4	2	50%	14	5	36%	754	478	63.4%
Total FFG	3,435	2,043	59.5%	862	403	46.7%	176	98	55.6%	599	356	59.4%	5,072	2,903	57.2%

PAYROLL BY COUNTRY/GENDER/AGE/BUSINESS 2021

HONDURAS	BANK		CARDS		INSURANCE		PENSIONS	
	Men	Women	Men	Women	Men	Women	Men	Women
18-30 years	41%	59%	42%	58%	39%	61%	32%	68%
31-44 years	42%	58%	42%	58%	35%	65%	15%	85%
45 +	47%	53%	40%	60%	29%	71%	20%	80%

NICARAGUA	BANK		CARDS	
	Men	Women	Men	Women
18-30 years	41%	59%	42%	58%
31-44 years	42%	58%	42%	58%
45 +	47%	53%	40%	60%



PANAMA	BANK	
	Men	Women
18-30 years	7%	12%
31-44 years	27%	32%
45 +	10%	13%

GUATEMALA	BANK		INSURANCE	
	Men	Women	Men	Women
18-30 years	44%	56%	37%	63%
31-44 years	65%	35%	69%	31%
45 +	57%	43%	78%	22%

We continue hiring in each of our companies and countries. Despite the challenges we faced this year, we seek to empower our workforce with the best local and foreign talent in the region.

NEW HIRINGS 2021

	HONDURAS	GUATEMALA	NICARAGUA	PANAMA
Women	340	130	105	3
Men	263	169	76	11
Total FFG	603	299	181	14

THIS YEAR WE WELCOMED

1,097 Collaborators

We believe in the importance of developing a healthy, challenging and motivating working environment that promotes the growth of each man and woman collaborator, generating a sense of belonging with the company.

COLLABORATOR TURNOVER

	2020	2021
Honduras	0.08%	-5.40%
Guatemala	-4.50%	-4.00%
Nicaragua	-0.51%	-0.30%
Panama	0.93%	-0.40%
TOTAL	-4.00%	-9.50%

TRAINING AND CAREER DEVELOPMENT

(GRI 404-1, 404-2, 404-3)

Through the Ficohsa University, we develop and deliver different courses and programs focused on improving and granting new skills to our collaborators.

As in 2020, we maintained online training courses, but also returned to face-to-face training programs.

We focus especially on new employees, where we regionalize induction processes, so that from day one in the company, they manage to develop a sense of belonging and, over time, reduce the learning curve of each of their roles.

Likewise, we standardized all the processes of Ficohsa University. This is in order to make them more efficient and maintain the same quality of programs in different countries.

In addition, we maintained the commitment to regulatory compliance throughout the region, so we generated strategies to improve the indicator called "Compliance of regulatory courses by collaborators", achieving an increase from 97% (2020) to 99% (2021).

WE STANDARDIZED THE TRAINING PROGRAMS OF UNIVERSIDAD FICOHSA THROUGHOUT THE REGION

Finally, to enrich the academic offer of Ficohsa University and to make available to collaborators complementary learning experiences through quality specialized content, we achieved the consolidation of the alliance with Coursera, a leading online learning platform.

In turn, as part of the Certificate in Business Strategy and Management, in partnership with UNITEC and Coursera, we conducted the launch of the Ficohsa DNA Diploma. This diploma aims to reinforce knowledge, practices and habits that allow employees to better know the organizational culture and thus promote qualities such as: positive leadership; self-motivation; effective communication; teamwork; service experience and different types of behavior that should be part of our leadership seal.



WE STRENGTHENED AN ALLIANCE WITH COURSERA AND UNITEC TO IMPROVE OUR EDUCATIONAL OFFER



We want 2022 to be a year of goals achieved in training and development.

In that sense, one of the goals will be to exceed the average number of training hours per partner in the sector. For this, we have generated different strategies; one of them, the regional standardization of the processes of Universidad Ficohsa; on the other hand, we will strengthen internal communication to keep our collaborators about

the educational offer we have, through 10 microlearning capsules called FicoLearning throughout 2022.

AVERAGE HOURS OF TRAINING PER COUNTRY

	2020		2021	
	Total hours	Average hours per collaborator	Total hours	Average hours per collaborator
Honduras	51,579	13.39	145,519	36.64
Guatemala	19,978	23.7	85,813	97.96
Nicaragua	11,875	20.14	15,342	25.44
Panama	589	2.53	3,353	18.94
TOTAL	84,021	15.2	180,814	32.13

Notes:

1. The total number of training hours includes all the training of Ficohsa University, Schools, Skills Improvement Program, as well as all those that have been implemented in the year outside these programs.
2. The average number of hours of training corresponds to the work demographics at the end of the year, to avoid counting several times the same collaborator who participates in the different training programs.


THANKS TO REGIONALIZATION EFFORTS AND PARTNERSHIPS, WE INCREASED THE NUMBER OF TRAINING HOURS DELIVERED BY 215% **215%**

WE DOUBLED THE AVERAGE TRAINING HOURS PER COLLABORATOR

COURSES AND TRAINING BY FICOHSA UNIVERSITY

TRAINING PROGRAMS	OBJECTIVE	HONDURAS	GUATEMALA	NICARAGUA	PANAMA
Well-being Agencies	Provide the necessary tools to develop staff leadership in Group agencies, as well as guidance for a personal life plan	●			
Team Building	Improve communication between teams and foster a collective spirit of work	●	●	●	●
Ficohsa Master Class	Expand knowledge to collaborators across the organization on different topics	●	●	●	●
DNA Ficohsa Business Program	Improve the business skills of staff	●	●	●	●
Available courses in Coursera	Strengthening technical and soft skills	●	●	●	●
Blockchain Technology Program	Share analysis, trends and success stories on this topic in the banking sector for the development of skills and solutions	●			
Client Experience Program	Engage the collaborator in his role with the client and the achievement of company objectives	●	●	●	●
Train the Trainer	Develop effective organizational planning, while enhancing key skills and competencies for team leadership	●	●	●	●
Strategic vision of human talent	Empower leadership, team management and organizational change	●	●	●	●
Corporate sales	Integrating the SPIN model into the client experience	●			
Excel	Generate the skills needed to manage large amounts of data	●	●	●	●

FICOHSA UNIVERSITY COURSES AND TRAININGS



	2019		2020		2021	
	Participants	Hours	Participants	Hours	Participants	Hours
Honduras	314	54,907	237	41,265	232	44,216
Guatemala	295	10,922	362	19,648	382	68,233
Nicaragua	32	1,886	37	3,086	61	5,224
Panama	139	2,516	223	2,840	176	3,093
TOTAL	780	70,231	636	63,999	851	120,766


Note: Includes schools of cashiers, businesses, supervisors, collection, customer service, telemarketing, sales, alternate channels, administrative managers and pensions.

SOFT SKILLS IMPROVEMENT PROGRAMS

Parallel to the Performance Evaluation program, we provide a strategic accompaniment for the improvement of soft skills. We believe that these types of skills are the most difficult to address as they depend a lot on the type of person and profile of each collaborator.

We are paying special attention to the following topics:

- Teamwork
- Leadership
- Assertive communication
- Customer service
- Analytical capacity
- Resolution of problems
- Curiosity to learn
- Adaptability and resilience



	HONDURAS			GUATEMALA			NICARAGUA			PANAMA		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Bank	2,306	2,470	6,958	1,017	535	28	827	184	574	169	185	154
Insurance	236	363	809	34	80	2	NA	NA	NA	NA	NA	NA
Cards	784	1,166	1,756	NA	NA	NA	6	1	1	66	41	4
Pensions	36	53	132	NA	NA	NA	NA	NA	NA	NA	NA	NA
TOTAL	3,362	4,052	9,655	1,051	615	30	833	185	575	235	226	158

PERFORMANCE EVALUATION

Each year we evaluate the performance of each collaborator. Through a formally established process, we make sure to provide feedback on their strengths and areas of opportunity. In this way, we seek to improve their learning and development, while strengthening their sense of commitment and belonging.

During 2021, 100% of our collaborators were part of these performance evaluations according to their position.

COMMITMENT AND ENVIRONMENT

EQUAL OPPORTUNITIES

(GRI 2-19, 2-20, 401-2, 401-3, 405-2, 406-1)

At FFG we promote a work culture based on equality and equity of opportunities and values that we seek to embody in each of the activities and processes we carry out with our collaborators.

We work day by day to promote diversity and inclusion focused on overcoming any bias, whether in hiring, promotion or any situation related to the management of the team that is part of the company and that opposes the principles that identify us.

Under the Ficohsa Gender Equity Community, present in all our subsidiaries, we promote gender equity through various activities carried out in each of the countries. The community is based on 7 pillars that in turn promote a culture of inclusion:

- Mentoring Program,
- Collective Learning,
- Book Club,
- Insignia Events,
- Stakeholders,
- Communication 360
- Policies for All.

As the main results in 2021 as a regional program, we highlight the following:

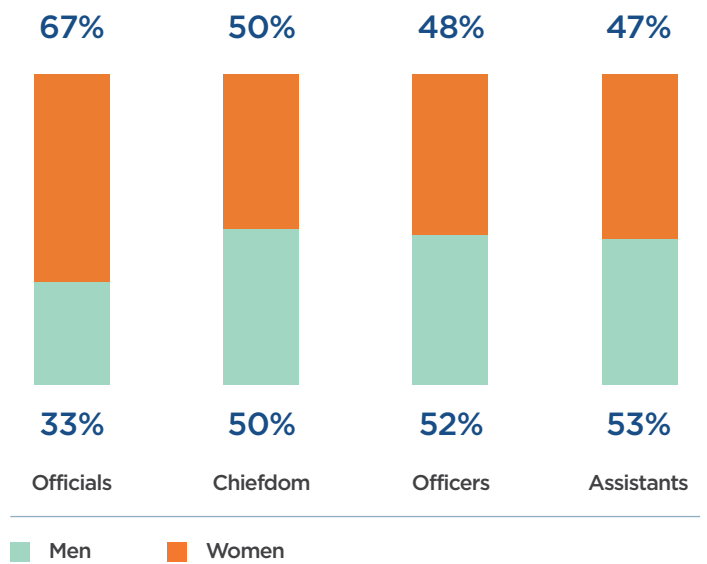
- 14 Events on the theme of equity and diversity
- 4 Workshops
- 3 Training courses
- 6 New alliances

Thanks to the continuity of these initiatives in this area, during 2021, we had no reported cases related to discrimination or actions that violate human rights.

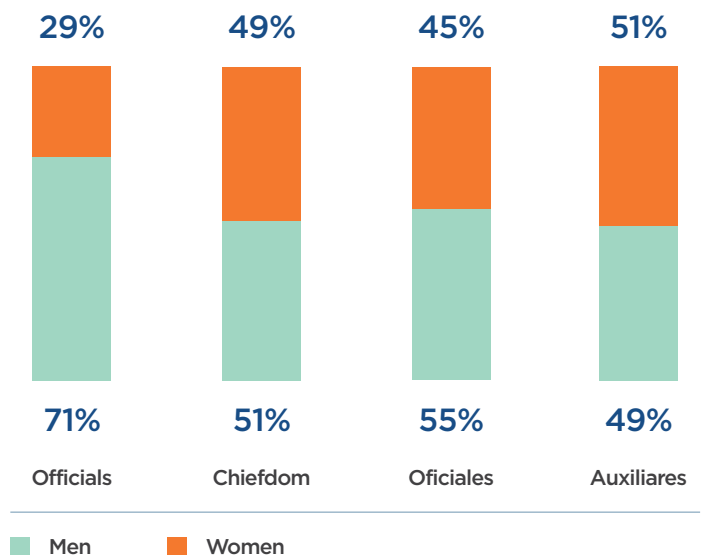
In that sense, we have different organizations and initiatives that help us to generate an open and inclusive workspace, focused on the work growth of collaborators.

PERCENTAGE OF EMPLOYMENT POSITIONS BY GENDER AND COUNTRY

HONDURAS

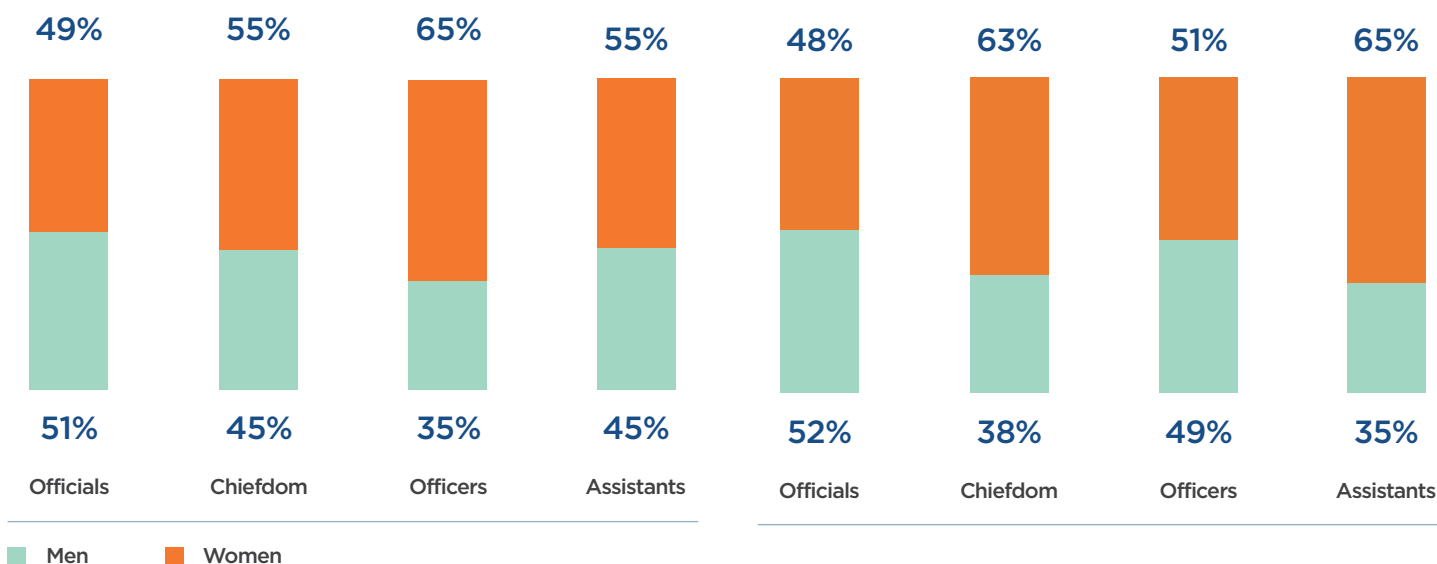


GUATEMALA



NICARAGUA

PANAMA



Men Women

Likewise, we have a system of remuneration which is based on performance. In this way, we determine a transparent, equitable, fair and free of any difference whether by gender, seniority, preferences, etc.

BASE WAGE RATIO FOR WOMEN/MEN BY CATEGORY ACCORDING TO POSITION

	HONDURAS		GUATEMALA		NICARAGUA		PANAMA	
	2020	2021	2020	2021	2020	2021	2020	2021
Officials	0.31%	0.06%	0.14%	0.16%	0.53%	0.51%	0.33%	-0.43%
Chiefdoms	-0.01%	0.09%	-0.06%	-0.05%	0.12%	0.13%	-0.04%	-0.27%
Officers	0.06%	1.57%	-0.06%	0.07%	0.23%	0.34%	0.09%	-0.03%
Assistants	0.02%	0.00%	0.14%	0.15%	0.02%	0.02%	-0.11%	0.99%

* The wage ratio indicates the difference between the wages of women and men, during the same period and in similar working positions.

MATERNITY AND PATERNITY LEAVES 2021

We work to improve the balance between professional and family life. Year after year, we maintain communication with our people to know who will become parents and thus support them with work schemes and permits that allow them to continue their careers in the company.

