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Principles for
Responsible Banking

Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

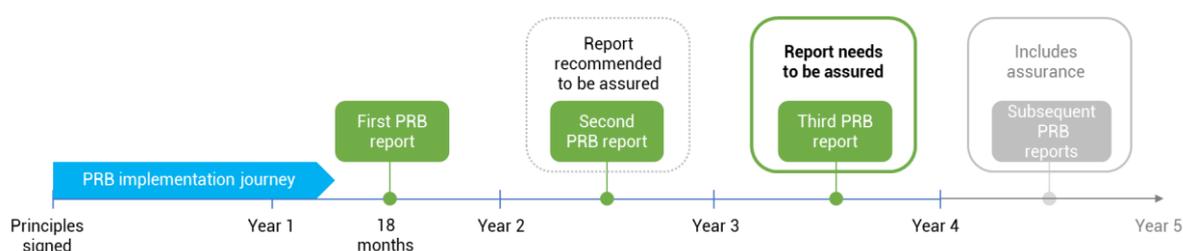
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment



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

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. 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.

Multibank Inc., the main subsidiary of Multi Financial Group, is constituted in accordance with the laws of the Republic of Panama. It began operations in July 1990 under a general license granted by the Superintendency of Banks of Panama (SBP), which allows it to carry out banking business in Panama or abroad and carry out other activities authorized by the Superintendency. At the end of 2022, Grupo Aval through Leasing Bogotá, S.A. Panama, a subsidiary of Banco de Bogotá, owns 99.6% of the shares of Multi Financial Group (MFG).

We have more than 30 years of experience offering banking products, designed to meet the needs of our customers. Learn about our history at the following link.

Our purpose

We serve our people, promoting their dreams to improve their quality of life.

The Values that represent us

We maintain 3 values as fundamental pillars that define who we are and guide our actions: Solidarity, Empathy, and Integrity.

Our main operations are centered in Panama, covering the entire national territory. We also operate in Costa Rica (MB Credits) and Colombia (Representation Office). The location of our headquarters is: Vía España, Prosperidad building # 27, Panama City, section No. 0823-05267, Republic of Panama.

We offer financial services in the following sectors and segments:



Links and references

[Sustainability Report](#)
[Corporate Social Responsibility /](#)
[Multibank](#)

We are a universal bank that offers a wide range of financial solutions and that has an important position in the Panamanian financial market. We can distinguish the following types of banking:

- Personal Banking
- Diamond Bank
- Equity Banking
- Business Banking
- International Banking

With the purpose of facilitating access to our products and services, our banking services include: branches, banking agents and ATMs: • 20 branches. See details of branches and hours • 37 automatic teller machines or ATMs. See location of ATM's • 2 loan centers and 1 card center at headquarters.

Collaborators	1,132
Clients	108,495 ¹
Total Assets	5,126,412,598(USD)
Liabilities	4,764,433,327(USD)
Net Patrimony	361,979,271(USD)
Net Utility	22,332,546(USD)

LOCAL_EXT	# OPERATIONS	%
PANAMÁ	86,843.00	99.80%
INTERNATIONAL	154	0.20%
QUANTITY	86,997.00	100%

Strategy alignment (as it has been implemented)

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

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

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 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 - please specify which ones: Multilaterals (Ecobusiness Fund, Proparco, IFC, BID, BCIE, BNP, DEG, EBF., etc.).

Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----

None of the above

The bank has incorporated practices for the execution of the sustainability strategy:

- In 2022 we are working on the redefinition of the sustainability strategy, through the identification of material issues through context information and consultation with interested parties, to design the goals and performance indicators in the “ASG” dimensions: environmental, social and governance/ economic. All this with the aim of executing and strategically communicating the progress and contributions of sustainability management.
- Our Sustainability Report is prepared in accordance with the GRI standards in the economic, social and environmental fields. Where our commitment to the Principles of the UN Global Compact, with the Sustainable Development Goals (SDGs), and with the principles of UNEP-FI Responsible Banking is ratified; such frameworks and standards constitute fundamental pillars of our activity.
- We have an environmental and social risk unit (management area in the organization's structure).
- We are members of the UN Global Compact
- We use the reference framework of the voluntary guides of ISO 26000.
- We are part of the Board of Directors of the Sustainability Commission of the Banking Association of Panama.
- Since 2018 we are part of the Sustainable Finance Protocol of the Banking Association of Panama.
- We remain committed to promoting best practices in environmental management and financial development.

Links and references
[Sustainability Report](#)
[Corporate Social Responsibility / Multibank](#)

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and 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) Objectives and metrics that are supposed to be defined based on the strategy in this report (attach progress of what and how we want to measure)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

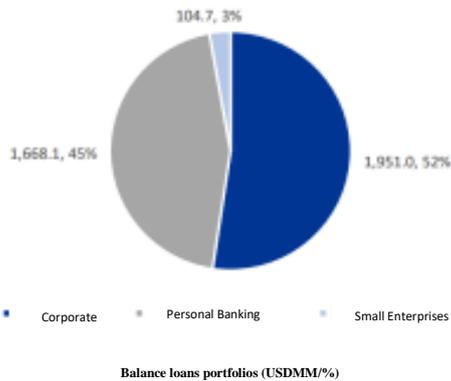
³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

According to the results of the UNEP FI Impact Tool, our results indicated a positive impact to decent employment, housing, health and sanitation, education, mobility and justice, culture and heritage.

