

Integrated Report | 2023





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Letter from the Chairman of the Board of Directors



Letter from the Chairman of the Board of Directors



This year we present our second Integrated Report, an essential document to continue advancing in our responsible banking model. This report focuses on generating a positive impact on people, businesses and the planet.

Since our inception, at BancoSol we have remained faithful to our mission of accompanying, in an inclusive manner, those who believe in a better future. We are promoting a new way of banking in Bolivia, offering more and better opportunities for all Bolivians.

To achieve this goal, we understand sustainability as an integral strategic focus of our organization. Not only do we consider it a business opportunity, but we are also deeply committed to guiding our clients and society towards a greener and more inclusive future. Therefore, we have incorporated Environmental, Social and Governance (ESG) factors into our banking operation in a cross-cutting manner.

We want to continue to be a relevant player in the challenges of making a positive impact as agents of economic development, contributing to the reduction of poverty and inequality, as well as to inclusive economic growth.

In addition to inspiring other financial entities with our example, as we did by being the first bank in Bolivia to sign, adhere to and report our progress on the UNEP-FI Principles for Responsible Banking, we have decided to deepen the sustainability aspects within our strategy. This will allow us to generate greater value in the face of the social and economic challenges facing our country.

To this end, and in line with the impact generated in the Sustainable Development Goals (SDGs) of the Global Compact, we have subscribed to the Women's Empowerment Principles (WEPs), promoted by UN Women and the United Nations Global Compact. Gender equality, represented by SDG 5, is a priority at the highest level of our organization.

At BancoSol, promoting equal rights and opportunities for women in the financial, labor, market and community spheres is a strategic priority. For this reason, we have made decisive progress in gender equality, setting ambitious, concrete and measurable goals that reflect our commitment to this cause.

In October 2023 we introduced our gender-smart banking model, "Avanza Mujer", a comprehensive program developed with the support of the International Finance Corporation (IFC). This program aims to promote the inclusion and growth of businesses led by Bolivian women, thus contributing to closing economic gaps and fostering sustainable development.

We approach this objective from the perspective of a solid and solvent bank. In the last year, BancoSol has stood out for its financial performance; for the eighth consecutive year, we are the number one bank in the Bolivian financial system, according to the prestigious CAMEL 2023 Ranking, thanks to our excellent financial indicators. This international recognition fills us with satisfaction and motivates us even more to continue our work, promoting the progress of microenterprise entrepreneurs and contributing to the development of Bolivia.

We have been able to continue providing loans totaling US\$ 2,355 million to 365,447 microenterprise entrepreneurs across the nation in order to support their economic endeavors.

At BancoSol, we develop creative, inclusive, and easily accessible financial solutions while considering the various demands of individuals and businesses, as well as the social and economic obstacles brought on by climate change. In order to continue achieving its goal of "Dreaming big. Improving the future" BancoSol will continue to uphold its financial stability and strong leadership in microfinance and the Bolivian financial system in 2024.

I invite you to read this Report, which reflects our progress thanks to the vision of our shareholders and members of the Board of Directors, and the dedicated and committed work of our employees.

Esteban Andrés Altschul
Chairman of the Board of Directors

Letter from the General Manager and Deputy General Manager



Letter from the General Manager and Deputy General Manager

To our dear stakeholders:

For 31 years, BancoSol has been a catalyst for change and development in Bolivia. Our operations have transformed the lives of those who believe in a better future. Our sound sustainability strategy, grounded in our values and focus on microfinance, enables us to foster economic progress, promote inclusive social development and preserve our country's environment.

We serve close to 1.3 million microentrepreneurs in Bolivia's nine departments, supporting them in the growth of their businesses and their progress through a wide range of financial products and services that foster financial inclusion. In 2023, we reached a total of US\$2.033 billion in deposits and a 12% increase in our portfolio compared to 2022.

We promote financial and digital inclusion so that all people can benefit from the advantages offered by technology, leaving no one behind. To this end, we implemented a comprehensive strategy that closes digitalization gaps, promoting digital literacy and inclusion through our digital facilitators in the busiest agencies, who encourage access, knowledge and use of digital channels.

Our sustainability strategy seeks to intentionally drive the Sustainable Development Goals (SDGs), contributing to 11 of the 17 SDGs. We have decided to advance the promotion of gender equality, prioritizing SDG 5 from

the highest level of our organization. To this end, we have developed a solid Diversity, Equity and Inclusion strategy that aims to support the inclusion and growth of businesses led by Bolivian women, closing economic gaps and promoting a diverse and inclusive work environment where everyone has equal opportunities.

In this framework, we co-created our gender-smart banking model "Avanza Mujer" with the support of the IFC. This program is designed by, for and together with women, offering a comprehensive offer that responds to their needs and aspirations to boost their progress and that of their families.

"Avanza Mujer" is a pioneering program in the country that provides financial solutions adapted to the life cycle of their businesses, including credit on favorable terms, savings and insurance products, among other services. It also offers additional services to enhance business development and growth through free tools, programs and resources designed to strengthen their knowledge and skills, close the digital divide and expand their network of contacts.

In Bolivia, close to 3 million women are economically active; 70% of them are entrepreneurs and businesswomen in the microenterprise sector, with mostly informal businesses. BancoSol serves 27% of this group through financial solutions and initiatives that seek to foster their business growth.

In keeping with its commitment to empower Bolivian women economically, BancoSol currently serves over 160,000 female borrowers nationwide (45 percent of all clients as of December 2023). With \$1,021 million in loans, these women account for 43% of the bank's total loan portfolio. In addition, close to 670,000 women entrust their savings to BancoSol (50% of the total number of customers in deposits), with deposits totaling \$440 million. Through the CapacitaRSE program, we have simultaneously trained 2,649 entrepreneurs, 73% of whom are women, in administrative management and technical skills.

Additionally, Ovante, a global initiative that provides cutting-edge solutions to develop financial, business, and digital skills, certified 865 individuals in total.

With 3,735 workers, 52.7% of whom are women and 47.3% of whom are men, BancoSol is the bank that contributes the second-largest amount to employment in Bolivia. In order to ensure that equal opportunities are a reality for everyone, we believe in creating an environment where our employees can reach their full potential in inclusive settings free from discrimination. Our organization has made great strides toward gender equality because of this vision, with women holding over 40% of management and higher-level positions.

As part of our commitment to the environment, we continued to make progress in our Forest Offsets program, achieving results that have allowed us to offset 8,649 tCO₂e thanks to our partnerships with the Wildlife Conservation Society (WCS) and Conservación Amazónica. In addition, in 2023, we inaugurated BancoSol's first solar photovoltaic system, which began generating usable electricity on December 4, 2023. By December 31, 2023, this system had already produced 6.23 MWh of electrical energy, avoiding the emission of 3.72 tons of carbon dioxide equivalent per year.

By avoiding the felling of 14,33 trees and preserving more than 1,700 hectares of natural habitat for 15 high-value Amazonian wildlife species, our management reflects a solid commitment to protecting and promoting the environment. This initiative is characterized by its pioneering ambition, incorporating broader commitments and disclosure practices aligned with the best standards of the financial sector globally. In this context, and in line with our climate roadmap, in 2023 we became the first bank in the country to measure 100% of the emissions of our financed portfolio. We made calculations for the years 2021, 2022 and 2023, which allowed us to gain a deeper understanding of the Scope 3 emissions derived from our operations and quantify our impact on the environment.

Looking ahead to 2024, we continue to advance in the implementation of our Social and Environmental Risk Analysis System (SARAS), as well as in the issuance of our first gender thematic bond.

Driven by these convictions, we will continue to develop actions and programs that generate Real Impact, bringing us closer to achieving the United Nations 2030 Agenda and its 17 Sustainable Development Goals, both globally and locally.

It is a pleasure to share with you, for the second consecutive year, our annual sustainability performance, as well as the goals we aim to achieve and the challenges we are working to overcome.

We invite you to read and comment on this Integrated Report 2023.



Verónica Gavilanes
Deputy General Manager



Marcelo Escobar
General Manager

About this report



About this report

(GRI 2-2, 2-3, 2-4, 2-5, 2-14)

This document presents BancoSol's economic, environmental and social performance during the period from January 1 to December 31, 2023, covering all aspects related to its operations and business model.

This report is based on the Dual Materiality Analysis process conducted in 2021 and continues BancoSol's commitment to the implementation of international guidelines. The Global Reporting Initiative (GRI) Standards and the parameters of the Sustainability Accounting Standards Board (SASB) are applied, adapted to the industries in which it operates: commercial banking and consumer finance.

The preparation of this document reflects the institution's maturity in sustainability and reports on progress in Environmental, Social and Governance (ESG) factors, in line with the approaches established in the Sustainability Strategy 2022 – 2025.

****More information on the materiality process.**

The preparation of this report has been supervised by the National Deputy Management of Sustainability and Corporate Social Responsibility at BancoSol and approved by its Board of Directors, the highest corporate governance body. It also includes external verification by a specialized institution.

****Letter of external verification**

In this report there is a restatement of information in response to calculation adjustments for the accounts related to the Economic Value Distributed (EVG&D) (GRI 201-1). The scope of this change is detailed in the Economic Performance chapter.

Report characteristics:

- It was carried out by applying double materiality, using international reporting standards: GRI and SASB.
- It acts as a complement to BancoSol's Communication on Progress (COP) regarding the 10 Principles of the United Nations

Global Compact (UNGC) and its contribution to the Sustainable Development Goals (SDGs).

- It employs the Greenhouse Gas Protocol (GHG) methodology to calculate Scope 1, 2, and 3 emissions and enhances the inventory by incorporating the calculation of portfolio emissions for the years 2022 and 2023, conducted under the Global Standards for GHG Accounting and Reporting for the financial sector of the Partnership for Carbon Accounting Financials (PCAF).
- Furthermore, it integrates the commitments and progress made as a signatory entity of the Principles for Responsible Banking (PRB) from UNEP FI.



GREENHOUSE
GAS PROTOCOL



PCAF Partnership for
Carbon Accounting
Financials



SASB
STANDARDS
Now part of IFRS Foundation

Key points for reading this report:

- It is structured based on the focus areas of the Sustainability Strategy 2023 – 2025.
- Each chapter's cover includes a reference to the Sustainable Development Goals (SDGs).
- At the beginning of each section, references to the contents of the GRI Standards and SASB parameters are provided, along with their identifying codes.
- At the end of the report, specific indices for global reporting standards and frameworks are included as appendices: GRI, SASB, as well as progress regarding the SDGs, the Global Compact Principles, and the Principles for Responsible Banking.

Main figures



Main figures



1.382

Financial service points nationwide (21% in rural areas).



3.735

Employees (52,66% are women).



81,1%

Workplace climate satisfaction index.



100%

Measurement of Carbon Footprint of Financed Portfolio.



4.103

Suppliers of national products and services.



26,32%

Of executive positions are held by **women**.



88.002

People trained in Financial Education.



1.400

Children benefiting from Social Capital Schools.



220

Volunteers involved in community activities.



8%

Reduction of Carbon Dioxide emissions.

5 Profile and Strategy



5. Profile and strategy

5.1. Profile

(GRI 2-1, 2-6)

BancoSol is a financial institution with its physical and legal headquarters in the city of La Paz, focused on providing microloans. Since its establishment as a non-profit organization in 1986, it has maintained a social vision aimed at the development of small entrepreneurs. It later transformed into the first regulated bank and the leading promoter of microfinance in Bolivia.

The institution offers a diverse range of financial solutions designed to facilitate savings and support micro and small business entrepreneurs through accessible financing options, including savings and checking accounts, personal and commercial loans, mortgages, as well as solutions to promote the growth of its clients' wealth.

Mission:

We transform lives by inclusively supporting those who believe in a better future.

Vision:

To be a global leader and benchmark in financial and digital inclusion, contributing to poverty reduction and sustainable development.

Values and principles:

- Solidarity.
- Integrity.
- Commitment.
- Service.

Legal structure

Banco Solidario S.A. is listed as an issuer on the Bolivian Stock Exchange (BBV). It is incorporated as a corporation, organized under the laws of the Plurinational State of Bolivia, regulated, controlled and supervised by the Autoridad de Supervisión del Sistema Financiera (ASFI) (Financial System Supervisory Authority). Its corporate structure is mainly composed of different funds and entities participating in the international microfinance ecosystem.

Nombre o Razón Social del Accionista o Socio	Total de acciones	Porcentaje de participación (%)
ACCION GATEWAY FUND L.L.C.	4.511.290	26,55
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden NV. (FMO)	2.417.438	14,23
ACCION INTERNATIONAL	2.251.230	13,25
Danish Sustainable Development Goals Investment Fund K/S	1.826.466	10,75
TRIODOS SICAV II- TRIODOS MICROFINANCE FUND, un Subfondo de Triodos SICAV II	1.014.746	5,97
TRIODOS CUSTODY BV. en calidad de propietario Legal de TRIODOS FAIR SHARE FUND.	1.014.746	5,97
WWB CAPITAL PARTNERS, LP	843.982	4,97
MultiConcept Fund Management S.A. quien actúa en su propio nombre y por cuenta de responsAbility Global Micro and SME Finance Fund	831.864	4,90
ResponsAbility Participations AG	824.902	4,86
ResponsAbility SICAV (Lux) actuando por su subfondo responsAbility SICAV (Lux) Micro and SME Finance Leaders	373.067	2,20
Pensionskassen for Sygeplejersker og Lægesekretærer	335.681	1,98
GRUPO ACP INVERSIONES Y DESARROLLO	259.653	1,53
Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale	190.938	1,12
Pensionskassen for Sundhedsfaglige	147.823	0,87
AZCUI GAMARRA MARIA MARTA - KOENIGSFEST AZCUI STEPHAN - KOENIGSFEST AZCUI MATHIAS	85.939	0,51
JOSÉ MARÍA RUISANCHEZ	32.511	0,19
Pensionskassen for Sundhedsfaglige	24.638	0,15
JULIO CÉSAR LEÓN PRADO	1.247	0,01
SANCHEZ DE LOZADA SANCHEZ BUSTAMANTE GONZALO DANIEL	1.247	0,01
LUIS EDUARDO SILES VARGAS	1.242	0,01
TOTAL	16.990.650	100

5.2. Strategy

(GRI 2-6)

The business model of BancoSol focuses on promoting microfinance in Bolivia, aiming to contribute to social development and foster a more inclusive financial system. This approach seeks to extend its services to all sectors of the population, thereby supporting the economic growth of the country.

The range of products and services offered by BancoSol is aimed at meeting the needs of its clients and creating accessible and inclusive solutions for financial management and control, particularly for traditionally unbanked sectors. The institution offers the following main products and services:

Product name	Credit type	Addressed to:	Credit Goal	Maximum financing amount	Term	Interest rate	Guarantee	Conditions
Sol Individual	Microcredit	Micro, Small and Medium Enterprises	Financing for working capital and investment to individuals in the commerce and service sector	USD 250,000	36 months Operating Cap. 120 months and up to 48 months for operations under the Avanza Mujer Program Investment Cap.	Fixed, variable or mixed according to the current rate schedule.	Mortgage or non-mortgage guarantee	For amounts over USD 15,000, up to 80% of the value is financed for investment capital
Sol Vivienda	Housing	Dependent or independent individuals	Purchase of individual housing, land, construction, remodeling, expansion, improvement, rental	<ul style="list-style-type: none"> - With mortgage guarantee: USD 250,000. - Without mortgage guarantee: BS 140,000. 	<ul style="list-style-type: none"> With mortgage guarantee: 180 months Without mortgage guarantee: 60 months 	Fixed, variable or mixed according to the current rate schedule.	Mortgage or non-mortgage guarantee	Financing of up to 80% of the investment value for purchasing a home/land. Minimum contribution from the client is 20%
Sol Efectivo	Consumption	Dependent or independent individuals	Financing for the purchase of movable goods, services, or for general use	<ul style="list-style-type: none"> - Formal employees, Independent: USD 10,000. - Informal employees: USD 3,000. - Secondary activity: USD 250,000. - Third or more homes: BS 350,000. 	<ul style="list-style-type: none"> - Formal and informal employees: non-mortgage guarantee 24 months; mortgage or self-liquidating 60 months. - Informal employees: 24 months. - Employees with secondary activity, mortgage or non-mortgage guarantee: 36 months for operating capital, 120 months for investment capital. - Mortgage guarantee for third parties: 120 months. - 48 months for operations aimed at secondary activities under the Avanza Mujer Program for operating capital. 	Fixed, variable or mixed according to the current rate schedule	Mortgage guarantee, non-mortgage self-liquidating, etc..	Financing of up to 80% of the investment value for buying a home or land. The minimum contribution from the client is 20%.
Sol Vehiculo	Cars	Dependent or independent individuals	Financing for the purchase of new or used vehicles for private use	<ul style="list-style-type: none"> - New car: USD 50,000 - Pre-owned car: USD 35,000 	60 months	Fixed, variable or mixed according to the current rate schedule	Vehicle or real estate mortgage guarantee	Financing of up to 80% of the investment value specified in the proposal for new vehicles and 70% of the appraised market value for used vehicles. The used vehicle must be no more than 10 years old
Sol Productivo	Productive	Micro, Small and Medium Enterprises	Needs for investment capital or operating capital intended for the productive sector and for services that support production.	USD 250,000	36 months Operating Cap. 120 months Investment Cap. 48 months for operating capital under Avanza Mujer program	Fixed, variable or mixed according to the current rate schedule	Mortgage or non-mortgage guarantee	For amounts over USD 15,000, up to 80% of the value is financed for investment capital.

Product name	Credit type	Addressed to:	Credit Goal	Maximum financing amount	Term	Interest rate	Guarantee	Conditions
Sol Agropecuario	Agriculture	Micro, Small and Medium Enterprises	Needs for investment capital or operating capital intended for the agricultural or livestock sector	USD 250,000	36 months Operating Capital and up to 48 months for operations under the Avanza Mujer Program 120 months Investment Capital.	Fixed, variable or mixed according to the current rate schedule	Mortgage or non-mortgage guarantee	For amounts greater than USD 15,000, up to 80% of the value is financed for investment capital.
Sol Vivienda Social	Housing	Dependent or independent individuals	Purchase of individual housing, land, construction, remodeling, expansion, improvement, rental	<ul style="list-style-type: none"> - UFV 460,000. - homes - UFV 400,000. - apartments - UFV 184,000. - lands - Bs. 140,000. - for loans without mortgage guarantee 	With mortgage guarantee: up to 180 months. Without mortgage guarantee: up to 60 months.	Equal to or less than UFV 255,000 - 5.50% From UFV 255,001 to UFV 380,000 - 6.00% From UFV 380,001 to UFV 460,000 - 6.50%*	Mortgage or non-mortgage guarantee	First and/or only real estate property. Financing of up to 80% of the investment value. Minimum client contribution is 20%.

With a growth of 26.7% compared to 2022, BancoSol ranks as one of the most prominent financial institutions with the widest reach in the country.

Additionally, BancoSol provides a messaging banking service called InfoSol and offers online banking services through SolNet, as well as its mobile application AppSol.

Financial service points	2022	2023
Agencies	101	104
Regional branches	10	10
Mobile agencies	5	5
Collection windows	24	24
Non-financial correspondents	596	907
Soles Amigos	122	132
ATMs	196	200
Total	1,054	1,382

Channel	Dec-22	Dec-23	Percentage growth value
Sol Amigo	122	132	8%
Sol Amigo Express	596	907	52%
ATMs	196	200	2%

More information about digital channels in the Financial and Digital Inclusion chapter

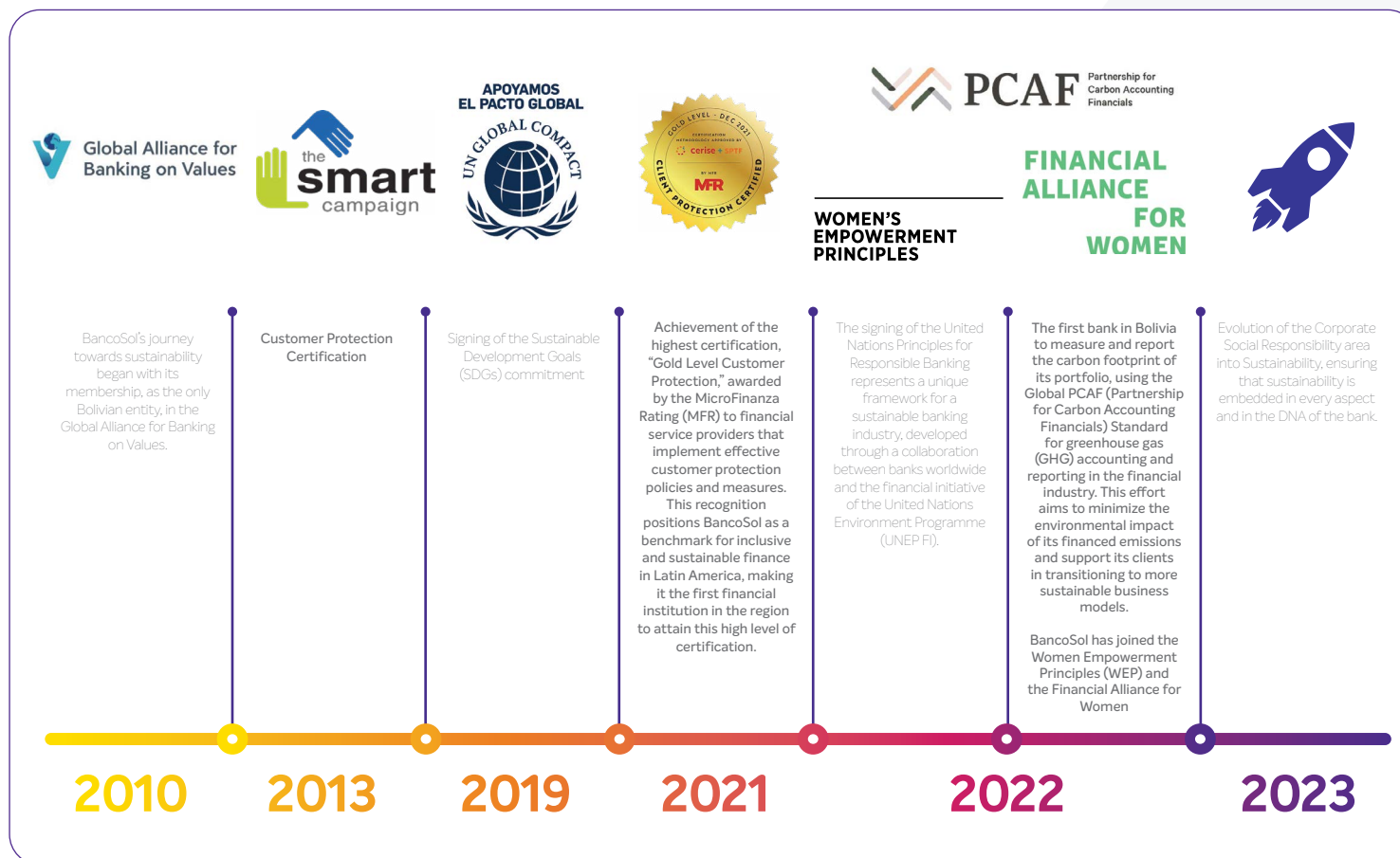
5.3. Sustainability priorities

(GRI 2-22, 2-23, 2-24)

Sustainability is one of the four strategic pillars of BancoSol, regarded as a competitive advantage and a necessary strategic capability to address present and future challenges.

In 2022, the bank developed its Sustainability Strategy for 2023 – 2025, setting the horizon for its sustainability objectives and integrating Environmental, Social, and Governance (ESG) factors into its operations in line with the perspectives, requirements, and expectations of various stakeholders in the global and regional financial sector.

Evolution of sustainability in BancoSol:



BancoSol bases its management and commitment to sustainability on seven focus areas and fourteen lines of action, as detailed in its Sustainability Strategy 2023-2025. This strategy addresses critical and emerging issues identified through a double materiality analysis and a participatory consultation process with key stakeholders.

Our sustainability model



- 

Corporate governance structure and operation.
- 

Practice, ethics and compliance with regulations
Information security and privacy.
Responsible business practices
- 

Diversity, equity and inclusion
Employee development.
- 

Financial education and a culture of foresight.
- 

Financial accessibility Digital culture and solutions
Corporate development.
- 

Promoting customers' sustainable practices.
- 

Environmental awareness.
Partnerships for social and sustainable development.

Relationship between focal points and material topics		
Dimension	Focal point	Material topic
Corporate governance	Governance	Corporate governance
	Culture of ethics and compliance	Regulatory compliance Relationship with authorities Ethics and transparency Cybersecurity Privacy and responsible use of customer information Sales practices
Social/ corporate government	Team commitment	Diversity, equity and inclusion Employee training and development Talent attraction and retention
Social	Financial culture and awareness	Relationship with authorities Financial education and insurance culture
	Digital and financial inclusion	Financial inclusion Digitization Customer service Innovation of products and services
Social/ environmental	Sustainable customer practices	Environmental and social impact of portfolio Sustainable financing Innovation of products and services Sustainable investment Climate change risk management
	Social and environmental care	Climate change risk management Socio-economic development of communities

Impact – Financial – Both

* The material topic of Economic Performance is dealt with transversally in all of the focal points.

Sustainability Governance

The National Deputy Management of Sustainability and Corporate Social Responsibility (CSR), in direct coordination with the various National Managements, is responsible for overseeing and implementing the actions outlined in the Sustainability Strategy 2023 – 2025. Additionally, this sub-management operates based on the determinations, direction, and focus proposed by the Board of Directors, General Management, and Deputy General Management.

BancoSol has a Sustainability Commission, convened by the National Sub-Management of Sustainability and Corporate Social Responsibility (CSR,

which is responsible for analyzing and monitoring the progress of initiatives and actions within the Sustainability Scorecard. This commission reports its advancements to the Board of Directors on a semiannual basis. The actions undertaken are framed within a Sustainability Policy, which establishes the guidelines and mechanisms necessary for implementing the Sustainability Strategy. Additionally, a systematic follow-up methodology is employed through 43 key performance indicators, integrating the ESG (Environmental, Social, and Governance) dimensions, as well as the 7 focus areas and 14 lines of action of the strategy.

Policies supporting the sustainability model	
Policy	Objective
Sustainability policy	BancoSol implements a policy that operationalizes the sustainability ambitions and commitments adopted by the institution. This policy establishes the necessary guidelines, governance for its implementation, and the monitoring tools required to support sustainability management.
CSR policy	The policy ensures compliance with circular 365/15 from the Financial System Supervisory Authority (ASFI) and establishes the necessary guidelines and principles to foster a culture of Corporate Social Responsibility (CSR) that creates value for stakeholders and in social, economic, and environmental aspects. Furthermore, it promotes ethical and transparent behavior in dealings with stakeholders, in accordance with current legislation.
Stakeholder Interaction and Cooperation Policy	The policy establishes guidelines that strengthen the bank's commitment to its stakeholders, grounded in the creation of long-term value. This includes ensuring equal rights, providing maximum transparency in information, and fostering continuous dialogue through existing communication channels.

5.4. Responsible banking approach

(GRI 2-28)

BancoSol, as one of the main drivers of sustainability within the financial sector and sustainable finance in Bolivia, was the first entity to sign the Principles for Responsible Banking (PRB), promoted by the United Nations Environment Programme Finance Initiative (UNEP FI). This initiative aims to benefit banks through the adoption of voluntary principles that align their business strategies with the 2030 Agenda of the United Nations, its 17 Sustainable Development Goals, and the Paris Climate Agreement.

BancoSol has continued the work initiated in the previous management by starting the process of identifying the most significant impact areas and topics associated with its portfolio. Using UNEP FI's holistic impact analysis methodology, the bank has developed a macro understanding of the impacts within the geographical context of its portfolio. This methodology allows for the identification and management of both positive and negative impacts, whether real or potential, through a review of business activities, integrating 100% of the Consumer Banking and Corporate Banking portfolios, including microcredits and SMEs).

Information was consolidated regarding the impacts of the consumer and corporate portfolios to determine the significance of impact topics and identify priority objectives based on the most significant impact areas. Thanks to the results of this analysis and in line with BancoSol's business purpose, seven performance indicators were identified based on two priority objectives:

- Healthy economies (Financial inclusion).
- Climate stability.

****More information on priority objectives and their indicators can be found in Annex IV PRB Report**

6 Governance



6. Governance

6.1 Structure and functioning

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 2-19, 2-20)

The Corporate Governance of BancoSol is defined as the set of principles, policies, and rules that regulate the relationships among the members of the entity's governing bodies. This allows the bank to operate under standards of efficiency, equity, transparency, and integrity, in accordance with the Basic Guidelines for Good Corporate Governance Management established in the Compilation of Financial Services Regulations by the Financial System Supervisory Authority (ASFI) of Bolivia.

The corporate governance bodies of BancoSol are governed by the modified statute approved by Resolution ASFI No. 824/2023, effective from July 19, 2023.

General Shareholders' Meeting

The General Shareholders' Meeting is the highest representative body of BancoSol and holds the highest powers of direction and decision-making. All shareholders with the right to speak and vote are members of this Meeting, in proportion to the number of shares they own.

The management of BancoSol is entrusted to the Board of Directors, appointed by the Ordinary General Shareholders' Meeting. The election of its members is conducted through lists proposed by the shareholders, which also allows for the election of the chairman, vice-chairman, and secretary of the Board.

The presidency of the Meeting is held by the chairman of the Board; in case of absence or impediment, the vice-chairman of the Board assumes this role. Meetings of the Board are held at least once a month.

The Board of Directors

The Board of Directors is composed of a minimum of 5 and a maximum of 10 principal members, who may or may not be shareholders, as well as the number of alternates determined by the Ordinary General Shareholders' Meeting.