	HONDURAS		GUATEMALA		NICARAGUA		PANAMA	
	Women	Men	Women	Men	Women	Men	Women	Men
Leaves	N/A	N/A	19	N/A	24	24	5	2
*% Reinstaments	N/A	N/A	95%	N/A	100%	100%	100%	100%
Retention rates	N/A	N/A	85%	N/A	100%	100%	100%	100%

*Note: Percentage of reinstaments remaining at their post after 12 months of leave.



We highlight that, in October of this year, we received the "Women in Leadership 2021" award from Financial Alliance for Women, an institution made up of financial institutions and working for the financial inclusion of women.

This distinction is thanks to our efforts to promote women's representation in senior management positions, as well as to the diversity and development programs we have.

On the other hand, within the framework of International Women's Day, we carry out different activities to promote the value of women in the private sector; one of them was the Conversation with Women Entrepreneurs where we had the opportunity to talk with talented women who shared their experiences between professional and personal life.

Efforts to promote a culture of healthy work and respect, together with the effectiveness of activities, policies, agencies, reporting line and the code of ethics itself, led to the absence of cases of harassment or discrimination in the workplace.

HEALTH AND SAFETY

(GRI 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10)

Ficohsa Financial Group is committed to ensuring safe, clean and risk-free working conditions that threaten the physical and mental health of our staff.

We have a Health and Safety Committee that ensures the

implementation of related processes and policies throughout the Group. Its main function is to follow up the cases presented and offer solutions, as well as improvements to those responsible for the areas in each of the countries.

Unlike other industries, the banking sector does not present potentially high risks; however, our management system is focused on prevention in both corporate facilities and agencies.

Consequently, we carry out occupational risk assessments to identify those areas where an eventuality is most likely. The process begins with the assessment of the work area, in this case it can be a corporate building or an agency; followed by the identification of the different areas that make up these spaces, as well as the personnel who operate them; afterwards, we make an assessment on the probability of risk, possible consequences and damages; finally, we establish the preventive measures to reduce or eliminate the risks detected.

We comply with all safety protocols, as well as with the equipment to prevent and attend accidents in corporate facilities and agencies.

Our Health and Safety system has 100% coverage of our employees.

At the same time, we maintain different emergency response programs in the work areas. This plan is overseen by the Crisis Committee, which in turn has support teams composed of twelve full members and twelve alternates, trained with the necessary equipment to deal with eventualities.

EVERY YEAR, WITH THE SUPPORT OF THE BRIGADES, OFFICERS AND THE HEALTH AND SAFETY COMMITTEE, WE UPDATE THE EMERGENCY PLAN.



TRAINING OF BRIGADES FOR EMERGENCY SUPPORT

	HONDURAS		GUATEMALA		NICARAGUA		PANAMA	
	2020	2021	2020	2021	2020	2021	2020	2021
Active Brigade Officers	262	237	76	103	14	16	18	16
Training hours	40-48	0	N/A	8	32	0	4	14



This year in Nicaragua we partnered with the Managua Fire Department to conduct training in each of the agencies on: first aid, evacuation of buildings and fire prevention and in the use and management of fire extinguishers, in this way the firefighters certify the emergency brigades.

In turn, we regularly receive audits by government authorities for compliance with protocols and regulations. In 2021, a total of 63 were carried out in all countries.

WE COMPLY WITH ALL SAFETY PROTOCOLS AS WELL AS THE EQUIPMENT TO PREVENT AND ATTEND TO ACCIDENTS IN CORPORATE FACILITIES AND AGENCIES

In FFG we have a Health and Safety system for the benefit of employees and their families we have disease prevention programs and medical services with which we carry out different campaigns for the benefit of health:

- Vaccination campaigns
- Screening tests
- Follow-up and general check-ups
- Disease prevention campaigns
- Medical guidance

We have three fully equipped clinics located in the three buildings at National Level, Honduras.

In addition, we have external medical benefits that are monitored by the IHSS and the Private Clinics PorSalud.

To strengthen the culture of prevention, we carry out different communication campaigns in which we make known the priorities of the company on the subject, as well as the benefits for collaborators.

Finally, in recent years we have paid special attention to the mental health of our team through different tools and channels of care, including the full-time medical and psychological care line where we have the assistance of health professionals for the guidance of staff who require it.



WE HAVE A FREE MEDICAL AND PSYCHOLOGICAL CARE HOTLINE. DURING 2021, WE RECEIVED A TOTAL OF 2,800 CONSULTATIONS, 300 MORE THAN IN 2020.

WE CLOSED 2021 WITH ZERO WORK-RELATED ACCIDENTS

WORKING ENVIRONMENT

(GRI 401-2, 201-3)

We are aware that to create an organizational culture that responds to the needs of our collaborators, it is necessary to establish effective communication channels that detect their expectations, as well as areas for improvement.

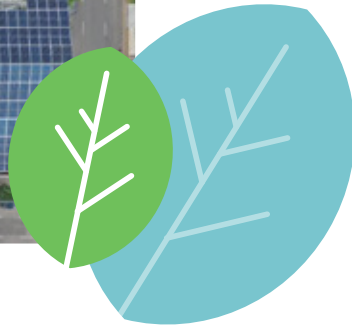
Each year, in order to monitor the working environment, we conduct a satisfaction survey based on international methodologies, but developed by us as Ficohsa Financial Group.

The results of the Exprésate and Opina survey help us to identify the benefits that our collaborators expect. In addition to complying with the legal benefits established in each of the countries where we operate, we grant different types of support that improve the welfare and satisfaction of the team.



EMPLOYEE BENEFITS	HONDURAS	GUATEMALA	NICARAGUA	PANAMA
Hospital medical insurance	●	●	●	●
Collective life insurance	●	●	●	●
International life insurance	●	●	●	●
Psychological assistance	●	●	●	●
Training	●	●	●	●
Executive medical check-up	●	●	●	●
Corporate cell phone plan	●	●	●	●
Preferential Loan Rate	●	●	●	●
Fuel	●		●	●
Coverage within the corporate cellular plan	●	●	●	●
Aid for the death of dependent	●	●		●
Discounts in shops and companies	●	●	●	●
Performance bonus	●	●	●	●
Vacation bonus (March)	●			●
Additional bonus (September)	●			●
Birthday bonus	●	●		
Ficohsa Medical Clinic	●	●	●	●
Breastfeeding Room	●			
FICOPEN	●			

Our Planet



ENVIRONMENTAL MANAGEMENT

(GRI 203-1, 2-27, GRI-302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5, 307-1)

Since our beginnings as Ficohsa Financial Group, we have acted in the fight against climate change, under a responsible management of resources, emissions and energy. As part of our Sustainability Strategy, we are committed to a culture of respect for the environment and to reducing our negative impacts.




We also contribute and try to promote environmental awareness in our clients through investments and credits granted to projects that pass a socio-environmental assessment in line with our vision of sustainable banking.

In this way, the environmental strategy we have directly impacts three Sustainable Development Goals:



Aware that only through innovation can we find better results, year after year we make strategic investments to reduce energy consumption, while reducing our environmental impacts.

INVESTMENTS AT THE END OF DECEMBER 2021

 AIR CONDITIONING \$675,872	 LED LAMPS \$88,780
 FURNITURE \$495,844	TOTAL \$764,652

¹ Refer to the Responsible banking chapter of this report for further details.

In that regard, we regularly assess the environmental impact of our operations. So, in our parent company, Honduras, we carry out ecological footprint and carbon footprint studies, which allows us to monitor our progress and consumption.

We base the methodology of both studies on international guidelines such as the Global Footprint Network (GFN), as well as the Life Cycle Analysis guide. In turn, we rely on international standards such as ISO 14040 and 14072 Life Cycle Analysis and ISO 14044 Environmental Management System.

We maintain a holistic coverage with three levels of scope:

Scope 1

Direct consumption of fuel or refrigerant operations.

Scope 2

Indirect consumption related to electricity supply.

Scope 3

Consumption related to goods, services purchased, as well as activities of the collaborators.



2019

2020

2021

VAR %
2020/2021

Ecological Footprint - Scope 1 (gha)

Direct	Fuel consumption in transport and emergency plants, in addition to the built surface.	152.71	170.53	248.3	46%
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Ecological Footprint - Scope 2 (gha)

Indirect	Fuel consumption in transport and emergency plants, in addition to the built surface.	1,405.8	1,163.23	1,652.79	42%
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Ecological Footprint - Scope 3 (gha)

Food	Purchase of coffee and sugar for offices.	2.73	0.56	0.37	-34%
Office	Procurement of furniture and office supplies of various materials, including electronic products, and made from wood, plastic, paper and their combinations.	4,318.58	2,339.48	3,211.99	37%
Consumer goods	Purchase of uniforms for employees, advertising material, first aid equipment and cards.	51.48	89.35	401.14	349%
Services	Drinking water, transport of inputs, business travel employee displacement, waste disposal and treatment.	1,427.82	877.47	439.42	-50%
Total		5,803.46	3,306.84	4,052.92	23%

Total ecological footprint (gha)

Total	7,358.90	4,640.60	5,953.98	28%
Per collaborator	1.95	1.2	1.73	44%



RESPONSIBLE WATER MANAGEMENT

(GRI-303-1.303-3)

Unlike other industries, our demand for water resources is considerably lower. Yet, we do not stop paying attention to the consumption and handling of water.

We believe that great changes begin with decisions of each person. For this reason, we carry out different internal awareness campaigns aimed at creating awareness among the collaborators and thus join us with our objectives.

100% OF OUR WATER SUPPLY COMES FROM THE STATE WATER SUPPLY NETWORK



WATER CONSUMPTION (M3)*

	2019	2020	2021	21-20 (%)
Honduras (Bank)	411,090	332,545	131,641	-60%
Nicaragua	12,000	8,400	8,159	-3%
Regional (Total sum)	423,090	340,945	139,800	-59%
Regional (Per collaborator)	95	79	35	-56%

IN 2021 REGIONAL WATER CONSUMPTION WAS REDUCED BY **59%**

Water discharges 2021:
125,059 m³

WASTE GENERATED AT A NATIONAL LEVEL

(GRI 306-1, 306-3,306-4,306-5)

We are responsible for our waste. We have different ways of extending the life of the materials we use and produce. We aim to reduce our waste in general, for this we promote the recycling of paper, electronic waste and the correct disposal of plastics from credit cards.

WASTE GENERATED IN LBS

	2019	2020	2021	Δ21-20
Solid waste	33,600	65,603	76,241	16%
Aluminum	474	705.92	536	-24%
Paper	126,802	504,100	507,722	1%
Plastic*	1,845	519.12	16,061	2994%
Electronic waste	14,588	-	1,500	-
Total	177,309	570,928	602,060	5%


* The increase in waste and especially in plastics is derived from the return of post-pandemic activities.



We have strategic alliances for the recycling of electronic waste, so in 2021 we collected all the electronic waste that was in disuse to be delivered to a recycling company in order to give them a second chance and take advantage of them. Thanks to this initiative we managed to raise funds for the benefit of Operation Smile.

Continuing the digital transition, we are increasingly reducing paper consumption as the main input of financial services companies.

PAPER CONSUMPTION (REAMS, UNITS)*



	2019	2020	2021	Δ21-19*
Honduras	23,044	13,595	15,523	-33%
Guatemala	4,802	1,833	3,863	-20%
Nicaragua	4,984	3,439	2642	-47%
Panama	1,290	333	827	-36%
Regional (Total Sum)	32,649	19,200	22,855	-30%
Regional (Por colaborador)	6.0	3.50	4.50	-25%

* We have made the variation according to 2019, because 2020 has been an atypical year due to the pandemic.



IN 2021 PAPER CONSUMPTION WAS REDUCED AT REGIONAL LEVEL IN **30%**

INITIATIVES IN FAVOR OF BIODIVERSITY

Through corporate volunteering and partnerships with different organizations, we contribute to the regeneration of the biodiversity and ecosystems around us.

This year, in collaboration with the company Larach & Cia, we delivered more than 100 thousand seeds for the creation of a nursery in the La Tigra National Park and 10 thousand trees, one of the first areas declared as protected by the government of Honduras. Previously, (in 2020) we carried a digital campaign on social networks where for every like received both in the accounts of Larach & Cia, and Ficohsa, we donated a tree for the same area.

ENERGY AND EMISSIONS

(302-1; 302-2, 302-3, 305-1, 305-2, 305-3, 305-4, 305-5)

We continue the path of decarbonization through the optimization of energy and fuel consumption. We have different internal programs that favor the reduction of electrical energy that we use in the facilities.

We also encourage actions of immediate impact among employees, such as the total disconnection after their working days, as well as a standardization for the control of lighting in workspaces, making the most of the natural sunlight to replace the ignition of the infrastructure.

In addition, we have incorporated new renewable sources of supply, such as solar panels installed in Honduras and Nicaragua, mainly.

TO DATE, THANKS TO SOLAR PANELS THE MAIN OFFICE OF HONDURAS IS SUPPLIED WITH ELECTRICITY IN

71%

10 AGENCIES IN HONDURAS AND THE MAIN OFFICE IN NICARAGUA WORK WITH ENERGY FROM SOLAR PANELS.

ENERGY CONSUMPTION HONDURAS (KWH)

	2019	2020	2021*	Δ21-20*
Bank	8,616,380	6,866,469	10,758,540	57%
Insurance	661,908	516,465	527,750	2%
Cards	1,460,449	987,586	955,021	-3%
Total	10,738,737	8,370,520	12,241,311	46%

* The variation is the result of the comparison of year 2020, an atypical year due to the pandemic.

** Some corrections were made to the data submitted in 2020

*** More facilities were measured in 2021 than the previous year.

ENERGY CONSUMPTION IN THE REGION (KWH)

	2019	2020	2021*	Δ21-20*
Guatemala	712,735	750,550	973,279	30%
Panama	317,880	540,469	529,553	-2%
Nicaragua	1,349,485	1,207,163	1,127,266	-7%
Total	2,380,100	2,498,182	2,630,098	5%

ENERGY INTENSITY PER COLLABORATOR (KWH/COLLABORATOR)

	2019	2020	2021	Δ21-20
	2,398	1,990	2,932	47%

* The energy intensity is the average of the total consumption of kWh consumed at the regional level, among the total of collaborators at the regional level of the year reported.

** During 2021 we reactivated our activities which have increased our energy consumption compared to 2020, as well as our payroll has decreased, so we will see an increment in our energy intensity closing.

We use fossil fuels for the different power plants we use in case of emergency, in both corporate and agency sites. In turn, for the deliveries of cards or mobile attention in insurance activities, to mention some cases.

FUEL CONSUMPTION (LTS)

	2019	2020	2021	Δ21-20
Gasoline	241,777	165,914	227,862	37%
Diesel	42,307	30,398	60,523	99%

EMISSIONS

Annually, we calculate for our operations in Honduras the emissions of Greenhouse Gases (GHG), analyzing the impact of the measures implemented in terms of energy efficiency and use of renewable sources.

We generate the inventory that constitutes our carbon footprint by applying the Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). We report direct emissions range 1, as well as indirect emissions range 2 and 3, in tons of carbon dioxide equivalent (ton CO₂eq).



2019

2020

2021

VAR %
2020/2021**SCOPE 1 (ton CO2eq)**

Stationary sources	78	51	109.34	114%
Mobile sources	352	430	604.24	41%
Fugitive sources	644	701	445.63	-36%
TOTAL	1,075	1,183	1,159.22	-2%

SCOPE 2 (ton CO2eq)

Power grid	3,947	3,275	4,704.48	44%
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Total ecological footprint (gha)

Goods and services purchased	2,706	1,540	3,240.94	110%
Fuel consumption and energy not included in scope 1 and scope 2	13.5	0.47	-	-
Waste generated in the operations	103.83	40	16.36	-59%
Business travel	360.61	287.95	446.34	55%
Displacement of collaborators	2,769.79	1,619.50	304.76	-81%
End of life of products sold	1.23	4.85	2.10	-57%
TOTAL	5,955.26	3,492.53	4,010.50	15%

Intensity of GEI emissions (tonCO2eq/Collaborator)*

ALCANCES 1+2	1.3	1.15	1.72	33%
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* We calculate the intensity of emissions as the average per collaborator, integrating scopes 1 and 2; scope 3 is out because in terms of comparability varies the depth with which it can be obtained each year.