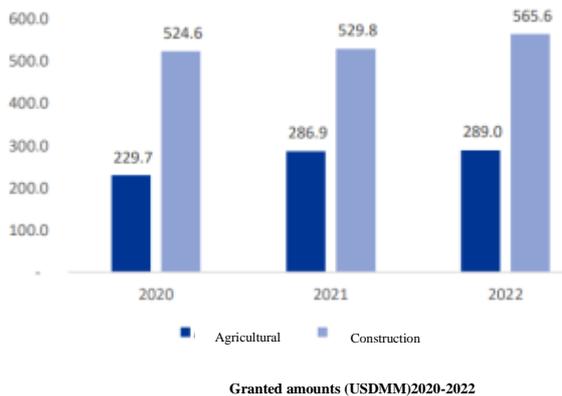
Boost to the economic development of the country

We have a wide and diversified loan portfolio, whose balance as of December 31, 2022, was USDMM3,723.8 distributed as follows:



Strengthen of the Agricultural and Construction Sector

We are in second place within private banking in the agricultural sector and rising to fourth place in construction loans. The balance of loans in the agricultural sector added USDMM289.0 while the construction sector was USDMM565.6 totaling USDMM854.6:



In 2022, 138 loans were granted in the construction sector and 597 loans and 589 subsidized to the agricultural sector.

Support for small and medium enterprises

Since our beginnings, we have supported small and medium-sized companies, offering them a broad and diversified portfolio of services and products according to their needs, including:

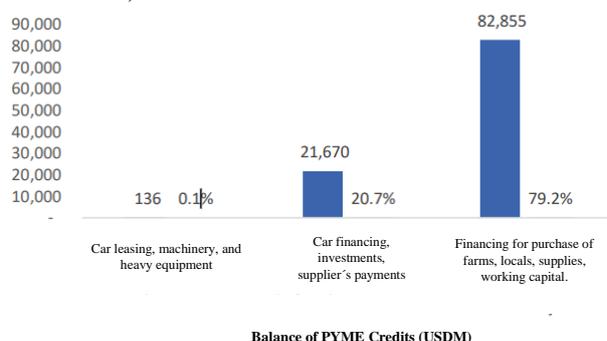
- Business loans
- Lines of credit and payment to suppliers

Links and references

- [Sustainability Report](#)
- [Corporate Social Responsibility /](#)
- [Multibank](#)

- Interim construction
- Factoring
- Structured financing
- Vehicle fleet financing

The balance of loans granted to the sector reached the figure of USD104,691 distributed as follows:



Facilities for home acquisition

We have more than 900 operations, at the end of 2022, where we can hold the portfolio for an amount of USDMM103.8, which represents 2.8% of the total amount of the portfolio:

GENDER	# Operations	Balance	% Part
Women	472	52,430,698.37	50.54%
Men	428	51,319,911.23	49.46%
TOTAL	900	103,750,609.60	100%
Total of Portfolio		3,723,795,636	

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Multibank, during the 2022 impact analysis determines:
Analysis of the loan portfolio:

Links and references

⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

BANKING	SECTOR	BALANCE	GENRE	%
ENTERPRISE	15-COMMERCIAL	534,412,524.73	FEMALE	2.90%
			MALE	13.20%
			ENTERPRISES	83.90%
	16-CONSTRUCTION	514,649,481.84	FEMALE	1%
			MALE	0%
			ENTERPRISES	99%
	10- CORPORATE	464,553,721.88	FEMALE	1%
			MALE	1.50%
			ENTERPRISES	97.50%
	30-INTERNATIONAL	198,166,223.89	FEMALE	0.10%
			MALE	0.30%
			ENTERPRISES	99.60%
	98-AGRICULTURAL	323, 504,250.81	FEMALE	2.70%
			MALE	14.60%
			ENTERPRISES	82.70%
28-SMALL ENTERPRISES	11,564,742.26	FEMALE	0%	
		MALE	0%	
		ENTERPRISES	100%	
51. CORRESPONDENT	8,799,808.03	FEMALE	0%	
		MALE	0%	
		ENTERPRISES	100%	
PERSON	21-MORTGAGE	821,495,615.11	FEMALE	49.00%
			MALE	50.80%
			ENTERPRISES	0.20%
	20- PERSONAL	490,208,878.75	FEMALE	37.50%
			MALE	62.30%
			ENTERPRISES	0.20%
	22-CAR	302,071,549.37	FEMALE	54.80%
			MALE	45.20%
			ENTERPRISES	0%
	25- CREDIT CARDS	54,368,839.66	FEMALE	34.70%
			MALE	62.00%
			ENTERPRISES	3.20%

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

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

According to the analysis carried out by the Ministry of Environment, the challenges of Panama are oriented to:

1. Energy
2. Adaptation / Insurance
3. Transportation
4. Water
5. Waste
6. Manufacturing
7. Construction
8. Forestry
9. Agriculture and Livestock
10. Information and Communication Technology

Links and references

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.27)⁶? Please disclose.

At Multibank, in accordance with these elements, it established in its strategy to work on inclusion and financial education, energy saving, and the development of green products and services for the agricultural and construction sector.

Links and references

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please 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 its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

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

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

We have established to work on inclusion and financial education, energy saving, and the development of green products and services for the agricultural and construction sector.

For this reason, we promote entrepreneurship and development of the female gender, seeking to provide valuable opportunities for their financial development. That is why we can verify that at the portfolio level, the delinquency rate of women has a better performance in the performant.