The functions of the Board are as follows:

- a) Evaluate, approve, direct, and monitor the corporate strategy;
- b) Monitor the corporate culture and ensure compliance with the values and ethical principles communicated throughout the organization;
- c) Approve the main action plans, budget, and business plans;
- d) Establish corrective mechanisms based on observations and recommendations made by internal and external audits and/or ASFI;
- e) Regularly evaluate corporate governance practices and make changes as necessary.

The conditions for appointment are stipulated in the Bank's Statute. It also establishes the prohibitions, impediments, and incompatibilities for the position, as well as the causes and procedures for the termination of directors' functions.

Structure of the Board

The Statute of BancoSol also defines the guidelines for selecting members of the Board to ensure their suitability for the position. The following criteria are prioritized:

- Qualification, independence, and availability of time to perform their duties.
- Incompatibilities due to conflicts of interest.
- Prohibitions that must be adhered to.

The Board of Directors of BancoSol is composed as follows:

Full name	Gender	Position	Tenure in the position
Esteban Andrés Altschul	Male	Chairman of the Board	28/02/2011
María Otero	Female	Vice-chairman of the Board	21/02/2014
Diego Guillermo Guzmán Garavito	Male	Principal Director - Secretary of the Board	06/03/2008
Emanuel Roca Vaca	Male	Principal Director	14/03/2022
Juan Carlos Iturri Salmón	Male	Principal Director	14/03/2022
Liza Paola Guzmán Suárez	Female	Principal Director	10/03/2021
Morten Elkjær	Male	Principal Director	10/03/2021
Anita Bhatia	Female	Principal Director	10/03/2023
Martin Ernesto Barragán Crespo	Male	Principal Director	10/03/2023
Remko Paco Komijn	Male	Principal Director	10/03/2023
Olga Lucía Martínez Murgueitio	Female	Alternate Director	14/03/2022
Adelina María Dasso Arana	Female	Alternate Director	10/03/2021
María Claudia Dabdoub de Udaeta	Female	Alternate Director	10/08/2015
Christina Stefanie Juhasz	Female	Alternate Director	10/03/2023

To assess the performance of the Board members, indicators related to financial management, risk management, technology, compliance, and human talent are used.

Committees and commissions

In accordance with the Bank's Statute, the Board has the authority to form committees and appoint commissions that it deems necessary for strategic decision-making, thereby contributing to good corporate governance.

Committee	Goal	Comprised by:
Audit committee	Advise the Board on fulfilling its control responsibilities and on establishing and maintaining an adequate and efficient internal control system.	Three Board members
Risk committee	Design policies, systems, methodologies, models, and procedures for efficient comprehensive risk management, covering various types of risk.	Four board members, General Manager, Deputy General Manager, Head of the Risk Management Unit.
Compliance committee	Verify compliance with the policies and procedures implemented to prevent money laundering, terrorist financing, and the proliferation of weapons of mass destruction, using a risk management-based approach.	Two board members, General Manager, Deputy General Manager, National Risk Manager, National Compliance Manager, National Legal Affairs Manager, and National Chief of Compliance.
Remuneration committee	Assign remuneration, bonuses, and other payments that are part of the salary structure for the General Manager, Deputy General Manager, and key executives of the institution.	Three directors
Corporate Governance Committee	Evaluate the implementation of necessary actions and mechanisms to consolidate good corporate governance.	One board member, General Manager, Deputy General Manager, and National Human Talent Manager.
Physical Security Committee	Analyze and assess risk situations related to vulnerabilities in physical security systems, determining preventive and corrective measures by approving strategies, policies, and procedures for security management.	One board member, General Manager, Deputy General Manager, National Compliance Manager; the board may determine the additional participation of directors, and National Chief of Physical Security.

Committee	Goal	Comprised by:
Information Technology Committee	Establish policies, procedures, and priorities for the management of information and the administration of information technology (IT) resources, as well as monitor projects and other activities of the Bank to ensure alignment with the institution's strategic objectives.	Designated Director, General Manager, Deputy General Manager, Operations Division Manager, Finance and Investments Manager, and National Information Technology Manager.
Ethics Committee	Determine the degree of responsibility in the event that any violation or omission committed by a member of the Board, an executive, or an employee is reported, in accordance with the provisions of the Code of Ethics, provided there is a formal complaint, either written or verbal.	Designated Director, General Manager, Deputy General Manager, Operations Division Manager, Finance and Investments Manager, and National Human Talent Manager.
Credit Committee	Evaluate credit operations that fall within its authority according to BancoSol's autonomy framework for approval, at which point a meeting will be convened.	It is composed of three board members and the bank officials to be determined, as established by Article 86 of the Statute. Chairman of the Board, Vice Chairman of the Board, Secretary of the Board, and one director.
Board of Directors Strategic Committee	<ul style="list-style-type: none"> Supervise the Senior Management Committee in implementing the necessary policies and procedures for effective management. Perform other functions related to that Committee or the General Management. Ensure that the objectives and strategic plans approved by the Board are met, following best practices in corporate governance. 	Chairman of the Board, Vice Chairman of the Board, Secretary of the Board, and one director.
Information Technology Operating Committee	Directly monitor projects currently underway at the Bank, checking that timelines, scope, and budget are adhered to, while facilitating coordination among the various areas of Information Technology.	National Information Technology Manager, Deputy National Manager of IT Engineering and Operations, Deputy National Manager of Software Development, Deputy National Manager of Cybersecurity, and National Head of IT Portfolio and Risks.

Las Comisiones son instancias colegiadas de la operación habitual del Banco, que no cuentan con la asistencia de directores y que brindan una respuesta ágil, dinámica y oportuna.

Committee	Goal	Comprised by:
Internal Compliance Committee	Analyze all situations that may pose risks due to non-compliance or that affect the proper functioning of internal procedures for preventing money laundering, terrorist financing, and the proliferation of weapons of mass destruction.	National Compliance Manager, National Chief of Compliance, Head of Risk Management for LGI/FT and/or DP, and Head of Coordination and Compliance.
Regional Compliance Committee	Inform the Regional Management about the status, progress, and results of compliance operational processes. Also, coordinate the necessary actions to efficiently carry out tasks related to preventing money laundering, terrorist financing, and the proliferation of weapons of mass destruction. Additionally, serve as a connection and coordination channel between regional offices and the national office regarding procedures, manuals, policies, and other matters related to the prevention of these crimes.	Regional Manager, Regional Legal Advisor, Regional Deputy Operations Manager, Regional Deputy Business Manager, Regional Head of Admissions, Regional Head of Operations, Regional Accounting Officer, Regional Operations Officer, and Analyst for Risk Management of LGI/ FT and DP.
Assets and Liabilities Committee	Analyze and approve the proposals submitted by the Operations, Finance, and Investments Division Management regarding the comprehensive management of the Bank's financial assets and liabilities. Additionally, this Committee is responsible for channeling directives aimed at promoting efficient financial management.	General Manager, Deputy General Manager, National Business Manager, Operations Division Manager, Finance and Investments Manager, National Risk Manager, National Planning and Strategy Manager, and Deputy National Finance Manager.
Senior Management Committee	Collaborate in implementing the necessary policies, procedures, processes, and controls to ensure that the Bank's management meets the objectives and strategic plans approved by the Board, based on best practices in corporate governance.	General Manager, Deputy General Manager, and Operations Division Manager for Finance and Investments.
Executive Committee	Ensure compliance with the Bank's strategic objectives by monitoring recurring issues related to the business. This includes identifying deviations that may affect compliance and generating corrective and preventive actions, as well as defining those responsible for their execution.	General Manager, Deputy General Manager, Operations Division Manager, Finance and Investments Manager, National Business Manager, National Operations Manager, National Information Technology Manager, National Risk Manager, National Planning and Strategy Manager, National Compliance Manager.

Committee	Goal	Comprised by:
Executive Committee	Ensure compliance with the Bank's strategic objectives by monitoring recurring issues related to the business. This includes identifying deviations that may affect compliance, generating corrective and preventive actions, and defining those responsible for their execution.	National Legal Affairs Manager, National Marketing and Product Development Manager, National Human Talent Manager, National Digital Center Manager, Deputy National Sustainability and CSR Manager, Deputy National Finance Manager, Deputy National Administration Manager, Deputy National Strategic Management Manager, Regional Manager - El Alto, Regional Manager - Central, Regional Manager - Western, Regional Manager - Eastern, Regional Manager - Southern, Office Manager - Tarija, and Office Manager - Oruro. The National Internal Audit Manager participates as a guest.
Judicial Recovery Committee	Analyze, review, and evaluate the progress and development of legal actions related to the delinquent portfolio, ensuring effective recovery and defining concrete actions to be implemented.	Regional Manager, Deputy Regional Business Manager, Regional Legal Advisor, Litigation Lawyer, and Normalizing Agency Manager. The National Litigation Chief may be invited to participate in the sessions of the Commission without voting rights.
Crisis Committee	Analyze and evaluate events or incidents in a timely and efficient manner that could harm the entity's image and reputation. Lead decision-making based on clear criteria to execute actions quickly and efficiently, leveraging the experience from each area and streamlining responses to turn time into an ally rather than an aggravating factor in the incident.	General Manager, Deputy General Manager, Operations Division Manager for Finance and Investments, National Risk Manager, National Legal Affairs Manager, and National Marketing and Product Development Manager.
Financial Products and Services Committee	Evaluate and authorize initiatives for new financial products and services or modifications to existing ones.	National Digital Center Manager, National Information Technology Manager, Deputy National Product Development Manager, Deputy National Processes Manager, and Deputy National Sustainability and CSR Manager

Committee	Goal	Comprised by:
Financial Products and Services Committee	Evaluate and authorize initiatives for new financial products and services or modifications to existing ones.	National Digital Center Manager, National Information Technology Manager, Deputy National Product Development Manager, Deputy National Processes Manager, and Deputy National Sustainability and CSR Manager
Business Continuity Committee	Define and implement the strategy for the Business Continuity Plan in accordance with the policy and strategy approved by the Board, and promote support for the management of the business continuity program.	Operations Division Manager for Finance and Investments, National Risk Manager, National Business Manager, National Operations Manager, National Information Technology Manager, National Marketing and Product Development Manager, National Human Talent Manager, Deputy National Services Manager, Deputy National Operational Risk Manager, and Deputy National Information Security Manager.
Operational Risk and Information Security Committee	Inform the National Management about operational risk management and information security so that they can consider actions aimed at mitigating identified risks and fostering continuous improvement of the Bank in both areas. Additionally, ensure proper follow-up on the Commission's decisions.	National Finance and Accounting Manager, National Risk Manager, National Operations Manager, National Information Technology Manager, National Digital Center Manager, National Business Manager, Deputy National Operational Risk Manager, and Deputy National Information Security Manager. The General Management, Deputy General Management, and Operations Division Management for Finance and Investments will be permanent invitees for participation as defined.
Information Security Incident Response Committee	Address information security incidents that occur in facilities, equipment, and/or systems that may impact and affect the integrity, confidentiality, and availability of the Bank's information.	National Risk Manager, National Information Technology Manager, Deputy National Engineering and IT Operations Manager, Deputy National Cybersecurity Manager, and Deputy National Information Security Manager.

Committee	Goal	Comprised by:
National Human Resources Committee	Examine elements concerning the management and administration of Human Resources, focusing on areas for enhancement and potential intervention strategies in different scenarios. This includes implementing suitable measures within the guidelines set forth to support the achievement of the Bank's overarching strategy.	General Manager, Deputy General Manager, National Human Talent Manager, Operations Division Manager for Finance and Investments (if applicable), National Business Manager (if applicable), and Deputy National Human Talent Services Manager.
Regional Human Resources Committee	Analyze aspects related to the management and administration of Human Resources, identifying opportunities for improvement and intervention alternatives in various situations. This involves taking appropriate actions within the framework of established norms or escalating relevant inquiries to the National Human Talent Commission.	Regional/Office Manager, Deputy Regional Business Manager, Deputy Regional Operations Manager/Regional Head of Operations, Regional Head/Manager of Human Talent, and other invited collaborators.
Sustainability Committee	Approve, monitor, and control the Strategic Sustainability Plan, ensuring compliance with Social Function objectives and alignment with the Bank's strategic goals.	General Manager, Deputy General Manager, National Operations Manager for Finance and Investments, and Deputy National Sustainability and CSR Manager.
Strategic Management Committee	Facilitate decision-making processes, as well as the information flow and coordination of strategic projects and initiatives implemented during the Bank's transformation process.	Gerente General, Gerente General Manager, Deputy General Manager, Operations Division Manager for Finance and Investments, National Business Manager, National Operations Manager, National Information Technology Manager, National Risk Manager, National Audit Manager, National Innovation and Digital Transformation Manager, National Planning and Strategy Manager, National Compliance Manager, National Legal Affairs Manager, National Marketing and Product Development Manager, National Human Talent Manager, Deputy National Sustainability and CSR Manager, Deputy National Finance Manager, Deputy National Administration Manager, and Deputy National Strategic Management Manager.

Committee	Goal	Comprised by:
Data Governance Committee	Establish guidelines for data management, governance, and analytics through the approval of roles, responsibilities, policies, procedures, processes, and modifications to the portfolio of projects and initiatives within the data strategy. Additionally, it must ensure that the Data Strategy remains aligned with the Bank's strategic objectives.	Finance and Investments Manager, National Business Manager, National Information Technology Manager, National Digital Center Manager, National Marketing and Product Development Manager, and Deputy National Data Management and Analytics Manager.
Diversity, Equity and Inclusion Committee	Inform, approve, and monitor the Internal and External Strategic Plan with a gender perspective, ensuring that all initiatives and projects are aligned with the Bank's strategic objectives.	General Manager, Deputy General Manager, Operations Division Manager for Finance and Investments, National Business Manager, National Operations Manager, National Human Talent Manager, National Marketing and Product Development Manager, Regional Manager, and Deputy National Sustainability and CSR Manager. Other areas may be invited to participate in the committee if necessary.

The Senior Management

The Senior Management at BancoSol implements an ongoing and effective strategic management process, fostering a culture of oversight throughout the organization while developing a strong organizational structure. They are also tasked with enforcing policies that prevent activities, relationships, or situations that could compromise the integrity of corporate governance.

The Board determines the appointments and salary levels of Senior Management members. The roles and responsibilities of the General Manager are specified in Article 73 of the Statute. Additionally, the General Manager participates in Board meetings with a voice but does not have voting rights.



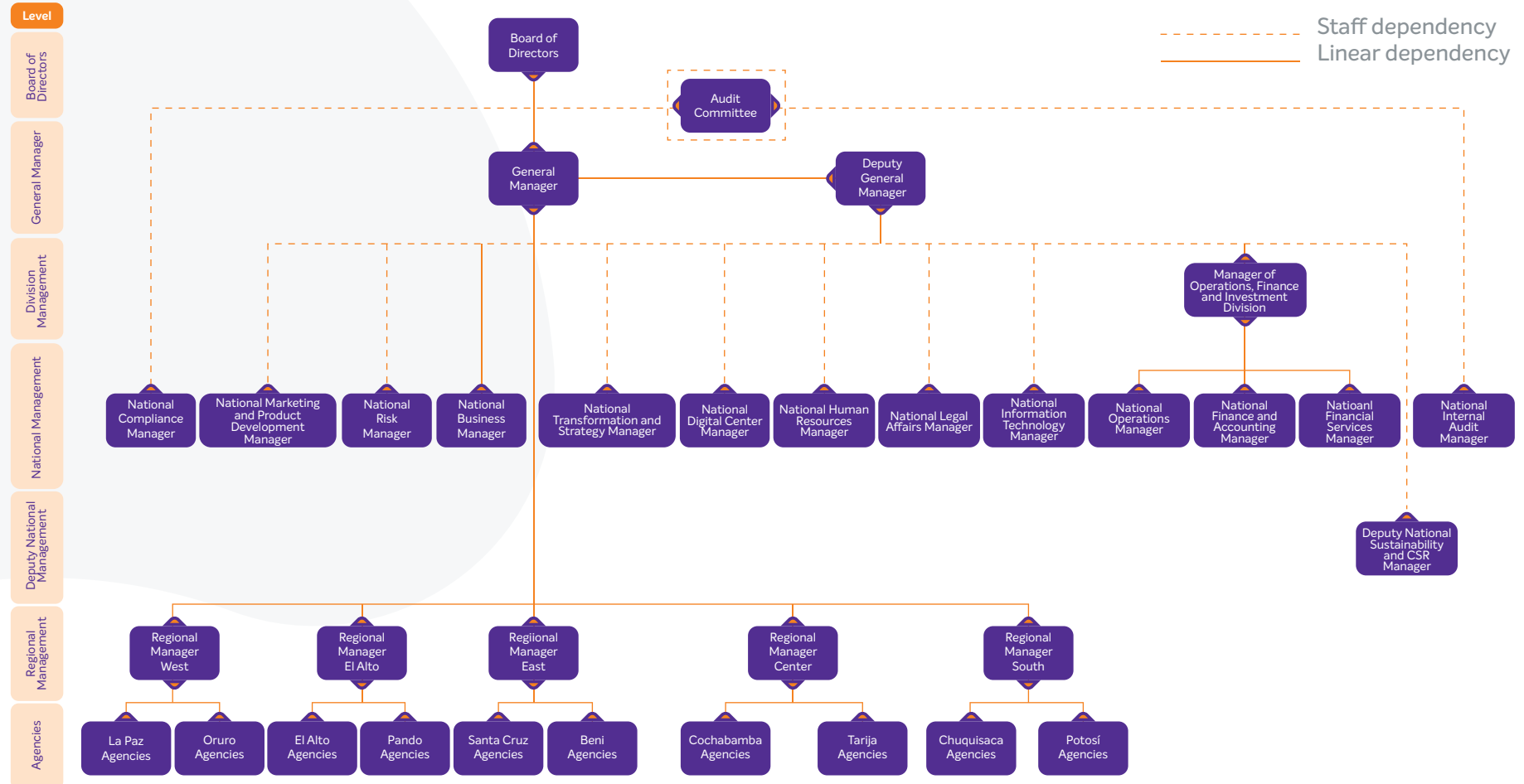
Comprehensive Organizational

Chart BancoSol

BANCO SOLIDARIO S.A.

Version: 28.0

Validity: 02/10/2023



Prepared by the Deputy National Process Manager; Reviewed by the National Human Resources Manager; Authorized by the Deputy General Manager and the General Manager.

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6.2 Risk management

(GRI 2-12, 2-13)

BancoSol, following the guidelines of the Basel Committee on Banking Supervision and the regulations issued by ASFI in the Basic Guidelines for Comprehensive Risk Management, has established a process that consists of six stages:

1. Identification
2. Measurement
3. Monitoring
4. Control
5. Mitigation
6. Disclosure

The principles for risk management are the following:

- **Principle 1:** Have a formal strategy for comprehensive risk management developed from the Bank's overall strategy that aligns with its business model.
- **Principle 2:** Establish an organizational structure that includes segregation of functions, in accordance with the strategy, size, and complexity of the Bank's operations, thereby facilitating comprehensive risk management.
- **Principle 3:** Implement a control system that ensures compliance with policies, standards, processes, and procedures during the execution of the entity's operations.
- **Principle 4:** Ensure a global scope in activities and functions related to managing the various types of risks to which the Bank is exposed.

- **Principle 5:** Develop policies, standards, procedures, and tools that are appropriate to the strategy, size, and complexity of the Bank's operations to support comprehensive risk management.
- **Principle 6:** Update the comprehensive risk management process in response to changes in the environment, business model, and/or risk profile of the Bank.
- **Principle 7:** Establish internal limits for different types of risk, considering criteria for diversification and impact mitigation.
- **Principle 8:** Promote a culture of comprehensive risk management within the Bank.
- **Principle 9:** Implement information systems that allow for the disclosure of the risks to which the Bank is exposed, at the appropriate levels.
- **Principle 10:** Prioritize preventive actions over corrective ones.

The main risks identified by BancoSol in 2023 were as follows:

Identified Risk	Description	Keys to Management 2023
Financial risk management	Financial Risk Management is based on a regulatory framework consisting of policies, procedures, and tools designed to safeguard the Bank's liquidity and solvency. The methodologies used are implemented through daily and monthly monitoring of risk indicators, including credit risk, liquidity risk, exchange rate risk, market risk, counterparty risk, strategic risk, business risk, and reputational risk. These indicators are presented monthly to the Risk Committee and the Board of the Bank.	Financial risks are currently at a low level with a negative trend, except for market risk, which is at a high level with a stable trend. Key aspects of managing these risks include constant monitoring of the macroeconomic and political situation in Bolivia, as well as the overall financial system and the relationship between the bank's various business lines and this context. This enables the generation of alerts that help the bank's management make timely decisions to maintain an adequate position of liquidity and solvency.

Identified Risk	Description	Keys to Management 2023
Credit Risk Management	Credit Risk Management is based on a regulatory framework that includes policies, procedures, and tools designed to ensure the quality of the loan portfolio. This encompasses both specific credit risk, reflected in levels of delinquency and specific provisions, as well as the identification of additional factors that may contribute to the risk of default beyond delinquency. The methodology used for this purpose is implemented through sample reviews (both statistical and induced) aimed at estimating the degree of compliance with the current regulatory framework. These reviews may lead to the need for establishing generic provisions for default and/or recommendations for corrective measures before being considered by the Risk Committee, thereby ensuring timely impact on the credit process and the risk management culture.	<p>Credit Risk is considered low based on the obtained indicators, with a negative trend. This assessment includes the diversification of the portfolio across different sectors, adhering to the minimum portfolio levels established for financing directed towards the productive sector and social interest housing. It also considers compliance with established limits, the level of deterioration in operations both at BancoSol S.A. and other entities in the financial system, as well as the delinquency rate of the portfolio. This last aspect considers the influence of economic contraction, which resulted in deferred loan payments and their subsequent resolution through the application of grace and extension periods in loan reprogramming and refinancing with deferred payments. Additionally, the assessment includes the level of provisions for the credit portfolio, the distribution of payment structures, potential indebtedness of our clients with other entities, prepayments, and shared clients. Post-disbursement reviews are also conducted through samples of recently disbursed operations and other specific credit portfolio evaluations throughout the year. Relevant news for risk management is published monthly, allowing for a feedback process that, combined with meetings to communicate review results, facilitates effective management of risk factors.</p> <p>However, the outlook has a considerable level of uncertainty regarding borrower's payment behavior, following with potential impact on willingness to repay due</p>

Identified Risk	Description	Keys to Management 2023
		to post-pandemic regulatory measures, deteriorating expectations about the Country's economic situation, the availability of dollars in the market and the political context.
Operational risk management	The management of Operational Risk at Banco Solidario S.A. is based on the guidelines established by the Financial System Supervisory Authority (ASF) in the "Basic Guidelines for Operational Risk Management," included in the Compilation of Regulations for Financial Services and in the Manual for Electronic Information Submission to the Central Operational Risk Information (CIRO). Additionally, it incorporates the Regulation on the Application of Administrative Sanctions for recurring operational errors and modifications to the Regulation for information submission.	Operational Risk is classified as low and shows a stable trend. The exposure to loss events reported in the Operational Risk Events Database is marginal in relation to Regulatory Capital, considering that insurance coverage significantly mitigates their impact. The analysis of the risks recorded in the Operational Risk Database and the types of operational errors is aimed at defining the operational risk profile. Testing of the various Contingency Plans and the Continuity Plan was conducted in coordination with the involved areas. New operations, financial products or services, and their modifications have undergone an analysis of inherent risks and their treatment during the management process, both by process owners and the Risk area, ensuring appropriate monitoring and follow-up in compliance with current regulations.
Information security management	Information Security Management and the associated methodologies encompass mechanisms for both the identification and management of risk events in information technologies and in the Bank's existing business processes. This enables the Bank to conduct risk analysis and assessments related to Information Security, allowing for an efficient response to emerging needs and events.	Information Security Management has a low risk level with a stable trend. This is attributed to the established security mechanisms, as well as the processes and methodologies implemented as part of the security strategy, which have operated effectively.

Identified Risk	Description	Keys to Management 2023
Information security management	Furthermore, it provides a coherent and clear approach to organizing and prioritizing resources, facilitating the effective management of identified risks while ensuring compliance with regulatory requirements related to Information Security Management mandated by the regulatory authority. Additionally, the Bank has a National Cybersecurity Sub-Management within the IT department, which operationalizes the security guidelines established by the National Information Security Sub-Management.	In 2023, the Bank successfully reached key milestones in the implementation of security solutions at the infrastructure level, enhancing its monitoring and security systems. Additionally, the risks identified in the Analysis and Assessment of Information Security Risks for the 2023 management period, as outlined in the Information Security Management Regulation from the regulatory authority, were effectively addressed and are supported by action plans for their appropriate mitigation.

At BancoSol, the Risk Committee is the highest authority responsible for designing policies, systems, methodologies, models, and procedures for efficient comprehensive risk management across all types of risks. This Committee consists of four members from the Board of Directors, along with the General Manager, Deputy General Manager, the head of the Risk Management Unit, and the National Managers of Business, Operations, Finance and Investments, and the National Finance Sub-Management.

6.3 Relationship with the Supply Chain

(GRI 2-6)

For BancoSol, a supplier is defined as any natural or legal person capable of providing goods or services that ensure the operational continuity of the different business units. According to the Supplier Management Policy, the following criteria are established for evaluating suppliers, which are indicative and not exhaustive:

- Quality of the products or goods supplied
- Compliance with the delivery terms of the products or services.

- Flexibility to make changes to requirements, adapting to the Bank's needs.
- Compliance with the required quantities and specifications.
- Ability to address complaints and resolve issues.
- Quality in post-execution service or in delivered goods.
- Competitiveness in the quality-price relationship.

In 2023, BancoSol updated its supplier database, demonstrating a strong organizational trend towards contracting new services aimed at transformation. During this period, the management focus was on developing a new procurement management model that streamlines processes and prioritizes women-led supplier companies.

Selected suppliers have been included in a training process on the Code of Ethics to ensure they adhere to the institutional values and principles when providing products or services. This training covers topics such as human rights, labor standards, anti-corruption efforts, and conflict of interest.

National and international suppliers

Supplier	Total (quantity)	Types of contracted services and goods	Amount (USD)
National	4103	Goods and Services (Cleaning Services, Security, Consulting, Hardware, Software).	37813.240,87
International	73	Consulting Services, Software, External Training.	2.031.411,88

In 2023, BancoSol contracted 99% of national suppliers and 1% international suppliers, demonstrating the Bank's support for the local industry.

7 Culture of Ethics and Compliance





Culture of Ethics and Compliance

7.1 Management approach

(GRI 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 201-4, 205-1, 205-2, 205-3, 206-1, 415-1, 416-2, 417-2, 3-3) (SASB FN-CF-270a.4, FN-CF-270a.5; FN-CB-510a.1)

BancoSol's commitment to its ethical principles is reflected in its strong determination to fight corruption, acting as a signatory to the United Nations Global Compact and serving as a role model for society in complying with all current regulations.

In addition to the best practices for fraud risk management implemented by BancoSol, which are recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), Financial Services Law No. 393 establishes that all financial intermediation entities in the Bolivian financial system are required to implement effective operational control mechanisms to prevent both internal and external fraud situations.

The ASFI Compilation of Regulations for Financial Services states that BancoSol must also manage its operational risk. To this end, it must have formal processes in place that allow it to identify, measure, monitor, control, mitigate, and disclose the risk exposures it is undertaking.

In this context, the following documents are part of these guidelines:

- The Corporate Governance Code,
- The Internal Work Regulations,
- The Compliance Policy,
- The Comprehensive Risk Policy,
- The Code of Ethics;
- The Fraud and Corruption Prevention Policy.

Complaints line

BancoSol has established comprehensive processes, procedures, and controls to effectively identify, measure, monitor, mitigate, and manage the risks associated with fraud and other unethical practices. To facilitate this, the bank provides a confidential reporting line.

1) For clients: three communication channels have been established for filing complaints. In accordance with the Financial Services Consumer Protection Regulation, BancoSol has Complaint Points available in all its fixed and mobile branches. Additionally, complaints can be made through the toll-free phone line FONOSOL and via the website.

2) or employee complaints: BancoSol has implemented the email address EXPRESATE. The Human Talent department is responsible for receiving these complaints, analyzing them, and notifying the Ethics Committee, the Joint Commission, or the Board of Directors if necessary. They will make the appropriate decisions and impose the corresponding sanctions in accordance with internal regulations..

BancoSol's internal policies prohibit contributions to political parties, political representatives, and lobbying organizations, which is why such contributions are not made. These rules apply to all employees, directors, correspondents, and suppliers.