Our Community

(GRI 2-23,2-25)

At FFG we believe that to be an agent of positive change in the different countries where we operate, we must continue our commitment to promote sustainable development in communities.

As a socially responsible group, through Ficohsa Foundation and through the management of the Corporate Social Responsibility area, we develop projects, programs and initiatives that generate a positive impact on communities and their needs, focused on the following areas of action:

**ACCESS TO
PRE-SCHOOL
EDUCATION**

**FINANCIAL
INCLUSION**

HEALTH

**OTHER SOCIAL
INVESTMENT PROJECTS**



FICOHSA FOUNDATION

(GRI 203-1)

From Ficohsa Foundation we contribute to pre-school education at an early stage of childhood, contributing to the integral development of children, providing the necessary tools for their future.

Throughout 2021, we continued with the programs that were restructured in 2020 due to the COVID-19 pandemic. We are also working on the strategic plan for activities to return to this "new normal" in 2022 and previous years.

The continuity of the Foundation's activities has been thanks to the active participation of teachers, families, communities, corporate volunteering, as well as the support of strategic partners who share a genuine commitment to the educational development of the countries where we have a presence.

Through our Educating Our Future Program, with a trajectory of 23 years, we have the vision of supporting in a comprehensive and sustainable way the pre-school education of children between 3 and 6 years, focusing its actions on increasing coverage, innovation and quality in education.

BOYS AND GIRLS BENEFITED 2021

7,005

HONDURAS

752

REGIONAL (NICARAGUA,
GUATEMALA, PANAMA)

145,096

ACCUMULATED SINCE YEAR 2000
(HN AND REGIONAL)


REGIONAL INVESTMENT
(HONDURAS, NICARAGUA,
GUATEMALA, PANAMA)

\$675,037



Below, we present the main initiatives that are addressed on Ficohsa Foundation's Flagship Program, "Educating Our Future":

PROGRAMS/ INITIATIVES	DESCRIPTION	BENEFITS AND RESULTS	IMPACTED SDGS
Support to the National School Feeding Program	Since 2001, the Ficohsa Foundation has maintained an important partnership with the World Food Programme (WFP), contributing directly to the National School Feeding Program (Honduras).	<p>Total Investment 2021: \$172,976</p> <p>Rations delivered 2021: 1,300,000 million</p> <p>Pre-school centers: 140</p> <p>Boys and girls directly benefited 2021: 7,005</p> <p>Indirect beneficiaries 2021: + 35,500 people (community members).</p> <p>In addition, we delivered food rations to beneficiary communities in Guatemala and Panama, with an investment of approximately \$8,900, reaching more than 170 families.</p>	SDGS 2: Zero Hunger
Provision of books and school supplies	Since the inception of the "Educating Our Future" Program, we have annually delivered textbooks and school supplies to all the benefited preschools. This contribution generates significant savings for the father and mother, who mostly come from economically vulnerable areas.	<p>Accumulated investment (Honduras): \$665,781</p> <p>Investment 2021 Honduras: \$63,028</p> <p>Regional Investment 2021 (Nicaragua, Guatemala, Panama): \$4,204</p> <p>Boys and girls benefited 2021: 7,005</p> <p>Boys and girls benefited regionally (Nicaragua, Guatemala, Panama) 2021: 752</p> <p>Boys and girls benefited accumulated (HN and regional): 145,096</p>	SDGS 4: Quality Education
Teacher Strengthening	<p>A strong component to achieving educational quality in pre-schools supported by Ficohsa Foundation is teacher training, in which more than 330 teachers have participated to date at the regional level. This is done through 2 initiatives:</p> <p>Pedagogical accompaniment: Since 2017, Ficohsa Foundation has implemented the Pedagogical Accompaniment program to improve teaching practices through the methodology of research-action, generating new competencies and quality education, considering the different contexts in which supported schools operate.</p>	<p>Pedagogical accompaniment: 140 pre-school centers supported in 2021, Honduras.</p> <p>Teachers served (Honduras) 2021: 307</p> <p>Educational Portal Ficohsa Foundation:</p> <p>Users registered at regional level (HN and Regional) 2021: 534</p> <p>www.portalfundacionficohsa.com</p>	SDGS 4: Quality Education

	<p>Educational Portal Ficohsa Foundation: Given the educational challenges caused by the COVID-19 pandemic and the need to continue with the training processes, in 2021 the Educational Portal Ficohsa Foundation was launched, an innovative tool that offers valuable content and useful resources to accompany teachers, parents and caregivers in the arduous task of giving continuity to the education of children.</p>		
<p>Social and Financial Education Program</p>	<p>Since 2014 Ficohsa Foundation, as a partner of the global network Aflatoun Child Savings International based in Amsterdam, implements the Social and Financial Education Program, to inspire children to be socially and economically empowered citizens, equipping them with the skills and knowledge needed to become economically conscious adults capable of transforming their communities.</p>	<p>Benefited centers: 56 Boys and girls benefited accumulated: 20,295 Boys and girls benefited 2021: 3,845 Indirect beneficiaries 2021: 19,225 people (members of the communities)</p>	<p>SDGS 2: Zero Hunger</p>
<p>Dar para Educar Program</p>	<p>Partnership between Ficohsa Foundation and Supermercados La Colonia in Honduras, has allowed the development of the Dar para Educar (Give to Educate) Program, allowing customers of supermarkets throughout the country, who can voluntarily donate the extra coins they have when making their purchases, contributing directly to educational projects and the development of their own communities. The funds raised are used for the construction or rehabilitation of pre-school education centers and the strengthening of educational projects implemented at the national level.</p>	<p>Total raised 2021: \$100,841 Cities benefited: Tegucigalpa, Choluteca, Comayagua, Siguatepeque, Juticalpa, Danlí, San Pedro Sula, El Progreso, La Ceiba Pre-school Centers benefited: 18 Boys and girls benefited 2021: 916 Accumulated Boys and girls benefited: 11,577</p>	<p>SDGS 4: Quality Education</p>



OTHER PROJECTS FICOHSA FOUNDATION

REHABILITATION OF PRE-SCHOOL CENTERS:

In November 2020, the passage of tropical storms ETA and IOTA through northern Honduras, severely affected 17 pre-school centers supported by Ficohsa Foundation, damaging much of its physical infrastructure.

In response to this situation, we responded through the Pre-school Education Centers Rehabilitation Project in 2021, once again providing them with pedagogically suitable spaces to serve approximately 650 children in these communities.

The project investment was more than US \$152,000 and was supported by the Business Support Services Program (BSS) of the German Development Finance Institution (SDR), the Latin American Bank for Foreign Trade (Bladex), Transatlantic Reinsurance Company (TransRe) and The Steel Group Financial Solutions.

In addition to the direct contribution of Ficohsa Foundation and the communities, other strategic partners and corporate volunteers from Ficohsa Financial Group also supported, raising funds to contribute to the manpower investment of this great project.

▶ GUATEMALA

Thanks to the monthly contributions of the collaborators, we delivered the school snack on a monthly basis, benefiting the families of more than 70 children who are cared for in the 2 pre-school centers in Guatemala City. Complete school kits were delivered to all children.

As part of teacher strengthening, a training process was provided for all teachers on the Montessori methodology, as well as training in the AFLATOUN Social and Financial Education Program, involving parents and teachers.

Likewise, we made improvements in the infrastructure of both pre-schools, in addition to providing biosecurity supplies in preparation for the return to school in 2022.

▶ NICARAGUA

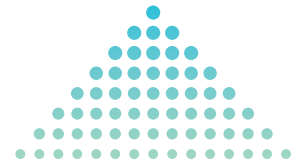
Thanks to corporate volunteering, we donated cleaning and biosecurity supplies to the 4 pre-schools supported in the cities of Managua and León.

For the first time in Nicaragua, we donated more than 400 school kits for each child benefited in the 4 pre-schools, as well as for all the teachers who attend them.

In addition, we have achieved the implementation of the AFLATOUN Social and Financial Education Program, expanding the coverage of this important program in this country, with the main objective of promoting financial awareness from an early age.

▶ PANAMA

In Panama, with the contribution of corporate volunteering, we were able to support the communities of Pacora and Curundú with the donation of school kits for the children of the 2 benefited educational centers with food rations for more than 100 families.



We highlight that at the regional level the Ficohsa Foundation Educational Portal was promoted, reaching the participation of users from all the countries where we have a presence (Honduras, Nicaragua, Guatemala and Panama), offering content adaptable to the contexts of each of these countries.

VOLUNTEERS THAT TRANSFORM LIVES

This year, our volunteer program progressively returned to face-to-face activities. We strive to foster a sense of help and empathy among our collaborators to continue to drive together the development of the communities where we operate, thus contributing to improve the quality of life and always hand in hand with our corporate purpose to transform lives.



+24,600

CORPORATE VOLUNTEER HOURS INVESTED TO BENEFIT COMMUNITIES

+32,900

PEOPLE BENEFITED

95%



PARTICIPATION OF OUR COLLABORATORS

GFF INITIATIVES AND PROGRAMS



Under this program, we continue our commitment to foster the academic development of young Hondurans considered students with academic excellence in their areas of study.

We continue to invest in their training to help them study at the best universities in the world.

	BENEFICIARIES
 Women	81
 Men	86
Total	167

+\$4.6 MM

INVESTED SINCE 2013

SCOPE

23 Countries



SUPPORT TO INNOVATION

Hackathon Ficohsa

This year for the first time we conducted an internal Hackathon in which 70 of our collaborators participated in Honduras, Guatemala, Panama and Nicaragua. Each of them presented different initiatives; at the end of the contest, three teams were the winners, who presented their respective technological solutions in three different themes:

DIGITAL ADOPTION

FINANCIAL EDUCATION

SAVINGS INCENTIVE

Our Winners

First place:  **ANDROMEDA**

Second place:  **SUDORA**

Third place:  **THE WINNERS**

The regional Hackathon had winners in four categories:

- Analytics: solutions to improve people's financial health
- Geolocated offers
- Financial inclusion for the agricultural sector
- Online directory for SMEs

In both the internal and external competition, we counted with the participation of Oracle, a global IT services company, which supported and followed the development of the projects presented.

Likewise, we held the first innovation competition in the banking sector of the region. More than 100 young people participated and showed their enthusiasm for generating solutions for social purposes.

Tech4Dev HN



We have forged a strategic partnership with the Tech4Dev acceleration program, which also involves IDB Lab and Unitec, in order to generate a social impact through innovation and the promotion of technological entrepreneurship among the youth of the Central American region.

This project seeks to strengthen the entrepreneurial ecosystem, mainly to provide technological solutions to the health, education, and security sectors, key sectors for the development of Honduras. It is aimed at professionals, students from all universities, young entrepreneurs, researchers, or Honduran makers.

Tech4Dev promotes the articulation of institutions, whether public, private, or international cooperation, to generate synergies that allow the development of the Honduran entrepreneurial ecosystem.

GROWING UP WITH DIABETES FOUNDATION

From FFG we continue to support the Growing Up with Diabetes Foundation, which promotes and raises awareness on issues related to diabetes, in addition to improving the conditions of patients with this condition under accompanying schemes that ensure compliance with treatment and contributing to their quality of life.

+ \$98,000 INVESTED

BENEFICIARIES WITH DONATIONS OF MEDICAL SUPPLIES

335 DIRECT AND INDIRECT

EDUCATION AND AWARENESS CAMPAIGNS:

+ 4,100 PEOPLE REACHED

DIAGNOSTIC AND PREVENTION DAYS

86 BENEFICIARIES



Economic Performance

RELEVANT DATA FROM THE GROUP

(GRI 201-1) (SASB FN-CB-000.A)

The financial strength of GFF keeps us moving forward with the group's operations and subsidiaries. Demonstrated with credibility, responsibility, commitment and trust to our shareholders and other stakeholders.

Being an engine of economic development in the country and in the societies where we have a presence, we present

below our economic performance under the main financial indicators at Group level.

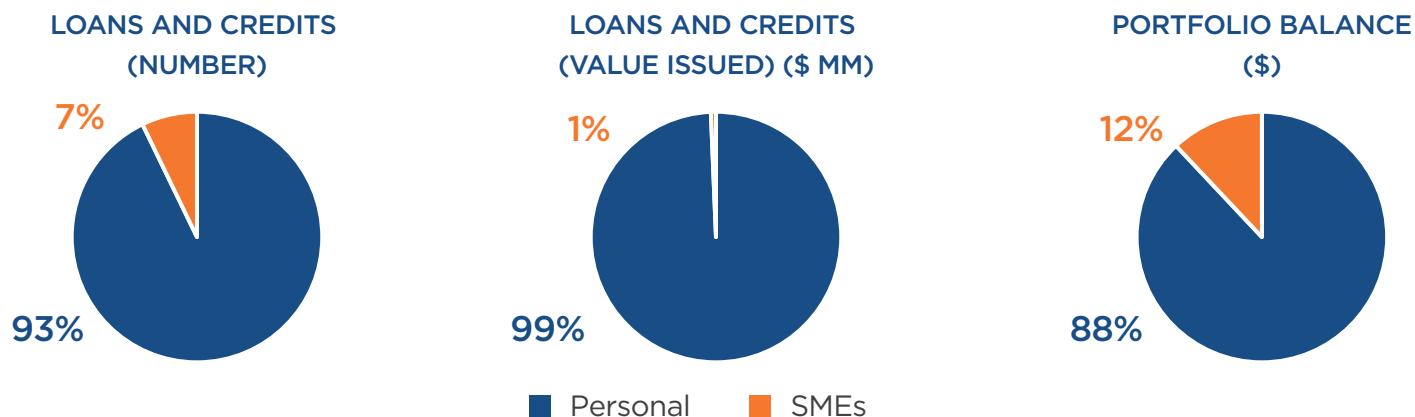
These data are based on the internal financial statements of each company.