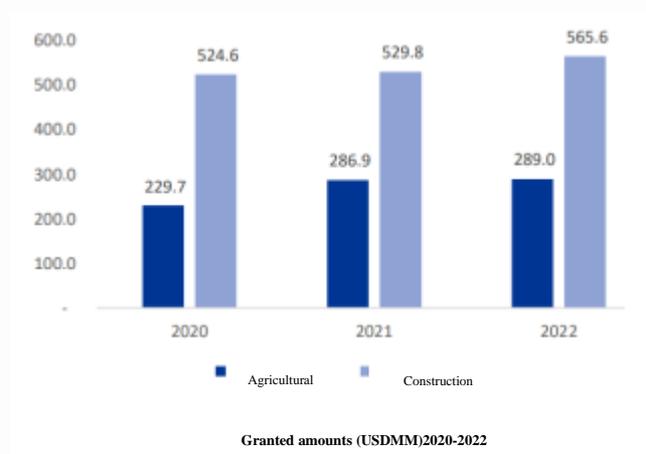
Quality of the portfolio

Kind of Portfolio	Balance	%
Valid	3,591,611,451.32	96.45%
Defaulter	32,014,572	0.86%
Due	100,169,613	2.69%
Total Portfolio	3,723,795,636.32	100.00%

And in the agricultural sector with energy efficiency to leverage the production of food products, aligned with the country strategy, which seeks to guarantee food, in accordance with Panamanian laws that declare national agricultural production as a priority of the State as an instrument to ensure the right to adequate food for the population and national food security and sovereignty. Establishes the pillars, objectives, strategic areas and guidelines of the State Agri-food Policy.

Strengthening of the Agricultural and Construction Sector

We are in second place within private banking in the agricultural sector and rising to fourth place in construction loans. The balance of loans in the agricultural sector added USDMM289.0 while the construction sector was USDMM565.6 totaling USDMM854.6:



In 2022, 138 loans were granted in the construction sector and 597 loans and 589 subsidized to the agricultural sector.

Links and references

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

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 type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

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

The bank's areas of impact are: inclusion and financial education, energy saving, and the development of green products and services for the agricultural and construction sector. On the other hand, the areas of impact associated with: energy, adaptation / insurance, transportation, water, waste, manufacturing, construction, forestry, agriculture and livestock, information and communication technology. As a result, due to the internal impact analysis, the bank has been working on developing strategies focused mostly on climate and inclusive and healthy economies to achieve and maximize the net positive impact of the objectives.

The Environmental and Social Management System determines the parameters, principles and guidelines necessary for the application of the administration of social-environmental risks and their management, as well as the establishment of responsibilities, with the objective that they are in accordance with the planning and the environmental requirements.

Regarding sustainable financing, these green products are a management tool to produce and create solutions, in which, on the one hand, we are committed to the sustainable development of the Society, aligned with our purpose: "we serve our people, promoting their dreams to improve their quality of life.?"; and, on the other hand, they become marketing strategies that generate a competitive advantage for Multibank, with the aspiration of being recognized as a green or sustainable bank.

Levels and intensity

- Financing has been granted.
- Periodically, training activities are carried out for clients on best practices to minimize environmental and social risk.
- Continue to be one of the main competitors in the Panamanian agricultural sector.
- We ratify our commitment to our Multilateral allies, in reference to the delivery of annual reports in which environmental, social and sustainability progress and actions must be reported.
- Multibank is a subscriber to the Panama Sustainable Finance Protocol, since 2018.
- Multibank is a member of the Sustainability Commission of the Panama Banking Association.

⁷ 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.

Low Risk Category
* Retail trade
* Wholesale trade
*Hotels and restaurants
* Real estate activities
*Public administration and defense
*Teaching
*Social and Health Services
*Transportation, storage and communications
*Financial institutions
*Training activities

Medium Risk Category
*Agriculture
*Cattle raising
*Pig farming
*Poultry farming
*Fishing
*Construction
*Oil palm
*Resort
*Sale of agrochemicals

} Change
for the
amount

Medium Risk Category
*Mining exploitation
*Manufacturing industries
* Electricity, gas and water supply
* Hydroelectrics
* Oil and byproducts
*Wood extraction
* Forestry

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

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

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

2.2 Target Setting (Key Step 2)

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

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

At Multibank, according to these elements, it established in its strategy to work on inclusion and financial education, energy saving, and the development of green products and services for the agricultural and construction sector.

We carry out initiatives that are aligned with the SDGs and the Principles of the United Nations Global Compact, we can mention that with the Development of the Sustainability strategy we have been working on 3 lines of action:

1. Environment: Eco-efficiency and Climate Change.
2. Social Development: Education and financial inclusion and entrepreneurship, citizen action, culture, relationship and innovation.
3. Organizational Ethics and Culture: Policies, ethical training programs for our stakeholders, transparency, sustainable business and risk management.

With the preparation of our sustainability report we contribute with SDG 12, which encourages companies to adopt sustainable practices and incorporate sustainability information into their reporting cycle. With the GRI standards we report our management in terms of sustainability following international and standardized indicators and criteria.

Sustainable Development Goals (SDGs)

In the following table we list the SDGs and the main actions presented in this report: (page19)

Links and references

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

12. Affordable and clean energy	- Economic Performance - Support to vulnerable communities - Support to SMEs	10. Reduction of inequalities	- Reduction of inequalities in our relationships and with our collaborators
2. Zero Hunger	- Support program to agro-industry	11. Sustainable cities and communities	- Solidary funds for the acquisition of housing and basic services
1. Health and Wellness	- Work health and security of our collaborators and clients. Benefits to collaborators - Internal training - Financial education - Support to education	12. Responsible production and consumption	- Responsible use of the resources and energy efficiency in our operations
4. Quality education	- Fair and equitable treatment - No discrimination	6. Clean water and sanitation	- Environmental and social risk analysis system ESRA through of which it is analyzed, verified and monitored the complete profile of the client and its credit facilities, submitted for the areas of business and based in politics and internal procedures and of the International Standards (IFC), Principles of Ecuador, national and international environmental regulations.
5. Gender Equality	- Promotion and assessment for the affordable and clean use of energy	13. Climate	
7. Affordable and clean energy	- Productive job - Living wage - Benefits to collaborators	14. Submarine life	
8. Decent work and economic growth	- Strengthen of the digital channels	14. Life of the terrestrials ecosystems	
9. Industry, Innovation and Infrastructure	- We create alliances with organisms and associations that share our vision and objectives to create a more sustainable world	16. Peace, justice and solid institutions	- Compliance and anti-corruption - Reduction of the internal inequities and in our external context
17. Alliance to achieve the goals			

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

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

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

Impact area	Indicator code	Response
Climate change mitigation	8.3%	Reduced energy consumption, thanks to solar panels.
	117.70	Emissions from the use of fuels for vehicles and power plants, and the use of CO2 fire extinguishers.
	330.68	Emissions from energy consumption for lighting systems, air conditioning and computer equipment.