Anti-Bribery and Anti-Corruption

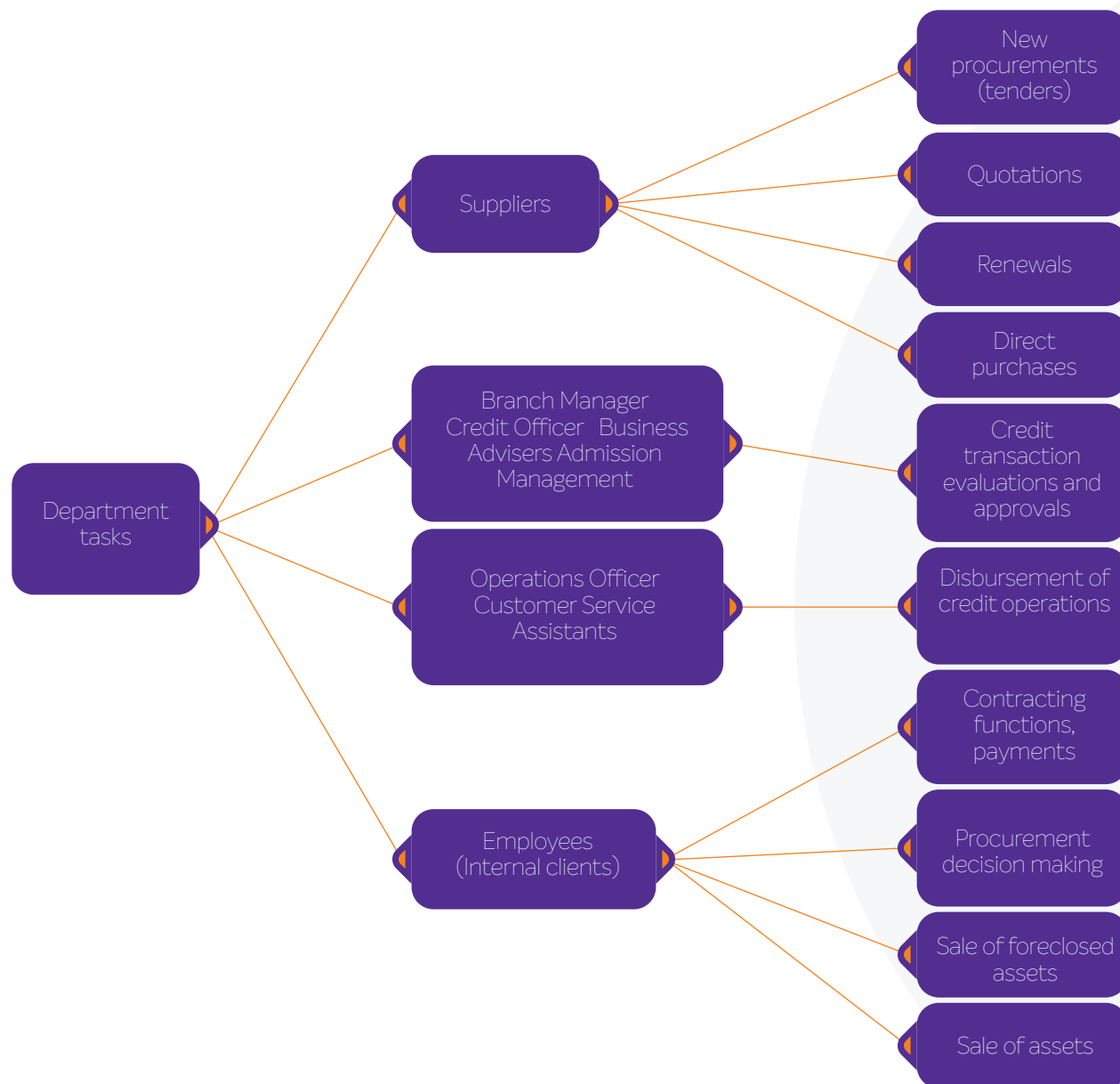
ISO 37001 establishes a management standard aimed at helping organizations combat bribery and corruption by fostering a culture of integrity, transparency, and compliance.

It outlines a series of measures that the Bank can implement to prevent, detect, and address bribery.

As part of the requirements of ISO 37001, it is essential to consider national regulations against corruption. In Bolivia, this includes Law 004 on the Fight Against Corruption, Illicit Enrichment, and Investigation of Fortunes "Marcelo Quiroga Santa Cruz".

To uphold best practices at BancoSol and comply with recommendations from regulatory bodies, the Compliance department is in the process of implementing anti-corruption and anti-bribery policies and mechanisms.

To achieve the desired outcomes in anti-corruption and anti-bribery processes, responsibilities will be assigned to various areas within the Bank, led by the procurement department, agency staff, operations, and general employees.



It is crucial to implement controls over third parties and the supply chain, as actions taken by these entities can reflect on BancoSol, even if the bank is not directly involved. Due diligence serves as the primary mechanism to ensure transparency in these activities.

Due diligence involves investigating third parties, verifying their backgrounds and relationships, and identifying potential connections with other common parties, including public and private officials.

The analysis of suppliers follows these stages:

Supplier analysis *

Review of the supplier selection process

Review of the Bidding Process

- Company background review.
- Check compliance with requirements.
- Review the terms, conditions, and references of the bid.
- Any guarantees requested from the company (if applicable).

Submitted quotes

- Review of compliance with the submitted budget.
- Verify if the prices offered to the bank match the actual prices given to other clients (request quotes as if you were another company, have reference prices, and/or visit the supplier as a customer).

Supplier review

- Check that the supplier has no family ties to bank officials or other suppliers.
- Ensure that all documentation provided by the supplier is valid (check in SEPREC, National Taxes, Commercial Registry, among others).
- Review the supplier reevaluation form (if applicable).

Review of the supplier's folder

Post-sale evaluation of the bid

Bid Review

- Review the evaluation of contract compliance (technical and administrative aspects outlined in the bid).
- Assess the performance of the bidding process (evaluate response times, communication, and promptness).
- Monitor long-term bids or re-contracted suppliers (ensure that the terms agreed upon in the contract are maintained at the same standards).

Supplier analysis *

Supplier – Internal Customer Relationship Review

Bid Review

- Verify that the supplier does not have a contractual relationship with bank officials (friendship, family ties). This check applies not only to company representatives but also to employees.
- Review the accounts where payments for bids were made (ensure that payments were not made to family members, friends, or third parties linked to bank officials, whether in BancoSol or other banks).

Regarding potential clients, BancoSol also conducts an analysis of the credit granting process to prevent possible corruption. This includes.

Analysis of the loan extension process *

Bank official

Review of documents submitted

- Check that the client and/or guarantor has no family or contractual relationship with the bank official (reviewing social media, internet, etc.).
- Verify the authenticity of documents provided by the client and/or guarantor.
- Verifying the authenticity of documents submitted to the legal department (such as property titles, subdivisions, etc.).
- Cross-checking client information against sensitive lists.

Analysis of the loan extension process *	Bank official	Review of the evaluation process <ul style="list-style-type: none"> • Check the authenticity of the documents that support the client's income. • Verify the existence of the business or economic activity that justifies the credit (visit the client at their declared business activity). • Ensure consistency between the documents provided and the collateral.
	Business Head/Agency Manager	Review and Analysis of the Operation in Committee <ul style="list-style-type: none"> • Verify the authenticity of documents submitted to address any issues raised in the committee (if applicable). • Review the profile that approved the operation to confirm whether it had the authority for the disbursed credit (confirm the credit approval level).
Analysis of the loan extension process *	National Head of Admissions / Regional Head of Admissions / Regional Admissions Officer / National Risk Management.	Review and Analysis of the Operation in Admission Unit <ul style="list-style-type: none"> • Verify the authenticity of documents submitted to address issues raised by the Admission Unit (if applicable).
	National Credit Management Head / Regional Business Deputy Manager / Agency Manager / Business Head.	Review of exceptions <ul style="list-style-type: none"> • Verify the authenticity of documents submitted for an exception request (if applicable). • Review the profile that approved the exception to confirm it aligns with the authorized level.
Analysis of the loan extension process *	Agency Operations Officer / Bank official / Customer Service Assistant / Customer Service Assistant – PR.	Review of Disbursement Process <ul style="list-style-type: none"> • Ensure consistency between the documents provided and what is recorded in the document control system. • Review the credit contract (confirm debtor, co-debtor, and guarantor details). • Verify the Coverage Certificate (if applicable according to guarantee).
	Bank official/Admissions Unit/Agency Manager/ Regional Manager.	Review of the follow-up conducted on the purpose of funds <ul style="list-style-type: none"> • Verify the authenticity of any on-site visits conducted (visit to the client if applicable). • Review any observed issues and any preventive or corrective measures taken.

Analysis of the loan extension process *

Bank official/ Regional Legal Advisor/Agency Manager/ Agency Operations Manager

Review of the follow-up on the exempted documents that have already reached their deadline

- Verify the authenticity of previously submitted documents that were exceptions.

Both proposed analyses are currently undergoing improvements during their implementation, and it is expected that stronger policies and procedures will be established in the coming years.

Legal violations

(SASB FN-CB-510a.1)

BancoSol has not faced legal proceedings related to fraud, anti-competitive behavior, market manipulation, malpractice, or other financial regulations in the past three years.

7.2 7.2 Cybersecurity

(GRI 3-3)

(SASB FN-CF-230a.3; FN-CB-230a.2)

Regarding cybersecurity, the Bank has formally established tools and procedures to protect customer information and ensure confidentiality, as outlined in Article 472 of the Financial Services Law. It is important to note that during 2023, there have been no reported economic losses related to customer privacy.

Banco Solidario S.A. has a robust security framework that ensures the integrity, confidentiality, and availability of its systems and processed information, guaranteeing that all data is protected in all forms. Regarding the Bank's digital products, there are control and monitoring tools in place to ensure that our clients' digital transactions have all the necessary security mechanisms to guarantee their integrity and reliability.

Additionally, it is important to highlight that Banco Solidario S.A. implements methodologies that include mechanisms for identifying risks and events related to information protection and associated processes. These methodologies enable the Bank to conduct an analysis and evaluation of information security risks, facilitating an efficient response to potential risk events. They also provide a coherent and clear way to organize and prioritize available resources, ensuring proper management of identified risks and compliance with regulatory requirements established by the regulatory body. Finally, it is noteworthy that the Bank has a formally established and updated Business Continuity Plan based on a Business Impact Analysis (BIA) that ensures the continuity of critical processes in the event of any contingency.

8 Team commitment



8. Team commitment

8.1 Demographic

(GRI 2-7, 2-8, 2-30, 405-1, 401-1)

For BancoSol, its team is essential as they embody the organization's values and its social service focus. Therefore, each year, the bank invests financial resources in their retention, performance, well-being, and ongoing training.

In 2023, the number of employees reached a total of 3,735 individuals. Of this total, 52.66% are female and 47.34% are male.

Workforce by working hours and type of contract	2021	2022	2023
Total employees	3,069	3,406	3,735
Female (%)	50,4%	52,3%	52,66%
Permanent contract (%)	99,7%	97,5%	99,87%
Temporary contract (%)	0,3%	2,5%	0,13%
Full time (%)	100,0%	100,0%	100%
Part time (%)	0,0%	0,0%	0%

Workforce by Professional Category and Gender 2021-2023

In the workforce breakdown for 2023, women make up 26.32% of executives, which marks a 4.12% increase from 2022. Additionally, in middle management, the proportion of women stands at 48.22%, indicating a 0.72% increase compared to the previous year.

Workforce by professional category and gender - 2021							
	<30 years		30-50 years		>50 years		TOTAL Female %
	Female	Male	Female	Male	Female	Male	
Executives	0	0	1	3	1	11	12,5%
Middle management	7	5	252	264	25	38	48,1%
Operation staff	406	277	845	861	11	62	51,3%
TOTAL	413	282	1.098	1.128	37	111	50,4%

Workforce by professional category and gender - 2022							
	<30 years		30-50 years		>50 years		TOTAL Mujeres %
	Female	Male	Female	Male	Female	Male	
Executives	0	0	2	3	2	11	22,2%
Middle management	8	11	283	298	26	42	47,5%
Operation staff	512	311	940	882	8	67	53,7%
TOTAL	520	322	1.225	1.183	36	120	52,3%

Workforce by professional category and gender - 2023							
	<30 years		30-50 years		>50 years		TOTAL Mujeres %
	Female	Male	Female	Male	Female	Male	
Executives	0	0	3	2	2	12	26,32%
Middle management	8	21	342	340	29	46	48,22%
Operation staff	573	375	1000	897	10	75	54,03%
TOTAL	581	396	1.345	1.239	41	133	52,66%

26.32% of executive positions at BancoSol are held by women, while 41.32% occupy leadership and higher roles. In STEM fields (science, technology, engineering, and mathematics), which are traditionally male-dominated, 1.39% of the total workforce in these positions are women.

This is the detail of workers who are not employees of the bank:

Service	Number of personnel
Cleaning staff	209
Policeman	226
Security guards	54
TOTAL	489

In terms of employee distribution, the highest concentration is in the Department of La Paz. When combining the national offices in La Paz and El Alto, they account for 45.1% of the total workforce.

Geographic distribution by department – 2023	
National Office	10,52%
La Paz (La Paz and El Alto)	34,59%
Santa Cruz	21,29%
Cochabamba	20,94%
Oruro	2,49%
Sucre	4,34%
Tarija	3,75%
Potosí	1,02%
Beni	0,83%
Pando	0,24%

New hires and leavers

Regarding the total workforce, new hires increased by 16.52% compared to 2022, with 52% of the new hires in 2023 being women.

Additionally, there was a 5% increase in the income from new employees compared to 2022.

New hires (total per year)			
	2021	2022	2023
Female	254	468	495
Male	230	349	457
TOTAL	484	817	952

Regarding the employees who left the bank, there were 67 more in 2023 than in 2022.

Leavers (total per year)			
	2021	2022	2023
Voluntary leavers	247	343	384
Female	130	170	190
Male	117	173	194
Involuntary leavers	98	123	149
Female	27	57	65
Male	71	66	84
TOTAL	345	466	623

Employee turnover

The rates of voluntary and involuntary employee turnover remain almost the same as in 2022.

Average monthly employee turnover rate			
	2021	2022	2023
Voluntary	8,05%	10,07%	10,28%
Involuntary	3,19%	3,61%	3,99%

Internship programs

BancoSol has an internship program that allows the children of its employees to start their professional careers.

The bank also has agreements with public and private universities and academies nationwide, enabling final-year students to undertake internships within the bank and identify potential talents for future job openings.

8.2 8.2 Diversity, equity and inclusion

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

From BancoSol's Sustainability Strategy, the Diversity, Equity, and Inclusion Strategy is implemented with two main focuses: one internal and one external.

Internal focus

BancoSol promotes a culture of respect and equal opportunities for everyone within the organization. The bank aims to build a team that is aware of, committed to, and trained in equality, diversity, and inclusion, enabling them to tap into the women's market. Some of the actions taken to achieve this include:

- **Implementation of Nursing Rooms:** Specific spaces have been made available for mothers (employees and clients) where they can breastfeed privately and comfortably, while adhering to the required cleanliness and safety protocols. Five nursing rooms were established nationwide in 2023.

Bancosol nursing rooms		
Regional branch	Opening date	Agency
Santa Cruz	03/03/2023	SANTA CRUZ REGIONAL OFFICE
Cochabamba	17/3/2023	COCHABAMBA REGIONAL OFFICE
La Paz	3/4/2023	SAN MIGUEL AGENCY
El Alto	4/7/2023	16 DE JULIO AGENCY
Sucre	2/10/2023	ESPAÑA AGENCY

- **Training Programs Focused on Diversity and Inclusion:** This initiative trains employees. In 2023, both in-person and virtual training sessions were held on the following topics:
 - Gender Intelligence training for BancoSol representatives.
 - Hybrid training on “Gender Intelligence” for the sales team.
 - Training on the AvanzaMujer Program.
 - A webinar to commemorate International Women’s Day.
 - A workshop on the “Impostor Syndrome”.
 - Discussions for International Women’s Day.
 - Men’s Day: A talk exploring essence and potential.
- **Review of Human Talent and CSR Policies with a focus on diversity and inclusion:** The integration of diversity, equity, and inclusion perspectives began in the policies of both areas, and all subprocesses derived from these policies were also reviewed and adjusted.

- **Communication Focused on Diversity and Inclusion:** The nomination process was reviewed and adjusted to be gender-sensitive for both internal and external job postings. Internally, important dates related to diversity, inclusion, and equality are communicated, along with participation in campaigns to eliminate violence against women and promote activities focused on diversity and inclusion.

External focus

BancoSol aims to support the inclusion of women-led businesses by addressing economic gaps and promoting sustainable development. To achieve this, the Avanza Mujer Program was created, providing accessible financial solutions to women who own their own businesses and ventures.

Avanza Mujer

This program was developed with the support of the International Finance Corporation (IFC) after identifying the needs of Bolivian women entrepreneurs regarding financing, savings, health, education, as well as tools and knowledge to grow their businesses.

All these initiatives are driven by the General Management and Deputy General Management and monitored by BancoSol’s Board of Directors through a dashboard of indicators that tracks progress in closing gaps on a monthly basis.

For more detailed information about the Diversity, Equity, and Inclusion strategy, we invite you to visit Annex V.

Reconciliation initiatives and benefits

To determine the salary for a position at BancoSol, the job is evaluated with a salary grade tied to the pay scale using HAY Group methodology. This methodology assesses three factors:

1. Know-How: This refers to the depth of specific knowledge.
2. Thinking (Problem Solving): This relates to the freedom to think and design solutions for various types of situations.
3. Action (Impact): This is connected to the freedom to act and the impact of the decisions made.

Salary relationship between men and women by professional category

It is important to establish that none of the salary gaps identified by position are due to gender or sex-related reasons. BancoSol is actively working to narrow these gaps through analysis and the development of policies that start from the very selection process.

Position	% Salary gap
Executives	2,9%
Middle management	3,3%
Heads/specialists	-0,5%
Business advisors	1,8%
Analysts/assistants	4,6%
Total	7,5%

8.3 Employee training and development

(GRI 3-3, 201-3, 404-1, 404-2, 404-3) (1 página)

The training and specialization of employees are of utmost importance to BancoSol, as it enables them to develop both professionally and personally, thereby contributing to the achievement of their departmental and organizational objectives.

Executive training programs

In 2023, training activities were conducted focused on developing the skills and competencies of employees to strengthen organizational performance and promote a more effective work environment tailored to current demands.

The FORMASOL program was implemented to enhance the leadership skills of Bank employees in charge of teams, promoting a more effective leadership approach oriented towards continuous improvement based on the I3E leadership model. Additionally, seminars and discussions on diversity, equality, and inclusion were organized to raise employee awareness about the importance of taking actions that help bridge gaps in these areas within the workplace, thereby fostering a more inclusive and equitable culture. Training sessions were also conducted in three official languages: Aymara, Quechua, and Guarani, to facilitate service for financial consumers who speak these languages, thus improving accessibility and service quality.

The Sustainability and CSR area offered virtual training through internal platforms ClicSol and Zoom, addressing topics such as quality and warmth in care for the elderly and their social role.

The Annual Training Plan was executed at 87%, including external training that allowed employees to specialize in key areas for their roles with an investment in training of \$180,818.78. The main training topics in 2023 included:

- Internal regulations.
- Digital transformation.
- Leadership.
- Development.
- Management skills.
- Bank products and services.

- Quality and Personalized Service.
- Code of Ethics and Conduct.

In total, an average of 62.23 training hours per employee was achieved, demonstrating the Bank's commitment to the comprehensive development of its team.

Training									
Trained employees	N° of participants			N° total de hours			Number of hours/ participant		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Executives	17	20	27	371,00	1.805,50	1.949	21,82	90,28	72,19
Middle management	648	745	927	36.385,50	36.775,50	53.173	56,15	49,36	57,36
Operational staff	2.841	3.315	3.603	155.586,50	93.506,00	203.649	54,76	28,21	56,52
TOTAL	3.506	4.080	4.158	192.803	132.087	258.771	132,73	167,85	62,23

Performance assessment

For BancoSol, it is crucial to have processes in place that assess employee performance. The tool used for this purpose is the ClicSol platform, which facilitates the evaluation, correction, and development of an action plan based on the findings from the process.

In 2023, BancoSol integrated the objective-setting process into its Individual Performance Management, which not only identifies and measures the impact of its employees on the Bank's strategic objectives but also helps determine the human and material resources needed to achieve them. Additionally, it allows for detailed tracking of committed actions, ensuring timely adjustments to guarantee compliance. This year, feedback reported through the digital platform was included as a fundamental stage of the performance evaluation, ensuring that all employees are aware of their results, provide their approval, and develop their action plans.

Performance evaluation			
	Professional category	Evaluation type	What it is about
2021	Executives, middle management and operational staff	180°	Self-Assessment and Evaluation by Immediate Supervisor
2022	Executives, middle management and operational staff	180°	Self-Assessment and Evaluation by Immediate Supervisor
2023	Executives, middle management and operational staff	180°	Self-Assessment and Evaluation by Immediate Supervisor

Indicators/categories	Number of employees	%
Employees who meet the criteria of the bank's performance evaluation system to enter the evaluation process.	3.246	86,35%
Employees who do not meet the evaluation criteria because they are in a probationary period and have been working in the bank for less than 6 months.	430	11,44%
Employees who do not meet the evaluation criteria due to a change in position.	68	1,80%
Employees who are not subject to performance evaluation.	15	0,40%

Succession Plan

In line with the Basic Guidelines for Good Corporate Governance and with the aim of ensuring business continuity in the face of the departure of employees who hold essential functions in the Bank, the succession planning process was carried out during 2023 with the support of a Bolivian consulting firm.

The succession plan began with the identification of critical positions based on criteria established within the methodology proposed by the consulting firm. This work was conducted with the active participation of national managers and the National CSR Sub-Management. Subsequently, successor candidates were identified and validated by national management as well. Additionally, the Succession Policy was updated, which was approved by the Board of Directors and submitted to the regulatory body.

8.4 Well-being

(GRI 3-3, 201-3, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

BancoSol is committed to the well-being of all its employees, offering the following benefits:

Category	Benefits
Time	Birthday: A day off during the week of the employee's birthday, along with a birthday card and a gift.
	Your Golden Day: 1 day off per semester.
	A Saturday to Enjoy: 1 or 2 Saturdays off each month.
Family	Your Family, My Family: Internship opportunities for employees' children.
	Like Parent, Like Child: Recognition for employees' children who achieve good academic performance.
	GenerationSol from the Cradle: A welcome gift for bank employees upon the birth of their children.

Category	Benefits
Recognition	Gsol Behaviors: References that demonstrate the behaviors of the Gsol generation.
	Academic achievement: Recognition for employees who achieve academic success.
	Commitment: Awards for employees celebrating 5, 10, 15, 20, 25 and 30 years of service.
Integrated Care	We are With You: Psychological support.
	Extended Private Health Insurance: Available for specific positions.
	Health campaigns: Coordinate with the CSBP health manager.
	Discount Showcase: Various discounts from different companies and businesses for all employees.
Events	Father's Day Bingo
	Gift Card for Children's Day
	Mother's Day Bingo
	Bolivian Women's Day: Souvenir for all female employees
	Men's Day: Souvenirs for all male employees
	Christmas: Gift voucher
	Bankers' Day Party
	New Year Toast
	BancoSol 31st Anniversary Toast
	Alasitas Festival: Distribution of souvenirs
	Carnaval: Distribution of souvenirs
	Halloween: Costume contest

Health and Safety at work

The Occupational Health and Safety Management Program (PGSST) of BancoSol is a comprehensive set of activities and mechanisms focused on hygiene, occupational safety, and well-being, aimed at preventing occupational hazards, workplace accidents, and work-related illnesses. This program is governed by the Occupational Health and Safety Policy.

The PGSST is a mandatory requirement under the General Law of Hygiene, Occupational Safety, and Well-being No. 16998, enacted on August 2, 1979. Its implementation is overseen by the Ministry of Labor, Employment, and Social Security. BancoSol has a PGSST for each branch, regional office, and national office, which must be updated annually to ensure continuous improvement in all processes and procedures.

In occupational safety management, the number of fatalities due to workplace accidents remained at zero. However, there was an increase of 23 accidents compared to 2022, which resulted in a rise of 210 days of absenteeism compared to the previous year.

Health and safety indicators			
	2021	2022	2023
Deaths (quantity)	0	0	0
Accidents (quantity)	46	50	73
Reported absence days	629	479	689
LITFR (Lost Time Injury Frequency Rate)	5,15	5,34	6,73
Absenteeism Rate	6,63%	4,48%	4,64%

In BancoSol's Occupational Health and Safety Policy, it is stated that the National Occupational Health and Safety Management will plan training sessions aimed at all levels of the Bank. The purpose is to provide essential knowledge in Occupational Health and Safety necessary for performing activities efficiently and safely, while also promoting a culture of safety and health.

Additionally, these training sessions are included in the induction process for all new employees:

- General and Legal Aspects of Occupational Health and Safety.
- Occupational Health and Safety Policy.
- Basic Concepts of Occupational Health and Safety.
- Basic Concepts of the Emergency Plan.

Safety and health training provided to employees

As part of its ongoing commitment to safety and well-being in the workplace, BancoSol provides internal training in the following areas once a year:

- Visual conservation
- Hazard identification and risk assessment
- Defense management
- Fire prevention in the office
- First aid
- Office safety
- Evacuation drill
- Emergency responders

These training sessions are conducted through the ClicSol platform and are essential to ensure that all employees are adequately prepared and informed about best practices in occupational health and safety.

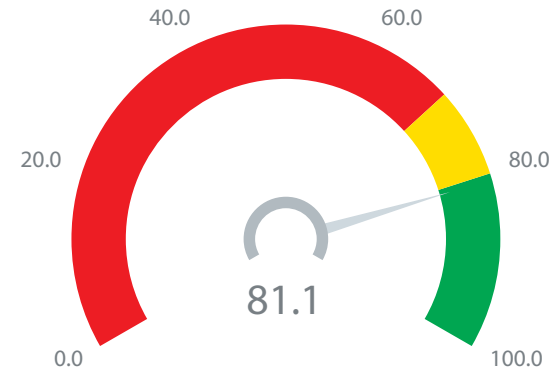
Regarding external training, BancoSol does not provide training for workers who offer outsourced services at its work sites. However, it ensures that in cases involving high-risk work, such as working at heights, these workers receive the appropriate training and instruction. To this end, it requests evidence from the relevant areas that these requirements have been met. This measure guarantees that all employees, both internal and external, operate under safe and appropriate standards in their facilities.

8.5 Workplace Climate

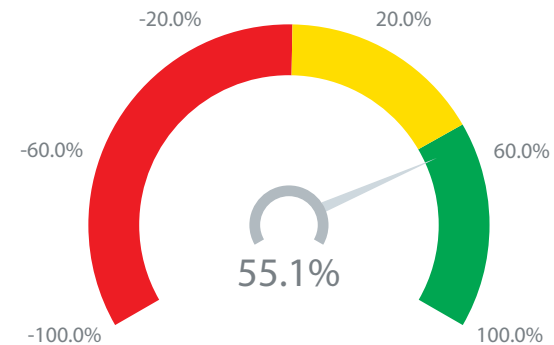
To assess the workplace climate, BancoSol employs the “Employer Leader” tool provided by BPO – Human Value. This tool investigates employee satisfaction within their work environment, considering dimensions such as communication, collaboration, trust, commitment, human management, well-being, equity and inclusion, as well as leadership eNPS. These factors have a direct impact on the internal dynamics of work teams and their productivity.

In 2023, an 83.4% participation rate was recorded among all Bank employees and an overall satisfaction index of 81.1%, leading to the attainment of the Employer Leader Certification. Additionally, the Employee Net Promoter Score (eNPS) reached 55.1%, indicating that employees view BancoSol as an excellent place to work and are willing to recommend it to others.

Satisfaction Index



eNPS Company



9 Financial culture and awareness



9. Financial culture and awareness

(GRI 3-3, FS16)

BancoSol has a strong commitment to inclusion and the generation of opportunities for Bolivian microentrepreneurs. To enhance this development, financial education is essential, as it enables individuals to achieve greater well-being by fully understanding the financial products and services available to them.

BancoSol's Financial Education Policy outlines clear guidelines for knowledge management among financial consumers. This policy not only contributes to the protection of customer rights but also promotes financial inclusion, ensuring that they can access products and services suitable for their profiles.

BancoSol's Financial Education policy has been designed for the following:

1. **Foster financial inclusion:** promotes financial inclusion by facilitating access to a wide range of financial products and services, especially for those segments of the population that have traditionally been underserved.
2. **Protect consumers' rights:** this ensures that financial consumers receive clear communication about their rights and responsibilities, providing the information they need to make safe and confident decisions.
3. **Develop Financial Capabilities:** Through educational programs and accessible materials, the goal is to help clients acquire essential financial skills and knowledge. This enables them to manage their personal finances more effectively and plan for their economic future.

4. Facilitate Responsible Participation: By providing a clear understanding of risks and benefits, clients are encouraged to engage actively and responsibly in the financial system, making decisions that benefit their long-term financial well-being.

5. Incorporate Financial Education into Corporate Culture: The aim is to integrate financial education at all levels of the organization, ensuring that every employee understands its importance and can apply this knowledge in their daily interactions with clients.

To foster this financial culture, the Bank has implemented various initiatives involving clients, the community, and especially employees. Its Financial Education program is divided into two subprograms: one focused on education and the other on information.

Financial education subprogram

In 2023, BancoSol implemented its Financial Education program through in-person and virtual workshops (webinars), delivering technical and financial content tailored to each client segment. The program aims to enhance the financial health of various population groups.

The themes and content for each segment were developed following the guidelines of the Annual Financial Education Guide 2023. Below are the methodologies, content, and results achieved by the Bank:

- **Training for clients and users**

The main objective is to empower financial consumers to make more informed decisions.

A total of 16,233 people were engaged nationwide through in-person and virtual workshops.

Financial consumers: 12.002 people

Young financial consumers: 4.231 people

- **PonteON**

The agency network was used as points for financial education, promoting the informed and safe use of digital channels. At all service platforms, employees identified clients who opened savings accounts and provided them with tablets containing tutorial videos about the Bank's services and digital channels while the necessary paperwork was completed. Through this initiative, 30,080 clients were trained.

- **Welcome folders**

New clients received a "Welcome Folder" in digital format, which includes essential information about the benefits and risks associated with financial products and services. A BancoSol representative explained the content and addressed any questions the clients might have had. Thanks to this initiative, 25,123 individuals were trained.

- **Training for seniors**

This project employs teaching and experiential methodologies tailored to the specific needs of seniors. A total of 764 seniors were trained.

- **Training for People with Disabilities**

The project trained 381 individuals with disabilities, using educational and experiential methodologies tailored to their needs.