FFG FINANCIAL AND BUSINESS INDICATORS

	2019	2020	2021	21-20 (%)
Net Assets (\$ MM)	5,568.70	6,607.50	7,386.36	11.8%
Loan Portfolio (\$ MM)	3,665.30	3,831.50	4,118.89	7.5%
Deposits (\$ MM)	3,368.20	4,267.80	4,743.81	11.2%
ROE (%)	14.6%	12.6%	15.7%	3.1%
Capital adequacy ratio (%)	13.4%	13.2%	13.9%	0.7%
Delinquency ratio (%)	1.7%	2.1%	1.9%	-0.2%

FFG LOAN PORTFOLIO BREAKDOWN


(SASB FN-CB-000.B)



Below we present the distribution of our income in different items that are distributed impacting our stakeholders: suppliers, collaborators, capital providers, government and community.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

(In thousands of \$)




	2019	2020	2021	21-20 (%)
Revenue (Economic Value Generated, EVG)	438,844	407,975	480,096	17.68%
Costs (Economic Value Distributed, EVD)	377,652	360,564	399,281	10.74%
Operating Costs	142,038	141,075	181,232	28.47%
Employee Compensation	99,068	96,353	104,494	8.45%
Payment to Capital Providers	92,194	90,605	68,533	-24.36%
Payment to Government	42,775	31,018	43,829	41.30%
Social Investment	1,577	1,512	1,193	-21.10%
EVG-EVD	61,192	47,411	80,815	70.46%

RELEVANT DATA PER COUNTRY

(FS6) (SASB FN-CB-000.A, FN-CB-410a.1)

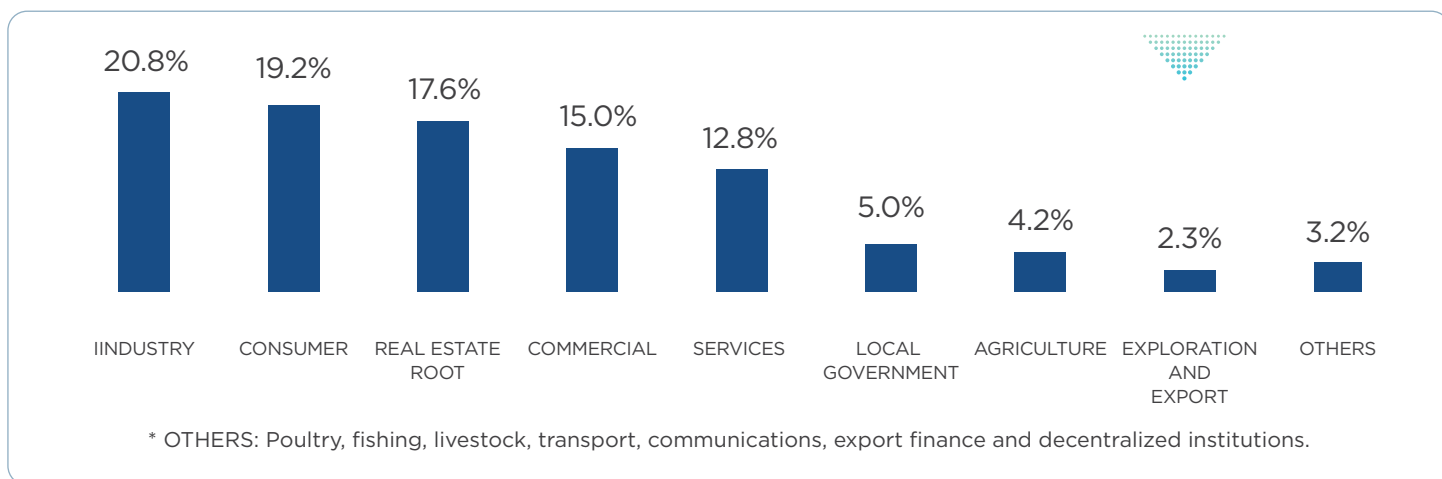
HONDURAS

FINANCIAL AND BUSINESS INDICATORS HONDURAS



	2019	2020	2021	21-20 (%)
Net Assets (\$ MM)	4,075.0	4,828.0	5,387.7	11.6%
Loans (\$ MM)	2,587.0	2,894.0	3,063.6	5.9%
Market Share - Loans (%)	19.60%	19.50%	18.40%	-1.1%
Deposits (\$ MM)	2,308.0	3,018	3,337	10.6%
Market Share -Deposits (%)	17.3%	19.6%	17.0%	-2.6%
ROE (%)	14%	10%	13%	3.0%
Capital Adequacy Ratio (%)	13%	13%	14%	1.0%
Delinquency Ratio (%)	2%	2%	2%	0.0%

BREAKDOWN OF LOANS DELIVERED BY SECTOR FICOHSA BANK HONDURAS

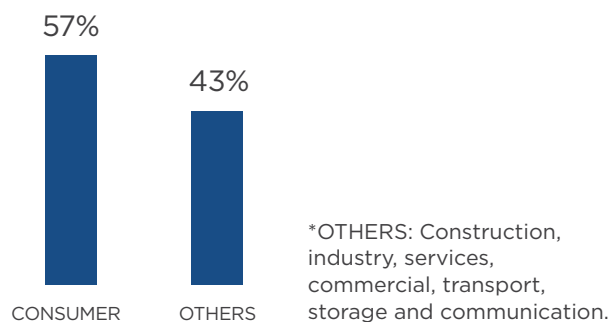


GUATEMALA

FINANCIAL AND BUSINESS INDICATORS GUATEMALA

	2019	2020	2021	21-20 (%)
Net Assets (\$ MM)	345.5	393.1	470.5	19.7%
Loans (\$ MM)	205	239	278.6	16.6%
Deposits (\$ MM)	276	318	354.2	11.4%
ROE (%)	10.7%	17.5%	17.6%	0.2%
Capital Adequacy Ratio (%)	15.2%	15.1%	15.0%	-0.1%
Delinquency Rate (%)	2.4%	1.7%	1.6%	-0.1%

BREAKDOWN OF LOANS DELIVERED BY SECTOR FICOHSA BANK GUATEMALA

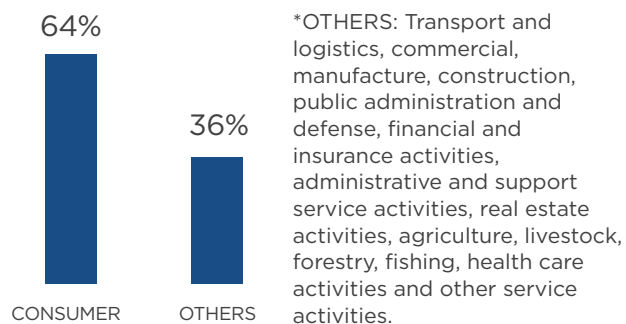


NICARAGUA

FINANCIAL AND BUSINESS INDICATORS NICARAGUA

	2019	2020	2021	21-20 (%)
Net Assets (\$ MM)	407.3	477	534.07	12.0%
Loans (\$ MM)	270.5	205.8	211.3	2.7%
Deposits (\$ MM)	205.6	360.9	407.07	12.8%
ROE (%)	0.70%	0.74%	11.93%	11.2%
Capital Adequacy Ratio (%)	16.70%	15.70%	16.32%	0.6%
Delinquency Rate (%)	4.00%	4.70%	2.17%	-2.5%

BREAKDOWN OF LOANS DELIVERED BY SECTOR FICOHSA BANK NICARAGUA

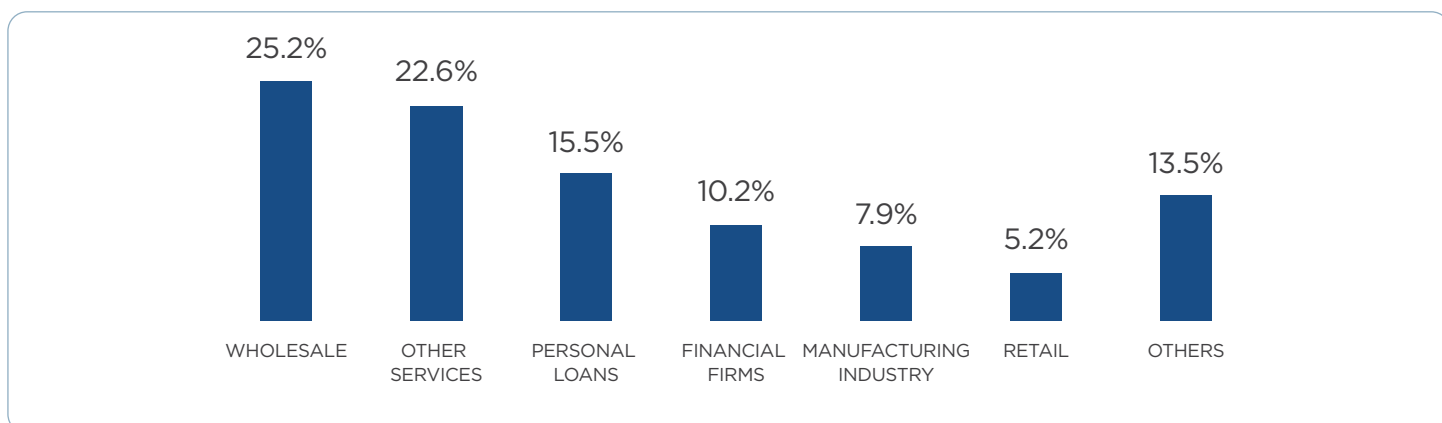


PANAMA

FINANCIAL AND BUSINESS INDICATORS PANAMA

	2019	2020	2021	21-20 (%)
Net Assets (\$ MM)	555.1	646.7	756.7	17.0%
Loans (\$ MM)	440.5	462.2	533	15.3%
Deposits (\$ MM)	489.2	564.9	645.6	14.3%
ROE (%)	12.30%	2%	7.5%	5.5%
Capital Adequacy Ratio (%)	12.01%	12.1%	12.7%	0.5%
Delinquency Rate (%)	0.80%	0.50%	1.12%	0.6%

BREAKDOWN OF LOANS BY SECTOR FICOHSA BANK PANAMA



ENTREPRENEUR BANKING

(SASB FN-CB-240a.1)

We present the dimensions of our product portfolio by type of customer within the entrepreneurial segment:

ENTREPRENEUR BANKING - FICOHSA BANK HONDURAS 2021

Industry Description	SAVING ACCOUNTS		DEPOSIT CERTIFICATE		CHECKING ACCOUNTS		TOTAL	
	(\$ M)	Amount accounts	(\$ M)	Amount accounts	(\$ M)	Amount accounts	(\$ M)	Amount accounts
Total General	109,481,403.53	23,848	16,333,673.74	628	63,223,257.6	8678	189,038,334.87	33,154

MORTGAGE BANKING

(SASB FN-MF-000.A, FN-MF-270b.1)

We continue to consolidate our leadership in housing financing in Honduras, closing the year with a portfolio balance of \$406MM which represents a 9% growth compared to 2020.

DESCRIPTION	AMOUNT \$
Home Purchase	\$31,792,590.10
Commercial Premises	\$729,019.84
Mortgage Portfolio	\$32,521,610.00

As part of our commitment to the development of Honduras, we continue our support for financing social housing through CONVIVIENDA and the Middle-Class Housing program:

DESCRIPTION	QUANTITY	AMOUNT \$
Cases Convivienda	308	\$5.7MM
Cases Middle-Class Equity (with subsidy)	35	\$1.1MM
Cases Banhprovi Middle-Class Preferential Rate	404	\$24.89MM
Cases Banhprovi Middle-Class	409	\$25.26MM

REPRESENTATION OFFICE IN THE USA

The product Cuentas USA (Accounts USA), designed specifically to channel savings in Honduras by the Honduran community resident in the US, continued with its growth trend during 2021. The balance of deposits exceeded the Lps. 600M mark, closing the cycle with the historic figure of \$26.37M.

In addition, the website "Hondurans in the World" was launched to the public through which Banco Ficohsa made possible the acquisition of other financial services related to the banking strategy and complementary to the USA Account, such as Pensions and Health Insurance accounts for the benefit of family members living in Honduras.

\$26.37 MILLION IN BALANCES IN USA ACCOUNTS

11.56% PORTFOLIO GROWTH RATE

Despite the difficulties experienced in recent years, the Representation Office contributed \$942.32 thousand dollars of net margin to the results of Ficohsa Bank Honduras during 2021, thus contributing to the strengthening of the institutional patrimony.



FICOHSA INSURANCE

(FN-IN-000.A)

PREMIUMS ISSUED - HONDURAS (\$ MM)

	2019	2020	2021	21-20 (%)
Life Insurance	26.6	27.6	30.4	10%
Accidents and Sickness	29.8	27.2	28.5	5%
General Insurance	38.6	41.6	49	18%
Other General Insurance	18	19.9	19	-5%
Bonds	1.8	1.2	1.5	25%
TOTAL	114.9	117.6	131.0	9%

PREMIUMS ISSUED - GUATEMALA (\$ MM)

	2019	2020	2021	21-20 (%)
Life Insurance	1.12	1.24	1.79	44%
Accidents and Sickness		0.42	0.34	-19%
General Insurance	6.93	6.06	15.4	154%
Other General Insurance	0.79	0.54	0.94	74%
Bonds	1.01	0.58	1.7	193%
TOTAL	9.85	8.84	20.17	128%

CLAIMS - HONDURAS (\$ MM)

	2019	2020	2021	21-20 (%)
Life Insurance	9.4	8.8	19.2	118%
Accidents and Sickness	17.9	16.9	19.7	17%
General Insurance	11.2	80.6	12.3	-85%
Other General Insurance	9.4	9.5	5.4	-43%
Bonds		1	1.7	70%
TOTAL	47.9	116.8	58.3	-50%

CLAIMS - GUATEMALA (\$ MM)

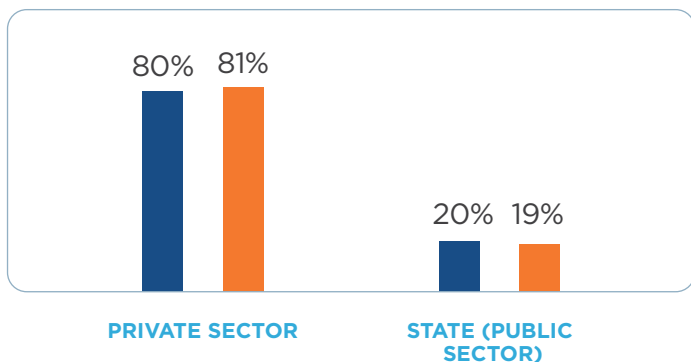
	2019	2020	2021	21-20 (%)
Life Insurance	0.02	0.31	0.54	74%
Accidents and Sickness		0.19	0.46	142%
General Insurance	2.05	2.46	2.67	9%
Other General Insurance	3.91	0.16	0.29	81%
Bonds	-0.01	0.09	0.08	-11%
TOTAL	5.97	3.22	4.04	25%

INVESTMENT BREAKDOWN

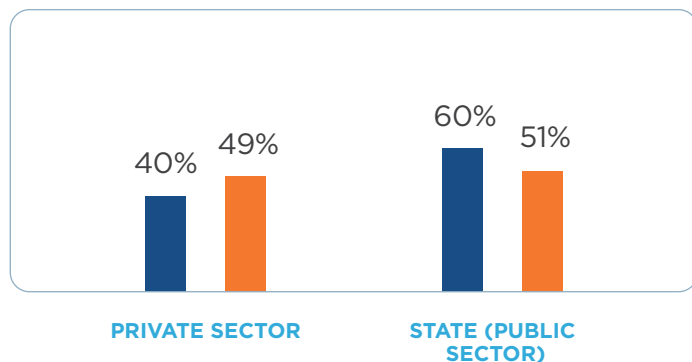
(FN-IN-410a.1)

Our insurance subsidiaries invest under a prudent strategy according to the fiduciary duty we have to the insured.

INVESTMENT PORTFOLIO HONDURAS



INVESTMENT PORTFOLIO GUATEMALA



■ 2020 ■ 2021

FICOHSA PENSIONS AND SEVERANCES

(SASB FN-AC-000.B)

Being one of the Group's youngest companies, it has been performing with excellence and firm steps toward growth.

Growth is associated with the evolution of the small

contributor, thanks to the progressive results of education in the culture of social prevention.



	2020	2021	Δ21-20
Managed Fund	\$168,611,723.0	\$305,621,157.0	81%

FICOHSA BROKERAGE HOUSE

(SASB FN-IB-000.A, FN-IB-000.B)

From Casa de Bolsa Ficohsa we contribute to the Group's performance under the following operating and economic results:

We had a 6% increase in transactions made compared to 2020.

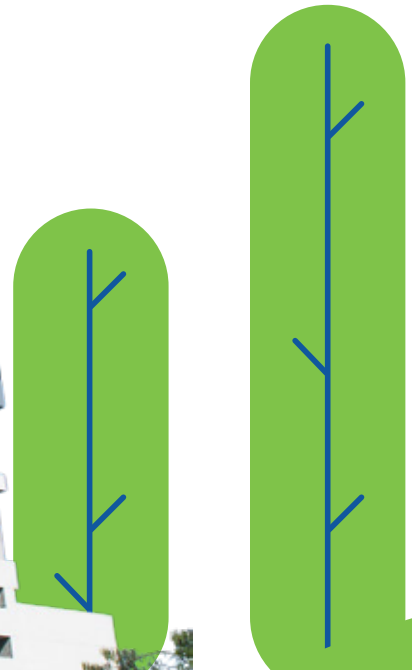
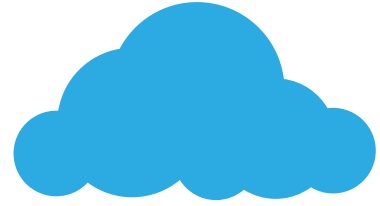
As for the investments made during the year, 99% are directed to the public sector.

Finally, by 2022 it is desired to achieve a profit that represents 49.50% Return on Equity.

