

Working Together
We've come a long way.



Sustainability Report 2023



[Click to see the complete report](#)



Camilo Atala Faraj
President Ficohsa Group

Since our inception 30 years ago, we have been a company guided by the fundamental family values. The principles of solidarity, empathy, and responsibility towards our communities and collaborators have been the central focus of our mission. During this time, we have kept alive the legacy of our parents, Juan and Toya Atala Faraj, who instilled in us the importance of contributing to social welfare, particularly through inclusive and quality education.

In this regard, we are proud to share with you the significant progress we have made in our path toward sustainability over the past year. Among these milestones, we highlight regional growth through the acquisition of America Insurance in Nicaragua and Asesuisa in El Salvador; we continue to promote banking and financial inclusion initiatives, entrepreneurship, gender, and transforming banking with innovative financial products to meet the needs of our clients in the new digital age. These achievements testify to our continued commitment to sustainable development and the positive impact on our communities.

In the coming years, we see the Group in the future consolidated as one of the most important groups in Central America and we assume it with the responsibility it carries of having a positive impact on the region. That is why this transformation that we are living in considers sustainable development as a basic and fundamental input.

At Ficohsa Group, we firmly believe that when we move forward together, we achieve great things. Let us continue to work together on this path towards a more prosperous, supportive and sustainable future for all.

Thank you and let's move forward!



Luis Atala Faraj
Vice-President Ficohsa Group

It is with great satisfaction that we present the sustainability report of the Ficohsa Group. Our vision is that people will go far, understanding success as something that not only benefits our organization but positively impacts all the people and communities we serve. We strongly believe that when a business grows sustainably, everyone can move forward together towards a prosperous future.

Education has been and will continue to be one of our fundamental pillars, through educational programs and projects implemented by the Ficohsa Foundation, which recently celebrated its 25th anniversary. We work tirelessly to provide children and young people with the necessary tools to build a promising future. We highlight this year the accompaniment with USAID and the Secretary of Education, through the Alliance for Education program, our the commitment to restore 25 basic educational centers with a reach of 10,500 students at the end of the project. We keep alive the legacy of our father, Juan Atala, who always believed that quality education builds prosperous societies, with opportunities for all.

In addition, we promote entrepreneurship as an engine of economic development and employment generation in the region. We believe in the power of effort and creativity to positively transform realities and build a better future. Paying special attention to women entrepreneurs who are an engine for the economy of our region. The promotion of banking through financial inclusion is another of our key commitments. One example is our recent addition to the Partnership for Central America (PCA), in which we are committed to support the economic and social development of the Northern Triangle through investment in digital banking fermenting financial inclusion, and support for entrepreneurship.

We appreciate the continued support of all those who have been part of this journey, and we look forward to continuing to work together to build a more just, prosperous, and sustainable future for all.

About this Report



Over fourteen years, the Ficohsa Group (FG) has published annual sustainability reports as part of the accountability to the different groups of stakeholders. The integrated annual report 2023 considers the most relevant issues for FG and its stakeholders, reflects the work of all those who contribute to the implementation of the business model and the new sustainability strategy, aligned to the criteria of Environment, Society and Governance (ESG), covering 4 pillars of action under which this document is built:

Good Corporate

Governance Client-Centered

Collaborator Well-Being

Promoters of Environmental and Social Change

International Standards

of sustainability as the basis of this report



Qualitative and quantitative data of our extra-financial performance are presented, using the international standards of the Global Reporting Initiative (GRI), with special emphasis on general contents related to our organization, activities, governance, strategy, and interest groups.



Now part of IFRS Foundation

It incorporates for the fourth consecutive year the Sustainability Accounting Standards Board (SASB), for the sectors: Commercial Banks, Consumer Financing, Asset Custody Management activities, Mortgage Financing, Investment Banking, Brokerage House, and Insurance. This methodology responds to the information requirements of investors on ESG issues that affect the financial stability of the company.



Main contributions to the United Nations objectives for the 2030 Agenda Goals are reported.



We remain committed to the Principles of the United Nations Global Compact of which Ficohsa Honduras has been a member since 2018. For the presentation of this report, new updates for the Communication of Progress (COP) were adopted.

Recognitions



LatinFinance

Bank of the Year in Honduras.



Global Business Magazine

Banco más Innovador de Honduras



Mejor Banco CSR de Honduras



World Economic Magazine Awards 2023 recognized Ficohsa in three categories:

Best Banking Group of Honduras

Best CSR Banking Group of Honduras

Best Digital Bank of Honduras



FUNDHRSE 2023

17 consecutive years being recognized for promoting sustainable development in the region.