- **CapacitaRSE**

BancoSol created a project to improve the administrative and technical skills of microentrepreneurs, with a focus on the Financial Inclusion pillar. Consequently, 2,649 individuals obtained certification.

- **Descubre/ASOBAN**

Through the Descubre platform, ASOBAN webinars, and workshops at financial fairs coordinated with ASOBAN, a total of 7,559 individuals were trained.

- **ASOFIN Webinars**

In collaboration with ASOFIN, training sessions were conducted for 887 financial consumers through various workshops.

- **OVANTE**

The OVANTE TOOLKIT platform, in coordination with ASOFIN, benefited 865 financial consumers. This tool enabled microentrepreneurs to improve their digital and administrative skills, thereby strengthening their businesses.

- **Training for employees**

BancoSol trained 3,461 employees in financial education, focusing on the Bank's products and services. Additional training on specific products was also provided.

The financial education program has not only improved the financial health of clients but has also enhanced employees' abilities to deliver quality and warm service. These initiatives have significantly impacted informed financial decision-making, safe use of digital channels, and understanding of financial products and services. This comprehensive effort has allowed BancoSol to reinforce its commitment to financial inclusion and the sustainable development of its clients and the community.

Financial Education Initiatives 2023	Number of planned beneficiaries	Number of beneficiaries reached
Training sessions for clients and/or financial users	11,000	12,002
Training sessions for young clients and/or financial users	4,000	4,321
Distribution of welcome folders	20,000	25,123
Ponte ON: Training on digital channels	24,000	30,080
CapacitaRSE	2,000	2,649
Training sessions for senior citizens	600	764
Training for people with disabilities	200	381
Descubre ASOBAN	5,000	7,559
ASOFIN Webinars	2,000	887
Ovante: Free online courses on finance	1,000	865
Training sessions for employees	3,000	3,461

Financial information subprogram

In 2023, BancoSol conducted communication campaigns focused on financial education, utilizing traditional media, social networks, and its website. These initiatives reached a wide audience with the aim of promoting a better understanding of personal finances.

New materials were also created using simple and friendly language to ensure that the information is easy for everyone to understand. These materials include details about products and services such as opening accounts and applying for loans. The Bank has worked to explain each step of the process clearly and directly, making it easier to understand and access these services.

BancoSol has made a strong effort with its Avanza Mujer program, which focuses on providing financial products and services designed to empower women. The Bank aims to offer solutions that not only meet women's financial needs but also support their personal and professional growth.

These materials include practical tips on how to manage financial products, save effectively, and use credit responsibly. The initiative seeks not only to inform but also to train clients in the smart use of financial services.

In this way, BancoSol promotes financial inclusion and education in the community, helping women make informed financial decisions that improve their economic well-being.

In summary, BancoSol's information program in 2023 reflects its commitment to financial education and gender inclusion by providing valuable resources for clients to make the most of available financial opportunities.

10 Financial and digital inclusion



10. Financial and digital inclusion

10.1 Experience

(GRI 3-3, 416-1, 417-1, FS13)

BancoSol was founded to provide financial solutions that help its clients achieve a better future. It continues to work on creating high-quality financial products and services that meet the needs of its users.

This commitment is also reflected in the transparency of its fundraising and sales practices, as well as in its efforts to ensure financial security through responsible credit processes. Additionally, the Bank cares about the physical safety of all its employees, clients, and users at its financial service points (PAFs) throughout Bolivia.

The processes for analyzing clients' creditworthiness are designed to prevent over-indebtedness. This is achieved through a model that sets specific limits and is supported by a credit policy that covers all debt products offered by the Bank. This model evaluates:

- The client's willingness and ability to pay.
- The client's current assets and guarantees as alternative sources of payment.
- General conditions, including the client's economic activities and environmental influences

The digital space is incorporated into the sales processes from the first contact with the customer, who has access to a digital folder that includes additional information about the credit they have acquired, as well as important data about the bank, its operations, and the country's banking sector.

Regarding physical and personal security, BancoSol has protocols, measures, and security elements in each of its branches and offices:

- Clearly marked evacuation routes and emergency exits.
- Health and hygiene protocols.
- First aid stations equipped with kits in all facilities.
- Continuous monitoring system, (CCTV) and alarms.
- Reinforced storage areas.
- Available security personnel.

To measure and manage the customer experience, active listening mechanisms have been implemented:

Brand Tracking: A quantitative study was conducted by IPSOS CIES MORI through surveys targeting men and women of various ages, socioeconomic levels, and geographical areas, using a sample defined by the bank. This study includes global indicators of customer experience and three measurements were carried out in 2023:

March: The level of satisfaction, NPS (Net Promoter Score), and CES (Customer Effort Score).

July and October: NPS

The satisfaction surveys "Your Opinion Matters" aim to capture and measure satisfaction and NPS at branches, Puntos Sol Amigo, and Sol Amigo Express through a form accessible by scanning a QR code at the service point. This measurement is conducted continuously and allows users to provide additional comments.

Call Center customer experience evaluation: Regarding the evaluation of customer experience in the Call Center, after service is completed, a survey is conducted via an IVR (Interactive Voice Response) system to measure satisfaction, First Contact Resolution (FCR), NPS, and CES of the service received through the toll-free line. This measurement is also carried out continuously.

Result	2023
NPS Brand Traking	March: -14,1 July: -26,3 October: -25
Call Center	Sat: 88,8% NPS: 33,6% FCR: 81,2% CES: 80,4%
Your opinion is important to us	Agency NPS: 39,7% Satisfaction: 56,5% Sol amigo NPS: -7,5% Satisfaction: 35,2% Sol Amigo Express NPS: 23,2% Satisfaction: 54,9%

Considering the performance of customer experience indicators in 2023, the position of Customer Experience Management Specialist was created.

This role aims to systematically manage customer experience by understanding their needs and expectations to ensure high levels of satisfaction at every point of contact with the bank.

10.2 Digitization

BancoSol takes a comprehensive approach to financial inclusion by adopting new technologies and expanding the reach of its digital channels and tools, which also enhances its financial education program.

Digital platforms	
Platform	Description
Website	<ul style="list-style-type: none"> - Detailed information about all the bank's products and services. - Direct Access to the integrated digital services space: Soldigital. - Physical and digital contact points are provided. - Easy Access to the Complaint Form.
Solnet (Internet banking)	<ul style="list-style-type: none"> - Balance inquiries, statements, and transaction history. - Change of password and transaction PIN number. - Transfers among BancoSol accounts. - Transfers to third-party accounts and accounts at other Banks (ACH). - Domestic and international transfers. - Utility bill payments. - Loan installment payments. - QR payment collection. - Payroll payments.

Digital platforms	
Platform	Description
Solnet Empresas	<ul style="list-style-type: none"> – Balance inquiries, statements and transaction history. – Change of password and transaction PIN number. – Transfers among BancoSol accounts. – Transfers to third-party accounts and accounts at other banks (ACH). – Domestic and international transfers. – Utility bill payment. – Loan installment payments. – QR and universal payment collection. – Payroll payments. – User management. – Authorizations.
appSol	<ul style="list-style-type: none"> – Balance inquiries, statements and transaction history. – Utility Bill payments. – Loan installment payments. – Interbank transfers and QR payments. – QR payments and collections. – SolQR (QR payment service). – Domestic and international transfers. – Solpaskanaku. – Ganasol. – Cuentas claras (Clear accounts).
SolBot asistente digital	An integrated chatbot on the official website aimed at streamlining inquiries and meeting the needs of clients and digital users.

The increase in digital transactions and the number of customers migrating to BancoSol's digital services and platforms reflect the trust they place in the bank.

By the end of 2023, the number of users on appSol and Solnet grew by 23% compared to 2022, raising transaction volume on these platforms to 93%.

Appsol and Solnet Dimensions					
2021		2022		2023	
Number of users	% Transactionality	Number of users	% Transactionality	Number of users	% Transactionality
92,814	35%	151,483	50%	186,481	71%

Investment in optimizing and expanding digital systems has been key to improving usability and customer experience. Additionally, a culture of continuous training is promoted to keep all employees updated on technological implementations. Thus, BancoSol's purpose and offerings continue to gain value and have significant socioeconomic impacts, fostering resilience and accelerating innovation in the financial operations of micro-entrepreneurs across the country.

Additionally, BancoSol expanded its digital training focus through financial education initiatives, reaching over 49,242 financial consumers by the end of 2023.

*****More information on financial education initiatives can be found in the Financial Culture and Awareness chapter***

Actions to Encourage Consumers to Use Digital Tools					
2021		2022		2023	
Total number of clients and users trained in digital topics	Percentage of total trained individuals	Total number of clients and users trained in digital topics	Percentage of total trained individuals	Total number of clients and users trained in digital topics	Percentage of total trained individuals
46,527,00	51%	46,659	50%	49,242	54%

10.3 Financial inclusion

(GRI FS13, FS14) (SASB FN-CB-240a.1) 1

Accessibility

BancoSol aims to be a global leader in financial and digital inclusion, contributing to poverty reduction and sustainable development. To achieve this, it offers a range of products and services that promote financial inclusion in vulnerable communities, especially those that are unbanked and located in peri-urban and rural areas.

The bank provides over 1,136 Financial Service Points (PAFs) strategically located throughout the country to ensure everyone has access to the financial system:

- 104 Fixed agencies
- 5 Mobile agencies
- 23 Collection windows
- 10 Regional agencies
- 1 RS/REM

861 Non-financial correspondents

132 Sol Amigo Service points

196 ATMs

By the end of 2023, 36% of these points were situated in rural and intermediate areas, increasing the bank's presence in non-urban areas by five percentage points compared to 2022. Additionally, BancoSol ensures safe and barrier-free access to its facilities by adapting them for people with disabilities.

Detail	Total	Rural area (%)	Intermediate area (%)	Urban area (%)
Fixed agency	104	16,35%	21,15%	62,50%
Mobile agency	5	100,00%		
Non-financial correspondent	861	14,52%	22,42%	63,07%
Sol Amigo Point Service	132	8,33%	27,27%	64,39%
ATM	200	8,50%	8,50%	73,50%
REC / REM	1			100,00%
VENT / COB	23			100,00%
Region office	10			100,00%

Detail	La Paz	Cochabamba	El Alto	Oruro	Santa Cruz	Chuquisaca	Tarija	Potosí	Beni	Pando
Fixed agency	18	22	20	4	24	5	5	2	3	1
Mobile agency		2	2		1					
Non-financial correspondent	155	172	195	69	173	49	34	14		
Sol Amigo Point Service	21	23	36	3	27	12	8	2		
ATM	49	42	31	6	48	10	8	3	2	1
REC / REM		1								
VENT / COB	7	6	3	1	4	1	1			
Regional office	2	1	1	1	1	1	1	1	1	

Inclusive products

(GRI FS1, FS7) (SASB FN-CB-240a.1; FN-CF-000.A)

The bank has also continued to promote its savings products and inclusive social loans:

Customer acquisition:

BancoSol promotes the wealth growth and financial health of its customers through a diversified offering of savings accounts with preferential rates and features.

(Evolution of saving products 2022 – 2023)

Customer Acquisition Products			
Main characteristics	Description	Financial dimensions 2022	Intermediate Area (%)
Classic Savings Account	Financial tool that encourages saving, providing individuals with a safe and accessible way to store their money. It promotes financial inclusion and helps improve financial management.	Balance of Deposits at the End of 2022: USD 471,849,802 Number of Clients at the End of 2022: 1,219,736 (50% men, 50% women)	Balance of Deposits at the End of 2023: USD 663,283,459 Number of Clients at the End of 2023: 1,186,581 (50,52% men, 49,36% women, 0,12% legal entities)
Cuenta de Ahorro Mayor (high-interest account)	This savings account strengthens financial inclusion for people who do not have access to traditional banking services, allowing them to save and access loans to improve their financial situation. The account offers the benefit of higher returns with excellent and differentiated interest rates.	Value of Deposits at the End of 2022: USD 188,398,759 Number of Clients at the End of 2022: 56,108 (49% men, 51% women)	Value of Deposits at the End of 2023: USD 172,439,044 Number of Clients at the End of 2023: 53,471 (48,82% men, 51,18% women)
Sol futuro Savings Account	For children and teenagers, this account helps develop the habit of saving from an early age, teaching them financial responsibility and how to manage their money.	Value of Deposits at the End of 2022: USD 6,580,286 Number of Clients at the End of 2022: 23,913 (22% men, 78% women)	Value of Deposits at the End of 2023: USD 6,590,834 Number of Clients at the End of 2023: 21,400 (19,86% men, 80,14% women)

Customer acquisition products			
Main characteristics	Description	Financial dimensions 2022	Intermediate Area (%)
Online Savings Account	It has several benefits, including accessibility, time savings, cost reduction, and security. Additionally, it allows people living in rural areas to access banking services.	Value of Deposits at the End of 2022: USD 852,678 Number of Clients at the End of 2022: 9,137 (59% men, 41% women)	Value of Deposits at the End of 2022: USD 3,109,999 Number of Clients at the End of 2022: 19,893 (57,26% men, 42,74% women)
Solid Digital Savings Account	It has several benefits, including accessibility, time savings, cost reduction, and security. Additionally, it allows people living in rural areas to access banking services.	Value of Deposits at the End of 2022: USD 1,403,786 Number of Clients at the End of 2022: 183 (59% men, 41% women)	Value of Deposits at the End of 2023: USD 15,011,173 Number of Clients at the End of 2023: 1,143 (55,64% men, 44,36% women)

Loans:

BancoSol provides access to financing and productive capital through various types of loans, including microloans, loans for small and medium-sized enterprises (SMEs), mortgage loans, and personal loans.

(Evolution of loans 2022 – 2023)

Loan Products				
Type	Detail	2022	2023	VAR
Microcredit	Number of customers	251,527	278,498	26,971
	Credit issued during the year (thousands of USD)	930,189	1,068,593	138,404
	Year-end balance (thousands of USD)	1,676,801	1,890,537	213,736
SME Credit	Number of customers	9	8	-1
	Credit issued during the year (thousands of USD)	20	120	100
	Year-end balance (thousands of USD)	275	281	5
Mortgage Credit				-
	Number of customers	25,420	25,309	-111
	Credit issued during the year (thousands of USD)	87,799	81,580	-6,218
Consumer credit	Year-end balance (thousands of USD)	202,864	206,349	3,485
	Number of customers	52,237	61,632	9,395
	Credit issued during the year (thousands of USD)	134,034	144,667	10,633
	Year-end balance (thousands of USD)	208,34	257,879	49,530

Housing loan

Social housing loans offer preferential interest rates to encourage home purchases within the community. These loans are intended for financing single-family homes for non-commercial purposes.

(Evolution of loans 2022 – 2023)

Housing Loan, Expressed in Bolivianos			
Account	2021	2022	2023
Active first mortgage home loans	145,397,403,27	178,862,373,57	177,820,190
Active social interest housing loans	132,857,883,51	134,690,903,84	182,682,824
Active unsecured housing loans	666,454,071,06	1,066,383,335,15	1,038,788,841
Active social interest unsecured housing loans	4,363,807,72	11,711,795,24	16,261,614
Total	949,073,165,56	1,391,648,407,80	1,415,553,469

Remittances

The remittance service of BancoSol acts as a close link between Bolivian families who have relatives abroad.

(Evolution of remittances 2022 – 2023)

		2021	2022	2023
Remittances	Total remittance transactions	61,036	60,721	56,357
	Value of transactions received (in the year) (thousands of USD)	13,085,307.31	13,347,559.16	26,594,622.78

Productive Development Loans

FOGACP:

The Credit Guarantee Fund for the Productive Sector (FOGACP) was established through Supreme Decrees N° 2136 on October 9, 2014, and N° 2614 on December 2, 2015, for multiple banks. On November 8, 2016, Banco Solidario S.A. and the Ministry of Economy and Public Finance signed a contract for the creation and operation of FOGACP-BSO in accordance with Note MEFP/VPSF/DGSF/N° 442/2016.

In the XXXIV Ordinary Shareholders' Meeting of Banco Solidario S.A., held on February 25, 2016, it was approved to allocate 6% of the profits from the year 2015 to establish FOGAVISP-BSO, with an initial contribution of Bs. 13,451,323. Subsequently, in the XXXV Ordinary Shareholders' Meeting on June 8, 2016, the transfer of that mentioned percentage was authorized for the creation of FOGACP-BSO.

On August 5, 2016, ASFI sent Ministerial Resolution N° 634 dated July 22, 2016, which approved the second version of the Regulations for Guarantee Funds for the Productive Sector and nullified Ministerial Resolutions N°52 and N°53 dated February 6, 2015.

In compliance with DS N°3764 on January 2, 2019, during the XXXIX Ordinary Shareholders' Meeting on March 1, 2019, a contribution of 3% from the previous year's profits was made amounting to Bs.8,064,349.

Likewise, under DS N°4131 on January 9, 2020, during the XL Ordinary Shareholders' Meeting on January 14, 2020, a contribution of 2% from the previous year's profits was made totaling Bs.6,697,262.

Article four of the mentioned Ministerial Resolution establishes that the ASFI will be responsible for monitoring and ensuring compliance with these regulations.

As of December 31, 2023, the guarantees provided by FOGACP-BSO to Banco Solidario S.A. in productive sector loans amount to a total of ten thousand one hundred thirty-nine (10,139) cases totaling Bs.295,630,624.

The Credit Guarantee Fund for the Productive Sector administered by Banco Solidario S.A. (FOGACP-BSO) had no probable contingencies of any kind at the end of 2023, except for the guarantees granted to date.

FOGAVISP

The Housing and Productive Credit Guarantee Fund (FOGAVISP - BSO) was created in accordance with the enactment of Supreme Decrees No. 2136 and No. 2137, both dated October 09, 2014, for Multiple Banks.

At the XXXII Ordinary Shareholders' Meeting of Banco Solidario S.A., held on February 23, 2015, the creation of FOGAVISP-BSO was approved, allocating 6% of the profits obtained in 2014, with an initial contribution of Bs. 10,910,899.

On March 12, 2015, Banco Solidario S.A. and the Ministry of Economy and Public Finance signed a contract and regulations for the creation and operation of FOGAVISP-BSO under Ministerial Resolution N° 052.

On August 5, 2016, with Circular Letter ASFI DNP CC 5868/2016, ASFI sent Ministerial Resolution N° 634 dated July 22, 2016, which approves the second version of the Regulations for the Guarantee Funds for Social Interest Housing Loans and the Guarantee Funds for the Productive Sector, nullifying Ministerial Resolutions N° 052 and N° 053 dated February 6, 2015.

In compliance with DS N° 3036 dated December 28, 2016, and according to the decisions made at the XXXVII Ordinary Shareholders' Meeting of Banco Solidario S.A. held on February 21, 2017, a contribution of 3% on the results of the year 2016 was made, amounting to Bs. 6,744,918.

In compliance with DS N° 3764 dated January 2, 2019, and according to the decisions made at the XXXIX Ordinary Shareholders' Meeting of Banco Solidario S.A. held on March 1, 2019, a contribution of 3% on the results for the year 2018 was made, amounting to Bs. 8,064,349.

In compliance with DS N° 4131 dated January 9, 2020, and according to the decisions made at the XL Ordinary Shareholders' Meeting of Banco Solidario S.A. held on January 14, 2020, a contribution of 2% on the results for the year 2019 was made, totaling Bs. 6,697,262.

10.4 Corporate development

BancoSol has organized three seasons of the MIC Cultural Spaces (Interactive Museum of Microfinance), a free space aimed at promoting economic and cultural development through the work of local artists and micro-entrepreneurs from La Paz, Cochabamba, Santa Cruz, Sucre, and Tarija. These spaces create opportunities for them to showcase their pieces and raise visibility for their brands and products.

In 2023, the MIC Cultural Spaces benefited a total of 59 exhibitors and sold over 250 items. Additionally, BancoSol, through its financial education program CapacitaRSE, promoted the opening of savings accounts and provided training on using QR codes via appSol.

11 Sustainable practices for customers



11. Sustainable practices for customers

11.1 Calculation of the portfolio carbon footprint

(GRI 305-3)

Aligning financial flows towards low-carbon industries is a global challenge that BancoSol has embraced by measuring the carbon footprint of its portfolio to minimize its environmental impact.

The bank has recognized that its services and products directly affect the environment, being a pioneer in Bolivia by signing the United Nations' Principles for Responsible Banking (PBR), a framework for sustainable banking developed in collaboration with banks and the United Nations Environment Programme Finance Initiative (UNEP FI).

Additionally, BancoSol became the first bank in Bolivia to measure and report its carbon footprint according to the PCAF (Partnership for Carbon Accounting Financials) standard, aiming to reduce the environmental impact of its financed emissions. As a member of the Global Alliance for Banking on Values (GABV), it participates in the "3C Initiative," which seeks to combat climate change through measuring and disclosing the impact of its portfolio.

For the calculations of 2022 and 2023, which encompass 100% of the financed portfolio, BancoSol has raised its ambition in measuring its carbon footprint. This was achieved by improving the quality of information using formulas 3b (quality 5) and 3a (quality 4 or higher). Since 99.9% of its credit portfolio corresponds to consumer banking—divided into consumer loans (10%), housing loans (10%), and microloans (80%)—the calculation base used was the portfolio balances classified under CAEDEC DESTINO. This change was made from the carbon footprint measurement of 2021, which was based on CAEDEC CIUU:

Huella de Carbono de Cartera Financiada 100% de la cartera (tonCO ₂ eq)		
2021	2022	2023
357,643.17	389,342.10	434,862.96

12 Environmental and social development



12. Environmental and social development

12.1 Social projects in the community

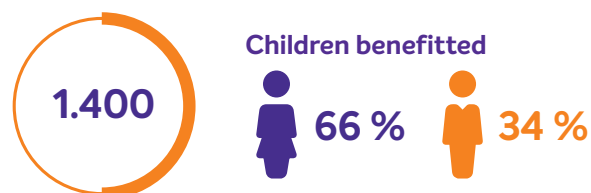
BancoSol's social commitment is reflected in its products and services as well as in all its operations. To support vulnerable groups, it implements programs that provide development opportunities through education and child welfare.

Social capital schools

The Social Capital Schools have over 14 years dedicated to training and empowering children and adolescents. In 2023, several important activities were conducted:

- **In-Person Workshops:** Seven workshops were organized in La Paz, Cochabamba, Santa Cruz, and Sucre, featuring ClaveSol with strategic partners.
- **Virtual Workshops:** Three virtual workshops on robotics, programming, and English were held nationwide, allowing participation from students across the country.

These workshops benefited 1,400 children and adolescents aged 4 to 17, contributing to improved educational quality and reduced inequalities.



Additionally, an in-person robotics workshop was conducted in the rural community of Qhachari, benefiting 20 young people. This underscores the commitment of the Social Capital Schools to inclusion and access to technological education in rural areas.

These initiatives not only promote educational and personal development but also reinforce the commitment to equitable opportunities for all children and adolescents, regardless of their location or socioeconomic context.



Class duration: 5 months (average)
Total hours: 101 class hours (average)
Dropout rate: 17%



Number of certificates issued: 1,157
Retention rate: 83
Net Promoter Score: 99%

• ClaveSol La Paz

In collaboration with the Fundación Bolivia Clásica, 58 children and young people benefited from in-person workshops aimed at developing musical and soft skills. Of the participants, 72% were women, reflecting a strong commitment to gender inclusion in music education.

The workshops focused on teaching classical stringed instruments, including the following:

- Violín
- Viola
- Cello
- Double bass

With a duration of six months, the workshops provided a total of 103.5 class hours, led by expert instructors from the Fundación Bolivia Clásica, ensuring a high level of musical learning and practice.

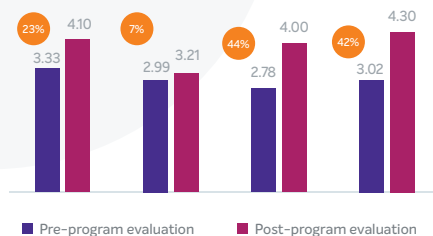
At the end of the program, 51 children and adolescents received certificates acknowledging their participation and achievements. This certification not only validates their musical skills but also serves as an incentive for their future personal and professional development.

The project also assessed improvements in musical skills such as rhythm, solfeggio, musical aspects, and instrumental technique, achieving a 29% increase in these areas. Additionally, improvements were measured in soft skills like self-confidence, responsibility, commitment, teamwork, resilience, and leadership, with an increase of 179%.

Impact indicators

ClaveSol Bolivia Clásica (La Paz - Sopocachi)

RESULTS OF TECHNICAL SKILLS



29% of students from ClaveSol in La Paz improved their musical technical skills. (Bolivia Clásica).

10 new students were registered in September due to the school's dropout rate. Extra hours were put in with the new students in order to meet the improvement goals.

RESULTS OF SOFT SKILLS



179% of students from ClaveSol in La Paz improved their soft skills. (Bolivia Clásica).

10 new students were registered in September due to the school's dropout rate. Extra hours were put in with the new students in order to meet the improvement goals.



Class duration: 5 months

Hour load: 116 hours



Final project: 1 presentation at the end of the course

Number of participants: 70



Number of certificates: 51

Dropout rate: 4%

These workshops not only provided quality musical education but also encouraged the development of essential soft skills such as discipline, teamwork, and self-expression. Additionally, they contributed to the creation of an inclusive and diverse community where young people can explore and expand their talents in a supportive and motivating environment.

• **ClaveSol El Alto:**

In partnership with the Bolivia Clásica Foundation and the Autonomous Municipal Government of El Alto, 51 children and young people from El Alto participated in in-person workshops at the Convention Center. Among the participants, 65% were girls and 35% were boys. The workshops aimed to enhance both musical abilities and soft skills through the study of classical string instruments:

- Violín

- Viola
- Cello

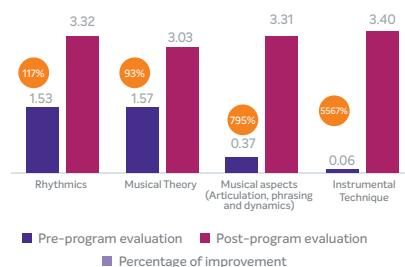
The program lasted for 5 months, during which a total of 103.5 hours of classes were conducted with the support of the Foundation. At the end of the workshops, 41 children and adolescents received certification, recognizing their dedication and progress in developing their musical skills.

The project assessed improvements in musical skills, including rhythm, sight-reading, musical aspects, and instrumental technique, achieving a 65% improvement in these areas among participants. Additionally, improvements in soft skills were measured, such as self-confidence, responsibility and commitment, teamwork, resilience, and leadership. Students achieved a 61% improvement in these skills.

Impact Indicators

ClaveSol Bolivia Clásica (La Paz - El Alto, Santiago I)

RESULTS OF TECHNICAL SKILLS INDICATORS



65% of students from ClaveSol in La Paz improved their musical technical skills.

10 new students were registered in September due to the school's dropout rate. Extra hours were put in with the new students in order to meet the improvement goals.

RESULTS OF SOFT SKILLS INDICATORS



61% of students from ClaveSol in La Paz improved their soft skills.

10 new students were registered in September due to the school's dropout rate. Extra hours were put in with the new students in order to meet the improvement goals.



Class duration: 5 months



Hour Load: 116 hours



Final project: 1 presentation at the end of the course



Number of participants: 50



Number of certificates: 48



Dropout rate: 4%

This initiative not only enhanced the musical training of the participants but also fostered a comprehensive learning environment that promoted essential values and skills for their personal and social development. The collaboration with the Bolivia Clásica Foundation has been a significant step towards creating educational and cultural opportunities for the youth of El Alto, contributing to the sustainable development of the community.

• **ClaveSol Cochabamba**

In Cochabamba, in collaboration with the Bravura Musical Foundation, 93 children and young people participated in in-person workshops, with 57% being girls. These workshops focused on developing both musical skills and soft skills through learning classical string instruments:

- Violín
- Viola

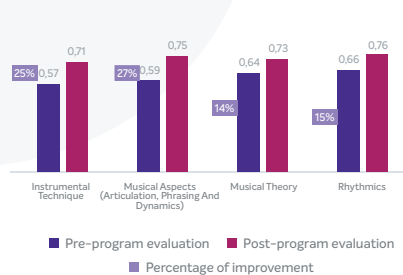
- Cello
- Double bass

The program lasted 5 months, during which 118 hours of classes were held with the Foundation's support. At the end of the workshops, 85 children and adolescents received certification, acknowledging their dedication and progress in areas such as rhythm, sight-reading, musical concepts, and instrumental technique.

The project evaluated improvements in musical skills, including rhythm, sight-reading, musical concepts, and instrumental technique, with participants maintaining an average level of knowledge in these areas. Additionally, improvements in soft skills were measured, such as self-confidence, responsibility and commitment, teamwork, resilience, and leadership. Students achieved a 2% improvement in these skills.

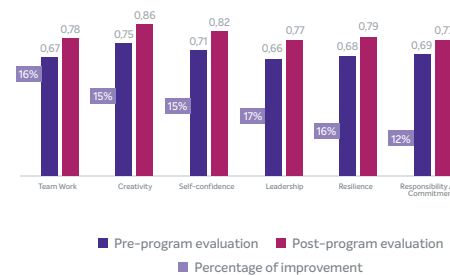
Indicadores de Impacto ClaveSol Bravura (Cochabamba - Villa Calendaría)

RESULTS OF TECHNICAL SKILLS INDICATORS



20% of students from ClaveSol in Cochabamba improved their musical technical skills.

RESULTS OF SOFT SKILLS INDICATORS



15% of students from ClaveSol in Cochabamba improved their soft skills.