Impact area	Indicator code	Response
Financial health & inclusion	3.3	The arrearage of women, is below compared to the male gender with a %5.
	45.5%	Participation of women in the Consumer Banking portfolio, which includes the other 2 categories: men and companies.
	61%	Of our payroll, 696 collaborators are women, and 39% are represented by the male gender with a total of 436 collaborators.

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

In our sustainability strategy, we focus on 3 pillars, developing actions that allow us to work on health, inclusion and financial education, as well as mitigating climate change, among others.

In reference to the key indicators in terms of environmental and social risk management, the information has been designed and compiled to allow monitoring of aspects related to environmental and social issues. This process contributes to faithful compliance with the contracts, commitments and initiatives signed by Multibank.

Links and references

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c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

The information has been designed and compiled to allow monitoring of aspects related to environmental and social issues. This process contributes to faithful compliance with the contracts, commitments and initiatives signed by Multibank.

Links and references

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d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analyzed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Derived from our sustainability strategy, energy efficiency and financial inclusion being one of the key points, and with our participation in the active committee of the Ministry of the Environment in the development of the

Links and references

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<p>Taxonomy, we will continue promoting the development of actions in energy efficiency, and inclusion in the female gender.</p> <p>Multibank reports annually to the United Nations Global Compact and is published on our website: www.multibank.com.pa</p>	
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Self-assessment summary			
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...			
	... first area of most significant impact: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
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 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<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 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

<h3>2.3 Target implementation and monitoring (Key Step 2)</h3> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</p> <p><i>Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):</i> describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p>	
<p>At Multibank, according to these elements, has established in its strategy to work on inclusion and financial education, energy saving, and the development of green products and services for the agricultural and construction sector.</p>	<p><i>Links and references</i></p>

We carry out initiatives that are aligned with the SDG and the Principles of the UN Global Compact, we can mention that with the Development of the Sustainability strategy we have been working on 3 lines of action:

- * Environment: Eco-efficiency and Climate Change.
- *Social Development: Education and financial inclusion and entrepreneurship, citizen action, culture, relationship and innovation.
- *Ethics and Organizational Culture: Policies, ethical training programs for our stakeholders, transparency, sustainable business and risk management.

With the preparation of our sustainability report, we contribute to SDG12, which encourages companies to adopt sustainable practices and incorporate information on sustainability in their reporting cycle. With the GRI standards we report our management in terms of sustainability following international and standardized indicators and criteria.

Sustainable Development Objectives (SDG)

In the following chart we list the SDG and the main actions presented in this report:

	1. End of poverty	-Economic Performance -Support to vulnerable communities -Support to SMEs		10.Reduction of inequalities	-Reduction of inequalities in our relationships and with our collaborators
	2.Zero Hunger	-Support program to agro-industry		11. Sustainable cities and communities	-Solidary funds for the acquisition of housing and basic services
	2. Health and Wellness	- Work health and security of our collaborators and clients. Benefits to collaborators		12. Responsible production and consumption	-Responsible use of the resources and energy efficiency in our operations
	4.Quality education	- Internal training -Financial education -Support to education		6.Clean water and sanitation	- Environmental and social risk analysis system ESRRAS through of which it is analyzed, verified and monitored the complete profile of the client and its credit facilities, submitted for the areas of business and based in politics and internal procedures, and of the International Standards (IFC), Principles of Ecuador, national and international environmental regulations.
	5.Gender Equality	- Fair and equitable treatment - No discrimination		13. Climate	
	7.Affordable and clean energy	- Promotion and assessment for the affordable and clean use of energy		14. Submarine life	
	9. Decent work and economic growth	- Productive job -Living wage -Benefits to collaborators		15.Life of the terrestrials ecosystems	
	9.Industry, Innovation and Infrastructure	-Strengthen of the digital channels		16.Peace, justice and solid institutions	- Compliance and anti-corruption - Reduction of the internal inequities and in our external context
	17. Alliance to achieve the goals	-We create alliances with organisms and associations that share our vision and objectives to create a more sustainable world			

In our sustainability strategy, we focus on 3 pillars, developing actions that allow us to work on health, inclusion, and financial education, as well as mitigating climate change, among others.

In reference to the key indicators in terms of environmental and social risk management, the information has been designed and compiled to allow monitoring of aspects related to environmental and social issues. This process contributes to faithful compliance with the contracts, commitments and initiatives signed by Multibank.

KRI'S Ays 2022

	Percentage of level of high risk Portfolio	6%		Green loans placed in the analyzed period/ entire portfolio	0
	Approved cases for A and S with Exception	3%		Green products campaigns	0
	High risk visited Portfolio	68%		Non renewable electrical consumption in the branch	100,146 KWH
	Training given to employees A and S	100%		Sanctions applied to Multibank in environmental and social matters	0
	Female percentage of the total of the workforce	61%		Financing to the female gender	44%
	Compliance of the requirements of Multilateral in in Environmental and Social	100%		Campaigns (Notices) of environmental and social actions	2

Principle 3: Clients and Customers



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

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

The Environmental and Social Risk Management area has policies and procedures, accessible to all employees.