Federación Internacional del Automovilismo (FIA)

For generating road safety campaigns to raise public awareness



Good Corporate Governance

We promote sustainable development through inclusive, responsible, and transparent economic growth to continue it, generating the well-being of all in the region.



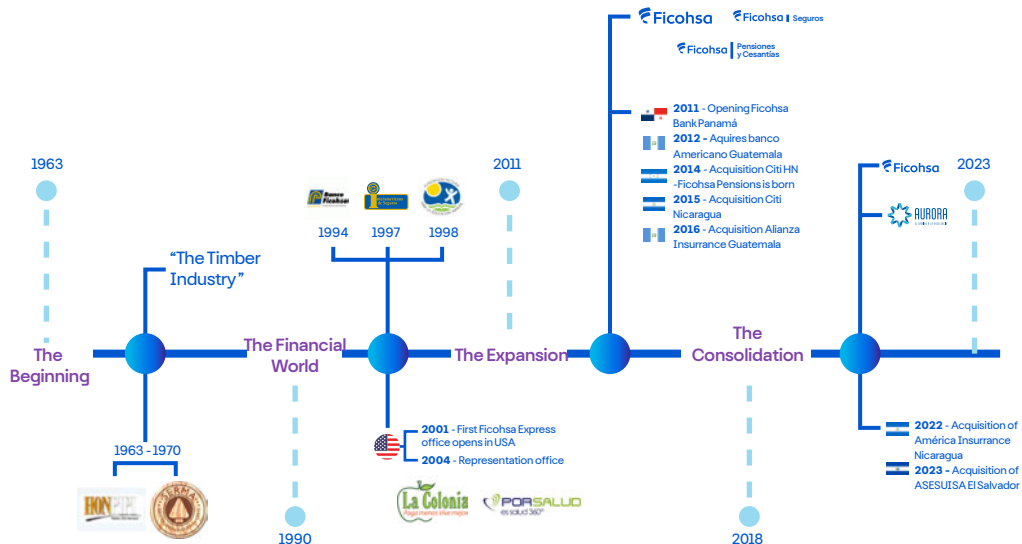
History and Evolution

The story begins in 1958 with the arrival of a man with a very clear purpose in life: to transcend from the business and human point of view. He dreamed of laying the foundations of a thriving business and impacting people's lives in a meaningful way. For him, both goals were equally important.

Mr. Juan Atala, a visionary man who came to Honduras, began his business career in the timber industry, focusing on importing timber and timber products. He always accompanied his business efforts with a strong social commitment, especially in education, an element that would mark the history of the group in a particular way.

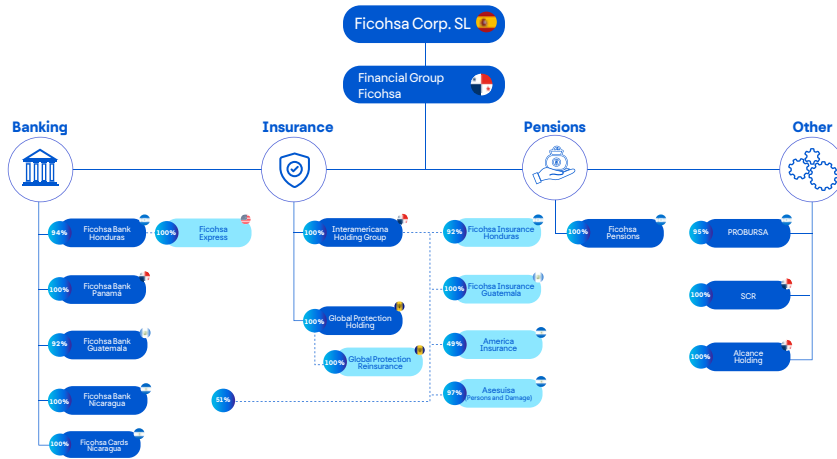
In 1994, Mr. Juan, together with his wife Mrs. Toya Atala, and his children, founded Banco Ficohsa, thus initiating our incursion into the financial world. During the first decade, the group's efforts were focused on Honduras and here we diversified our activities, venturing into the insurance sector and creating the Ficohsa Foundation, shaping Mr. Juan's dream. In the following years, we also expanded into other non-financial businesses.

In 2011, a new phase of expansion began in Central America, covering banking and insurance businesses. This expansion led us to cross borders, and today we have operations in Honduras, Guatemala, Nicaragua, Panama, El Salvador, and the United States.