Class duration: 5 months



Hour Load: 118.5 hours



Final project: 3 presentations



Number of participants: 115



Number of certificates: 85



Dropout rate: 26%

• **ClaveSol Santa Cruz – Los Lotes:**

Along with the San Juan Bautista Parish, 62 children and young people from Santa Cruz participated in in-person workshops, with 63% being girls. These workshops focused on developing both musical skills and soft skills through learning classical string instruments:

- Violín
- Viola
- Cello

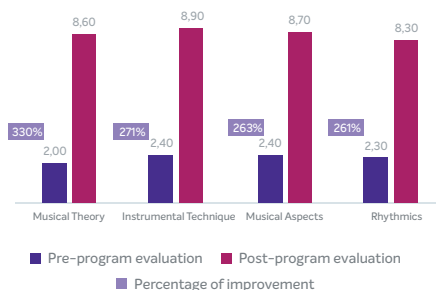
The program lasted for 5 months, during which 160 hours of classes were held with the support of the Foundation. At the end of the workshops, 55 children and adolescents received certification, acknowledging their dedication and progress in areas such as rhythm, sight-reading, musical concepts, and instrumental technique.

The project assessed improvements in musical skills, achieving a 279% increase in these areas among participants. Additionally, improvements in soft skills were measured, including self-confidence, responsibility and commitment, teamwork, resilience, and leadership. Students achieved a 16% improvement in these skills.

Impact Indicators

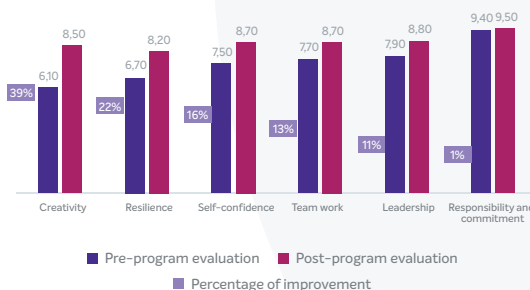
ClaveSol Juan Bautista (Santa Cruz – Los Lotes)

RESULTS OF TECHNICAL SKILLS INDICATORS



279% of students from ClaveSol in Los Lotes improved their musical technical skills.

RESULTS OF SOFT SKILLS INDICATORS



16% of students from ClaveSol in Los Lotes improved their soft skills.



Class duration: 5 months



Hour Load: 160 hours (online classes)



Final project: 3 presentations



Number of participants: 62



Number of certificates: 55



Dropout rate: 11%

• **ClaveSol Santa Cruz – Buena Vista**

Together with the San Juan Bautista Parish, 62 children and young people from Buena Vista participated in in-person workshops, with 58% being girls. These workshops focused on developing both musical skills and soft skills through learning classical string instruments:

- Violín
- Viola
- Cello
- Double bass

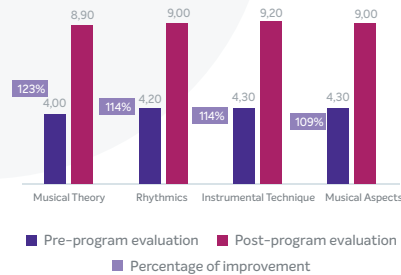
The program lasted for 5 months, during which 160 hours of classes were held with the support of the Foundation. At the end of the workshops, 56 children and adolescents received certification, recognizing their dedication and progress in areas such as rhythm, sight-reading, musical concepts, and instrumental technique.

The project assessed improvements in musical skills, achieving a 115% increase in these areas among participants. Additionally, improvements in soft skills were measured, including self-confidence, responsibility and commitment, teamwork, resilience, and leadership. Students achieved a 43% improvement in these skills.

Impact Indicators

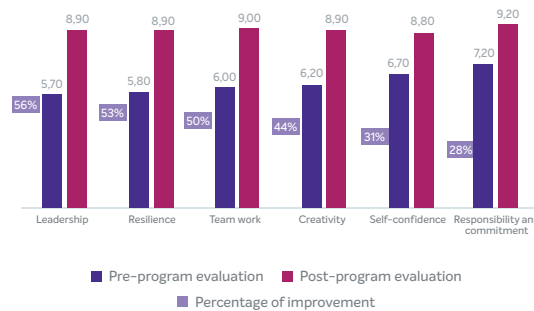
ClaveSol Juan Bautista (Santa Cruz – Buena Vista)

RESULTS OF TECHNICAL SKILLS INDICATORS



115% of students from ClaveSol Buena Vista improved their musical technical skills.

RESULTS OF SOFT SKILLS INDICATORS



43% of students from ClaveSol Buena Vista improved their soft skills.



Class duration: 5 months



Hour Load: 160 hours (online classes)



Final project: 3 presentations



Number of participants: 62



Number of certificates: 56



Dropout rate: 10%

• **ClaveSol Santa Cruz – Plan 3000**

In collaboration with the Hombres Nuevos Foundation, 126 children and young people from Santa Cruz participated in in-person workshops, with 65% being girls. These workshops focused on developing both musical skills and soft skills through learning classical string, wind, and percussion instruments, including:

- Beginner violin
- Children's violin
- Advanced violin
- Viola
- Cello
- Recorder
- Saxophone

- Trumpet
- Horn
- Music in colors

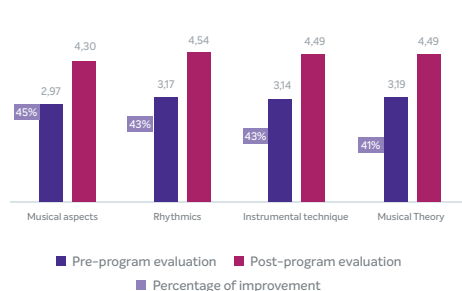
The program lasted for 5 months, during which 100 hours of classes were conducted with the support of the Foundation. At the end of the workshops, 104 children and adolescents received certification, recognizing their dedication and progress in developing their musical skills (rhythm, sight-reading, musical concepts, and instrumental technique).

The project assessed improvements in musical skills, achieving a 41% increase in these areas among participants. Additionally, improvements in soft skills were measured, such as self-confidence, responsibility and commitment, teamwork, resilience, and leadership. Students achieved a 34% improvement in these skills.

Impact Indicators

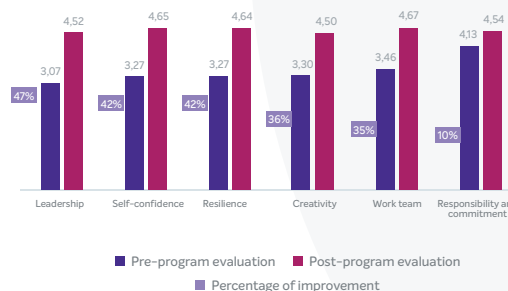
ClaveSol Hombres Nuevos (Santa Cruz – Plan 3000)

RESULTS OF TECHNICAL SKILLS INDICATORS



43% of students from ClaveSol Plan 3000 improved their musical technical skills.

RESULTS OF SOFT SKILLS INDICATORS



34% of students from ClaveSol Plan 3000 improved their soft skills.



Class duration: 5 months



Hour Load: 160 hours (online classes)



Final project: 4 presentations



Number of participants: 126



Number of certificates: 1044



Dropout rate: 17%

Latin American Baroque Festival – Peru

As part of the Social Capital Schools program, BancoSol supported the Hombres Nuevos Foundation to enable 30 students aged 10 to 18 and 5 teachers from the ClaveSol project to participate in the Latin American Baroque Festival from September 17 to 24. This marked the first participation of a Bolivian group in the festival and the only one that included children.

BancoSol sponsored the children's travel expenses and provided jackets for their performances. Additionally, the Hombres Nuevos Foundation covered accommodation costs. To raise the necessary funds, several fundraising activities were organized. During the event, the children and young people performed and held two concerts in Cusco and one concert in Juli, a town located at 4,000 meters above sea level.

Participating in the festival not only provided them with valuable experience for their professional training but also allowed them to enjoy and learn about the cultural attractions of Cusco. This opportunity broadened their horizons, offering them an enriching experience both artistically and personally.

BancoSol's commitment to initiatives like this reflects its ongoing support for the cultural and educational development of new generations.

Encouraging talent and providing opportunities for young artists to grow and represent Bolivia at international events is an integral part of the Social Capital Schools program.

- ClaveSol Sucre:

In collaboration with a university, 80 children and young people from Sucre participated in in-person workshops, with 59% being girls. These workshops focused on developing both musical skills and soft skills through learning classical string instruments:

- Violin
- Choir

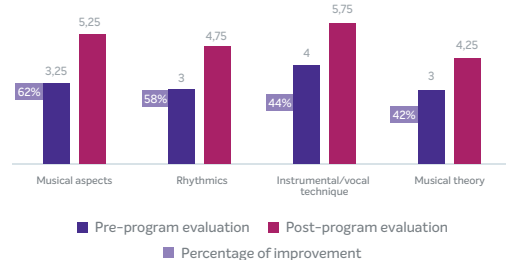
The program lasted for 5 months, during which 120 hours of classes were held with the support of the Foundation. At the end of the workshops, 72 children and adolescents received certification, recognizing their dedication and progress in developing their musical skills (rhythm, sight-reading, musical concepts, and instrumental technique).

The project assessed improvements in musical skills, achieving a 49% increase in these areas among participants. Additionally, improvements in soft skills were measured, such as self-confidence, responsibility and commitment, teamwork, resilience, and leadership. Students achieved a 33% improvement in these skills.

Impact Indicators

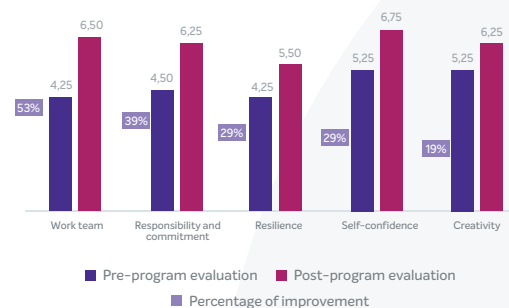
ClaveSol USFX (Sucre - Kilómetro 7)

RESULTS OF TECHNICAL SKILLS INDICATORS



51% of students from ClaveSol Sucre improved their musical technical skills.

RESULTS OF SOFT SKILLS INDICATORS



33% of students from ClaveSol Sucre improved their soft skills.



Class duration: 5 months



Hour Load: 120 hours (online classes)



Final project: 1 presentation



Number of participants: 80



Number of certificates: 72



Dropout rate: 10%

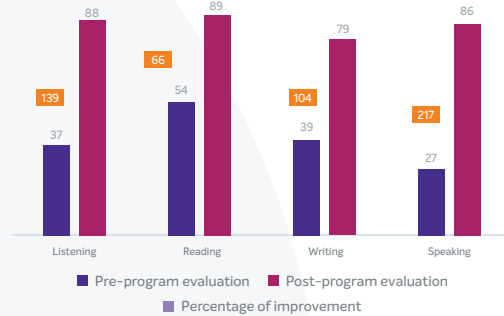
• English school:

In partnership with Berlitz Bolivia, we overcame language barriers through virtual workshops that benefited 406 children and teenagers nationwide, aged between 5 and 17. These workshops significantly contributed to the development and strengthening of English language skills (listening, writing,

speaking, and reading), improving these competencies by 118%. Additionally, soft skills such as responsibility, resilience, and creativity were encouraged, with a 9% improvement, promoting overall development among the participants.

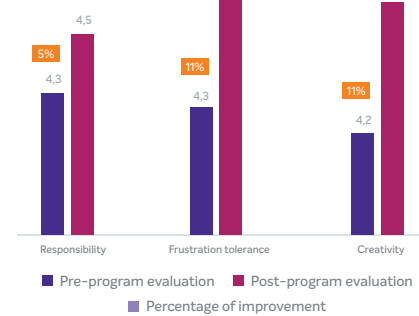
Impact Indicators Escuela de Inglés (Academia Berlitz)

RESULTS OF TECHNICAL SKILLS INDICATORS



118% of English students improved their musical technical skills.

RESULTS OF SOFT SKILLS INDICATORS



9% of English students improved their soft skills.



Class duration: 3 months



Hour Load: 36 hours (online classes)



Number of participants: 406



Number of certificates: 273*



Dropout rate: 22%

* Certificates (Certificates were only given to students who scored 80 points).

The students were divided into two groups based on their knowledge levels. Each group received classes for 3 months, totaling 36 hours of training. In 2023, out of all the beneficiaries, 318 students were certified, achieving an average score of 80% or higher, recognizing their dedication and progress in learning English.

The program's structure was designed to provide a dynamic and accessible learning environment, using technological tools that allowed for effective interaction between instructors and students, even in a virtual format.

The class content covered not only the technical aspects of the language but also included practical and collaborative activities that encouraged participation and teamwork.

This initiative not only facilitated access to quality language education but also promoted a comprehensive learning environment where students could develop essential skills for their personal and academic growth. The collaboration with Berlitz Bolivia has been a significant step toward creating educational opportunities for young people, contributing to the sustainable development of our communities.

The success of these workshops shows our commitment to inclusive and equitable education, highlighting how strategic partnerships can positively impact the development of future generations. We will continue to work on expanding this program to reach more young people, providing them with the necessary tools to confidently tackle modern challenges.

- **Technology school**

The Virtual Technology School aimed to develop STEM (Science, Technology, Engineering, and Mathematics) skills in children and teenagers aged 8 to 17. This program primarily benefited girls and adolescents from vulnerable sectors, who made up 75% of the participants.

Thanks to a strategic partnership with Elemental Academy, the Technology School offered two main workshops: Robotics and Programming. Below are the details and achievements of each workshop:

- **Robotics**

The robotics workshop provided participants with a hands-on introduction to the principles of robotics, including design, construction, and programming using Arduino boards. Students engaged with robotics applications that allowed them to apply theoretical concepts in tangible projects. This practical approach not only promoted technical learning but also developed problem-solving skills, teamwork, and critical thinking.

In 2023, the robotics workshop benefited 220 students nationwide, with 73% being female and 26% male. Participants learned to use Arduino and recycled materials for their projects. Out of the 220 students, 189 received a certificate from Elemental Academy, recognizing their dedication and progress in robotics skills.

Robotics workshop in Qhachari in northern Potosí

In July 2023, with support from the Center for Studies and International Cooperation (CECI), the robotics school held an in-person workshop in the rural community of Qhachari in northern Potosí. In this workshop, 20 children and teenagers benefited from hands-on training. Using educational kits, they learned programming logic and participated in financial education workshops, providing them with a comprehensive and relevant education for their context.

The robotics workshop not only taught technical skills, such as using the platform, identifying robot components, designing robots, and basic programming—improving their technical abilities by 83%—but also fostered essential soft skills, enhancing them by 13%.

- **Technical Skills:** Participants gained competencies in using robotic platforms, identifying components, designing robots, and basic programming.
- **Soft Skills:** The workshop significantly promoted problem-solving, mathematical logic, creativity, and resilience, allowing students to improve in these key areas.

The implementation of the robotics workshop has been successful in terms of participation and results. Collaboration with Elemental Academy and support from organizations like CECI have been crucial in bringing this program to various communities, including rural areas like Qhachari.

The recognition through certificates not only validates the students' efforts but also motivates more young people to join future workshops. We will continue to work on expanding this program, ensuring that more children have access to educational opportunities that allow them to develop both technical and soft skills, better preparing them for future challenges.

This effort strengthens our commitment to inclusive and quality education, as well as to empowering new generations through technology and innovation.

- **Programming:**

In 2023, 220 children and teenagers benefited from the robotics workshop, which lasted 4 months and included 32 hours of virtual classes. Participants also had access to programming tools and applications. During the workshop, students presented and created 186 video games designed to address and solve problems related to their everyday lives.

The program encouraged female participation, with 75% of the beneficiaries being girls, while 25% were boys.

- **Technical Skills:** Participants gained experience in using programming platforms, identifying elements of a video game, designing and creating video games, and understanding basic programming concepts.

They improved their technical skills by 110%, showing significant progress in mastering essential tools and concepts for robotics and programming.

- **Soft Skills:** The workshop significantly promoted problem-solving, mathematical logic, creativity, and resilience, allowing students to improve in these key areas

Students also showed a 19% improvement in their soft skills, which are essential for their overall development and preparation for future challenges.

At the end of the workshop, 186 participants received a certificate recognizing their dedication and progress in learning programming. This achievement reflects not only the success of the program in teaching technical skills but also its positive impact on the personal development of young people.

The 2023 robotics workshop has been an effective tool for fostering both technical learning and the development of soft skills in children and teenagers. The high female participation and significant progress in key skills highlight the importance of continuing and expanding these programs to contribute to sustainable and equitable youth development.

The management of the Social Capital Schools concluded with the presentation of 375 final projects and 29 concerts at national and international levels. A total of 79% of enrolled students were certified, with an average increase of 161% in their technical skills. This result was based on tracking impact indicators regarding these skills, where students were evaluated before starting the programs and upon completion.

Social Capital Schools program indicators

Program	Programming	Robotics	English	ClaveSol Plan 3000	ClaveSol Villa Candelaria	ClaveSol Sopocachi	ClaveSol Buena Vista	ClaveSol Los	ClaveSol El Alto	ClaveSol Sucre	Total
Enrollment goal	200	200	345	100	80	50	50	50	50	65	1,190
Participants enrolled in the program	220	220	406	126	115	58	62	62	5	80	1,400
Number of active students in the program	186	189	318	104	85	51	56	55	41	72	1,157
Certificates issued at the end of the program	186	189	273	104	85	51	56	55	41	72	1,112
% of certificated	85%	85%	67%	83%	74%	88%	90%	89%	80%	90%	79%
5% dropout	15%	15%	22%	17%	26%	12%	10%	11%	20%	10%	17%

AcciónSol

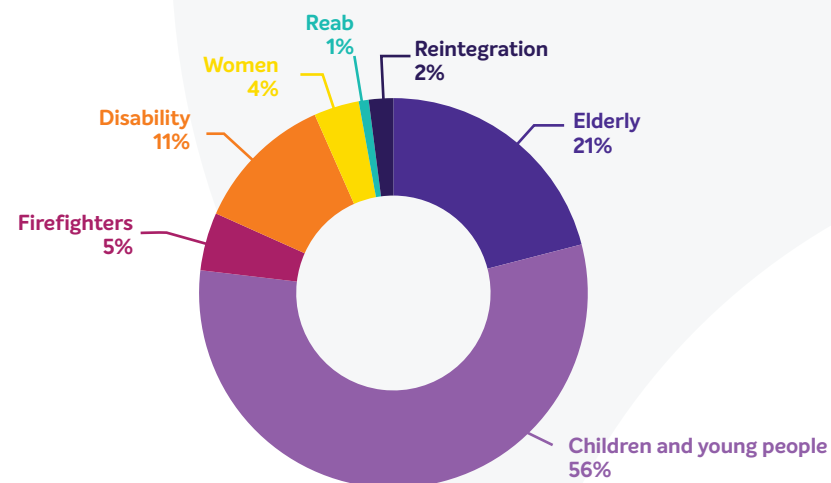
Acción Sol is BancoSol's program aimed at supporting vulnerable community sectors with the goal of reducing inequalities through solidarity campaigns. These campaigns focus on covering expenses related to health, food, and basic needs.

The program's areas of action and initiatives developed in collaboration with strategic partners aim to enhance BancoSol's positive impact in critical areas such as childhood, gender equity, and the creation of sustainable cities and

communities these collaborations allow BancoSol to maximize its efforts and resources to create meaningful changes in society.

Through these initiatives, the Acción Sol program positively impacted 2,654 beneficiaries nationwide. Some activities included volunteer days, where BancoSol employees actively participated in various tasks to help achieve the program's goals.

Regional branches	Total beneficiaries
Oficina Nacional	315
La Paz	315
Cochabamba	469
Santa Cruz	670
El Alto	330
Pando	80
Oruro	100
Sucre	30
Potosí	100
Tarja	245



Generación Sol Volunteering Program

The GeneraciónSol volunteer program at BancoSol is a key part of the bank's mission to promote social responsibility and community engagement. During 2023, various activities were carried out that significantly impacted society and the environment. Here are the achievements and results:

- **Building homes for homeless dogs:**

The program collaborated with local shelters to build and distribute dog houses, improving the living conditions for these animals.

- **Christmas campaign:**

A Christmas campaign was organized to collect and distribute toys, clothing, and food for vulnerable children and families, bringing joy and support during the holiday season.

- **Plogging:**

Several plogging events were held, which combine exercise with picking up trash. Volunteers walked through different neighborhoods collecting waste and raising environmental awareness among residents.

- **Cleaning in Chacaltaya:**

An important cleanup campaign took place in the Chacaltaya area, where volunteers collected waste and helped preserve this vital ecosystem.

Throughout 2023, 220 volunteers participated nationwide, accumulating 4.75 hours of volunteer work. Each of these activities not only contributed to improving the community and environment but also fostered a spirit of collaboration and solidarity among BancoSol employees and the wider community.

The success of GeneraciónSol would not be possible without the enthusiasm and dedication of BancoSol volunteers, who have shown that together we can build a better future for everyone.

Strategic Partnerships:

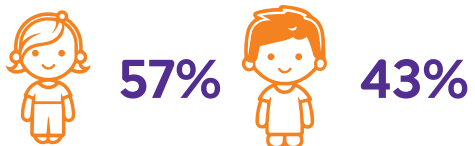
a) SOS Children's Villages

BancoSol has partnered with SOS Children's Villages through its Business Sponsorship program to support two families in La Paz and Sucre. This initiative has directly benefited 15 children and young people by providing them with essential resources for their growth and development.

BancoSol's dedication to this cause is clear in its efforts to ensure the comprehensive development of these minors, safeguarding their fundamental rights. The support offered includes access to quality education, healthcare, and programs focused on personal and emotional growth. Furthermore, BancoSol strives to create a safe and stable environment that is crucial for the well-being and development of these children and young people.

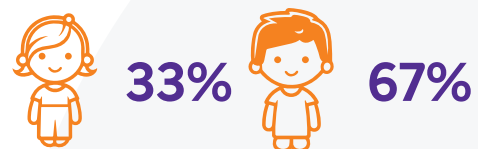
SOS Family Fraternity

Family in La Paz
7 boys and girls



SOS Family Kanchanpuni (Sucre)

Family in Sucre
6 boys and girls



b) Habitat for Humanity

Habitat for Humanity Bolivia, with funding from BancoSol, launched the first phase of the project “Strengthening Technical Skills, Planting Seeds for Employability” in 2022. This project directly involved 50 women, of whom 43 successfully graduated and received certification in plumbing.



Under the direction of Habitat for Humanity, the project produced the following outcomes:

Technical training

- 57 women trained in plumbing.
- 53 women trained in home electricity.
- 53 women certified in technical areas through the Ministry of Education, in partnership with Fe y Alegría (Irfa A).

Capacity building and entrepreneurship:

- An average of 50 women participated in all the workshops focused on soft skills and personal development.
- 53 women received training in entrepreneurship.
- 20 women started their own businesses in plumbing and home electrical work.

This project not only provided technical training but also boosted the self-esteem and personal skills of the participating women, empowering them to improve their economic and social situations. Despite some challenges faced during the project, the collaboration between Habitat for Humanity and BancoSol has proven to be a transformative initiative, positively impacting the lives of the beneficiaries and their communities.

c) San José Catholic Society

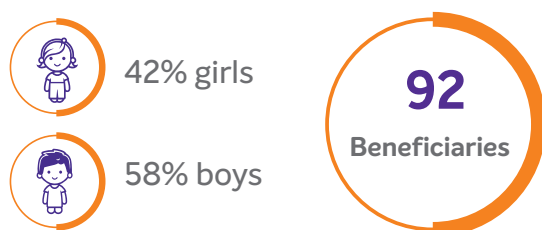
During the second consecutive year, from April 2023 to April 2024, three significant projects were carried out in collaboration with the San José Catholic Society, aimed at vulnerable communities in the outskirts and nearby municipalities of La Paz. These initiatives focused on essential aspects such as alternative education, ensuring food security, promoting comprehensive development, and fostering emotional self-regulation. Below are detailed descriptions of these projects to highlight their positive impact on the populations served:

• Pre-School Creativity Center (Alpacoma).

The project aims to provide comprehensive care for children aged 0 to 6 years in the communities of Alpacoma and Koani, located in the Achocalla municipality. It focuses on four main areas: education, food security and nutrition, livelihoods, and health.

The development of infants and children in these areas is achieved by monitoring the project's impact indicators.

By the end of the project, 92 children under the age of 5 benefited, with 43% being girls.



- **New Learning and Alternative Development Program (PANDA)**

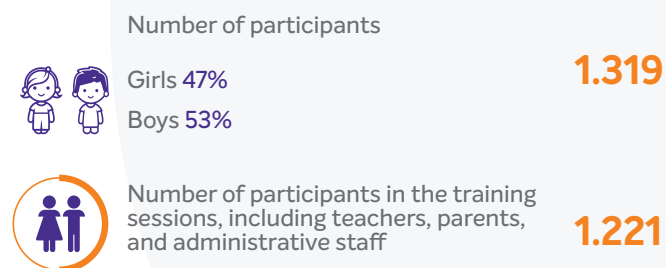
This program is implemented at the Las Lomas de Cotahuma Comprehensive Center and schools in the San Antonio and Periférica neighborhoods. This project focuses on using innovative teaching methods and open classroom approaches to support the overall development of its participants. Activities include urban gardening, sports, science, and life projects. The goal is to promote the comprehensive development of school-aged children and young people by strengthening their skills in seven areas: logical-mathematical thinking, language and communication, emotional self-regulation, leadership and participation for healthy inclusion in higher education, reducing educational gaps, gaining access to decent job opportunities, and achieving greater well-being for future generations of adults.

The PANDA project was developed during the current administration and is based on eight components: **Education, Early Childhood, Nutrition, Parents, Teachers in Schools, Methodological Development, Continuous Training, and Community.**

In 2023, the project directly benefited 911 children and young people, along with 2,511 parents and teachers indirectly.

- **Conscious Schools Project**

The pilot project was implemented in schools: one private and two public, to engage various demographic groups and set a baseline at the project's inception. With BancoSol's support in 2023, an Emotional Self-Regulation Guide (GAE) was created, along with training for volunteers and educators. The goal of this project is to improve the overall development and academic success of children, adolescents, and young people in educational settings through emotional self-regulation, utilizing different tools to foster a harmonious and collaborative atmosphere in classrooms and the broader educational community. During the 2023 pilot phase, 1,319 children and young people directly benefited from the program, with 48% being girls and 52% boys, while an additional 607 parents, teachers, and trainers benefited indirectly.



9.2 Environmental management

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

BancoSol is committed to conducting its activities through responsible business practices that measure, mitigate, prevent, and manage both its positive and negative impacts on the environment.

To achieve this, the bank aims to reduce its environmental impact on both the ecosystem and the community by continuously optimizing its operations and managing its customer portfolio.

In this context, 2023 saw the implementation of initiatives such as the energy transition roadmap (which includes photovoltaic systems, electromobility, sustainable purchasing, and infrastructure), the carbon neutrality roadmap, and the incorporation of biodiversity considerations. These efforts align with the need to shift towards low-carbon and climate-resilient economies.

To help mitigate climate change and reduce energy consumption, the following actions were taken:

Energy

The electricity consumed by over 1,000 Financial Service Points (PAFs) is constantly monitored and controlled, along with the fossil fuels used by the fleet of vehicles and generators located at the branches.

BancoSol is committed to accelerating the energy transition of its operations by seeking alternative energy sources from renewable sources. In 2023, the first photovoltaic (PV) system was installed at the National Office in La Paz, with an installed capacity of 106,940 kWh/year, generating 6,230 kWh/year by the end of the year.

In 2023, energy consumption reached 12,270,870.75 kWh, an increase of 23.26% compared to 2022, due to higher electricity demand from the expansion of branches and PAFs across the country. On the other hand, fossil fuel consumption in the form of gasoline, diesel, and natural gas for vehicles decreased by 12.7% compared to the previous year.

The lighting system at BancoSol consists entirely of LED lights.

Source	Measurement unit	2021	2022	2023
Fuel	GJ	15,876,02	20,970,29	18,301,61
	kWh	4,410,006,02	5,825,079,64	5,083,779,53
Electricity	GJ	17,223,83	14,868,88	25,873,53
	kWh	4,784,397,00	4,130,244,00	7,187,091,22
Total energy	GJ	33,099,85	35,839,17	44,175,13
	kWh	9,194,403,02	9,955,323,64	12,270,870,75

BancoSol includes energy intensity in its management metrics to highlight the relationship between the bank's total energy consumption and that of all its employees. This measure has remained stable compared to previous years, despite an increase in the workforce.

Energy consumption intensity breakdown by year			
Energy consumption intensity	2021	2022	2023
kWh/employee	2,995,90	3,170,48	3,293,3
GJ/employee	10,79	11,41	11,9

Greenhouse gas emissions

Based on the roadmap for reducing and mitigating emissions established in 2022, BancoSol continued to inventory and measure its Greenhouse Gas (GHG) emissions to create mitigation plans for the short, medium, and long term. In 2023, the bank's carbon footprint was calculated using the Greenhouse Gas Protocol (GHG Protocol) methodology, expressed in tCO₂e, which includes:

- **Scope 1:** Direct emissions from the consumption of fuels, mobile machinery, and refrigerant gas leaks.
- **Scope 2:** Indirect emissions associated with the generation and consumption of electricity.
- **Scope 3:** Other indirect emissions generated throughout the value chain. This follows the GHG Protocol methodology, which includes 15 categories. For the years 2022 and 2023, it also includes measuring emissions financed by the portfolio, corresponding to category 15 of this methodology and the standards for calculating Financed Emissions from the Partnership for Carbon Accounting Financials (PCAF).

****More information on the calculation of portfolio emissions can be found in the chapter on Sustainable Client Practice**

For this year, BancoSol's total carbon footprint was 4,618.34 tons CO₂eq, showing an 8% reduction in emissions compared to 2022.