Oriented towards sustainable development, we periodically train clients and collaborators, based on updates and regulations on environmental and social issues.

In particular, our employees in the commercial area receive regular training on the SGAS guidelines and tools, such as the environmental and social rating forms.

In reference to the creation of sustainable financing and product development, we have offered (personal loans and car loans), based on credit policies, with special conditions and for sustainable financing, such as solar panels, acquisition of savings equipment and energy efficiency, purchase of hybrid and electric vehicles, with features that meet the criteria established to be considered green, which promotes influencing the implementation of sustainable practices that provide a positive impact.

As part of the monitoring and follow-up of financing activities, Multibank periodically visits the financed projects/clients, which allows verifying compliance with best practices and laws. Through the visits, the bank identifies business opportunities and provides recommendations that promote sustainable practices among its clients.

As an example of financing: attach what is explained in the FUTUREON of the cases (Agricultural and supermarkets, biodigesters)

Links and references

3.2 Business opportunities

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

In the construction sector we find financing opportunities in interim construction projects, as well as in the business banking segment, as well as to continue promoting in the agricultural sector.

Links and references

In consumer credit banking, sustainable personal loan financing (solar panel financing), car loans (hybrid and electric), credit cards with special benefits have been granted to finance energy-efficient products, such as investors, that meet the requirements criteria to be classified as sustainable, which allows the implementation of sustainable practices with a positive impact.

Principle 4: Stakeholders



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

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) 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/results achieved and how they fed into the action planning process.

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

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

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

At Multibank we contribute to the protection of the environment and social responsibility, for the integral development of our clients and therefore to the Panamanian Society. That is why we adhere to “SUMARSE”, the Panamanian chapter of the United Nations Global Pact, to which we have been signatories since 2003.

By being signatories to the United Nations Global Compact, we commit to complying with the 10 principles, which are based on the Universal Declaration and the conventions applied to four areas: human rights, environment, labor standards and anti-corruption.

Through our policies and activities, we make sure to incorporate them in the annual reports that we send to the Global Compact, likewise we include the actions and advances in the proper application in the correct implementation of the 10 principles.

We have reviewed our interest groups classified as pertinent or relevant, they were identified and prioritized through surveys, a workshop and interviews.

Interest Group	Key Issues and Concerns
Board of Directors	
Vicepresidents	Development of a transparent government structure. Implementation of ethics and behaviour policies
Allied Directors	
Investors	
Partners	Return on the investment made and an increase on equity over time. Information transparency and continuous dialog.
Stockholders	
Public Institutions	Integrity and rigorous compliance of the regulatory framework of the sector
Employees	Work continuity, wages agreed and in the regular basis and without delays. Professional and personal development, life quality
Clients	Solidity as financial institution. Satisfaction and service quality through products and innovative products, adapted to its needs and requirements
Allies and companies	
Suppliers	Efficient and fair purchase processes

With these mechanisms we seek to establish a transparent and fluid relationship that generates value for each of them and the continuous improvement of our activities.

Links and references

Principle 5: Governance & 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 in place that incorporates the PRB?

Yes In progress No

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

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

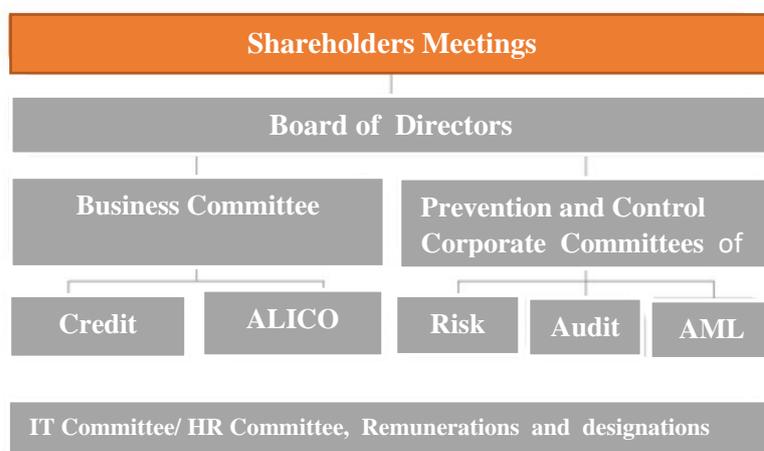
Our Corporate Governance structure seeks to define the roles and align the decisions made within the Group. We have a Corporate Governance department with independence and hierarchy that ensures efficient and secure governance.

Seeking to improve and strengthen our Corporate Governance, we focus on adopting the best practices and international standards, complemented by the experience of the members and advisors of the Committees. In addition, Corporate Governance, volunteering, and Environmental and Social Risk Management policies have been implemented.

Our corporate culture is based on the elements that give us identity and purpose as a company. With them we have the motivation to meet the organizational challenges and dreams of our collaborators, clients, suppliers, allies so that we continue working with passion at Multibank, contributing to the development of thousands of people, companies and industries and to the growth of Panama.

Multibank maintains a Good Corporate Governance structure:

Links and references



Committees to support the Board of Directors and Management Committees

In accordance with the best Corporate Governance practices and in line with the provisions of the Superintendency of Banks of Panama (SBP), the following committees have been established: Support Committees to the Board of Directors and Management Committees.

Business Committees:

Credit committee

Its objective is to review and approve the proposals for Local, International and Correspondent Business credit in accordance with the established limits and the standards of reputation and Compliance, which includes the review and application of the ESRA.

ALICO Committee

The purpose of this Committee is to monitor that liquidity levels, balance sheet structure, scope of terms and interest rates, and other aspects of high financial impact in active and passive brokerage operations are managed appropriately and efficiently by the administration. As well as new business ideas associated with energy efficiency, green products and services, among others.