INDICATOR	CASA DE BOLSA
Market share per product or service	75%
Revenue	\$601,992
Number of clients served	18
Securities in custody	\$142,817,658



Annexes



Annex I: Detail of the ESG Management

ALLIANCES AND MEMBERSHIPS

(GRI 2-28)

In order to generate value, alliances, share knowledge and anticipate the most important trends in the industry, we maintain a close relationship with the main chambers of the countries where we operate, as well as with international organizations in the sector.

Business Organizations in Honduras	Honduran Association of Banking Institutions (AHIBA) Chamber of Commerce and Industries of Tegucigalpa (CCIT) Chamber of Commerce and Industries of Cortés (CCIC) Honduran Chamber of Insurers (CAHDA) Honduran American Chamber of Commerce (AMCHAM) Association of Pension Fund Administrators of Honduras "ASAFONDOH" Honduran Council of Private Enterprise (COHEP)
Business Organizations in Nicaragua	Association of Private Banks of Nicaragua (ASOBANP) Chamber of Commerce and Services of Nicaragua (CCSN) American Chamber of Commerce of Nicaragua (AMCHAM)
Business Organizations in Guatemala	Banking Association of Guatemala
Business Organizations in Panama	Banking Association of Panama
International Business Organizations	Latin American Business Council (CEAL) Latin American Bank Federation (FELABAN) International Insurance Network (RIDA) Inter-American Federation of Insurance Companies (FIDES) International Federation of Pension Fund Managers (FIAP)

RELATIONSHIPS WITH AUTHORITIES

We also ensure that the channels of communication with governmental and regulatory entities are always open. In this way, we maintain a constant dialogue with the authorities.

Government Authorities in Honduras	Central Bank of Honduras (BCH) National Banking and Insurance Commission (CNBS) National Congress National Electric Power Company (ENEE) Economic Cabinet Property Institute (IP) Ministry of Finance Revenue Administration Service (SAR) Superior Court of Accounts
Government Authorities in Panama	Superintendence of Banks of Panama
Government Authorities in Guatemala	Superintendence of Banks of Guatemala
Government Authorities in Nicaragua	Superintendence of Banks and other Financial Institutions of Nicaragua (SIBOIF) Revenue General Directorate (DGI) Nicaraguan Social Security Institute(INSS) Ministry of Labor

ALLIANCES FICOHSA FOUNDATION

Through Ficohsa Foundation, we establish alliances with different social organizations for the implementation of the programs, as well as with companies, business foundations and other organizations that contribute to them.

National	<p>Honduras:</p> <ul style="list-style-type: none"> · Breadco · ChildFund · Supermercados La Colonia Clients · Grupo Farinter · Ferema · Lacthosa · Lufussa · Fundación Tigo · Fundación Zamora Terán · Ministry of Education · Universidad Pedagógica nacional Francisco Morazán (UPNFM) · Unitec <p>Nicaragua:</p> <ul style="list-style-type: none"> · Asociación ProNiños Quemados de Nicaragua (APROQUEN) · World Vision Nicaragua · Ministry of Education <p>Guatemala:</p> <ul style="list-style-type: none"> · Fundación Tigo · Ministry of Education <p>Panama:</p> <ul style="list-style-type: none"> · Ministry of Education
International	<ul style="list-style-type: none"> · Bladex · Copa Airlines · Darwin Capital, LLC · Intermex · Microsoft · MoneyGram Foundation · More Money · Organization of Ibero-American States (OEI) · World Food Programme · Transatlantic Re · United Way · Visa · Wells Fargo



OUR STAKEHOLDERS

(GRI 2-29, 2-30)

At GFF we consider it vitally important to identify the different stakeholders with whom we have a relationship. We try to maintain constant and bidirectional communication, letting them know the main news and changes in the organization, but also recognize their expectations or concerns that may arise.

STAKEHOLDERS	SUBGROUPS STAKEHOLDERS	VALUE PROPOSAL	COMMUNICATION CHANNELS BY STAKEHOLDERS	RELEVANT ISSUES TO STAKEHOLDERS
GFF Shareholders	Investing Partners Board of Directors (Internal and External Members)	We provide security for their investment, working on the financial stability of the company and the development of the business plan. Likewise, we encourage transparency about the company's decision-making and results.	<ul style="list-style-type: none"> Financial reports. Sustainability Report. Corporate presentations and relevant events. Shareholders' Meeting. Office of relationship 	<ul style="list-style-type: none"> Structure and functioning of corporate governance Culture of ethics and compliance Economic performance (financial stability) Diversity and equal opportunities Working climate and commitment of collaborators
Suppliers	Technology (Acquisition of equipment, infrastructure, telecommunications) Information Security Software Development Licensing Promotional items Marketing Miscellaneous maintenance (ATM, POS, Hardware) Legal Advice (Legal Department) Other services (administrative, consultancy, telephone) Transport of securities Lessor Miscellaneous supplies (Local)	We enable participation in the operation through the products and/or services they provide. We support their development through stable hiring and mutual benefit. We promote high-quality standards and innovation, favoring their competitiveness.	<ul style="list-style-type: none"> Performance assessments Procurement Department Supplier Portal 	<ul style="list-style-type: none"> Data Privacy and Cybersecurity Ethics and anti-corruption The client experience Prices and credit opportunity Payment management and training
Collaborators	Officials Chiefdoms Officers Assistants Consultants Outsourcing Advisers	We safeguard employment stability and facilitate their development, including the delivery of training. We ensure their health and safety as well as wellness through different benefits. Fostering a culture of trust and mutual respect.	<ul style="list-style-type: none"> Institutional Portal/Intranet Ethical line Café con Neto and other internal meetings Satisfaction and Work Climate Surveys Training instances Performance assessments Campaigns and internal communications 	<ul style="list-style-type: none"> Health and security Client Privacy (use of information) Ethics and anti-corruption Working climate and employee satisfaction Economic performance (company financial stability)
Clients	Natural persons Entrepreneurs Companies, Groups and/or Corporations	We drive the prosperity of industries and families, through access to finance and savings. We offer products relevant to different needs, through multiple channels that facilitate access. We are transparent in the conditions and seek the best use of the products.	<ul style="list-style-type: none"> Publicity campaigns Social networks Satisfaction surveys (NPS) Call Center: Attention and suggestions channel. Customer service centers. ChatBot "ESRM" App Móvil Ficohsa Points of service: ATMs, TENGO. Web page. 	<ul style="list-style-type: none"> Client experience (attention and services) Education and financial inclusion Prevention culture (insurance) Client business development Product and service innovation, (product portfolio) Digitization of processes.

STAKEHOLDERS	SUBGROUPS STAKEHOLDERS	VALUE PROPOSAL	COMMUNICATION CHANNELS BY STAKEHOLDERS	RELEVANT ISSUES TO STAKEHOLDERS
Authorities and regulators	Municipalities Central Bank of Honduras (BCH) National Banking and Insurance Commission (CNBS) Secretary of Finance Superior Court of Accounts Revenue Administration Service (SAR) Property Institute (IP) Secretaries/Ministries of Education of the countries Economic Cabinet ENEE National Congress Superintendence of Bank of Panama Superintendence of Banks of Guatemala Superintendence of Banks and other Financial Institutions of Nicaragua (SIBOIF) Revenue General Directorate(DGI) Nicaraguan Social Security Institute (INSS) Ministry of Labor (MITRAB) Regulation, Registry and Monitoring of Civil Associations Directorate (DIRRSAC)	We comply with the applicable local legislation, in each of the countries where we have a presence. In this way, we safeguard the rights of our clients and other stakeholders.	<ul style="list-style-type: none"> • Reports and performance reports to regulatory agencies. • Open dialogue • Public partnerships 	<ul style="list-style-type: none"> • Corporate Governance • Regulatory compliance • Experience/relationship with the client
Certifiers and verifiers/auditors	Fitch Ratings/Finance Moody´s/ Finance Icontec Deloitte & Touche S. de R.L, Horwath Central America Grupo Gorico Advisory Group College of Supervisors of Panama	We comply beyond the law with banking sector certifications as well as business-specific verifications. Ensuring good management and governance of our operations inside and outside the company.	<ul style="list-style-type: none"> • Reports and performance reports. • Open dialogue • Visits to headquarters and agencies • Public information on the web. • Online assessments and questionnaires. 	<ul style="list-style-type: none"> • Corporate governance • Regulatory compliance • Experience/relationship with client • Quality of life • Cybersecurity and privacy of data
Correspondent Banks	JP Morgan Wells Fargo Citibank Bank of America BNY Mello Commerzbank Bladex Cabei Deutschebank Morgan Stanley Golman Sachs US Bank Sumitomo Mitsui Banking Corporation	We respect and monitor the collaboration agreements with the co-responsible banks, with the aim of guaranteeing the operations and peace of mind of our clients.	<ul style="list-style-type: none"> • Reports and performance reports • Open dialogue • Web page • E-mail messaging and communication. • Responsible of relationship with banks. 	<ul style="list-style-type: none"> • Client privacy (use of the information) • Ethics and anti-corruption • Economic performance (company´s financial stability)

STAKEHOLDERS	SUBGROUPS STAKEHOLDERS	VALUE PROPOSAL	COMMUNICATION CHANNELS BY STAKEHOLDERS	RELEVANT ISSUES TO STAKEHOLDERS
Development Banks	FMO Bid Invest Norfund DEG Corporación Financiera Internacional (IFC) OeEB Responsibility A Finance in Motion Blue Orchard OFID Proparco y Sumbiotics Proparco y Sumbiotics	We guarantee the financing obtained by the Development Banks, through our good corporate governance and sustainability practices in the company's operations.	<ul style="list-style-type: none"> • Reports and performance reports. • Open dialogue • Public information on the web. • Questionnaires and assessments 	<ul style="list-style-type: none"> • Corporate governance • Regulatory compliance • Experience/relationship with client • Quality of life • Cybersecurity and data privacy • Environment • Social development
Sectoral organizations (national and international)	Honduran Association of Banking Institutions (AHIBA) Honduran Council of Private Enterprise (COHEP) Chamber of Commerce and Industries of Cortés (CCIC) Chamber of Commerce and Industry of Tegucigalpa (CCIT) Latin America Business Council (CEAL) Honduran Chamber of Insurance Companies CAHDA) Honduran American Chamber of Commerce (AMCHAM) Banking Association of Guatemala Banking Association of Panama Association of Private Banks of Nicaragua (ASOBANP) Chamber of Commerce and Services of Nicaragua (CCSN) American Chamber of Commerce of Nicaragua (AMCHAM) Latin American Bank Federation (FELABAN) International Insurance Network (RIDA) Inter-American Federation of Insurance Companies (FIDES) International Federation of Pension Fund Managers (FIAP)	We are part of the business guild, contributing with our participation in priority issues for the sector. Trying to be a benchmark in the region, we promote economic development and the promotion of policies and guidelines that strengthen the practices of the financial sector in the countries where we operate.	<ul style="list-style-type: none"> • Reports and performance reports. • Open dialogue • Public information on the web. • Participation in guild, sectoral and business sessions 	<ul style="list-style-type: none"> • Communication of best practices • Expertise exchange in the sector • Transparency and business ethics
CSR and Sustainability Promoting Organizations	FUNDAHRSE CENTRARSE SUMARSE UNIRSE UNDP United Nations Global Compact	We reaffirm our commitment to CSR and Sustainability by being part of agencies that promote good practices in each of the countries where we have a presence	<ul style="list-style-type: none"> • Reports and performance reports. • Open dialogue • Public information on the web. • Participation in events and congresses • Participation in local and international initiatives related to CSR/Sustainability 	<ul style="list-style-type: none"> • Communication of CSR and Sustainability best practices • Dialogue and communication with SMEs • Transparency and business ethics
Media	National International Specialized in the sector Specialized in CSR/Sustainability	We maintain a good relationship with the media, transmitting a sense of transparency that reinforces the Group's actions at reputational level.	<ul style="list-style-type: none"> • Reports and performance reports. • Open dialogue • Public information on the web. 	<ul style="list-style-type: none"> • Communication of Sector and CSR best practices • Transparency and business ethics • Business credibility and reputation

STAKEHOLDERS	SUBGROUPS STAKEHOLDERS	VALUE PROPOSAL	COMMUNICATION CHANNELS BY STAKEHOLDERS	RELEVANT ISSUES TO STAKEHOLDERS
Diplomatic Relations	US Embassy Panama Embassy Guatemala Embassy Nicaragua Embassy Honduras Embassy in DC European Union Embassy Spain Embassy Germany Embassy Holland Embassy	We seek diplomatic relations based on cooperation with the different embassies' representatives of the countries in which we have operations and respond to requests or requests.	<ul style="list-style-type: none"> • Institutional relations internal department • Email • Public offices • Public events 	<ul style="list-style-type: none"> • Transparency and responsiveness to economic requests from countries. • Information on major changes in the bank's operations in the countries.
Community	Non-governmental organizations (NGO's) Local communities (general population) Donors (organizations and/or national and international businesses) Parents Strategic Allies Academy Teachers	We contribute to social development, through the promotion of inclusion and financial education. We attend to the main problems of our environment and support in emergencies, as part of our corporate citizenship and commitment to the environments where we are present. We work in a coordinated manner with different civil society organizations (NGOs).	<ul style="list-style-type: none"> • Ficohsa Foundation programs • Corporate volunteering initiatives • Dialogue with NGOs and beneficiaries 	<ul style="list-style-type: none"> • Education, inclusion and financial health • Childhood education • Health support • Job creation and opportunities • Social investment



MATERIALITY ANALYSIS

(GRI 2-30, 3-1, 3-2, 3-3)

We maintain as a basis of the strategy the materiality study that we carried out at the beginning of 2021. In that sense, we managed to identify those topics that are relevant to the Group and to our stakeholders, of which we report throughout this report.

Below we illustrate the process by which we identify our topics or material issues of the sustainability strategy.

1 IDENTIFICATION / REVIEW	
<p>Identification of the set of potentially relevant topics, based on documentary reviews and a reference framework for companies in the sector.</p>	<p>Elaboration of the list of potentially relevant topics, with bibliography referring to: Sectoral priorities: benchmarks for investment criteria in the sector. Context of activity: trends in business management, risks and opportunities. Analysis of documents in response to the context of COVID-19 and post-pandemic, both general and sectoral. Pre-existing queries: Workplace Climate Survey, Internal Customer Satisfaction Survey (IPN).</p>
2 PRIORIZATION	
<p>Prioritization of issues based on the opinion of different stakeholders relevant to GFF, and the company's strategic perspective.</p>	<p>Priority of stakeholders: prepared through the implementation of surveys to collaborators and suppliers. For clients: interviews with those responsible for the relationship with clients in different businesses. Strategic Company Priority: Interviews with Senior Management: Corporate Managers and Strategy Managers.</p>
3 VALIDATION	
<p>Construction of the matrix and validation of relevant issues.</p>	<p>Elaboration of the materiality matrix. Determination of the set of material topics and correlation with SDGs. Validation session with FFG.</p>

MATERIALITY MATRIX

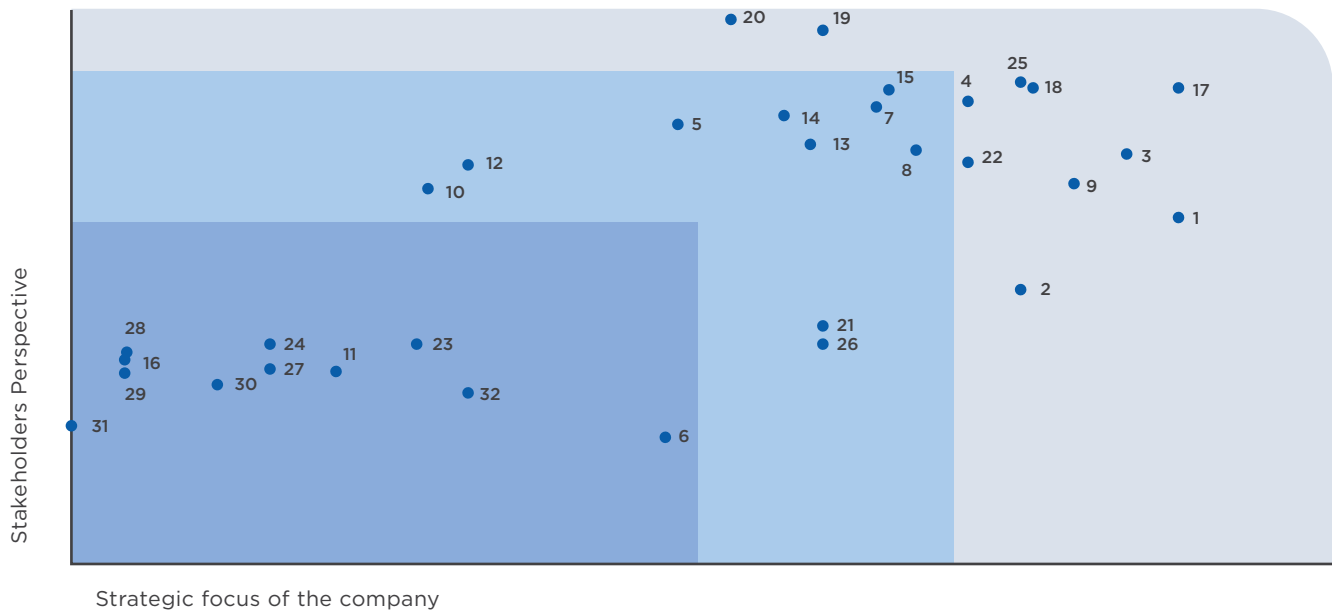
The materiality matrix serves as a visual tool to identify those material topics that are of high importance both for the business and for the stakeholders that were consulted and differentiate them from topics that probably do not have as much impact on the short and medium term.