Emisiones totales de GEIs (ton CO ₂ eq)				
Alcance	2022	2023	VAR 22-23 (ton CO ₂ eq) (G4-EN19)	VAR 22-23
Alcance 1	2,884,63	1,510,61	1,374,02	-48%
Alcance 2	1,637,01	2,052,79	415,78	25%
Alcance 3	494,60	1,054,94	560,34	46%
Total	5,016,24	4,618,34	-397.9	-8%

***Note:** The difference in emission results by type of scope between 2022 and 2023 is mainly due to the change in methodology used for the calculations in 2023. For this year, over 38,000 data points were analyzed in detail, related to paper usage and flight reports. Regarding waste results, it was estimated that 10% of the paper consumed by the agencies becomes waste. These changes improved the accuracy of the data, established a new baseline for future inventories, and informed the planning for reduction and mitigation strategies.

GHG Emissions 1 and 2 (tonCO ₂ eq)		
Detail	2022	2023
Scope 1	2,884,63	1,510,61
Scope 2	1,637,01	2,052,79
Total (Scope 1+2)	4,521,64	3,563,4
Intensity (tonCO ₂ eq/employee)	0,84	0,96

Carbon Footprint Measurement of Financed Portfolios

Since 2022, BancoSol has become a pioneer in the Bolivian financial system by measuring the carbon footprint of 100% of its financed portfolio according to the methodology of The Partnership for Carbon Accounting Financials (PCAF), specifically category 15 of Scope 3. The first measurement was conducted for the 2021 portfolio, which analyzed the portfolio based on CAEDC CIUU criteria, and this information was shared following best practices.

For the calculations in 2022 and 2023, which include 100% of the financed portfolio, BancoSol raised its measurement ambition by improving the quality of the data using formula 3b (quality level 5) and 3a (quality level 4 or better).

Additionally, due to the characteristics of its loan portfolio (99.9% is consumer banking, divided into 10% consumer loans, 10% housing loans, and 80% microcredit), it used the loan balances classified under CAEDEC DESTINO as the basis for calculating the carbon footprint. This represents a change from the previous measurement criterion used for the 2021 portfolio, which was based on CAEDEC CIUU. The final results reflect these adjustments.

Carbon Footprint of Financed Portfolio 100% of portfolio (tonCO ₂ eq)		
2021	2022	2023
357643,17	389.342,10	434.862,96

Forestry compensation program

BancoSol, in its effort to combat climate change and support a just transition in the country, began implementing its forest compensation program in 2023 in partnership with the Wildlife Conservation Society (WCS) and Conservación Amazónica ACEAA. This program aims to finance the following projects:

- **Sustainable livelihoods and healthy forests**, which has a carbon absorption capacity of 4,049 tCO₂e, while preventing the cutting down of 14,333 trees and protecting 8 species of high-value wildlife.
- **Consolidation of the açai value chain as a mechanism for reducing greenhouse gas emissions (Phase I)** with a carbon absorption capacity of 4,600 tCO₂e. This project impacts conservation efforts across more than 17,000 hectares of Amazon rainforest, benefiting 7 species of medium and large mammals that are vulnerable and 1 species that is critically endangered.

These projects, through a combined investment of \$151,000, contribute to the conservation and restoration of high-value forest areas in terms of biodiversity and ecosystem services. They also generate social co-benefits, benefiting 679 families (42% women and 58% men) from indigenous and rural communities across three departments in the country (La Paz, Beni, and Pando), covering 13 municipalities that overlap with four national protected areas and two subnational protected areas:

1. Madidi National Park and Integrated Natural Area
2. Pilon Lajas Biosphere Reserve and Community Land of Origin
3. Manuripi Amazon Wildlife National Reserve
4. Apolobamba Integrated Natural Area
5. Porvenir Forest Integral Management Amazon Forest
6. Puerto Rico Integral Management Amazon Forest

These Amazonian forest areas host valuable wildlife and plant species. Among the fauna, there are species with varying degrees of vulnerability according to CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), such as: jaguar, ocelot, puma, howler monkey, giant otter, jucumari bear, urina, condor, etc.

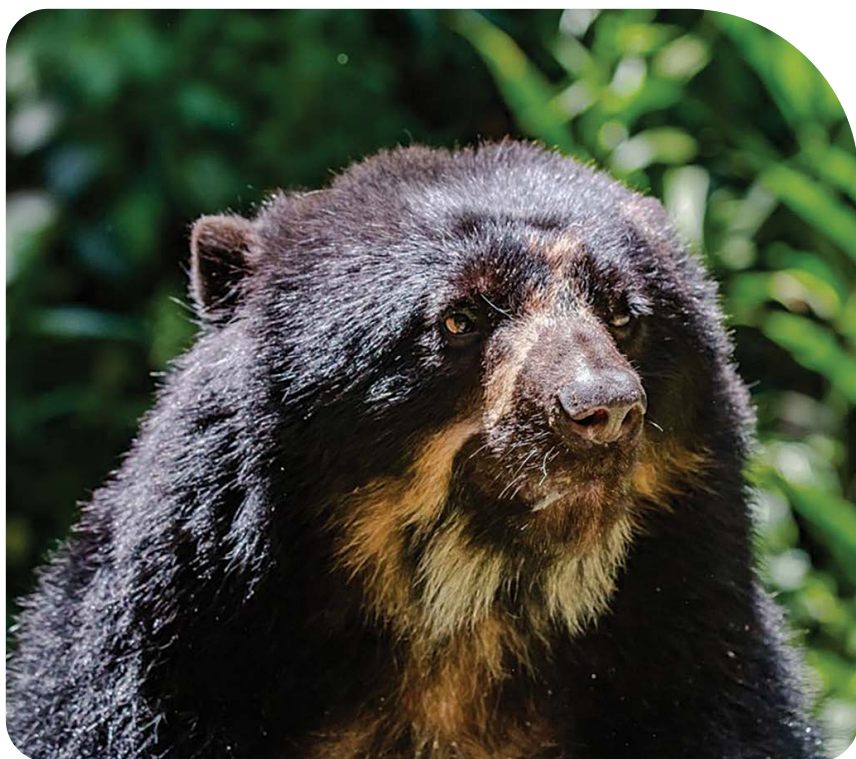
Globally, indigenous peoples and local communities conserve 17.4% of the Earth's land surface (Garrett, 2018). BancoSol promotes the improvement and strengthening of livelihoods for four Amazonian indigenous peoples: Tacana, T'simane Mosekene, Uchupiamonas, and Leco.

Additionally, the projects enhance productive conditions with a sustainability focus for the following community enterprises:

- Association of Artisanal Producers of the Quiquibey River, which produces jatata cloth.
- Ecological Lodge "Sushe Janana", which offers ecotourism services.

- The Integral Association of Ecological Coffee Producers of the Yungas of Apolobamba offers coffee produced under agroforestry systems.
- The Association of Collectors, Producers, and Transformers of Amazonian Fruits Trinchera (ARPTFAT) produces açai pulp.
- The Integral Association of Harvesters, Producers, and Transformers of Abuná Fruits (ASICOPTA) also produces açai pulp.

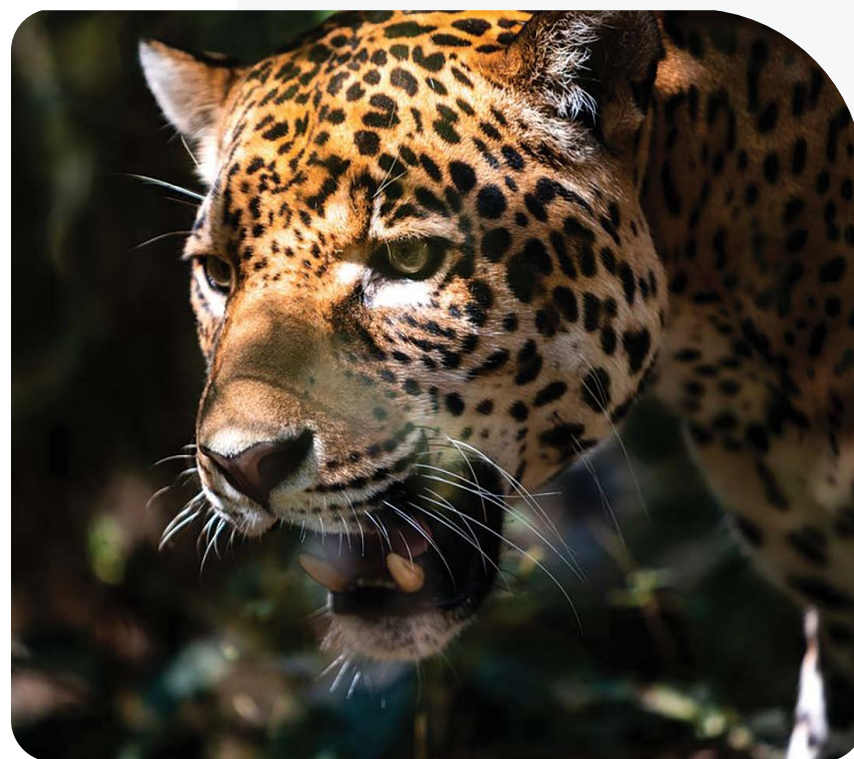
Andean bear
(*Tremarctos ornatus*)



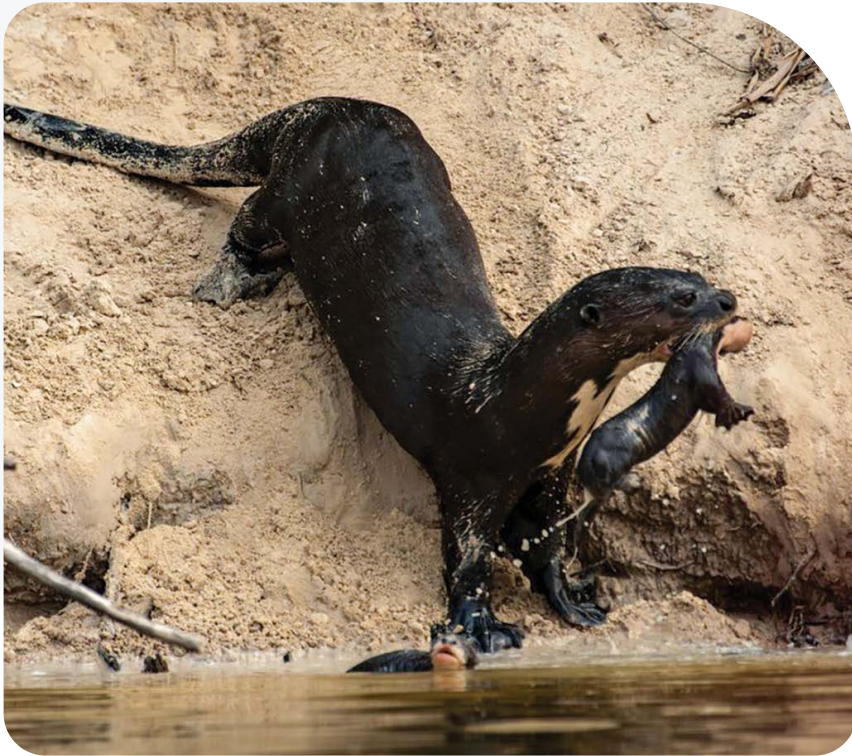
It is worth noting that both projects include a component of financial and digital education designed for the beneficiaries of both projects (indigenous and rural communities).

Species preserved under the Forest Compensation Program of BancoSol.

Jaguar
(*Panthera onca*)



Giant otter
(*Pteronura brasiliensis*)



Condor
(*Vultur gryphus*)



13 Economic results



13. Economic results

13.1 Financial highlights

(GRI 3-3)

In 2023, BancoSol had financial performance similar to that of 2022. In terms of assets, there was a 14% increase compared to the previous year. Similarly, the loan portfolio grew by 12% compared to 2022, and deposits increased by 20%. The operational efficiency ratio stands at 4.95% (0.3% higher than in 2022), and the liquidity ratio rose by 6.45% compared to the past year.

Financial highlights 2021-2023

	2021	2022	2023
Assets (MM USD)	2,528	2,721	3,126
Contingent (MM USD)	0	0	0
Loan (MM USD)	1,918	2,088	2,355
Deposits (MM USD)	1,554	1,687	2,033
Taxes and contribuciones (MM USD)	29	49	41
Net income (MM USD)	38	47	46
Operating Efficiency Ratio (operating expenses/average assets and contingent assets) (%)	4,22%	4,65%	4,95%
ROE (%)	1,55%	1,79%	1,58%
ROA (%)	14,63%	16,02%	14,41%
Liquidity ratio (%)	76,22%	76,78%	83,23%
Shareholder* equity (MM USD)	281	312	340
Solvency Ratio (technical equity) (%)	11,10%	11,48%	10,88%
Delinquency rate (non-performing loans) (%)	0,68%	0,74%	0,97%

Economic value distributed

(GRI 201-1, 201-4)

BancoSol makes efforts to generate both financial and non-financial value for its stakeholders. In terms of revenue, there is a 14.23% increase compared to the previous year, while the retained value has decreased by -1.40% compared to 2022.

The information presented in the following table has been restated due to accounting adjustments:

Economic value generated and distributed (EVG&D) (in thousands of Bs)

	2021	2022	2023	VAR 23-22%
Income (EVG)	1.965.542	2.292.491	2.618.810	14,23%
Financial income	1.682.464	2.058.436	2.323.886	12,90%
Other operating income	9.348	19.435	28.317	45,70%
Service income	92.484	139.720	166.048	18,84%
Other income	181.246	74.900	100.559	34,26%
Expenses (EVD)	1.707.893	1.970.340	2.301.163	16,79%
Financial expenses	528.386	578.977	678.200	17,14%
Operating expenses	12.512	5.399	20.193	274,01%
Service expenses	17.721	17.479	25.230	44,35%
Administrative expenses	268.800	359.872	409.414	13,77%
Personnel expenses	431.909	474.517	584.022	23,08%
Taxes	200.135	333.647	279.492	-16,23%
Other expenses	248.431	200.449	304.614	51,97%
Net income (EVG&D)	257.649	322.151	317.647	-1,40%

BancoSol does not have any government ownership in its shares, so it does not get any funding or financial help from the government.

Annexes



Annex I: ESG Management

Connecting with our stakeholders

(GRI 2-28, 2-29)

BancoSol defines stakeholders as all parties whose interests are positively or negatively affected by its operations. In this regard, the bank prioritizes creating value for all these stakeholders and meeting their collective expectations and well-being.

The Bank has principles within its Corporate Governance Code that emphasize the need for all stakeholders to have open lines of communication with the institution. These principles, along with guidelines to strengthen relationships, are supported by the Information Disclosure Policy for Stakeholders, which outlines the different stakeholder groups, their active participation, and their access to relevant information.

The communication mechanisms used with stakeholder groups are as follows:

Stakeholder	Communication goal	Channel
Partners and directors	Maintain good governance practices and assuring sustainability	Internal media: <ul style="list-style-type: none"> • Extranet • Corporate mail • Internal communication • Newsletters • Meetings • Reports • Financial statements • Policy committees • Committees
State and ASFI	Contribute to the construction of a favorable environment for the provision of financial services by promoting transparency and compliance with Bolivian legislation.	External media: <ul style="list-style-type: none"> • Website • Social networks • Media • Interviews and/or conferences • Reports • Financial statements • Call Center

Stakeholders	Communication goal	Channel
Suppliers	Provide transparent and fair treatment based on criteria of efficiency and competitiveness.	External media: <ul style="list-style-type: none"> • Website • Social networks • Media • Interviews and/or conferences • Reports • Call Center
Creditors	Keep stakeholders informed and ensure the implementation of good practices in transparency and responsible investment.	External media: <ul style="list-style-type: none"> • Corporate mail • Whatsapp calls • Meetings • Financial statements
General population	Carry out comprehensive social responsibility management and engage as a key player in creating a favorable environment for development.	External media: <ul style="list-style-type: none"> • Website • Social networks • Media • Interviews and/or conferences • Reports • Call Center
Employees	Foster an atmosphere of trust and organizational development.	Internal media: <ul style="list-style-type: none"> • Intranet • Corporate mail • Internal communication • Newsletters • Meetings • Rankmi
Financial users and customers	Offer high-quality and warm financial services aimed at meeting the needs of financial consumers.	External media: <ul style="list-style-type: none"> • Website • Social networks • Media • Interviews and/or conferences • Reports • Integrated Report • Call Center

Additionally, BancoSol is an active member of the Association of Private Banks of Bolivia (ASOBAN) and the Association of Specialized Financial Entities in Microfinance (ASOFIN), promoting sustainability and sustainable finance in the country. The bank also extends its commitment by aligning with global initiatives that encourage cooperation for sustainable development and the adoption of best practices in banking. BancoSol supports this work:

- Adhering to the Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP FI).
- Being an active member of the local network of the United Nations Global Compact (UNGP) and a founder of its Sustainable Finance Table;
- Promoting the economic empowerment of women and their leadership in the financial sector, as a member of the Financial Alliance for Women and a signatory to the Women's Empowerment Principles (WEPs) from UN Women.
- Strengthening the implementation of responsible banking practices and commitments as a member of the Global Alliance for Banking on Values (GABV).
- Measuring and reporting its financed portfolio carbon footprint and being a member of the Partnership for Carbon Accounting Financials (PCAF).

Materiality analysis

(GRI 3-1, 3-2)

In 2022, BancoSol decided to deepen its understanding of the impacts its operations have on the economy, environment, and community. This included updating its materiality exercise to incorporate a financial materiality approach, identifying critical issues related to key ESG risks and opportunities that could affect financial stability and performance, addressing the expectations of investors, the global financial market, and requirements from major credit rating agencies.

- **Impact Materiality:** This refers to the most significant impacts, whether positive or negative, that operations have on the economy, environment, and community. This serves to apply the Global Reporting Initiative (GRI) Standards.

- **Financial Materiality:** This refers to the risks and opportunities related to Environmental, Social, and Governance (ESG) factors that could reasonably affect the company's financial condition, operational performance, and cash flows. This serves to apply the Sustainability Accounting Standards Board (SASB) Standards.

Impact materiality:

1. Review

Analyzing the overall context in which the bank operates, considering its activities, business relationships, and how it interacts with its stakeholders.

2. Identification

Identifying and mapping current and potential impacts that BancoSol may be involved in, based on information from:

- Sector reference documents that propose key issues, including those related to international non-financial reporting standards (GRI, SASB), UNEP-FI reference initiatives, and others.
- Trends and advancements in sustainability within the banking sector in the country, both voluntary and regulatory (such as ASFI, ASOBAN, ASOFIN, BCB).
- Sectoral risks and opportunities identified by rating agencies (e.g., S&P).
- Contextual references such as global risk analyses presented annually by the World Economic Forum (WEF) and progress on the Sustainable Development Goals (SDGs) in Bolivia.
- Consultations with stakeholders that BancoSol has already conducted (such as employee climate surveys, media appearances, focus groups, interviews, among others).

3. Prioritization

The preliminary list of potentially material issues was analyzed and evaluated based on the following approaches:

- Priority for the Bank: This was determined according to the corporate strategy through interviews with a selection of executives.
- Importance for Prioritized Stakeholders: Feedback was gathered from employees, shareholders, industry groups, correspondents, and multilateral microfinance organizations (such as BID Invest and IFC). Additionally, internal teams at BancoSol incorporated perspectives from customers and suppliers.

4. Validation

As the highest governing body of Corporate Governance, BancoSol's Board of Directors was directly involved in the validation process of the material issues.

Financial materiality:

For financial materiality, key issues established by the Sustainability Accounting Standards Board (SASB) were applied. SASB connects major risks and opportunities by industry, covering a total of 77 industries, six of which belong to the financial sector. For BancoSol, the key issues defined for Commercial Banking and Consumer Financing were applied.

SASB organized working groups that included participation from the international financial market to address these financially material topics.

Material topics		
Type	No.	Topic
Impact	5	Digitization
Both	3	Financial inclusion
Impact	25	Regulatory compliance
Impact	4	Customer service
Both	15	Diversity, equity and inclusion
Impact	21	Corporate governance

Material Topics		
Type	No.	Topic
Impact	29	Environmental and social impact of portfolio
Impact	14	Employee training and development
Both	2	Sustainable financing
Impact	23	Relationship with authorities
Impact	6	Innovation of products and services
Impact	18	Financial education and insurance culture
Both	20	Ethics and transparency
Impact	19	Talent attraction and retention
Both	7	Economic performance
Financial	8	Cybersecurity
Financial	1	Sustainable investment
Financial	9	Privacy and responsible use of customer information
Financial	11	Sales practices
Financial	26	Climate change risk management

Double materiality matrix



Annex II

GRI Content Index

BancoSol has created this Integrated Report in accordance with GRI and SASB Standards for the period from January 1, 2023, to December 31, 2023.

Universal standards				Page(s)	Reasons for omission
GRI Standard/ other sources		Content	Description		
GRI 1: Fundamentos 2023					
GRI 2: General Disclosures 2023	Organization and its reporting practices	GRI 2-1	Organization details	18	
		GRI 2-2	Entities included in the organization’s sustainability reporting	14	
		GRI 2-3	Entities included in the organization’s sustainability reporting	14	
		GRI 2-4	Restatements of information	14	
		GRI 2-5	External assurance	14	
	Activities and workers	GRI 2-6	Activities, value chain and other business relationships	20–36	
		GRI 2-7	Employees	46	
		GRI 2-8	Workers who are not employees	46	
	Governance	GRI 2-9	Governance structure and composition	28	
		GRI 2-10	Nomination and selection of the highest governance body	28	
		GRI 2-11	Chair of the highest governance body	28	
		GRI 2-12	Role of the highest governance body in overseeing the management of impacts	28–34	
		GRI 2-13	Delegation of responsibility for managing impacts	28–34	
		GRI 2-14	Role of the highest governance body in sustainability reporting	14	
		GRI 2-15	Conflicts of interest	28–38	
		GRI 2-16	Communication of critical concerns	NA	Confidential, due to internal guidelines of the institution.
		GRI 2-17	Collective knowledge of the highest governance body	28	

Universal standards				Page(s)	Reasons for omission
GRI Standard/ other sources		Content	Description		
GRI 1: Foundation 2023					
GRI 2: General Disclosures 2023	Governance	GRI 2-18	Evaluation of the performance of the highest governance body	28	
		GRI 2-19	Remuneration policies	28-47	
		GRI 2-20	Process to determine remuneration	28-47	
		GRI 2-21	Annual total compensation ratio	NA	Confidential, due to internal guidelines of the institution.
	Strategy, policies and practices	GRI 2-22	Statement on sustainable development strategy	21	
		GRI 2-23	Policy commitments	21-38	
		GRI 2-24	Embedding policy commitments	21-38	
		GRI 2-25	Processes to remediate negative impacts	38	
		GRI 2-26	Mechanisms for seeking advice and raising concerns	38	
		GRI 2-27	Compliance with laws and regulations	38	
		GRI 2-28	Membership associations	26-98	
	Commitment with stakeholders	GRI 2-29	Collective bargaining agreements	98	
GRI 2-30		Acuerdos de negociación colectiva	46		
GRI 3: Material topics 2023	Material topics	GRI 3-1	Process to determine material topics	99	
		GRI 3-2	List of material topics	99	
		GRI 3-3	Management of material topics	Answered throughout the report	

Correlación con Estándares GRI				Page(s)	Reasons for omission
Material topics	GRI Standard	GRI Content	Description		
Digitization	GRI 3: Material topics 2021	3-3	Management of material topics	60	
	GRI 203: Indirect economic impacts 2016	203-1	Investments in infrastructure and services supported	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		203-2	Significant indirect economic impacts	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
Financial inclusion	GRI 3: Material topics 2021	3-3	Management of material topics	60-63	

Correlation with GRI Standards				Page(s)	Reasons for omission
Material topics	GRI Standard	GRI Content	Description		
Financial inclusion	GRI Sector Supplement Financial Sector	FS1	Policies with specific environmental and social aspects applied to business lines.	64	
		FS7	Monetary value of products and services designed to provide a specific social benefit for each business line broken down by objectives.	64	
		FS13	Access points in sparsely populated or economically disadvantaged areas by type.	60-63	
		FS14	Initiatives to improve access to financial services for disadvantaged individuals.	63	
Regulatory compliance	GRI 3: Material topics 2021	3-3	Management of material topics	38	
Customer service	GRI 3: Material topics 2021	3-3	Management of material topics	60	
	GRI 416: Customer Health and Safety 2016	416-1	Assessment of the impacts on health and safety of product or service categories.	60	
		416-2	Cases of non-compliance related to health and safety impacts of product and service categories.	38	
		417-1	Type of information required by the organization's procedures regarding the information and labeling of its products and services, and the percentage of significant product and service categories subject to such requirements.	60	
		417-2	Cases of non-compliance related to the information and labeling of products and services.	38	
		417-3	Cases of non-compliance related to marketing communications.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding violations of customer privacy and loss of customer data.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
Diversity, equity and inclusion	GRI 3: Material topics 2021	3-3	Management of material topics	47	
	GRI 405: Diversity and Equal Opportunity 2016	405-1	Composition of governing bodies and breakdown of staff by professional category, gender, age, minority status, and other diversity indicators.	46	
		405-2	Ratio of base salary and remuneration of women compared to men.	47	

Correlation with GRI Standards				Page(s)	Reasons for omission
Material topics	GRI Standard	GRI Content	Description		
Diversity, equity and inclusion	GRI 405: Diversity and equal opportunity 2016	406-1	Cases of discrimination and corrective actions taken.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
Corporate governance	GRI 3: Material topics 2021	3-3	Management of material topics	44	
Environmental and social impact of portfolio	GRI 3: Material topics 2021	3-3	Management of material topics	NA	As part of its sustainability strategy, the bank will work on developing a system for assessing environmental and social credit risks, which will be reported in future integrated reports.
Employee training and development	GRI 3: Material topics 2021	3-3	Management of material topics	49	
	GRI 404: Training and education 2016	404-1	Average training hours per year per employee	49	
		404-2	Programs to develop employee skills and transition assistance programs	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		404-3	Percentage of employees receiving periodic performance and career development evaluations.	49	
Sustainable financing	GRI 3: Material topics 2021	3-3	Management of material topics	NA	Not available. As part of its sustainability strategy, the bank will focus on developing green credit products, which will be reported in future integrated reports.
Relationship with authorities	GRI 3: Material topics 2021	3-3	Management of material topics	38	
	GRI 415: Public policy 2016	415-1	Political contributions	38	
Innovation in products and services	GRI 3: Material topics 2021	3-3	Management of material topics	60	
Financial education and insurance culture	GRI 3: Material topics 2021	3-3	Management of material topics	56	
	GRI Sector Supplement Financial Sector	FS16	Initiatives to improve financial education by beneficiary type	56	
Ethics and transparency	GRI 3: Material topics 2021	3-3	Management of material topics	38	
	GRI 205: Anti-Corruption 2016	205-1	Number and percentage of centers where risks related to corruption have been assessed and significant risks detected	38	
		205-2	Policies and procedures for communication and training on anti-corruption measures.	38	
		205-3	Confirmed cases of corruption and measures taken.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
	GRI 206: Anti-competitive behavior 2021	206-1	Legal actions related to unfair competition and monopolistic practices against free competition.	38	

Correlation with GRI Standards				Page(s)	Reasons for omission
Material topics	GRI Standard	GRI Content	Material topics		
Attraction and retention of talent	GRI 3: Material topics 2021	3-3	Management of material topics	51	
	GRI 401: Employment 2016	401-1	Number of hires and employee turnover.	46	
		401-2	Benefits provided to full-time employees that are not granted to temporary or part-time employees.	47-51	
		401-3	Parental leave	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
	GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system.	51	
		403-2	Hazard identification, risk assessment, and incident investigation.	51	
		403-3	Health services at work.	51	
		403-4	Worker participation, consultation, and communication on occupational health and safety.	51	
		403-5	Training of workers on occupational health and safety.	51	
		403-6	Promotion of worker health.	53	
		403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked to business relationships.	51	
		403-8	Coverage of the occupational health and safety management system	51	
		403-9	Accidents related to company operations.	51	
		403-10	Illnesses related to company operations	51	
Economic performance	GRI 3: Material topics 2021	3-3	Management of material topics	96	
	GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	96	
		201-2	Financial implications and other risks and opportunities arising from climate change.	NA	Not available. As part of its sustainability strategy, BancoSol plans to conduct an analysis of the risks and opportunities related to climate change, and the results will be included in the integrated report.
		201-3	Obligations under defined benefit plans and other retirement plans.	51	
		201-4	Financial assistance received from the government.	38-96	

In addition to materiality, the following GRI content related to energy and greenhouse gas emissions is included:

302-1	Energy consumption within the organization	88
302-3	Energy intensity	88
302-4	Reduction of energy consumption	88
305-1	Direct (Scope 1) GHG emissions	88
305-2	Energy indirect (Scope 2) GHG emissions	88
305-3	Other indirect (Scope 3) GHG emissions	70-88
305-4	GHG emissions intensity	88
305-5	Reduction of GHG emissions	70-88

SASB Parameters Index

Standard	Topic	Code	Accounting or activity parameter	Page(s)	Reasons for omission
Consumer financing 2018	Customer privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes.	NA	Confidential, due to internal guidelines of the institution.
		FN-CF-220a.2	Total economic losses resulting from legal proceedings related to customer privacy.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
	Data security	FN-CF-230a.1	(1) Number of data breaches (2) with the percentage indicating personally identifiable information (3) number of affected account holders.	NA	Confidential, due to internal guidelines of the institution.
		FN-CF-230a.2	Losses from card-related fraud (1) card-not-present fraud and (2) card-present fraud and other frauds.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		FN-CF-230a.3	Description of the approach taken to identify and address data security risks.	44	
	Sales practices	FN-CF-270a.1	Percentage of total employee compensation that is variable and linked to the number of products and services sold.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		FN-CF-270a.2	Approval rate for (1) credit and (2) prepaid products for applicants with FICO scores above and below 660.	NA	Not applicable. BancoSol follows Bolivian regulations regarding lending criteria.
		FN-CF-270a.3	(1) Average fees for complementary products, (2) average APR, (3) average account age, (4) average number of business lines, and (5) average annual fees for prepaid products for customers with FICO scores above and below 660.	Página web	Publicly, in accordance with regulations, information about the conditions of different financial products is provided; this information is also given during customer inquiries and contracting processes.
		FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary and non-monetary compensation, (3) percentage disputed by consumers, (4) percentage that resulted in an investigation by the CFPB.	38-96	(1) Reported (2, 3 and 4) Confidential, due to internal guidelines of the institution.
		FN-CF-270a.5	Total amount of loss resulting from legal proceedings associated with the sale and service of products.	NA	Confidential, due to internal guidelines of the institution.
	(Activity metrics)	FN-CF-000.A	Number of unique customers with (1) active credit accounts and (2) debit accounts.	64	1) Reported (2) Confidential, due to internal guidelines of the institution

Standard	Topic	Code	Accounting or activity parameter	Page(s)	Reasons for omission
Consumer financing 2018	(Activity metrics)	FN-CF-000.B	Number of (1) credit card accounts and (2) debit accounts.	NA	Confidential, due to internal guidelines of the institution
Commercial banking 2018	Data security	FN-CB-230a.1	(1) Number of data breaches (2) with the percentage indicating personally identifiable information (3) number of affected account holders.	NA	Confidential, due to internal guidelines of the institution.
		FN-CB-230a.2	Description of the approach taken to identify and address data security risks.	44	
	Financial inclusion and capacity building	FN-CB-240a.1	(1) Number and (2) amount of outstanding qualified loans for programs designed to promote small businesses and contribute to the socioeconomic development of the community.	64	
		FN-CB-240a.2	(1) Number and (2) amount of overdue and non-accrued qualified loans for programs designed to promote small businesses and socioeconomic development in the community.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		FN-CB-240a.3	Number of no-cost checking accounts provided to previously unbanked minority clients.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		FN-CB-240a.4	Number of participants in financial education initiatives for unbanked, underbanked, or underserved clients.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
	Incorporation of environmental, social and corporate governance factors in credit analysis	FN-CB-410a.1	Exposure to commercial and industrial credit by industry.	NA	Not available; BancoSol is working on its inclusion in the next integrated report.
		FN-CB-410a.2	Description of the approach to environmental, social, and governance (ESG) factors in credit analysis.	NA	Not available. BancoSol is currently working on developing ESG (Environmental, Social, and Governance) credit assessment mechanisms, particularly focusing on social and/or environmental risks that may be associated with the credit provided.
	Business ethics	FN-CB-510a.1	Total amount of loss resulting from legal proceedings associated with fraud, anti-competitive behavior, market manipulation, malpractice, or other financial regulations.	38 - 44	
		FN-CB-510a.2	Description of complaint policies and procedures.	38	
	Systemic risk management	FN-CB-550a.1	Global systemically important bank (G-SIB) score by category.	NA	Not applicable. BancoSol is not a globally systemically important bank, but it is significant in the country due to its market share and the majority profile of its clients.
		FN-CB-550a.2	Description of the approach to incorporating results from mandatory and voluntary stress tests into capital adequacy planning and long-term corporate strategy.	NA	Not applicable. BancoSol is not a globally systemically important bank, but it is significant in the country due to its market share and the majority profile of its clients.
	(Activity metrics)	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segments: (a) personal and (b) small business.	NA	(1) Not available; BancoSol is working on its inclusion in the next integrated report. (2) Reported
	(Activity metrics)	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	66	

Annex III: Principles of the Global Compact and SDGs

Global Compact

BancoSol has joined the United Nations Global Compact (UNGC), which is the leading global initiative aimed at promoting corporate sustainability in businesses.