Prevention and Control Committees:

Risk Committee

Its objective is to define control policies and procedures. In addition, ensure that all areas of the group execute the administration and risk management strategies approved by the Board of Directors, guaranteeing compliance with the provisions of the agreements and regulations in force.

Additionally, it promotes and monitors compliance with policies, conducting ordinary and extraordinary discussion sessions related to environmental and social risk management issues.

Approve environmental and social risk management policies and procedures, so that they are kept up-to-date and in accordance with the best market practices.

Oversees compliance with the commitments signed in the Principles of Responsible Banking, among others.

The environmental and social risk management team reports quarterly to the Risk Committee on relevant issues in accordance with the guidelines established in the policy. In addition, the committee is responsible for approving guidelines, procedures, methodologies, and indicators associated with environmental and social risk.

Compliance / Prevention Committee

The purpose of this Committee is to support the Board of Directors in preventing bank transactions from being used for money laundering, financing of terrorism and financing for the proliferation of weapons of mass destruction, in the Group's operations and transactions.

Audit Committee

The objectives of this Committee consist of supporting the Board of Directors in fulfilling its responsibilities with respect to the management of the Group's financial and accounting information. To this objective, the Committee must ensure the effectiveness of the Group's systems, controls and procedures.

Technology Committee

The objective of this Committee is to propose policies, strategic plans and procedures, as well as the allocation of necessary resources for IT management, ensuring the efficiency and effectiveness of the processes and the appropriate technology for the proper functioning of the operational platform of the organization, as well as how to follow up on the management of technological updating and modernization projects.

Human Resources/Remunerations and Designations Committee

The purpose of this committee is to establish the framework of action for the appointment of the members of Senior Management and those responsible for the Control Bodies, in order to ensure compliance with the qualities of the candidates. Likewise, it is responsible for monitoring the design and operation of the remuneration system, that the standards stipulated in the GRI are met, focused on the field of Social Performance, focused on equity, inclusion, child labor, among others.

Regarding the Environmental and Social Risk Management Policy, Multibank and Subsidiaries ensure that the portfolio of its clients and investments has minimum negative impact on the environment and society, based mainly on the economy, activities, or sectors in which each debtor operates.

In its growth, the Bank will focus on the search for opportunities that maintain a positive environmental impact on the company.

5.2 Promoting a culture of responsible banking:

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

We serve with passion and enthusiasm oriented towards a more human banking, based on individuals, where we offer a warm, close and transparent treatment to our clients and interest groups.

Links and references

Our purpose and values are the pillar of our management philosophy that demonstrates the commitments and responsibilities that we have as an organization.

Some measures that we have implemented in order to promote a responsible culture are:

- Solar panels: We installed solar panels in the offices of the headquarters, significantly reducing consumption and expenses, through policies developed, the reduction of working hours, teleworking, a modality implemented for employees in times of confinement and the COVID -19 pandemic, as a measure to prevent infections, which have been preserved over time.

The generation contribution of the solar panels installed in our headquarters is as follows:

The generation contribution of the solar panels installed in our headquarters is as follows:



Contribution in the generation of the solar panels 2020-2022

- In search of promoting good practices, the Recycling Center is created, in the search to promote awareness and education to our collaborators in reduction, reuse and recycling.

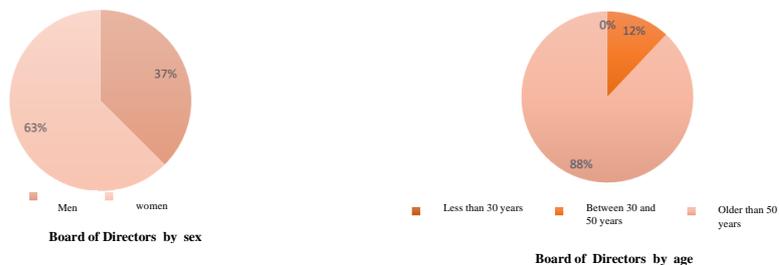
Of the total material recycled at the end of 2022, a total of 1,679 kg, the highest percentage corresponds to cardboard (53%).

And in terms of Emission, the base for the quantification of the carbon footprint was established in 2022, being the first period in which we have made the calculation of our direct emissions. The results in tons of equivalent carbon in the year were the following: The calculation was made using the Technical Standard of Corporate RTH - Carbon and the Guide for the Use of the Footprint tool of the Ministry of the Environment of Panama, and the DGNTI-COPANIT Standard 14064-1 Greenhouse Gases, Part 1 - Organizational Guidance Specification for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

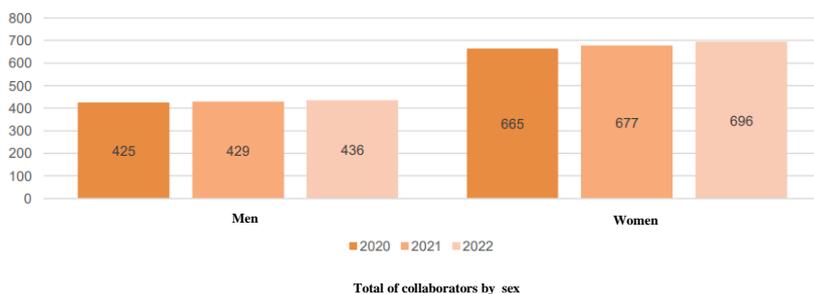
Scope	Source	Carbon Print(ton CO2 eq/year)
1	Emissions from the use of oil for vehicles and electric plants, and the use of CO2 fire extinguishers	117.70
2	Emissions from energy consumption for the illumination systems, air conditioned and computer equipment	330.88
Total Carbon print		448.38
	Total of permanent collaborators	1,124
	Intensity of the GEI emissions by collaborator (CO2 equivalent/year/collaborator)	0.4

From the top of the organizational structure, we promote inclusion:

The Governing Body made up of the Multibank Board of Directors is distributed as follow:



Our employee payroll is made up of a higher percentage of women (61%), maintaining the trend registered in previous years. In 2022, the largest number of collaborators is in the range of 30 to 50 years (71%), while the highest percentage of collaborators by position level is located in the categories: Expert Professional (37%) and Technical Assistance (32%).