The topics presented below are classified into three main groups:

- **Material issues:** those particularly critical, which form the basis for the sustainability strategy and the present report.
- **Potentially material issues:** those that are not yet material but can be so quickly due to a change in the context and/or in our operation.
- **Emerging issues:** those that are less relevant but can potentially become material according to due diligence of the same.

Therefore, we consider material topics as those that we will prioritize in the sustainability strategy, developing initiatives that allow us to improve our performance as a sustainable bank.

At the same time, based on the ongoing dialogue we have with stakeholders, we will monitor emerging topics in case they show signs of becoming material.



- | | |
|---|--|
| <div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;">Material Topics</div> <div style="background-color: #a0c0ff; padding: 5px; margin-bottom: 5px;">Emerging Topics
(can be material in short-term)</div> <div style="background-color: #4070b0; padding: 5px;">Non-material Topics</div> | <ul style="list-style-type: none"> 1. Ethics and Anti-Corruption 2. Regulatory Compliance 3. Corporate Governance 4. Economic Performance 5. Credit Risk Management 6. Relationship with Authorities 7. Brand Management 8. Financial Education 9. Financial Inclusion 10. ESG Credit Assessment 11. ESG Investment Assessment 12. Prevention Culture (insurance) 13. Business Development (clients) 14. Product and Service Innovation 15. Process Digitalization 16. Responsible Supply Chain 17. Client Experience (customer service) 18. Transparency in Products and Services 19. Data Security (cybersecurity) 20. Client Privacy (use of the information) 21. Working Environment and Collaborator Satisfaction 22. Training and Development of Opportunities (collaborators) 23. Diversity and Equal Opportunities 24. Talent Attraction and Retention 25. Health and Safety of Collaborators 26. Social Investment 27. Energy Efficiency 28. Water Management 29. Waste Management 30. Resilience to Climate Change 31. Own GHG Emissions Management (Greenhouse Gases) 32. Products and/or Services with Environmental Benefit |
|---|--|



Therefore, we consider material topics as those that we will prioritize in the sustainability strategy, developing initiatives that allow us to improve our performance as a sustainable bank.

At the same time, based on the ongoing dialogue we have with stakeholders, we will monitor emerging topics in case they show signs of becoming material.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDG)

We continue to make progress in our contribution to the Sustainable Development Goals. Like previous years, we maintain a strategic approach in line with our sustainability strategy and each of the material issues that make it up.

SDG	MATERIAL TOPIC	CONTRIBUTION	INDICATORS
	Financial Inclusion	De Mi Tierra Program (Honduras): We contribute to the economic and social development of vulnerable communities by financing agricultural producers in the region.	<p>2,100 loans for more than \$6.26 MM to more than 850 producers.</p> <p>More than 100 communities impacted.</p>
	Health and safety of employees	<p>Following the measures taken by the pandemic by Covid-19, we strengthened the protocols of health and safety at work in each of the subsidiaries.</p> <p>At the same time, we continue to develop a culture that promotes the physical and mental well-being of our collaborators.</p>	<p>We had a total of 63 audits by health authorities in all of the countries.</p> <p>Nearly 2,800 visits to the Physical and Mental Health Hotline.</p>
	Financial Inclusion	<p>Thanks to our financial education programs, we were able to impact children of different ages.</p> <p>Through Ficohsa Foundation, we contribute to the development of a sound financial culture in the new generations.</p>	This year we benefited 3,845 children, accumulating a total of 20,295 from 56 schools.
	Economic performance Training and development of opportunities	<p>We maintain the stability of our payroll through strategic hirings. At the same time, we provide benefits and training according to the needs of our collaborators.</p> <p>We have initiatives that allow us to accompany and advise our clients to strengthen their businesses.</p>	<p>5,072 collaborators.</p> <p>1,097 new hirings.</p> <p>94.6% of the collaborators have permanent contracts.</p> <p>Average 32 hours per contributor, doubling last year's record.</p>
	Economic Performance Client Experience	We continue to develop both our financial products and client service channels.	<p>We had a 24% increase in consultations through ESRM.</p> <p>The network of TENGO points grew 25%, with 3,500 establishments in the program.</p> <p>We launched Ficosend, Ficohsa Express digital platform to facilitate the sending of remittances.</p>

SDG	MATERIAL TOPIC	CONTRIBUTION	INDICATORS
	<p>Financial Inclusion</p> <p>Training and development of opportunities</p>	<p>We facilitated access to credit for SMEs and entrepreneurs (Entrepreneurial Banking).</p> <p>We contribute to the development of female staff in the organization, creating the necessary conditions for their growth in the company.</p>	<p>Our payroll consists of 57.2% of women.</p> <p>We have the Ficohsa Gender Community, present in all subsidiaries. We had 14 equity and diversity promotion events during 2021.</p> <p>We had 49 maternity leaves and 26 paternity leaves.</p>
	<p>Client Experience</p>	<p>We maintain financial skills development approaches aimed at more adult audiences.</p> <p>We develop communication campaigns through different channels, including our radio program "Tu Conciencia Financiera Radio".</p> <p>We evaluate the different social and environmental risks of our credits through the Environmental and Social Risk Analysis System (ESRMS).</p>	<p>At the close of 2021, we reached more than 1,300,000 people of whom more than 43,700 are customers.</p> <p>In 2021 we will evaluate the ESG risks of 590 credits.</p>
	<p>Ethics and Anti-Corruption</p> <p>Regulatory Compliance</p> <p>Corporate Governance</p> <p>Data Security (cybersecurity)</p> <p>Client Privacy</p> <p>Transparency in products and services</p>	<p>We have different policies and codes that guide the ethical conduct of our business, to which we require that our stakeholders are aligned.</p> <p>Likewise, we maintain strict cybersecurity programs which are auditable and periodically updated.</p> <p>Adhering to the rules of transparency, we make public our products and services accompanied by their tariffs and exclusions.</p>	<p>We had a 24% increase in consultations through ESRM.</p> <p>The network of TENGO points grew 25%, with 3,500 establishments in the program.</p> <p>We launched Ficosend, digital platform of Ficohsa Express to facilitate the sending of remittances.</p>

CONTRIBUTION TO THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

We remain committed to the Principles of the Global Compact of which we have been signatories since 2018. We continue to make efforts to promote initiatives through partnerships and contribute to the sustainable development of the region.

HUMAN RIGHTS		
PRINCIPLE	COMMITMENT	ACTIONS
1. Companies should support and respect the protection of human rights.	We commit ourselves to respect and comply with the Declaration of Human Rights established by the United Nations General Assembly, in all its operations and areas of action, in countries where it has a presence.	<ul style="list-style-type: none"> Ficohsa's Code of Ethics establishes the institution's commitment to the principles of the Global Compact. Ficohsa is a member of the Human Rights Committee of the Honduran Private Enterprise Council.
2. Companies should ensure that they are not involved in human rights violations.	We monitor that clients and suppliers are not involved in acts that may violate human rights.	<ul style="list-style-type: none"> We have the Ethical Requirement for Business Partners document. Through the Social and Environmental Risk System (SAGAS), we identify, evaluate and monitor the environmental and social risks of the Bank's credit portfolio. This year we evaluated 590 credits. We improved the system of certification and performance evaluation of suppliers, so that we were able to identify those that represent a greater risk in ESG issues.
3. Companies should defend freedom of association and the effective recognition of the right to collective negotiation.	We are committed to compliance with all provisions regulating the right of association, privacy, collective negotiation, immigration, working hours, wages and hours in addition to legislation prohibiting child labor, forced or compulsory and discrimination in employment.	<ul style="list-style-type: none"> Through the Code of Ethics, we respect the right of collaborators to freedom of association, in accordance with the labor legislation of each country. Over the years, we developed and adapted benefit plans that provide working conditions that are well above what is stipulated by law.
4. Companies should advocate the elimination of all forms of forced or compulsory labor.	Under no circumstances do we allow forced labor, in line with the Code of Ethics and the Internal Labor Regulations, we establish the parameters by which employees will provide their services to the institution.	<ul style="list-style-type: none"> The Code of Ethics establishes the premises for eradicating forced labor both internally for collaborators, and in turn the "Ethical Requirement for Business Partners" establishes the commitment of suppliers and clients to eliminate all types of forced labor in their scope of operation. The Internal Work Regulations, establishes the premises under which the collaborators will provide their services for the institution.
5. Companies should advocate effective abolition of child labor.	We do not allow any child labor in FFG operations.	<ul style="list-style-type: none"> The Code of Ethics for Collaborators and the "Ethical Requirement for Business Partners" states that under no circumstances will child labor be tolerated in the areas of operation of customers and suppliers. In the recruitment and selection process, Ficohsa ensures that all contracted personnel are of legal age according to the legislation of each country. Promotion of pre-school education at the regional level, with more than 8,500 CHILDREN attending classes with an average of 99% attendance at the Ficohsa Foundation centers.

<p>6. Companies should advocate for the elimination of discrimination with respect to employment and occupation.</p>	<p>We promote a work environment that accepts diversity and respects and values differences. Discrimination and harassment are prohibited, whether by a supervisor, partner client, supplier or visitor.</p>	<ul style="list-style-type: none"> • We hire without prejudice to gender, ethnicity, religion, etc. • We promote an environment of equity and the integral development of collaborators.
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ENVIRONMENT

<p>7. Companies should support a preventive approach to environmental challenges.</p>	<p>We promote corporate environmental responsibility actions with respect to our administrative activities and facilities in Main Offices and branches.</p>	<ul style="list-style-type: none"> • As part of the good practices, each year campaigns are carried out to raise awareness and improve efficiency in the use of resources such as water, energy and paper, being paper one of the largest inputs used by the line of business. That is why programs are implemented to reduce, reuse and recycle paper. • We have six agencies nationwide and a Main Office with solar panels which supply clean energy in 71%.
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<p>8. Companies should take initiatives to promote greater environmental responsibility.</p>	<p>We take on our environmental responsibility through a correct management of the resources we consume.</p>	<ul style="list-style-type: none"> • Closing 2021, we recorded a total cumulative investment to mitigate electricity consumption of US \$764,652.00
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<p>9. Companies should promote the development and dissemination of environmentally friendly technologies.</p>	<p>We have the Environmental and Social Risk Management System applied at the regional level, based on a Socio-environmental Credit Policy and its respective process.</p>	<ul style="list-style-type: none"> • We support clients to identify and develop processes and measures established by national legislation, as well as opportunities for improvement, implementation of good practices and international parameters leading to more efficient, environmentally friendly operation.
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ANTI-CORRUPTION

<p>10. Companies should work against corruption in all its forms, such as extortion and bribery.</p>	<p>Under our Anti-Corruption and Bribery policy, prohibitions and approvals are established, to notify bribery or corruption cases and the means of investigation are specified to prevent these from happening within the institution.</p>	<ul style="list-style-type: none"> • We consolidated our culture of integrity, transparency, honesty and compliance in business relationships as part of responsible finance practices. • We have the Anti-Corruption and Bribery Management System (ABMS). • We provide training to 100% of collaborators so that they can recognize and avoid the use of bribes by themselves and others. • We encourage collaborators to be alert and report any suspicion of bribery. • Additionally, we rigorously investigate cases of alleged corruption and assist competent authorities.
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HUMAN RIGHTS DUE DILIGENCE

We recognize the commitment and protection of Human Rights as one of our main ethical pillars. We reject any conduct that violates the dignity, as well as the quality of life, of both the people who work with us, as of those with whom we have a relationship as a result of our commercial activity.

In this regard, for the first time we have begun the identification of the Due Diligence sheet, which is based on the Guiding Principles on Business and Human Rights, as well as in the recommendations of the Organization for Economic Cooperation and Development (OECD).

Below, we present the first progress in identifying risks, establishing response measures and monitoring results.

PROCESS	PERFORMANCE	CHAPTER
1. Incorporate responsible business conduct into management policies and systems.	In 2020 we took an important step as a Group in making public our commitment to the protection of Human Rights by consolidating our Human Rights Policy.	Ethics and Compliance
2. Identify and assess negative impacts on operations, supply chains and business relationships.	We maintain constant assessments on ethical, social and environmental issues towards our suppliers, which have allowed us to identify those that present greater opportunities and risks.	Ethics and Compliance Relation with value chain
3. Stop, prevent and/or mitigate negative impacts.	Through different communication campaigns, we promote respect for Human Rights. For example, this year, in the context of International Human Rights Day, we conducted an internal information campaign. We remain outside the funding of projects that threaten the dignity of people and/or our values as a Group.	Ethics and Compliance Environmental and social credit assessment
4. Track the implementation of results.	We are developing mechanisms that allow us to know how to move forward in the promotion and recognition of Human Rights. We report on our progress through the Human Rights Committee of the Honduran Council of Private Companies (COHEP).	Ethics and Compliance
5. Report on how impacts are addressed.	Each year, through our Sustainability Report, we report on the main advances, results of initiatives, as well as possible negative impacts on our operations. We also maintain communication with our main stakeholders.	Annex: Channels and main stakeholders
6. Repair or assist in impact repair where appropriate.	We have solid processes that allow us to evaluate and follow up any lack of Human Rights or the guidelines set out in our Code of Ethics, which apply to collaborators, as well as to stakeholders with whom we have relationships.	Ethics and Compliance

Annex II: Verification

EXTERNAL VERIFICATION REPORT



To the interested parties of Ficohsa Finacial Group

Introduction

The Honduran Foundation for Corporate Social Responsibility FUNDHRSE is a private sector organization in Honduras. Created in 2004, it has a code of ethics to ensure high standards of transparency and integrity and prevent possible conflicts of interest. FUNDHRSE, as an independent verifier under the ethical compliance requirements, has developed extensive experience in the verification processes of the GRI standards and conducts the evaluations of the ISO 26000 standard and the IndicaRSE metric for Honduran organizations and has overseen conducting the analysis process of the Sustainability Report 2021 of Ficohsa Financia Group for which a series of evaluation techniques were implemented.

Scope of verification

FUNDHRSE's main function was to provide a statement of veracity on the information contained in the Sustainability Report 2021 of G in accordance with the requirements of the International Norms and Standards of:

- GRI-Standard
- SASB (Sustainability Accounting Standard Board)
- Sustainable Development Goals
- GLOBAL COMPACT
- INDICARSE 2015
- ISO 26000:2010

In this sense, a methodology was defined following the GRI-Standards process and which included the review of the contents of this report, the basic and specific content data such as the associated sectoral documents. The verified information is based on the operations of Ficohsa Financial Group, and the data provided by the reporting organization.