Below, we detail how the bank incorporates the 10 principles related to human rights, labor, the environment, and anti-corruption:

No.	Principle	Commitment	Performance (shown in the Integrated Report)
1	Companies should support and respect the protection of internationally recognized fundamental human rights within their sphere of influence.	<ul style="list-style-type: none"> - Institutional Strategic Plan - Code of Ethics - Code of Conduct - Internal Work Regulations - Compliance Policy - Complaint System and Resolution Process - Sustainability Policy - Financial Education Policy - Stakeholder Interaction and Cooperation Policy 	<ul style="list-style-type: none"> - Profile and strategy. - Culture of ethics and compliance. - Customer sustainable practices.
2	Companies must ensure that they are not complicit in human rights violations.		
3	Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> - Code of Ethics - Code of Conduct - Internal Working Regulations 	- Team commitment.
4	Companies must work to eliminate all forms of forced labor or coercion.		- Culture of ethics and compliance.
5	Companies should support the eradication of child labor.		
6	discriminatory practices in employment and occupation.	<ul style="list-style-type: none"> - Institutional Strategic Plan - Internal Work Regulations - Code of Conduct - Principle of Equity - Gender Strategy - Diversity, Equity and Inclusion Committee - Community programs and initiatives 	<ul style="list-style-type: none"> - Team commitment. - Social and environmental development.

No.	Principle	Commitment	Performance (shown in the Integrated Report)
7	Companies should take a preventive approach that benefits the environment.	<ul style="list-style-type: none"> - Institutional strategic plan - Sustainability Policy - Environmental Policy - Eco-efficiency program (including energy management) - Measurement of corporate carbon footprint - Measurement of portfolio carbon footprint 	<ul style="list-style-type: none"> - Social and environmental development - Customer sustainable practices
8	Companies should encourage initiatives that promote greater environmental responsibility.	<ul style="list-style-type: none"> - Recycling programs: Ecotriathlon, training and environmental awareness for employees. - Photovoltaic system - Forestry compensation program 	<ul style="list-style-type: none"> - Social and environmental development
9	Companies must support the development and spread of environmentally friendly technologies.		
10	Companies should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> - Code of Ethics - Code of Conduct - Internal Work Regulations - Sustainability Policy - Compliance Policy - Fraud and Corruption Prevention Policy - General Principles for Fraud and Corruption Risk Management. - Complaint Line 	<ul style="list-style-type: none"> - Culture of ethics and compliance

Contribution to the Sustainable Development Goals (SDGs)

The involvement of the global financial sector is essential to achieving the United Nations 2030 Agenda and its 17 Sustainable Development Goals (SDGs). This sector is a major driver of development due to its wide reach and potential to impact all areas of the economy.

BancoSol continues to work on increasing its contribution to sustainable development in Bolivia by enabling access to the financial system for

thousands of vulnerable individuals and communities, promoting economic growth, and reducing gaps in access to financing for micro and small entrepreneurs across the country.

Based on the critical issues identified through a double materiality analysis, BancoSol has prioritized its efforts in line with the Sustainable Development Goals (SDGs) where it can have the most significant impact.

SDG	Goals	Initiatives	Key indicators
1. En of Poverty	1.4	<ul style="list-style-type: none"> - Business model focused on microcredit. - Complementary services for a comprehensive value proposition: savings, remittances, and insurance. - Extensive network of Financial Service Points (PAF) located in rural and urban areas across all departments of the country. - Model of non-financial correspondents. - Broad payment ecosystem, integrating mobile banking and online banking services. 	<ul style="list-style-type: none"> - 1,136 Financial Service Points (PAF) - 36% of PAF in rural and intermediate areas - 861 Non-financial correspondents: - Xxxx users in AppSol and Solnet: - Xxxx clients of microcredits: Xxxx USD delivered in microcredits:
4. Quality Education	4.2, 4.3, 4.4	<ul style="list-style-type: none"> - Development of training plans and dissemination of financial information for seniors and people with disabilities. - Participation in joint financial education initiatives through ASOBAN and ASOFIN. - Contribution to the education of children and youth through Social Capital Schools. - Broad Financial Education program developed annually. 	<ul style="list-style-type: none"> - 85,353 clients and users trained through financial education program - Xxxx average training hours per employee: - 1,985 people certified through training program with Fundación IDEA - 1,145 disabled individuals and seniors trained
5. Gender Equality	5.1, 5.2, 5.5	<ul style="list-style-type: none"> - Development of a Diversity, Equity, and Inclusion Strategy that reaches employees and clients - Promotion of women's development within the bank. - Diversity, Equity, and Inclusion Committee. - Partnerships for programs that support women's empowerment. - Zero tolerance culture against workplace harassment and sexual harassment. - Accessible financing conditions for women entrepreneurs through the Avanza Mujer Program. - New procurement management model that prioritizes companies led by women as suppliers 	<ul style="list-style-type: none"> - Workforce composed of 52.66% women. - 802 women benefited through Avanza Mujer value-added services. - Xxxx employees trained on gender issues. - XX% of women in leadership positions - 52.7% of new hires were women. - XX women in STEM positions.

SDG	Goals	Initiatives	Key indicators
8. Decent Work and Economic Growth	8.2, 8.3, 8.5, 8.10	<ul style="list-style-type: none"> - A range of financial products that promote economic development and growth in the country's key productive sectors. - Spaces that support the growth and development of local entrepreneurs (initiatives from MIC BancoSol and CapacitaRSE). - Job security and benefits for the bank's employees. 	<ul style="list-style-type: none"> - XX exhibitors and XXX products sold at MIC events. - 1,400 children and adolescents benefited from the Social Capital Schools. - 3,745 employees. - XXX new hires in 2023.
9. Industry, Innovation and Infrastructure	9.2, 9.3, 9.4	<ul style="list-style-type: none"> - Investment in technology and systems to enhance customer experience. - Contribution to the development of small and medium-sized enterprises (SMEs) through credit products. - Promotion of innovation and technology through a dedicated Innovation Hub. 	<ul style="list-style-type: none"> - XXXXX USD invested in technology. - XXXXX USD in loans provided to SMEs. - (Progress on the Innovation Hub). - 99% of contracted suppliers are local
10. Reduce Inequality	10.2	<ul style="list-style-type: none"> - A portfolio of credit products aimed at financial inclusion. - Strategic donation program called AcciónSol. - Activities of the Social Capital Schools. 	<ul style="list-style-type: none"> - 2,654 people benefited through AcciónSol. - 53 women certified in plumbing and electrical work through the "Sembrando Semillas para la Empleabilidad" program.
13. Climate Action	13.1	<ul style="list-style-type: none"> - Initiatives to reduce electricity consumption and waste generation. - Generation of renewable energy. - Calculation of greenhouse gas emissions for scopes 1, 2, and 3. - Calculation of financed emissions footprint. - Initiatives and strategies to offset carbon footprint. 	<ul style="list-style-type: none"> - 6,230 kWh generated by the photovoltaic system. - 48% reduction in Scope 1 emissions. - 17,000 hectares of the Amazon rainforest protected through the Forest Compensation Program. - 8,649 tons of CO2 equivalent compensated.
16. Peace, Justice and Strong Institutions	16.5, 16.6, 16.7, 16.b	<ul style="list-style-type: none"> - Self-regulation and adoption of best practices regarding corporate governance and ethics. - Training and raising awareness among employees about ethics, fraud prevention, and corruption control. - Members of the Transformational Governance Table of the Global Compact in Bolivia. - Signatories to the Business Leaders' Declaration for Working Towards Transformational Governance in the Country. 	<ul style="list-style-type: none"> - 100% of employees trained in the Codes of Ethics and Conduct. - XX% of employees trained in anti-corruption practices. - 100% of complaints and reports registered were addressed. - Training on the Code of Ethics for suppliers.

Annex IV: Principles of Responsible Banking Report (PRBs)

The United Nations Environment Programme Finance Initiative (UNEP FI) is the driving force behind the voluntary Principles for Responsible Banking framework, which enables banks worldwide to make sure that their sustainability practices and business strategies complement the future vision society has set for itself through the UN Sustainable Development Goals and the Paris Climate Agreement. In order to stay at the forefront of sustainable finance, companies that adhere to these principles pledge to be ambitious in their sustainability strategies and strive to integrate sustainability into the core of their operations. The first bank in Bolivia's financial system to adopt these principles was BancoSol in 2022.

The following is the PRB Report and the commitments made by BancoSol:

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to the needs of individuals and societal goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant regional and national frameworks.

Business model

Describe (high level) your bank's business model, including the main customer segments served, types of products and services provided, main sectors and types of activities and, where applicable, technologies financed in the main geographies where your bank has operations or provides products and services. Also quantify the information by disclosing, for example, the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e., by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Principle 1: Alignment

Answer

BancoSol was incorporated as a corporation, organized under the laws of the Plurinational State of Bolivia; regulated, controlled and supervised by the Autoridad de Supervisión del Sistema Financiero (ASFI).

BancoSol is a financial institution focused on microcredit, which contributes to the economic and social development of micro and small entrepreneurs, as well as to Bolivia's progress. As part of its integrated value proposition, offering complementary products and services, it has savings accounts to facilitate the custody of funds deposited by account holders, insurance and remittances, among others.

BancoSol's loan portfolio consists almost entirely (99.9%) of consumer banking, which is divided into consumer loans (10%), housing loans (10%) and microcredit (80%). On the other hand, 0.01% represents corporate banking. Its loan portfolio is made up of the manufacturing (32%), construction (25%), wholesale and retail trade (19%) and transportation and warehousing (9%) sectors. This analysis included all loan portfolios.

Links and references

Integrated Report 2022 (page 31)
<https://www.bancosol.com.bo/wp-content/themes/flatsome-child/MemoDoc/IntegratedReport2022.pdf>

Strategy alignment

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

- ☒ Yes
☐ No

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

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

Principle 1: Alignment

- ☐ UN Guiding Principles on Business and Human Rights
- ☐ Fundamental Conventions of the International Labor Organization
- ☒ UN Global Compact
- ☐ UN Declaration on the Rights of Indigenous Peoples
- ☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – specify which:
- ☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – specify which ones:
- ☐ None of the above

Answer

The Bank is a member of the United Nations Environment Programme Finance Initiative (UNEP FI); it is also a pioneer in the country in subscribing to the Principles of Responsible Banking. BancoSol is a member of the United Nations Global Compact, the main global initiative for companies to contribute to social development, environmental protection, and sound and ethical governance. It is therefore committed to adopting the 10 Principles advocated by the initiative and contributing to the Sustainable Development Goals (SDGs).

As a working compass, the Sustainable Development Goals (SDGs) set the way forward to achieve a resilient, inclusive and sustainable future for generations to come. They include the targets set by the UN in the 2030 Agenda. The Bank contributes to these (through its business models and portfolio) through financial inclusion and education, sustainable practices with credit clients, human talent management and the establishment of good relationships with its value chain, among other things.

Links and references

Integrated Report 2022
(pages 121; 127-129)
<https://www.bancosol.com.bo/wp-content/themes/flatsome-child/MemoDoc/IntegratedReport2022.pdf>

Principle 2: Impact and target setting



We will continuously increase our positive impacts while reducing negative impacts and managing risks to people and the environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact analysis (Key step 1)

Demonstrate that your bank has identified the areas in which it has its most significant positive and negative (potential) impact through an impact analysis that meets the following elements (a-d)¹

a) Scope: what is the scope of your bank's impact analysis? Describe which parts of the bank's core business areas, products/services in the main geographies in which the bank operates (as described in 1.1) have been considered in the impact analysis. Also describe which areas have not yet been included and why.

Answer

The scope of this analysis covers 100% of its operations, since Bolivia is the only country where BancoSol operates, and includes 100% of its loan portfolio.

Links and references

N/A

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

i) by sector and industry for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %); and/or

ii) by products and services and types of clients for consumer and retail banking portfolios.

If your bank has adopted a different approach to determine the bank's exposure scale, please explain it to show how it has considered where the bank's main activities/core businesses are located in terms of sectors or industries.

¹ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

Principle 2: Impact and target setting

Answer

The Bank included 100% of its loan portfolio, which is mainly composed of consumer banking (99.9%) and business banking (.01%).

Composition of the consumer portfolio:
Microcredit (80%) represents the majority of the consumer portfolio. The remaining 20% is equally divided between consumer loans and housing loans. Most of the clients of the three products are low-income (99% of clients).

Composition of the business portfolio:
The business portfolio comprises among its three main sectors manufacturing industry (32%), construction (25%) and wholesale and retail (19%).

In addition to the analysis of the consumer portfolio, using the Consumer Banking tool, and the business portfolio, using the Business/Institutional Banking tool, BancoSol can identify the sectors in which the microloans granted are used. Therefore, an additional impact analysis has been performed by analyzing the microcredit portfolio (which represents 80% of the total portfolio) using the Consumer Banking tool. In this way, a more complete analysis of the portfolio was elaborated from the point of view of the type of population using the products offered (Consumer Banking tool) and by the impact through the sectors financed (Business Banking tool))

Links and references

N/A

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

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

Principle 2: Impact and target setting

Answer

To identify the challenges and priorities related to sustainable development in Bolivia, BancoSol's only country of operation, we used the country criticality levels provided by UNEP-FI in its impact analysis tool for Bolivia. In this way, the most critical impact areas and topics within the country were identified.

Links and references

N/A

Based on these first 3 elements of an impact analysis, what areas of positive and negative impact has your bank identified? Which (at least two) significant impact areas did the bank prioritize in pursuing its target setting strategy (see 2.2)? Please disclose.

Answer

Considering the first 3 elements:

- 1) 100% of BancoSol's operations, with Bolivia being its sole operating nation.
- 2) 100% of the scope of BancoSol's portfolio in both Consumer and Business Banking, and with a double analysis of the microcredit portfolio.
- 3) Country criticality granted by the impact analysis tool for the areas and topics in Bolivia.

A matrix was prepared with the positive significance of the impact area as the x-axis and the negative significance as the y-axis. For those topics and impact areas in which BancoSol had potential positive or negative impact through its loan portfolio, the positive and/or negative significance was averaged with the country criticality of the respective topic and impact area. In this way, the positive and negative significance of an impact considers the country criticality of the topic in that rating.

Based on this matrix, the most significant impact areas were identified.

Links and references

N/A

Principle2: Impact and target setting

According to the prioritization method used by BancoSol in this analysis, these are the areas where the bank has the greatest potential impact, both positive and negative. This approach is based on the premise that by focusing attention on these areas it is possible to maximize the positive impact and mitigate the negative effects, thus achieving a double and more significant impact.

The areas of impact deemed most significant for BancoSol, in line with the previously discussed concept of double impact, are as follows:

1. Climate stability
2. Health and safety
3. Healthy economies
4. Livelihood

From this list BancoSol has selected as its 2 most significant priority impact areas: Climate Stability and Healthy Economies, which includes the impact topics of "sector diversity" and "flourishing Mypymes (micro, small, and medium enterprises)".

Links and references

N/A

d) Performance measurement: ¿Has your bank identified which sectors and industries, as well as types of clients financed or invested in, are producing the strongest actual positive or negative impacts? Describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target setting among your areas of most significant impact, you should consider the bank's current performance levels, i.e., qualitative and/or quantitative indicators and/or indicators of social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant impact areas, please also refer to the corresponding indicators in the Annex.

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

The outcome of this step will also provide the baseline (including indicators) that you can use to set targets in two areas of most significant impact.

Principle 2: Impact and target setting

Answer

During this first self-assessment exercise of the Principles of Responsible Banking carried out by BancoSol, 100% of the loan portfolio has been analyzed and the most significant impact areas have been identified to enhance the positive impact and mitigate the negative impacts. The bank is currently defining the indicators that will be used to measure the actual positive impact generated and/or to reduce the negative impact.

Links and references

N/A

Self-Assessment Summary:

¿Which of the following components of the impact analysis has your bank completed, to identify the areas in which your bank has its most significant positive and negative (potential)² impacts?

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

¿What are the most significant impact areas you have identified for your bank as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency and circular economy, biodiversity, financial health and inclusion, human rights, gender equality, decent employment, water, pollution, other: housing, food, culture and heritage, mobility.

¿How recent are the data used and disclosed in the impact analysis?

- ☒ Up to 6 months prior publication
- ☐ Up to 12 months prior to publication
- ☐ Up to 18 months prior to publication
- ☐ More than 18 months prior to publication

² You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

Principle 2: Impact and target setting

Enter information in the open text field about possible challenges, topics not discussed above, etc. (optional)

We chose to use the same impact scores to direct the group's target-setting because the business composition hasn't changed since the initial tool was completed in 2021.

2.2 Setting Objectives (Key Step 2)

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

Objectives should be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Disclose the following elements of objective setting (a-d), for each objective separately:

- a) Alignment:** what international, regional or national policy frameworks for aligning your bank's portfolio have you identified as relevant? Demonstrate that the selected indicators and targets are linked to and drive alignment and further contribution to the appropriate Sustainable Development Goals, Paris Agreement targets and other relevant international, national or regional frameworks.

You can rely on the Context elements in 2.1.

Answer

Two commitments are intended to address the most significant areas of impact.

Links and references

Description included in the present self-assessment document

- b) Baseline:** ¿Have you determined a baseline for the selected indicators and assessed the current level of alignment? Indicate the indicators used, as well as the baseline year.

You may rely on the performance measurement performed in 2.1 to determine the baseline for your objective.

Answer

BancoSol is currently determining the quantitative indicators with which it intends to measure the impact in the two most significant impact areas. Once the indicators have been established, the respective objectives for each will be defined.

Links and references

N/A

Principle 2: Impact and target setting

- c) SMART objectives** (including key performance indicators (KPIs)): Disclose the objectives for your first and second most significant impact areas, if they already exist (as well as other impact areas, if any). What KPIs are you using to monitor progress toward achieving the objective? Please disclose.

Answer

BancoSol is currently determining the quantitative indicators with which it intends to measure the impact in the two most significant impact areas. Once the indicators have been established, the respective objectives for each will be defined.

Links and references

N/A

- d) Action plan:** ¿What actions, including milestones, have you defined to meet the established objectives? Please describe.

Please also demonstrate that your bank has analyzed and recognized significant indirect (potential) impacts of the stated objectives within the impact area or in other impact areas and has established relevant actions to avoid, reduce or offset potential negative impacts.

Answer

BancoSol is currently determining the quantitative indicators with which it intends to measure the impact in the two most significant impact areas. Once the indicators have been established, the respective objectives for each will be defined.

Links and references

N/A

Self-Assessment Summary:

¿Which of the following components of target setting in line with PRB requirements has your bank completed or are you currently in an assessment process for its?

	... first area of most significant impact second most significant area of impact ...	(If you are setting targets in more areas of impact) ... your third (and subsequent) areas of impact: ... (please name them)
--	---	--	--

Principle 2: Impact and target setting

Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART Objectives	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action Plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Implementation and monitoring of objectives (Key Step 2)

For each objective separately:

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

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

Or, in case of changes in implementation plans (relevant only for the second and subsequent reports): describe potential changes (changes in priority impact areas, changes in indicators, acceleration/revision of targets, introduction of new milestones or revisions of action plans) and explain why these changes have become necessary.

Answer

This is the first year that BancoSol has conducted a self-assessment of Principles for Responsible Banking. As milestones to highlight, in addition to the submission of our first self-assessment, the UNEP-FI tool was used to identify the most significant impact areas of our total loan portfolio.

Links and references

N/A

Principle 2: Impact and target setting

As a result of the tool and due to the nature of the business model, BancoSol has become a signatory to the UNEP-FI Financial Inclusion Initiative. This seeks to align the bank's efforts with international best practices, thus improving the scope of the impact of our operations and contributing to both maximizing the positive impact and mitigating negative impacts.

During this year, work has been done on establishing quantitative indicators. In particular, for the area of Financial Health impact, the Financial Inclusion Initiative is being used to strengthen the indicators and create a solid foundation for their development. Once these indicators are established, objectives will be defined to promote improvements in performance.

Links and references

N/A

Principle 3: Clients and customers



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

3.1 Customer engagement

¿Does your bank have a policy or process for engaging with customers to promote sustainable practices?

☒ Yes ☐ In progress ☐ No

¿Does your bank have a policy for the sectors where it has identified the most severe (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Please describe how your bank has worked and/or plans to work with its customers to promote sustainable practices and enable sustainable economic activities. This should include information on relevant policies, planned/implemented actions to support the transition of customers, selected indicators regarding customer participation, and, when possible, the impacts achieved.

Principle 3: Clients and customers

This should be based on and aligned with the impact analysis, objective setting and action plans established by the bank (see P2).

Answer

BancoSol has become the first bank in Bolivia to measure and report the carbon footprint of its portfolio under the PCAF (Partnership for Carbon Accounting Financials) Global Standard. This is an initial step towards the implementation of reduction and mitigation measures, which will be carried out in collaboration with clients to promote and facilitate the adoption of good sustainable practices.

The bank has a Sustainability Strategy that integrates the perspectives of its stakeholders, including customers, and is aligned with 11 of the 17 Sustainable Development Goals. In this way, solutions are developed that consider the needs, requirements and aspirations of customers. In addition, BancoSol implements various social programs that seek to improve the quality of life of both its clients and the community at large. These programs include financial education, technical training and soft skills development, as well as the promotion of best practices in environmental management.

Links and references

N/A

3.2 Business opportunities

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

Answer

As part of BancoSol's commitment to increase women's access to credit in Bolivia and in line with the Avanza Mujer program,

Links and references

N/A

Principio 3: Clientes

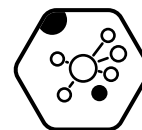
the bank is moving forward with the issuance of its first social bond with a gender focus. To date, significant progress has been made in both the legal documentation and the structuring of the financing. In addition, a framework has been established for the bond aimed exclusively at women (natural persons) who are owners or leaders of micro and small businesses. This bond is intended to finance both investment capital and operations, and contributes directly to five Sustainable Development Goals (SDGs): end poverty (SDG 1), gender equality (SDG 5), decent work and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9), and reducing inequalities (SDG 10).

The objective of these funds is the disbursement of 4,500 operations, reaching a total of US\$30 billion. The issuance of the Bono Social is scheduled for mid-2024.

Links and references

N/A

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve the society's objectives.

4.1 Stakeholder identification and consultation

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

☒ Yes

☐ In progress

☐ No

Principle 4: Stakeholders

Describe which stakeholders (or stakeholder groups/types) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/outcomes achieved and how they were incorporated into the action planning process.

Answer:

The initiative to identify the impact of the loan portfolio was proposed as part of BancoSol's Sustainability Strategy. This strategy arose from a dual materiality analysis, which involved the active participation of senior management and stakeholders through surveys, interviews and focus groups, including customers, employees, shareholders, authorities, community and suppliers, as well as the perspective of global investors.

Links and references

Dual Materiality Matrix of the Integrated Report

Principle 5: Governance and culture



We will implement our commitment to these principles through effective governance and a culture of responsible banking.

5.1 Governance structure for implementation of the Principles

¿Does your bank have a governance system that incorporates PRBs?

☒ Yes ☐ In progress ☐ No

Describe the relevant governance structures, policies and procedures your bank has in place or plans to implement to manage significant positive and (potential) negative impacts and support effective implementation of the Principles.

Principle 5: Governance and culture

- This includes information on which committee has responsibility for the sustainability strategy, as well as approval and monitoring of targets (including information on the highest level of governance to which the PRB is subject);
- details on the committee chair and the process and frequency for the board to oversee the implementation of the PRB (including corrective actions in the event that targets or milestones are not met or unexpected negative impacts are detected), as well as remuneration practices linked to sustainable objectives.

Answer:

The committee responsible for the sustainability strategy, as well as for the approval and follow-up of the related objectives, is the Sustainability Committee, created in 2023 as part of BancoSol's commitment to responsible banking. This committee is composed of the General Manager, the Deputy General Manager, the Operations, Finance and Investment Division Manager, and the National Deputy Manager for Sustainability and Corporate Social Responsibility (CSR). The Sustainability Committee reports to the bank's highest level of governance, which is the Board of Directors.

The Deputy General Manager chairs this Committee and is responsible for leading the bank's comprehensive transformation, including the sustainability strategy. Under his leadership, the United Nations Principles for Responsible Banking (PBR), to which BancoSol adhered in 2022, are implemented. The Committee meets quarterly to evaluate progress towards sustainability goals and actions, preparing a report that is presented to the Board of Directors for approval and feedback. In addition, the Board receives regular reports on the bank's financial, social and environmental performance, as well as on sustainability-related risks and opportunities, if targets are not met or unexpected negative impacts are identified, the Sustainability Committee proposes corrective actions to the Board, which evaluates and approves them as appropriate.

Links and references

<https://www.bancosol.com.bo/wp-content/themes/flatsome-child/MemoDoc/IntegratedReport2022.pdf>

Principle 5: Governance and culture

5.2 Promoting responsible banking culture:

Describe your bank's initiatives and measures to promote a responsible banking culture among your employees (e.g., capacity building, e-learning, sustainability trainings for customer service roles, inclusion in remuneration and performance management structures, and leadership communication, among others).

Answer:

BancoSol is firmly committed to fostering a culture of responsible banking among its employees, which is reflected in their attitude, behavior and performance. To achieve this goal, the bank has implemented various initiatives and measures to promote this approach:

- *Capacity Building: BancoSol offers its employees continuous training programs, both face-to-face and virtual, that address key topics such as sustainability, social responsibility, human rights, ethics, diversity and the environment. These programs are designed to strengthen both the technical competencies and interpersonal skills of employees, while at the same time sensitizing them to the importance of their role in meeting the UN Sustainable Development Goals (SDGs).*
- *E-Learning: The bank has an e-learning platform that provides its employees with access to courses, materials and educational resources on a variety of relevant topics, including responsible banking. This platform promotes self-learning, offering flexibility and facilitating the constant updating of knowledge.*
- *Leadership Communication: BancoSol promotes constant and effective communication between senior management and its employees, reflecting its commitment to responsible banking. To this end, it uses a variety of channels and media, such as newsletters, intranet, social networks, events, meetings and workshops. These tools allow informing, motivating and recognizing good sustainability practices implemented by employees.*

Links and references

N/A

Principle 5: Governance and culture

5.3 Due diligence policies and process

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

Describe what due diligence processes your bank has in place to identify and manage environmental and social risks associated with your portfolio. This may include such things as identifying significant or salient risks, mitigating environmental and social risks and defining action plans, monitoring and reporting on risks and any grievance mechanisms in place, as well as the governance structures you have in place to oversee these risks.