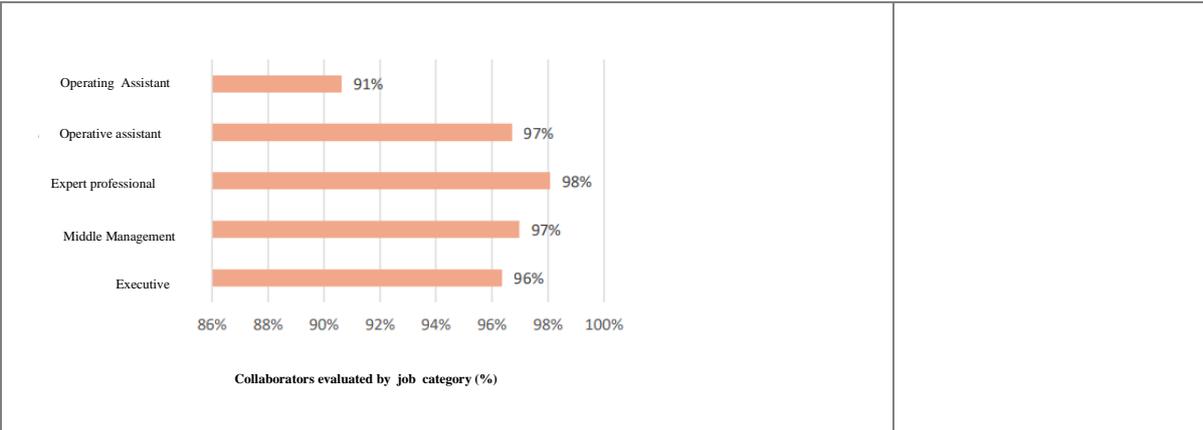


As part of our salary policy, we strive to offer fair and competitive salaries that ensure the recruitment and retention of the best human talent. We have calculated the ratio between the basic salary and the remuneration of women and men by applying the following formula: $\frac{\text{Average salary for men} - \text{Average salary for women}}{\text{Average salary for women}}$. The results are presented in the following table.

Working Category	Ratio between the salary between men and women in %
Executive	19%
Middle Management	-1%
Expert Professional	8%
Technical Assistant	12%
Operating Assistant	-2%

Performance Evaluations and Career Development

We evaluated 1,095 employees, a figure that represents 96.7% of the total payroll in the same proportion for men and women. The following graphs show the distribution by job category:



5.3 Policies and due diligence processes

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

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

We pay priority attention to responsible compliance with all our tax obligations. Our tax strategy is aligned with management objectives, which are reviewed and updated annually. The areas in charge are the General Management and the Financial Vice Presidency. We have fiscal risk control mechanisms and procedures, maintaining fluid and transparent communication with regulatory entities and with our stakeholders. We are committed to a policy of zero tolerance against corruption and any crime associated with "Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction (ML/FT/FPWMD)"; continually striving to manage with a risk-based approach and in a structured and strategic manner, the causes that could give rise to the materialization of any event associated with these criminal modalities.

We adopt and comply with the provisions that prohibit the performance of actions that constitute a breach of the laws, internal policies, generate damage to the image and reputation of the entity and our interest groups, strengthening the ethical culture as an essential element for the prevention, detection, investigation and timely reporting of these crimes. In accordance with the current rules and regulations of the countries where we operate and the best practices and international standards such as:

- The 40 FATF recommendations, the most recognized international standards to combat money laundering and terrorist financing
- The Basel Principles
- The Wolfsberg Principles for the prevention of asset laundering
- Foreign Corrupt Practices Act or FCPA (Foreign Corrupt Practices Act)
- International Standard ISO 37001 Anti-bribery Management System
- Sarbanes Oxley Law (SOX)

Links and references
[*Document Architecture - PO-Environmental Risk Management.pdf - Vice Presidency \(sharepoint.com\)](#)

[*See code of ethics and conduct](#)

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

We have a Compliance department for the prevention of ML/FT/FPWMD and corruption; whose main objective is to implement the guidelines defined by Senior Management, ensure compliance with current regulations and continuous improvement of processes, manage the risks associated with these crimes and guide employees, members of Committees and Boards of Directors in the application of controls to prevent misconduct and encourage the commitment to execute the entity's activities with the highest ethical standards.

As part of the internal regulations established to manage risks related to ML/TF/FPWMD and corruption, we have defined the following control mechanisms:

• Risk management models for the prevention of ML/TF/FPWMD and Corruption

They have scope over all the processes that generate value in the activities carried out by the entity and define the methodology for the adequate identification, measurement and monitoring of risks; The models are designed with a risk-based approach and aimed at guaranteeing that all activities comply with internal policies, current regulations and international standards, ensuring transparency in each business relationship and minimizing the impact that the materialization of any risk could generate.

• Anti-Corruption Policy and Compliance Manual for the prevention of ML/FT/FPWMD

They integrate the internal control systems, to prevent and manage events associated with ML/TF/FPWMD and corruption within the entity; promoting the ethical principles and values that regulate acting in relations with third parties and ensuring transparency and adherence to compliance with the regulations that are applicable to us as issuer of securities in the national and international market.