Methodology used

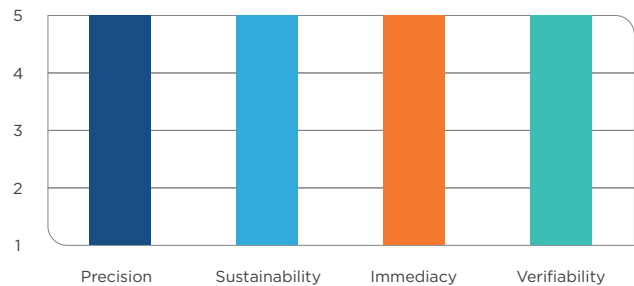
FUNDHRSE verified the consistency of the information based on the principles to determine the contents of a GRI-Standards report and for this purpose it used the verification of the relevant and relevant documentation provided by Ficohsa Financial Group, interviews with key people for the generation of indicators, access to records of stories and testimonials, analysis of sectoral documents and sampling of the main indicators of performance of the organization. The corresponding table is attached with the details of the methodology for the verification of the indicators.

Conclusions

Based on the verification work it has been concluded that the Sustainability Report 2021 of Ficohsa Financial Group has been carried out in compliance with the "in accordance" criteria with the guidelines for the elaboration of the GRI-standards Sustainability Reports and the quality standards set out above.

The following graph reflects the level of implementation of the principles established by the international criteria used. It observes the application of the principles that allow to consider the Sustainability Report 2021 of Ficohsa Financial Group in accordance with GRI Standards:

LEVEL OF APPLICATION OF THE PRINCIPLES OF GRI-STANDARDS



Highlights

It highlights the integration of Ficohsa Financial Group to the Sustainable Development Goals of the United Nations, its alignment with ISO 26000, the SASB standard, the INDICARSE metric and the principles of the Global Compact. Thus, complying with the principles of sustainability and verifiability.

- Compliance with the principles of accuracy and immediacy is verified by providing information for decision-making regarding impacts to stakeholders.
- Presence of due diligence regarding ESG issues (Environment, Society and Governance) and its implementation of the Environmental and Social Risk Analysis System (ESRMS)

Improvement areas

- Evaluate the impact of the management Ficohsa Financial Group on its contribution to the development of Honduras and the countries where it operates.
- Implement sustainable banking initiatives in line with SDG and target 8.10 and SDG 13.2 to influence climate change.
- Maintain the dissemination process of Ficohsa Financial Group's strategy in line with the Sustainable Development Goals as a function of the economic reactivation of the Central American region.

San Pedro Sula, may 15, 2022

ROBERTO LEIVA
FUNDHRSE EXECUTIVE DIRECTOR

ENVIRONMENTAL FOOTPRINT ASSURANCE REPORT

Honduran Commercial Financial Bank S.A.

We have been contracted by the Administration of Commercial Financial Bank, S.A. ("Ficohsa") to report the Environmental Footprint which includes the 2021 carbon and ecological footprint inventory (the Main Issue), for the period from 1 January to 31 December 2021, in the form of an independent limited safety conclusion, as to whether the Environmental Footprint elaborated by the Ficohsa Administration is prepared in all material respects, in accordance with the criteria set out in ISO 14064-1:2006 and the accounting and reporting principles of GHG Protocol¹.

Responsibilities of the Administration

The Ficohsa Administration, through the Social Responsibility area, is responsible for the preparation of the 2021 Environmental Footprint, free of material deviations, in accordance with the applicable Voluntary Criteria and the information contained therein.

The Ficohsa Administration is responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 2021 Environmental Footprint, which is free of material errors, whether due to fraud or error. Also that the information is prepared in all material respects, in accordance with the criteria set out in ISO 14064-1:2006 and the accounting and reporting principles of the GHG Protocol.

The Ficohsa Administration is responsible for preventing and detecting fraud and identifying and ensuring that Ficohsa complies with the laws and regulations applicable to its occupations. The Ficohsa Administration is responsible for ensuring that personnel involved in preparing the 2021 Environmental Footprint are properly trained, systems are properly updated and changes that may be made cover all significant reporting activities.

Our Responsibilities

Our responsibility is to examine the information concerning the Ficohsa Environmental Footprint and report on it in the form of an independent conclusion of limited safety based on the evidence obtained.

We perform our work in accordance with the International

Standard on Insurance Work (ISAE) 3000, "Insurance Work Other than Audits or Revisions of Historical Financial Information", issued by the International Auditing and Assurance Board (International Auditing and Assurance Standards Board), such a standard requires that we plan and conduct our procedures to obtain a limited level of safety as to whether the Environmental Footprint is prepared in all material respects, in accordance with the applicable Regulatory Criteria, for the period from 01 January to 31 December 2021.

The procedures selected depend on our judgment, including the assessment of risks of material error in the Environmental Footprint, due to fraud or error.

In conducting such risk assessments, we have considered the relevant control for the preparation of the Environmental Footprint in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Ficohsa's internal control over the preparation of such document.

Our work also includes assessing the appropriateness of the Main Issue, the suitability of the criteria used by Ficohsa in preparing the Environmental Footprint, in the circumstances of the work, evaluating the appropriateness of the methods and procedures used in the preparation of the Environmental Footprint, and the reasonableness of the estimates made by Ficohsa and evaluating the overall presentation of the Environmental Footprint. Limited security is less than absolute security.

As part of this work, we have not performed any procedure by way of comprehensive audit, review or verification of the underlying records or other sources from which the Environmental Footprint was extracted.

Characteristics and limitations of the information regarding Ficohsa's Environmental Footprint

Scope:

The scope of the review is for data pertaining to Ficohsa's operations in Honduras comprising from January 1 to December 31, 2021.

¹ Greenhouse Gas Protocol (GHG Protocol). A Corporate Accounting and Reporting Standard <http://ghgprotocol.org/corporate-standard>

Final values:

The final verified values are as follow:

CARBON FOOTPRINT	VERIFIED EMISSIONS (tCO ₂ e)
Alcance 1	1,159.22
Alcance 2	4,704.48
Alcance 3	4,010.50
TOTAL	9,874.19

ECOLOGICAL FOOTPRINT	VERIFIED VALUES (gha)
Alcance 1	248.3
Alcance 2	1,652.79
Alcance 3	4,052.92
TOTAL	5,953.98

Criteria

The criteria on which the Environmental Footprint has been evaluated refer to the Voluntary Criteria.

Conclusion

Our conclusion is based on and subject to what is detailed in this report.

We consider that the evidence we have obtained provides a sufficient and adequate basis for our conclusion.

In our opinion, the Environmental Footprint, for the period from January 1 to December 31, 2020, of the Administration of Grupo Financiera Comercial S.A., is prepared in all material respects, in accordance with the principles set forth in the GHG Protocol. Result of the information submitted to Ficohsa; corresponding adjustments were made to ensure the reliability of the information.

Restriction of use of our report and others

Our report should not be considered suitable for use or consideration by any of the parties who wish to acquire rights to us other than the Ficohsa Social Responsibility area, for any purpose or in any other context.

Any party other than the Ficohsa Social Responsibility area that obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof)

will do so at its own risk. To the extent permitted by law, we do not accept or assume any responsibility and deny any responsibility for our work to any party other than Ficohsa, for this independent limited safety report or for the conclusions we have reached.

Our report is issued to Ficohsa on the understanding that this report should not be copied, referenced, or disclosed in whole or in parts without our prior written consent.

Finally, this report does not attempt to provide, does not provide and does not grant any certification to Ficohsa in respect of ISO (International Organization for Standardization) 14064, 14040, 14044 or in respect of any other regulations related to ISO.

Valora Sostenibilidad e Innovación S.A. de CV.



Luis Miguel Vilatela Riva

General Director

Valora Sostenibilidad e Innovación S.A. de C.V.

Mexico City, may 4th, 2022

Annex III: Reporting Framework

GRI INDEX CONTENT

GENERAL CONTENTS

From 1 to December 31, 2021

SECTION	GRI STANDARD	GRI CONTENT	PAGE/RESPONSE	OMISSION/COMENTARY	GLOBAL COMPACT PRINCIPLES	SDG AND GOALS
Organization profile and reporting practices	Details of the organization	2-1	3			
	Entities included in the sustainability report	2-2	3			
	Reporting period, frequency and point of contact	2-3	3			
	Restatement of information	2-4	3			
	External Verification	2-5	97			
Activities and collaborators	Activiies, value chain and other business-related relationships	2-6	10			
	Internal collaborators	2-7	49			
Governance	Governance structure	2-9	18	The CSR Regional Committee reports progress to the Board of Directors	Principle 2	16.6
	Nomination and selection of the highest governance body	2-10	18		Principle 2	16.6
	President of the highest governance body	2-11	18		Principle 2	16.6
	Role of the highest governance body in monitoring impact (risk) management	2-12	18		Principle 2	16.6
	Delegation of responsibilities in risk and impact management	2-13	18		Principle 2	16.6
	Role of the highest governance body in sustainability reporting	2-14				
	Conflicts de interest	2-15	18 and 25		Principle 2	16.6
	Collective knowledge of the highest governance body	2-17	18		Principle 2	16.6
	Performance assessment of the highest governance body	2-18	18		Principle 2	16.6
	Compensation policies	2-19	56		Principle 2	16.6
	Process of determining compensation	2-20	56		Principle 2	16.6
Total annual compensation ratio	2-21		Confidential information			
Strategy, policies and practices	Declaration on the sustainability strategy	2-22	5 and 6		Principle 1	13,2
	Responsible business conduct commitment policies	2-23	68			
	Dissemination of policies	2-24	22			
	Process of remediation of negative impacts	2-25	22		Principle 1	13,2
	Advisory mechanisms and ethical concerns	2-26	22		Principle 1	13.2
	Compliance with laws and regulations	2-27	22			
	Participation in Associations	2-28	84			
Stakeholders Participation	Agreements of collective negotiation	2-29	86	No agreements are recorded		
	Approach to stakeholder participation	2-30	86			
	GRI 3: MATERIAL ISSUES 2021	3-1		90 and 91		
		3-2		90 and 91		
		3-3		90 and 91		

CONTENTS BY MATERIAL

SECTION	GRI STANDARD	GRI CONTENT	PAGE/RESPONSE	OMISSION/COMENTARY	GLOBAL COMPACT PRINCIPLES	SDG AND GOALS
Ethics and Anti-Corruption	GRI 205 Anti-Corruption 2016	205-1	22 and 26		Principle 10	16.5
		205-2	22		Principle 10	16.5
		205-3	22		Principle 10	16.5
	GRI 206 Anti-competitive Behavior 2016	206-1	22			16.3
	GRI 405: Diversity and Equal Opportunity 2016	405-1	49		Principle 6	5.1, 5.5, 8.5
		405-2	56		Principle 6	5.1, 8.5, 10.3
GRI 406: Non-Discrimination 2016	406-1	56	Principle 6	5.1, 8.8		

	GRI 412: Human Rights Assessment 2016	412-1 412-2 412-3	22 22 22		Principle 1 Principle 1 Principle 2	
	GRI 410: Security Practices 2016	410-1	22			16.2
	GRI 415: Public Policy 2016	415-1		We make no contributions of any kind to governmental entities or representatives		16.5
Regulatory Compliance	GRI 419: Socioeconomic Compliance 2016	419-1	25			16.3
	GRI 307: Environmental Compliance 2016	307-1	62			13.2
Corporate Governance	GRI Sectorial	FS1	33 and 34		Principle 7	16.1
		FS2	33		Principle 7	16.1
		FS9	31		Principle 7	
		FS10	33		Principle 8	16.1
Economic Performance	GRI 201: Economic Performance 2016	201-1	75	No financial support from the government	Principle 7 Principle 7 Principle 7	8.1, 8.2, 9.1, 9.4, 9.5
		201-2	29			13.1
		201-3	60			8.10
		201-4				
	GRI 203: Indirect Economic Impacts 2016	203-1	62, 69		Principle 1	9.1,9.4
		203-2	34			1.2,1.4,8.1, 8.3,8.5
						8.3
	GRI 204: Procurement Practices 2016	204-1	26			
Financial Inclusion	GRI Sectorial	FS16	37		Principle 7	
		FS13	44		Principle 7	1.4, 8.10, 10.2
		FS14	34		Principle 7	1.4, 8.10, 10.2
Client Experience	GRI 416: Customer Health and Safety 2016	416-1	46			
		416-2	46			16.3
	GRI Sectorial	FS3	33		Principle 7	8.10
		FS5	33		Principle 7	8.10
		FS6	10, 76			8.10
		FS7	34			1.4, 8.3, 8.10, 9.3, 10.2, 11.1
Transparency in products and services	GRI 417: Marketing and Labeling 2016	417-1	46			12.8
		417-2	46			16.3
		417-3	46			16.3
	GRI Sectorial	FS4	33		Principle 7	8.10
FS8		34		Principle 7	8.10	
FS15		33 and 34			10.5	
Data Security (cyber-security)	GRI 418: Customer Privacy 2016	418-1	45			16.3, 16.10
Client Privacy (use of the information)	GRI 418: Customer Privacy 2016	418-1	45			16.3, 16.10
Training and development of opportunities (collaborators)	GRI 401: Employment 2016	401-1	49		Principle 6	5.1, 8.5, 8.6,10.3
		401-2	56			3.2, 5.4, 8.5
		401-3	56		Principle 6	5.1, 5.4, 8.5
	GRI 404: Training and Education 2016	404-1	52		Principle 6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
		404-2	52			8.2, 8.5
		404-3	52		Principle 6	5.1, 8.5, 10.3
	GRI Sectorial	FS4	33			

Health and Safety of collaborators	GRI 403: Occupational Health and Safety 2018	403-1		We do not have an occupational safety and health management system according to standardized norms		8.8
		403-2	58			8.8
		403-3	58			8.8
		403-4	58			8.8, 16.7
		403-5	58			8.8
		403-6	58			3.3, 3.5, 3.7, 3.8, 8.8
		403-7	58			8.8
		403-8		We do not have an occupational safety and health according to standardized norms		
		403-9	58			3.6, 3.9, 8.8, 16.1
		403-10	58			3.3, 3.4, 3.9, 8.8, 16.1

Contents complementary GRI

SECTION	GRI STANDARD	PAGE	COMMENTARY/ OMISSION	GLOBAL COMPACT PRINCIPLES	SDG AND GOALS
GRI 302: Energy 2016	GRI 302-1	65		Principles 7, 8	7.2, 7.3, 8.4, 12.2, 13.1
	GRI 302-3	65		Principle 8	7.3, 8.4, 12.2, 13.1
	GRI 302-4	65		Principles 8, 9	7.3, 8.4, 12.2, 13.1
GRI 303: Water and effluents 2018	GRI 303-1	64		Principles 7, 8	12.4
	GRI 303-3	64		Principles 7, 8	
GRI 305: Emissions 2016	GRI 305-1	65		Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
	GRI 305-2	65		Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
	GRI 305-3	65		Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
	GRI 305-4	65		Principle 8	13.1, 14.3, 15.2
GRI 306: Waste 2020	GRI 305-5	65		Principles 8, 9	13.1, 14.3, 15.2
	GRI 306-1	64		Principles 7, 8	3.9,12.4,12.5
	GRI 306-3	64		Principles 7, 8	3.9,12.4,12.5
	GRI 306-4	64		Principles 7, 8	3.9,11.6,12.4,12.5
	GRI 306-5	64		Principles 7, 8	3.9,11.6,12.4,12.5