Answer:

BancoSol institutionalized its list of exclusions in 2023, aligning itself with best market practices, based on IFC and IDB Invest guidelines. This action is part of the preparatory process for the issuance of thematic bonds. In addition, the bank has implemented a socio-environmental form that is applied during the evaluation prior to the financing of credit operations. These advances are fundamental components on the road to the design and implementation of the Social and Environmental Risk Analysis System (SARAS) for microcredit, which is scheduled for completion in 2024, as well as the Institutional Environmental and Social Management System (SIGAS), which is expected to be completed in 2025.

Links and references

N/A

Self-Assessment Summary:

¿Does the CEO or other C-suite officers regularly monitor the implementation of the Principles through the bank's governance system?

☒ Yes

☐ No

¿El sistema de gobernanza implica estructuras para supervisar la implementación de PBR (por ejemplo, incluye análisis de impacto y establecimiento de objetivos, acciones para lograr estos objetivos y procesos de acción correctiva en caso de que no se alcancen los objetivos/hitos o se detecten impactos negativos inesperados)?

☒ Yes

☐ No

¿Cuenta su banco con medidas para promover una cultura de sostenibilidad entre los empleados (como se describe en 5.2)?

☒ Yes

☐ In progress

☐ No

Principle 6: Transparency and accountability



We will periodically review our individual and collective implementation of these Principles and be transparent and accountable for our positive and negative impacts and our contribution to societal goals.

6.1 Verification

¿Has the publicly disclosed information on the bank's PBR commitments been underwritten by an independent underwriter?

☐ Yes ☐ Partially ☒ No

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

Answer:

N/A

Links and references

N/A

6.2 Reporting in other methodologies

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

- ☒ GRI
☒ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☐ TCFD
☐ Other...

Answer:

In 2022, BancoSol's first Integrated Reporting exercise was carried out under international GRI and SASB standards, as well as ASFI regulatory indicators. In previous years, the CSR Report was prepared.

Links and references

<https://www.bancosol.com.bo/wp-content/themes/flatsome-child/MemoDoc/IntegratedReport2022.pdf>

Principle 6: Transparency and accountability

6.3 Overview

¿What are the next steps your bank will undertake in the next 12-month reporting period (particularly in impact analysis, target setting and governance structure to implement the PRBs)? Please briefly describe.

Answer:

Setting SMART objectives and implementation of initiatives to improve impact

Links and references

N/A

6.4 Challenges

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

¿What challenges have you prioritized to address in implementing the Principles for Responsible Banking? Choose what you consider to be the top three challenges that your bank has prioritized to address in the last 12 months (optional question).

If you wish, you may elaborate on the challenges and how you are addressing them:

- | | |
|--|---|
| <input type="checkbox"/> Incorporating RBB oversight into governance | <input checked="" type="checkbox"/> Approaching customers |
| <input checked="" type="checkbox"/> Incorporating RBB oversight into governance | <input type="checkbox"/> Approaching stakeholders |
| <input type="checkbox"/> First steps: where to start and what to focus on at first | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Develop an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessment of negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choose the correct performance measurement methodology(ies) | <input type="checkbox"/> Report |
| <input type="checkbox"/> Objective setting. | <input type="checkbox"/> Verification |
| <input type="checkbox"/> Otro: ... | <input type="checkbox"/> Internal prioritization of actions |

The prioritized impact areas and follow-up indicators are as follows:

Impact areas	Type	Definition	Indicators
Healthy economies (Financial inclusion)	Banking access	People's ability to access basic financial products and services (opening and managing accounts, loans, access to credit, etc.)	<ul style="list-style-type: none"> • Number and percentage of clients (men and women) with microcredit. • Number of active clients in savings accounts (impact indicator)
	Digital inclusion	Use of digital tools to access financial services	<ul style="list-style-type: none"> • Number of active users in the Appsol, Solnet, payment app.
	Multichannel access	Diversity of channels to access financial services (online, mobile, ATMs, etc.)	<ul style="list-style-type: none"> • Number and percentage of transactions disaggregated by channel (online, digital, in-branch, etc.)
	Effective access	Ability to understand financial products and services to use them effectively	<ul style="list-style-type: none"> • Number and/or percentage of clients who have benefited from financial education programs
Climate stability	Climate Change	<ul style="list-style-type: none"> • Complementary initiatives that can help ensure a positive impact on closing the climate adaptation finance gap • Identification of physical and transitional risks, both of the Bank's operations, as well as the credit portfolio • SARAS 	<ul style="list-style-type: none"> • Number of microcredits granted for climate change adaptation investments in carbon-intensive sectors

Diversity, Equity and Inclusion report



BancoSol: Committed to respect and non-discrimination



BancoSol promotes a diverse and inclusive work environment where every individual feels respected and valued, regardless of their ethnic background, gender, race, sexual orientation, disability, or age. Diversity is viewed as a source of enrichment that drives the organizational culture towards innovation and sustainable growth. The bank prioritizes the promotion of equal opportunities and respect for the dignity of each person, creating a space where talents and skills can develop without facing discrimination or barriers.

As an organization, BancoSol is committed to building a workplace where diversity is celebrated and where everyone feels like an integral part of collective success. Additionally, in its interactions with clients, suppliers, and the community, it seeks to be a positive change agent by promoting values of equality and respect. It recognizes that diversity and inclusion encompass various aspects and are broad and ongoing areas of work. It begins by focusing on gender diversity as a fundamental pillar of its strategy, ensuring that all individuals, regardless of their gender identity, feel respected and have equal opportunities to grow and fully contribute.

BancoSol's progress in diversity and inclusion is reflected in this report.

Purposeful leadership

Esteban Andrés Altschul

Chairman of the Board of Directors

At BancoSol, we are firmly committed to diversity, equity, and inclusion. We believe that a diverse and inclusive environment not only enriches our organizational culture but also enhances our capacity for innovation and success. We will work together to ensure that every individual has the opportunity to reach their full potential, regardless of their gender, ethnic background, sexual orientation, or any other characteristic.

Marcelo Escobar

General Manager

For BancoSol, adherence to the Women's Empowerment Principles (WEPs) strengthens our commitment to working towards a better future for Bolivian women by promoting concrete actions that foster equity and equal opportunities. We are convinced that by reducing gender gaps, everyone benefits and we contribute to the 2030 Sustainable Development Goals agenda.

Verónica Gavilanes

Deputy General Manager

We believe in the power that drives women to move forward and grow, which is why we want to support them on their entrepreneurial journey, becoming allies in their progress. Through our 'Avanza Mujer' program, we provide comprehensive solutions for women-led businesses. This program has been designed by, for, and with women, with whom we aspire to dream big and build a better future.

¿How does the Diversity, Equity, and Inclusion strategy originate?

Sustainability is one of the four strategic pillars of BancoSol, reflecting the commitment of shareholders, the board of directors, senior management, and all employees to a more sustainable future from the core of the business.

In 2022, the bank developed its sustainability model based on an analysis of double materiality issues, considering a global perspective that encompasses environmental, social, and governance dimensions. This model includes 7 focus areas and 43 key performance indicators (KPIs), addressed from various strategic areas. Thus, sustainability was integrated into BancoSol's strategy.

With the launch of the sustainability model in 2022, the Diversity, Equity, and Inclusion strategy was established as an institutional priority, aligning with SDG 5, which promotes gender equality. This strategy has a dual objective: on one hand, to contribute to the inclusion and growth of women-led businesses in Bolivia by helping to close economic gaps and promote sustainable development; and on the other hand, to foster a diverse and inclusive work environment that respects equal opportunities for all.

For BancoSol, promoting equal rights and opportunities for women in finance, the workplace, the market, and the community is a strategic priority.



Goal: Sustainable development goal of gender equality

Report on Diversity, Equity and Inclusion

BancoSol is committed to fostering diversity, equity, and inclusion by prioritizing gender equity in finance, the workplace, the market, and the community. Internally, it cultivates a culture of respect and ensures equal opportunities for all.

Additionally, it supports the growth of women-led businesses by closing economic gaps and promoting sustainable development in Bolivia.

Corporate commitment

Internal commitment:

Promote a diverse and inclusive work environment that respects equal opportunities for everyone.

Establish concrete objectives to close gaps in the following indicators by 2028:

- **Parity in leadership positions:** Continue implementing effective strategies to ensure equitable representation of men and women in leadership roles throughout the bank.
- **Increase the presence of women in STEM fields (40% target):** Implement actions that promote women's development in these areas by identifying and attracting female talent for positions where they can apply their knowledge and contribute to closing the digital gap.
- **Parental leave (care indicators):** Encourage responsible maternity and paternity roles while promoting work-life balance that positively impacts families who are part of the bank.

- **Implementation of policies with a diversity, equity, and inclusion perspective:** Promote the dissemination and implementation of revised policies focused on diversity and inclusion while raising awareness among all employees about their importance.
- **Training on diversity, equity, and inclusion:** Train 100% of bank employees through specialized consultants.

External commitment

Provide comprehensive solutions that adequately support the needs and aspirations of female customers.

The impact of the “Avanza Mujer” program is reflected in a solid business case that allows tracking compliance with established objectives for 2028:

- **Closing the gender gap in credit portfolios.**
- **Closing the gender gap in customer numbers.**
- **Closing the gender gap in average credit amounts.**

These objectives not only demonstrate the bank's commitment to gender equality and financial inclusion but also highlight its purpose of generating a positive impact on Bolivian society.

2023 Actions with Gender Focus

Corporate commitment

BancoSol is committed to closing gender gaps and promoting sustainable economic development in the communities where it operates this commitment reflects its belief in working for people and their dreams while recognizing that they are the true driving force behind necessary changes.

The bank focuses on the comprehensive development of women both inside and outside the organization.

From corporate governance perspectives, BancoSol commits to implementing and overseeing policies that promote diversity, equality, and inclusion at all organizational levels. It believes these principles are not only ethical but also key drivers of innovation and sustainable growth. Through responsible and transparent management practices, it ensures that its actions reflect these values while contributing to a fairer workplace for everyone.

Gender equality has been fully integrated into the Bank's mission, vision and strategic objectives. As part of its Diversity, Equality and Inclusion strategy, promoting women's rights and opportunities in finance, the workplace, the marketplace and the community is a strategic priority.

Gender equality is fully integrated into the bank's mission, vision, and strategic objectives. Since March 2022, BancoSol has adopted the Women's Empowerment Principles (WEPs), allowing it to identify opportunities for improvement both internally and regarding its impact on stakeholder groups.

Public announcement

Demonstrating clearly and transparently its commitment to diversity, equity, and inclusion through public announcements—both internal and external—is essential for spreading its values and strategic objectives. By doing so, BancoSol not only aims to communicate its stance on gender equality but also actively promotes the creation of an inclusive, diverse, and equitable environment. This approach not only reflects the bank's fundamental principles but also contributes to strengthening its organizational culture and improving relationships within the company and with the external community.

External communication

In line with current trends, the main channels for disseminating information are BancoSol's digital platforms and social media, through which it promotes and highlights its initiatives on equity, diversity, and inclusion. This approach allows the bank to reach a wide and diverse audience, raising awareness about these important issues.

A specific website for the "Avanza Mujer" program (www.avanzamujer.bancosol.com.bo) has been created to provide information about the program, as well as to announce and invite participation in its initiatives (value-added services). This effort is further strengthened through BancoSol's social media channels (Facebook, Instagram, LinkedIn, and YouTube) and those of its partners.

However, the bank recognizes that there are varying levels of digital media adoption among its clients. Therefore, its branches complement these channels with informational materials and fully trained staff available at service points and in the field.

This hybrid communication model enables BancoSol to effectively reach all segments of current and potential clients.

Participation in traditional media is also considered an essential tool for raising visibility and promoting its actions while generating a significant impact on society.

Workplace, leadership and management

As part of its internal initiatives, BancoSol has recognized the importance of establishing internal policies that promote equity, diversity, and inclusion within work teams, as well as incorporating a gender perspective into the organizational culture.

These policies aim to promote principles, objectives, and actions that guide the behavior and decisions of all members of the organization.

In this context, it is essential to standardize the understanding of the topic among all employees, which will contribute to a sustainable business strategy with real impact. To achieve this, the bank has developed training focused on diversity, equity, and inclusion for 2023. The training covers various topics such as: Leading to Transform, STEM, Gender Intelligence, Impostor Syndrome, and Exploring the Essence and Potential of Men (positive masculinities), among others.

Additionally, to prevent gender bias both inside and outside the bank, a gender-sensitive job title guide was implemented in 2023. This guide is reflected in internal and external job postings.

Five breastfeeding rooms have been established in different cities, marking significant progress in the bank's commitment to inclusion and the well-being of its employees. These rooms are strategically located in La Paz, Santa Cruz, Cochabamba, El Alto, and Sucre, allowing for more equitable access and facilitating the balance between work and family life. Each room has been carefully designed to ensure a comfortable, private, and safe space for breastfeeding mothers who work at the bank as well as for clients who need to use these facilities.

To help create inclusive environments committed to equality and respect, it is important to share communications with this focus on relevant dates recognized by UN Women and/or the Plurinational State of Bolivia. These dates provide an opportunity to reinforce commitments to equity, diversity, and inclusion: Mother's Day, Father's Day, International Day for the Elimination of Violence Against Women, and Pride Day, among others.

BancoSol has a zero-tolerance policy for any form of discrimination or harassment and provides a digital tool called **"Expresate"** that allows employees to report incidents specifically related to harassment.



The bank has formed a diversity, equity, and inclusion commission made up of executives from various areas, genders, and ages. This commission works proactively to promote initiatives that are integral to its DEI strategy (Diversity, Equity, and Inclusion) and continuously monitors and evaluates the implementation of these initiatives to assess their impact both within and outside the organization.

To further strengthen its commitment to stakeholders, BancoSol benefits from the valuable involvement of its Deputy General Manager, Verónica Gavilanes, who is a prominent advocate for gender equality both inside and outside the bank.

The bank monitors women who are part of GeneraciónSol, including those in senior management, women leaders, and women in STEM fields. BancoSol is dedicated to enhancing these areas by providing opportunities for women to professionally excel in these fields while ensuring equal opportunities.

Customers, market and business model

The process of building a gender-smart banking model was as follows:



This is how the program begins.



BancoSol promotes the inclusion and growth of businesses led by Bolivian women, helping to close economic gaps and support sustainable development.

To achieve this, it has created a gender-smart banking model designed by, for, and with women. This model offers comprehensive solutions tailored to their needs, aspirations, and the lifecycle of their businesses, aiming to boost their progress as well as that of their families and communities.

The “Avanza Mujer” program was launched in October 2023 to honor the commemoration of Bolivian Women’s Day. It was supported by the International Finance Corporation (IFC), part of the World Bank, which aims to foster inclusion and promote the development of women-led businesses in Bolivia, thereby contributing to economic growth and equal opportunities in the country.

BancoSol aims to be the preferred bank by women!



¿What does Avanza Mujer offer?

Financial solutions

Avanza Mujer aims to support the progress of Bolivian women entrepreneurs by providing financial products and services tailored to the lifecycle of their businesses and their specific needs, while also considering the challenges they face.

- **Loans:** BancoSol supports the growth and development of women-led businesses with financing that matches their needs and capabilities. The loans come with several benefits:
 - **Grace Period:** Up to 90 days of full repayment (only applicable for Investment Capital).

- **Term:** Up to 48 months for Working Capital operations.
- **Signature Recognition:** Not required for transactions of \$8,000 or less (or the equivalent in bolivianos).
- **Economic Evaluation:** The credit evaluation is valid for 12 months (only applicable for excellent clients).
- **Savings:** Various savings options are offered to meet the needs and aspirations of women, helping them achieve their business, family, or financial goals and prepare for unexpected or future expenses.
- **Insurance:** Provides the best coverage to ensure security and economic stability in the face of unforeseen events.
- **Services:** Offers complementary solutions for business and personal finances.

Value-added services

BancoSol supports the development and growth of women entrepreneurs by providing free tools, programs, and resources designed to strengthen their business and financial knowledge and skills.

Believe in yourself

BancoSol aims to contribute to the overall development of women in their roles as individuals and entrepreneurs by providing knowledge, techniques, and tools to help them develop skills and competencies that will allow them to grow professionally and enhance their businesses at every stage.

Capacitarse Mujer (Train women)

This initiative strengthens women's leadership and empowerment through virtual and/or in-person training, tools, and personalized support to develop digital skills that can help boost their businesses.

Training topics:

Online courses:

- Branding for Social Networks – Brand creation
- Social media marketing strategies
- Tools to digitize your business
- Lean Startup: Creating products and services in the Digital World
- Growth Hacking – How to attract and retain users
- Digital Sales Strategies
- Payment and collection methods

In-person courses

- Introduction to Basic Digital Skills for Entrepreneurship
- Communication and Creation of Digital Content

Benefits:

- Flexibility
- Access to expertise
- Networking
- Active learning
- Personalization
- Development of digital skills
- Support and motivation
- Certification of hourly credits

Results:

The program will remain active until March 2024. A total of 2,866 women have registered. Below are the results for the certified beneficiaries as of the end of December:

Number of women certified in virtual courses as of December: **579**
Hourly load per participant in virtual courses: **14 hours**



Women's track

This is a training program focused on business management for women, aimed at taking their businesses to the next level. It includes both virtual and in-person training designed specifically to enhance their skills as entrepreneurs and promote the growth and success of their businesses.

They learn to:

- Prioritize decision making and conduct effective negotiations.
- Access a digital toolkit.
- Build their business model.
- Sell and present themselves under a purposeful profile.
- Manage personal and company finances.

Other benefits:

- Access to networking spaces.
- Talks with international experts.
- The chance to connect with women who have reached their objectives.
- A support community they can rely on from now on.
- Certification of the educational program.

Results:

Certified beneficiaries: **80**
 NPS: **69 %**
 Hourly load per participant: **19 hours**

**Avanza Mujer Community****Speed Networking.**

This program is aimed at adult women entrepreneurs who want to advance their projects. It offers the opportunity to expand their business network, build strong connections, and enhance their businesses. Participants will learn how to make informed decisions and negotiate effectively, as well as improve their sales and presentation skills.

Scope:

In 2023, the program reached the cities of La Paz, Cochabamba, Santa Cruz, and Tarija.

Benefits:

- Enriching networking opportunities.
- Inspiring talks with experts.

- The chance to build a strong network of contacts.
- The opportunity to hear inspiring stories from successful women.

Results:

Participants: **143**
NPS: **91 %**



MIC Cultural Space

At the MIC Cultural Space, BancoSol promotes and showcases the work, talent, and creativity of women entrepreneurs while also helping to spread Bolivian culture. These physical spaces provide women the opportunity to display and market their products and artworks. Products can be purchased using QR codes, and they are promoted through videos and informational brochures.

In 2023, 76% of the exhibitors were women. Throughout the year, three exhibition seasons took place in five cities: La Paz, Cochabamba, Santa Cruz, Tarija, and Sucre..

In celebration of Bolivian Women's Day, a season was dedicated exclusively to women artists, starting in October.

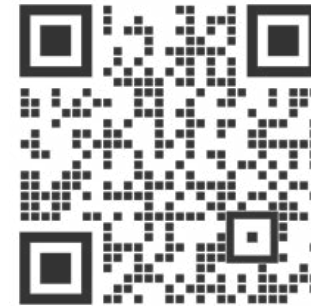


Acknowledgments

Book: Bolivian Women Who Dream Big”

In celebration of Bolivian Women's Month and as part of the “Avanza Mujer” program, BancoSol launched the book “Bolivian Women Who Dream Big.” This publication features real stories and testimonies from women clients of the bank across ten regions of the country, highlighting the value of women entrepreneurs who forge their paths by overcoming barriers, breaking paradigms, and building bridges toward a more inclusive, equitable, and prosperous future.

These are extraordinary stories and life testimonies from micro-entrepreneurs who dream big, where the economic empowerment of women and gender equality serve as a significant source of inspiration for new generations of girls and young women in Bolivia.



Soldigital: Technology for Financial Services

The bank aims to take advantage of all the benefits that technology offers for managing and enhancing businesses, providing access to simple, easy-to-use, and efficient digital tools designed for this purpose.

Solpasanaku

SolPasanaku is a digital savings tool from BancoSol that combines the excitement of a traditional pasanaku with the reliability of a group savings mechanism. Its goal is to promote and facilitate a culture of saving while inspiring a sense of community and financial collaboration.

Users can participate in the classic pasanaku, now fully digital, through the mobile banking app AppSol. They can create or join groups and easily and securely make their savings payments through the app.

Benefits:

- **Interactive Dynamics:** Combines the excitement and fun of a tradition with a group savings tool that encourages participation.
- **Digital Access:** Offers the convenience and security of technology, allowing for easy management anytime and anywhere from your phone.
- **Free Participation:** No cost for bank customers.
- **Innovation and Entertainment:** Financial innovation paired with fun through a tradition like pasanaku provides a unique and memorable digital experience while saving.
- **Financial Community:** Encourages a culture of collective saving among family and friends.

Cuentas Claras (Clear accounts)

BancoSol recognizes that women can manage their household and business finances intelligently. That's why it offers the digital tool "Clear Accounts," which allows users to track income and expenses by category, provides automatic cash flow updates, and generates reports for better financial management.

Benefits of Having Your Finances at Your Fingertips:

- Easy tracking of money movements
- Up-to-date online reports
- Control over business finances
- Clear view of financial situation for better decision-making at home
- Economic security for families

Communication mechanisms

To effectively serve the female market, BancoSol trained over 2,000 sales staff. This training was aimed at preparing and sensitizing employees to provide exceptional service. Additionally, a commercial model was implemented with specific protocols for assisting women. These protocols are used in all 104 branches nationwide and during client visits, utilizing digital solutions that make it easier for women to access services directly in their businesses. This innovation introduces new working methods for the sales team, improving efficiency and service quality.

Furthermore, the bank has a variety of communication mechanisms to ensure effective and timely support for clients. These include a dedicated call center where trained staff can quickly answer questions and resolve issues. The bank is also active on social media, allowing clients to reach out through direct messages, comments, or posts for more dynamic and personal interaction.

BancoSol's website is designed to be a comprehensive and accessible source of information where users can find answers to frequently asked questions, access contact forms, and make inquiries online.

The bank has also set up a customer service option through WhatsApp, a widely used messaging platform, to further enhance communication and quickly resolve client inquiries in a convenient way. These communication methods aim to ensure a satisfying experience and personalized service for all users.

Strategic Partnerships and Alliances

As part of its value creation efforts, BancoSol has formed strategic partnerships that allow it to expand its reach, share resources and knowledge, and seize opportunities to achieve common goals.



**FINANCIAL
ALLIANCE
FOR
WOMEN**



Suppliers

As part of its strategy with the supplier stakeholder group, there is an Ethics Code that promotes diversity, equity, and inclusion.

Additionally, through training on ethical issues, the bank ensures that suppliers receive quality information. In 2023, 28% of suppliers were trained.

Community

Financial education for women

This is a resource designed to train, inform, and empower women in effectively managing their personal and business finances through programs, workshops, and educational resources.

In 2023, BancoSol developed content and a strategy for a program aimed at empowering women to take control of their personal and business finances, thereby promoting their economic independence and ability to positively influence their communities. A significant increase in the financial confidence of participants is expected, along with improved viability and growth of their ventures.

Habitat for Humanity Bolivia

Habitat for Humanity Bolivia is a nonprofit organization founded in 1985 that has been tirelessly working for over 35 years to transform the lives of low-income Bolivian families. Its main mission is to promote access to land and decent housing, providing families with the opportunity to build a better future.

With support from BancoSol, the second phase of the project “Strengthening Technical Capacities: Planting Seeds for Employability” was launched in 2023, focusing again on women in vulnerable situations aged 17 to 50. This phase took place in person in the Satélite Norte area, specifically in Districts No. 3 and No. 5 of the Municipality of Warnes, located in the Santa Cruz Department.

BancoSol made a significant contribution to improving job opportunities for 72 women in vulnerable situations in Warnes by providing them with training in plumbing and home electricity, as well as soft skills, human rights, and entrepreneurship.

The following results were achieved from this project.

Technical training

- 57 women trained in plumbing.
- 53 women trained in home electricity.



Capacity building and entrepreneurship:

- An average of 50 women participated in all workshops focused on soft skills and personal development.
- 53 women received training in entrepreneurship.
- 20 women started their own businesses in plumbing and home electricity.

Community practices and benefits:

- 39 plumbing practices carried out in homes benefited over 200 people.
- 5 community plumbing projects in schools, health centers, an arena, and a community water tank directly benefited more than 4,000 people, distributed as follows:
 - School Campo Rosso: 800 students
 - School La Marina: 200 students
 - La Marina Health Center: 1,500 people
 - Juan Pablo Segundo Arena: 500 people
 - Tapera Community Water Tank: 1,300 people
- 20 home electricity practices directly benefited 100 people from 20 families.

Additional Support and Recognitions:

- 53 gift baskets filled with basic household products were given to the beneficiaries.

- A graduation ceremony was held for women trained in plumbing and electricity, attended by local authorities (including the Deputy Governor of Warnes, the Deputy Mayor, the president of Social Control, and the president of FEDJUVE) as well as local media.

This project not only provided technical training but also boosted the self-esteem and personal skills of the participating women. As a result, they are now better equipped to improve their economic and social situations. This initiative has proven to be truly transformative, positively impacting the lives of the beneficiaries and their communities.

Impact and results:

Figures at the close of the 2023

Internally

- % of employees. 52.6%
- % of women in senior management positions. 36.1%
- % of women on the Board of Directors. 28.5%
- % of women in STEM positions. 28.0%

Externally

- % of female customers. 44.93%
- % of women's portfolio balance. 43.35%
- % variation in average credit. -6.20%
- % women exclusivity. 72.70%
- % SOW women. 64.27%

Added-value services

- Certified women:
 - Track women. 80
 - Capacitarse Mujer. 579
- Participants of Speed Networking. 143
- % of women benefited from financial education workshops 57%



Registro N° CAUB – 618

Independent Verification Report

Scope of work

We have conducted a verification of GRI 3-1 (Process for determining material topics), GRI 3-2 (List of material topics), and GRI 3-3 (Management of material topics) from Banco Solidario S.A.'s 2023 Integrated Report, which was prepared according to:

- Requirements of the Global Reporting Initiative (GRI) Standards, New Structure version 2021, as stated in the GRI Index content on page 119 and the information on page 118.

The preparation of the 2023 Integrated Report, as well as its content, is the responsibility of the National Sub-Management of Sustainability and CSR, which defines, adapts, and maintains the management and internal control systems from which the information is obtained.

Our responsibility is to issue an independent report based on an assurance process with specific review procedures focused on the context of the material topic “Innovation in financial products and services”.

Criteria

We have conducted our review work in accordance with:

- ISAE 3000 ISAE 3000 (Standard for assurance over non-financial information) issued by the International Auditing and Assurance Standards Board (IAASB), with a limited assurance scope.

Procedures

In the context of the scope and the material topic “Innovation in financial products and services,” we implemented the following procedures:

- Analysis of the GRI 3-1 materiality process and its implementation according to GRI 1 Quality Principles.
- Meetings (interviews) with key human resources at Banco Solidario S.A. to understand the organization's context based on voluntary initiatives, the business model, comprehensive strategic planning, policies, and the main risks associated with ESG criteria.
- Analysis of the scope, relevance, and completeness of the content included in the 2023 Integrated Report based on the materiality analysis and considerations outlined in GRI 3-1 Material Topics and GRI 2-12 Role of the highest governance body in overseeing impact management.
- Verification of stakeholder participation/involvement through dialogue records and evaluation methodologies/tools used to support how Banco Solidario S.A. has determined this material topic and its impacts, as well as how it has reviewed them for the current reporting period.

- Review of the information related to the risks, policies, and management approaches outlined in GRI 3-3 as they apply to this material topic, as well as the changes from GRI 3-2 b) that are presented in relation to the Integrated Report for the 2022 reporting period.

Independence and Quality Control

We have complied with the independence requirements and other ethical standards set forth in the Code of Ethics for Professional Accountants issued by the College of Auditors of Bolivia (CAUB) and the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Control 1 (ISQC 1), which outlines quality control standards for the verification process and procedures. We maintain a Global Quality Control System that includes documented policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

Conclusion

Based on the procedures implemented and the evidence gathered, we conclude in our report that there is no indication that the 2023 Integrated Report of Banco Solidario S.A. has not been prepared in significant aspects, meeting the requirements of GRI standards 3-1 (Process for determining material topics) focused on understanding and determining the material topic “Innovation in financial products and services”.

Regarding this material topic “Innovation in financial products and services,” it is recommended that future materiality processes consider its specific impacts from innovation and comprehensive transformation. This will help identify real, potential, positive, and negative sustainability impacts and ESG criteria, allowing for proper evaluation and prioritization.

Within the scope stated in this report, we complemented our work with a detailed and thorough compliance review that determines levels of conformity and specific recommendations for continuous improvement.

Both the report and the findings were prepared exclusively in the interest of Banco Solidario S.A., in accordance with the terms outlined in our Engagement Letter.

ICR Systems & Management SRL



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La Paz, August 13, 2024



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