Compliance with laws and regulations

We make sure to comply with the legal framework and regulations that apply to us as a bank. Within our financing evaluations, the production or trade of any product or activity considered illegal under the laws or regulations of Panama or international conventions or agreements is excluded.

Conflicts of interest

Our Code of Ethics and Conduct contains the principles and values that all those related to the entity must comply with and apply in their behavior, as well as disciplinary or administrative measures in the event of non-compliance. Demands ethical, legal, socially responsible behavior and in accordance with internal policies, to ensure the highest transparency in the actions of shareholders, collaborators, members of Committees and the Board of Directors and preventing the direct or indirect use of the reputation or resources of the entity, for its own benefits or those of third parties.

At Multibank we have developed policies and procedures for our Environmental and Social Risk Management System (ESRMS), which is based on analyzing environmental and social risks within the credit process. Additionally, the facilities granted are classified by level of rating 1, 2 and 3 and follow-ups are given to those in high risk.

- In our Environmental and Social Risk Analysis (ESRA) process, we consider important factors:
- * Purpose of credits.
 - * Activities engaged in by our clients.
 - * The financial status of the company.
 - * The exclusion list is taken into account, where it indicates the activities in which the bank does not participate due to the Environmental and Social Risks that may be involved in them.
 - * Regulatory compliance, Agreement 8 - 2010, including the Corporation's Performance Standards on Environmental and Social Sustainability.
 - * Training is carried out for the commercial areas to provide support in the process and share updates.
 - * We monitor the portfolio in terms of activities, portfolio, rating, gender, among others.

Within the review at the time of granting credits, forms must be completed where the client is analyzed the environmental and social impacts, such as:

- * Natural habitat
- * Inputs and Waste
- * Health and Safety
- * Community
 - * Know the position of your human resources
- * Control measures
- * Environmental management of the different facilities
 - * It is verified that clients have policies and procedures associated with protecting the environment.

Action plans

We maintain measures to mitigate the client's environmental and social impact. The client must indicate the necessary actions that must be carried out to solve the accident and later follow-up is carried out to ensure due compliance.

The governance structure of this area is made up of:

- Vice President of Risk Management
- Legal and Reputational Risk Manager
- Environmental and Social Risk Officer

Self-assessment summary

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

- Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes No

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

- Yes In progress No

Principle 6: Transparency & Accountability



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

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

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

https://www.multibank.com.pa/sites/default/files/i_nforme_sostenibilidad_multibank2022.pdf

Links and references

6.2 Reporting on other frameworks

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

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other:

Within the annual sustainability report, our commitment to the UN Global Compact Principles and the SDGs is ratified, we are also governed by the GRI Methodology.

Links and references

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

¹⁴ For example, outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

¹⁵ For example, outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

<p>Reinforce the strategy the following axes:</p> <ol style="list-style-type: none"> 1.Environment: Eco-efficiency and Climate Change. 2.Social Development: Education and financial inclusion and entrepreneurship, citizen action, culture, relationship and innovation. 3.Organizational Ethics and Culture: Policies, ethical training programs for our stakeholders, transparency, sustainable business and risk management. 	<p><i>Links and references</i></p>
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6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualize the collective progress of PRB signatory banks.

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

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|---|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input checked="" type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input checked="" type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁶ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁷ (highlighted in **green**) or to client engagement¹⁸ targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.¹⁹ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁶ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁷ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁸ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹⁹ You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.

- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²⁰ (pathway to impact)									Impact ²¹		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes, we want to reduce the carbon footprint and that is why we have installed Solar Panels, which we drive with the digesters.	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (<i>for business clients</i>), or towards low(er)-carbon practices (<i>for retail clients</i>)?	Yes, we finance solar panels, biodigesters, among others.	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	In recent years, renewable energy have been financed through loans for solar panels and biodigesters, mainly for agricultural and livestock clients, just as we have issued commercial chambers in order to promote the financing of green vehicles (electric and hybrid) and credit card promotions for consumer customers to purchase energy efficient appliances.	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	We finance solar panels as part of general improvements. This represents a saving of 50% of energy consumption.
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	In progress	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	In progress	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors	In progress	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	In progress

²⁰ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²¹ Impact: the actual impact of the bank's portfolio

							and activities ²² ? How much does your bank invest in transition finance ²³ ?			
A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	In progress	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	In progress					
A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	In progress	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	In progress					

²² A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²³ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations, etc.)?	In progress									
B. Financial health	B.1.1 *	# of products and services in the portfolio with a focus on financial health	4	B.2.1 *	# of individuals supported with dedicated and effective financial and/or digital education initiatives	We currently have general information on good practices in managing finances and it is available on our website accessible to our customers.	B.3.1 *	% of individuals with a good and/or very good level of financial skills	In progress	B.4.1	% of customers with a high level of financial health	In progress
	B.1.2 *	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	In progress	B.2.2 *	% of customers actively using the online/mobile banking platform/tools	20.44%	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	25%	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	In progress
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Banking Institute University of Panama				B.3.3	% of customers using overdraft regularly	0.21%	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	In progress
							B.3.4	% of customers with a non-performing loan	3.56%	B.4.4	% of customers with products connected to long-term saving and investment plans	8%

							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	80%	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	In progress
C. Financial Inclusion	C.1.1 *	# of products and services in the portfolio with a focus on financial inclusion	F-41% M – 59%	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	In progress	C.3.1 *	% of individuals with a good and/or very good level of financial skills	85%	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	16.99%
	C.1.2 *	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	51%	C.2.2	% of customers with effective access to a basic banking product	60%	C.3.2	% of customers supported with dedicated customer journey/advisory services	70%			
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	2	C.2.3	# of new customers per month	1,050 per month	C.3.3 *	% of customers actively using the online/mobile banking platform/tools	20.44%			