SASB PARAMETERS INDEX

COMMERCIAL BANK STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE/ COMPLEMENTARY RESPONSE
ACTIVITY METRICS					
Activity Metric	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Number, Reporting currency	We present the value of deposits by country	75, 76
Activity Metric	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Number, Reporting currency	Not publicly available	75
ACCOUNTING METRICS					
Data Security	FN-CB-230a.1	(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of account holders affected	Number percentage (%)		45
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	N/A		45
Financial inclusion and skills development	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Number, reporting currency		79
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Number, reporting currency	Not publicly available	
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Number	Not publicly available	
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Number		37
Incorporation of environmental, social and governance actors in credit analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Reporting currency		76
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	N/A		33
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	We did not have monetary losses as a result of legal proceedings.	
	FN-CB-510a.2	Description of whistleblower policies and procedures	N/A		22
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Basis points (bps)	"Does not apply. None of the Ficohsa Bank companies in the countries, nor the financial group itself, are considered as a bank of global systemic importance (G-SIB) by the Basel Committee on Banking Supervision (BCBS) of the Bank for International Settlements (BIS).	
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	N/A		

CONSUMER FINANCE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE/ COMPLEMENTARY RESPONSE
ACTIVITY METRICS					
Activity metric	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Number	Not publicly available	
Activity metric	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Number, Reporting currency	Not publicly available	
ACCOUNTING METRICS					
Client privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purpose	Number	Not publicly available	
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Reporting currency		25
Data security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, Percentage (%)		45
	FN-CF-230a.2	Card-related fraud losses from (1) card-not present fraud and (2) card-present and other fraud	Reporting currency	Not publicly available	
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	N/A		45
Sales practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Percentage (%)		46
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Percentage (%)	Not publicly available	
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	Reporting currency, Percentage (%), Months, Number, Reporting currency		46
	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Number, Percentage (%)		46
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Reporting currency		46

INSURANCE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE/ COMPLEMENTARY RESPONSE
ACTIVITY METRICS					
Activity metric	FN-IN-000.A	Number of policies in force, bysegment: (1) property and casualty, (2) life, (3) assumed reinsurance	Number		80
ACCOUNTING METRICS					
Transparent information and fair advice for clients	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Reporting currency		46
	FN-IN-270a.2	Complaints-to-claims ratio	Rate	Not publicly available	
	FN-IN-270a.3	Customer retention rate	Rate	Not publicly available	
	FN-IN-270a.4	Description of approach to informing customers about products	N/A		44
Incorporation of environmental, social and governance factors in investment management	FN-IN-410a.1	Total invested assets, by industry and asset class	Reporting currency		81
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	N/A		Our insurance subsidiaries are working on incorporating ESG criteria into investment decisions.
Policies designed to promote responsible behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Reporting currency		We do not yet have specific insurance products with environmental criteria.
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	N/A		We promote road safety and responsible driving as part of insurance.
Environmental risk exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Reporting currency	Not publicly available	
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Reporting currency	Not publicly available	
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	N/A		In the process of fixing the conditions of policies, accidents are considered, which may be conditioned by the occurrence of punctual and/or progressive extreme climatic events (e.g. temperature increase).
Systemic risk management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	Reporting currency	Not publicly available	
	FN-IN-550a.2	Total fair value of securities lending collateral assets	Reporting currency	Not publicly available	
	FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	N/A	Not publicly available	

ASSET MANAGEMENT AND CUSTODY ACTIVITIES STANDARDS 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE/ COMPLEMENTARY RESPONSE
Activity metric	FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	Reporting currency	Not publicly available	
Activity metric	FN-AC-000.B	Total assets under custody and supervision	Reporting currency		82
ACCOUNTING METRICS					
Transparent information and fair advice for clients	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Number, Percentage (%)		During 2021, there were no related investigations.
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Reporting currency		During 2021, no monetary losses were registered.
	FN-AC-270a.3	Description of approach to informing customers about products and services	N/A		46
Employee diversity and inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Percentage (%)	Not publicly available	49
Incorporation of environmental, social and governance factor in investment management and advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Reporting currency		Active portfolio with ESG criteria is not yet available.
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	N/A		Ficohsa Pensions and Severences is evaluating how to incorporate ESG criteria into the investment process.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	N/A	Not publicly available	
Business ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency		25
	FN-AC-510a.2	Description of whistleblower policies and procedures	N/A		22

MORTGAGE FINANCE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE/ COMPLEMENTARY RESPONSE
Activity metric	FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Number, Reporting currency		79
Activity metric	FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Number, Reporting currency	Not publicly available	
ACCOUNTING METRICS					
Lending practices	FN-MF-270a.1	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable Rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	Number, Reporting currency	Not publicly available	
	FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	Number, Reporting currency	Not publicly available	
	FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Number, Reporting currency		25
	FN-MF-270a.4	Description of remuneration structure of loan originators	N/A	Not publicly available	
Discriminatory lending	FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	Number, Reporting currency, Percentage (%)		79
	FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Reporting currency		There have been no sanctions for this reason
	FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	N/A		46
Environmental risk to mortgaged properties	FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	Number, Reporting currency		We do not yet have such an analysis
	FN-MF-450a.2	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather related natural catastrophes, by geographic region	Reporting currency, Percentage (%)		We do not yet have such an analysis
	FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	N/A		27

CONTENTS STAKEHOLDER CAPITALISM - WEF

GOVERNANCE PRINCIPLES PILLAR

TOPIC	METRIC	CENTRAL/ EXPANDED	DESCRIPTION	PAGE
Governance Purpose	Establish a Purpose	Central	The purpose established by the company, as an expression of the means used by the company to propose solutions to economic, environmental and social problems. Corporate purpose should create value for all stakeholders, including shareholders.	10
	Management Aimed at Purpose	Expanded	How the company's purpose is included in its strategies, policies and objectives.	5 and 6
Quality of Corporate Governance	Corporate Governance Composition	Central	Composition of Senior Management and its committees.	20, 21
Stakeholder's Commitment	Material issues that impact stakeholders	Central	List of issues that are materials for stakeholders and for the company, how these issues were identified and how stakeholders are engaged with them.	90, 91
Ethical Conduct	Anti-corruption	Central	1) Percentage of Senior Management members, collaborators and business partners trained in the organization's anti-corruption policies and procedures detailed by region.	25
	Anti-corruption	Central	1.a) Total number and nature of corruption incidents confirmed this year, but related to previous years.	23
	Anti-corruption	Central	1.b) Total number and nature of corruption incidents confirmed during this year, relative to this year.	23
	Anti-corruption	Central	Discussion of initiatives and the commitment of stakeholders to improve the operating environment and its culture, to combat corruption.	22, 23, 23, 24, 25
	Ethical information and advisory mechanisms	Central	An internal and external description of mechanisms for: 1. Seeking advice on ethical and legal behavior and organizational integrity. 2. Reporting concerns about unethical or illegal behavior and lack of organizational integrity	22, 23
	Monetary losses due to unethical behavior	Expanded	Total amount of monetary losses as a result of illegal procedures associated with fraud, influence peddling, anti-competitive behavior, market manipulation, bad practices or violations of other related laws and regulations.	We had no monetary losses during the reporting period.
Monitoring of risks and opportunities	Integrating risks and opportunities into business processes	Central	Information on risk factors and opportunities that the company clearly identifies in the main risks and material opportunities that it specifically faces (unlike generic risks in the sector), the appetite of the company with respect to these risks, how these risks have moved, opportunities over time and the response to those changes. These opportunities and risks must integrate material economic, environmental and social issues, including climate change and data management.	27,28,29 and 30

PLANET PILLAR

TOPIC	METRIC	CENTRAL/ EXPANDED	DESCRIPTION	PAGE
Climate Change	Greenhouse Gas Emission (GHG)	Central	For all relevant greenhouse gases (e.g., carbon dioxide, methane, nitrous oxide, F gases, etc.), report in metric tons of carbon dioxide equivalent (tCO ₂ e) Greenhouse Gas Protocol (GHG) Scope 1 and Scope 2. Estimate and report material emissions upstream and downstream (Scope 3 GHG Protocol) as appropriate.	Ficohsa Financial Group has advanced in the calculation of its Scope 1 and 2 emissions, which are verified by external third parties. In the following years, it will incorporate the calculation of Scope 3 issues, including those corresponding to category 15 of those associated with the credit portfolio. (p.67)
	Implementation of the TCFD	Central	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	<p>Regarding climate change, Ficohsa Financial Group has already started a series of action lines, which are described in the report and which we refer to below:</p> <ul style="list-style-type: none"> - Governance of energy and emissions issues as part of the sustainability strategy, which is monitored in the first instance in the Corporate Social Responsibility Committee, and is elevated from the Corporate Vice Presidency (which chairs the Committee) to the Executive Presidency. - With clients, implementation of the Environmental and Social Risk Management System (ESRMS), which promotes good environmental practices in clients and, therefore, a lower contribution to climate change (by generating GHG emissions). - Calculation and verification of the bank's own emissions, that is, consumption of fuels and electricity in administrative and commercial operations. From this, identification of eco-efficiency and other opportunities to reduce the footprint, and implementation. <p>In the short term, Ficohsa Financial Group will make progress in identifying the risks and opportunities generated by climate change, according to the nomenclature of the Task Force on Climate-related Financial Disclosures (TCFD). In this way, you will be able to develop the memory also conforme to your recommendations. (p.29,30)</p>
Loss of Nature	Land use and ecological sensitivity	Central	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBAs).	<p>Due to the type of activity, in the financial sector, it is not a material issue for Ficohsa Financial Group.</p> <p>However, the Group is a pioneer in Central America in calculating its ecological footprint, which it also verifies. This allows him to dim the hectares needed to cushion his activity, as is deepened in memory. (p.63)</p> <p>On the other hand, credits for larger projects are submitted to the Social and Environmental Risk Analysis System (ESRMS). (p.33 and 34)</p>

Availability of fresh/drinking water	Water consumption and extraction in areas with water stress	Central	Report for operations where it is material: extracted megaliters of water, megaliters of water consumed and the percentage of each in regions with high or extremely high reference water stress, according to the WRI Aqueduct Water Risk Atlas Tool. Estimate and report the same information for the entire value chain (upstream and downstream) when applicable.	Due to the type of activity, in the financial sector, it is not a material issue for Ficohsa Financial Group.
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PEOPLE PILLAR

TOPIC	METRIC	CENTRAL/ EXPANDED	DESCRIPTION	PAGE
Equality and Dignity	Diversity and Inclusion (%)	Central	Percentage of employees by employment category, age group, gender and other diversity indicators (e.g. ethnicity)	49, 50 and 51
	Equal Pay (%)	Central	Ratio/ratio between the base salary and the remuneration of each category of collaborator, by significant operating places for priority areas of equality: women to men, major majority and minority ethnic groups, and other relevant areas of equality.	The wage ratio men-women per professional category is available. The differences represent also the proportion of gender within the different profiles in each category and takes into account other aspects, such as years of service (p.57)
	Salary Gap	Expanded	Average wage gap of the base salary and remuneration of the relevant full-time collaborators according to gender (women to men) and diversity indicators at enterprise level or by significant operational location.	(p. 57)
	Salary Level (%)	Central	1. Ratio of standard starting salary by gender to local minimum wage. 2. Ratio of the total annual remuneration of the CEO to the median annual total remuneration of all his employees, except the CEO.	Confidential content

<p>Incidents of discrimination and harassment (#) and the total number of monetary/economic losses</p>	<p>Expanded</p>	<p>1. Number of incidents of harassment and discrimination, status of incidents and actions taken. 2. Total amount of economic losses as a result of legal proceedings associated with: a) violations of the laws b) Discrimination against collaborators</p>	<p>23</p>
<p>Freedom of association and collective negotiation at risk (%)</p>	<p>Expanded</p>	<p>1. Percentage of active workers under collective negotiation agreements. 2. An explanation of the assessment made to suppliers so that the right to freedom of association and collective bargaining is at risk, including the measures taken by the organisation to address these risks</p>	<p>In the process of evaluating suppliers, prior to their contracting and the establishment of the business relationship, the Bank ensures the fulfilment by the supplier of its obligations in labor matters. (p.26)</p>
<p>Risk of incidents of forced or compulsory child labor</p>	<p>Central</p>	<p>Explanation of the operations and providers considered to be at significant risk of child, forced or compulsory labour.</p>	<p>Because of the type of activity, in the financial sector, there are no significant risks with the suppliers of Ficohsa Financial Group. In relation to credit, larger projects are evaluated by applying ESRMS prior to deciding the granting of a credit. Furthermore, Ficohsa Financial Group is strongly committed, see Annex: due diligence in human rights. (p.96)</p>
<p>Human rights review, impact of injustices and modern slavery (#,%)</p>	<p>Expanded</p>	<p>1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 2. Number and type of reported complaints associated with impacts related to a prominent human rights issue in the reporting period and an explanation of the type of impacts. 3. Number and percentage of operations and suppliers considered to have a significant risk of incidents involving children in employment, forced or compulsory labour.</p>	<p>(1) p.96 (2) For the very first time, we have identified our due diligence sheet in accordance with the UN Guiding Principles on Business and Human Rights, so we are in the process of identifying specific complaints. p.96 (3) p.96</p>

Health and Well-being	Health and Security (%)	Central	The number and rate of deaths as a result of work-related accidents, serious work-related injuries (excluding deaths); work-related registrable injuries; main types of work-related injuries; and the number of hours worked. An explanation of how the organization facilitates access to non-occupational health and medical services, and the extent of access provided to collaborators and workers.	<p>We recorded no fatalities during the reporting year.</p> <p>In terms of health services, we have a medical service within the facilities and external in partnership with private clinics. (p.59)</p>
	Collaborator well-being (%)	Expanded	<p>1. The number of deaths as a result of work-related health problems, registrable work-related ill-health injuries and the main types of work-related diseases for all collaborators and workers.</p> <p>2. a) Percentage of collaborators participating in health and welfare ""best practice"" programs, and b) Absenteeism rate (RA) of all collaborators.</p>	<p>1) We recorded no fatalities during this year's report.</p> <p>2) p.59</p> <p>3) Not available</p>
Skills for the Future	Training (#,\$)	Central	1. Average number of training hours per person that collaborators of the organization have completed during the reporting period, by gender and collaborator category (total number of training hours provided to collaborator, divided by number of collaborators).	53
			2. Average expenditure on training and development per full-time collaborator (total cost of collaborator training divided by number of collaborators).	Not available

PROSPERITY PILLAR

TOPIC	METRIC	CENTRAL/ EXPANDED	DESCRIPTION	PAGE
Job and wealth creation	Absolute number and employment generation ratio	Central	<ol style="list-style-type: none"> 1. Total number and rate of new collaborator recruitments during the reporting period, by age group, gender, and other diversity indicators and region. 2. Total number and turnover rate of collaborators during the reporting period, by age group, gender, and other diversity indicators and region 	(1) p.52 (2) Not available yet.
	Economic Contribution	Central	<ol style="list-style-type: none"> 1. Direct economic value generated and distributed, on an accrual basis, covering the core components for the organization's overall operations. 2. Financial assistance received by the Government: total monetary value of financial assistance received by the organization of any Government during the reporting period 	(1) p.76 (2) We do not receive any financial assistance from government entities
	Contribution per Financial Investment	Central	<ol style="list-style-type: none"> 1 - Total capital expenditure minus depreciation, supported by a narrative to describe the company's investment strategy. 2. Repurchase of shares plus dividend payments, backed by a narrative to describe the company's strategy for capital returns to shareholders. 	(1) p.76 (2) Not available yet
	Investments in infrastructure and support services	Expanded	<p>Qualitative information to describe the following components:</p> <ol style="list-style-type: none"> 1. Scope of development of investment in significant infrastructure and support services. 2. Current or expected impacts on local communities and economies, including positive and negative impacts where relevant. 3. If these investments and services are commercial, report commitments in kind or pro bono. 	(1) p.62 and 72 (2) Thanks to the loans we provide to rural sectors, more than 850 producers have benefited. (p.36) (3) p.62 and 72
Innovation of better products and services	Total R & D expenditure (\$)	Central	Total expenditure related to research and development.	Not available
	Social Value Generated (%)	Expanded	Percentage of revenue from products and services designed to deliver specific social benefits or address sustainability challenges.	34,35 and 36
Community and Social Vitality	Total taxes paid (\$)	Central	The total global tax payable by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, payroll taxes paid by the employer and other taxes that constitute costs to the company, by tax category.	76