Structure and Society

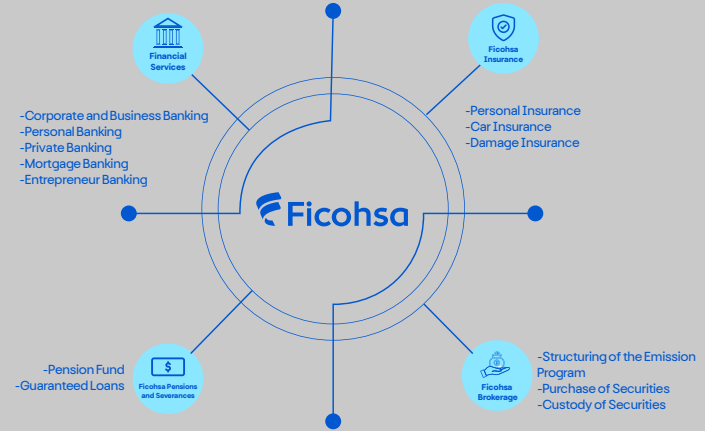
FICOHSA FINANCIAL GROUP, S.A. is formed as a joint-stock company, with a majority fraction of the property in the hands of Honduran capital. The registered office is in Panama City (Panama) and the operational headquarters is in Tegucigalpa (Honduras). With operations also in Guatemala, Nicaragua, El Salvador, and the USA. We operate under an organizational structure led by Corporate Governance that promotes the efficiency and specialization of teams by service and country.



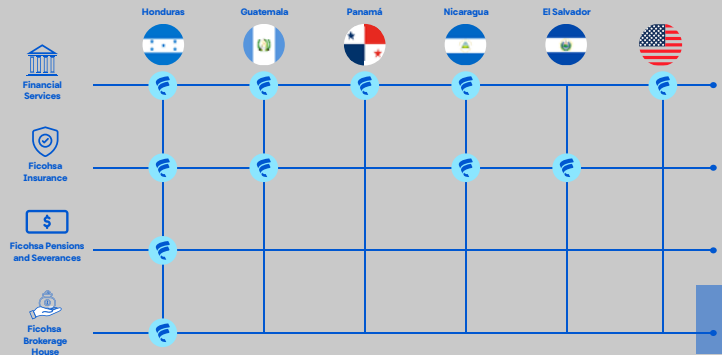
* The percentages represent the participation or ownership of Grupo Financiero S.A in each of the companies.t

Details of the Business

Our products and services offer innovative financial solutions of the highest quality, according to the needs of both people and micro, small, medium, and large companies to achieve the loyalty and trust of our clients in the countries where we operate



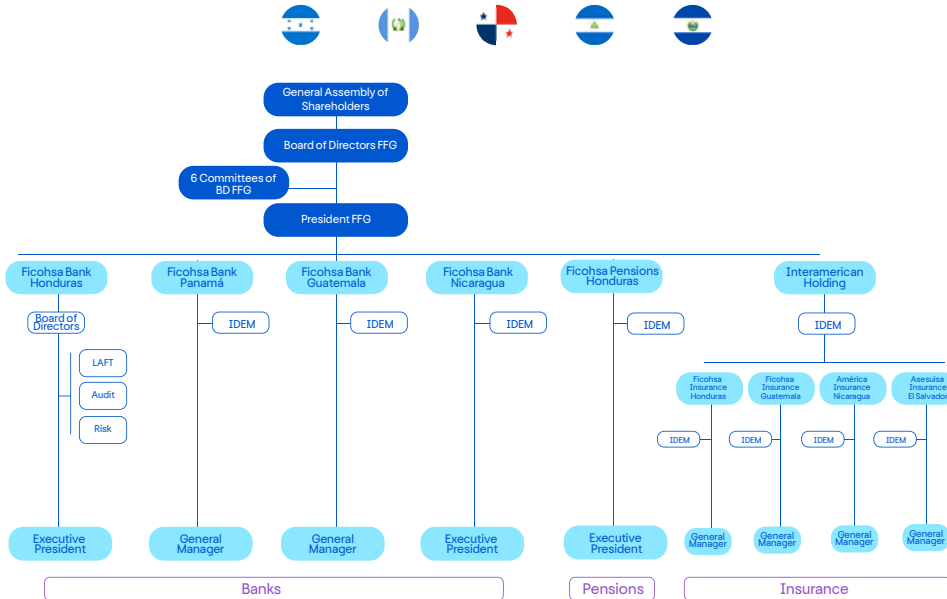
Presence of Businesses by country



Corporate Governance

Aware that the basis for promoting sustainable social and economic development that will have a positive impact on society, as a whole, is having a solid corporate governance, with a vision to generate a positive impact with the operation, working hand in hand with stakeholders in relation to their expectations and needs as a focal point for good business performance.

Corporate Governance Structure



Competencies and guidelines of Good Corporate Governance

Responsible and sustainable leadership.

Development and vision of long-term growth, on firm foundations

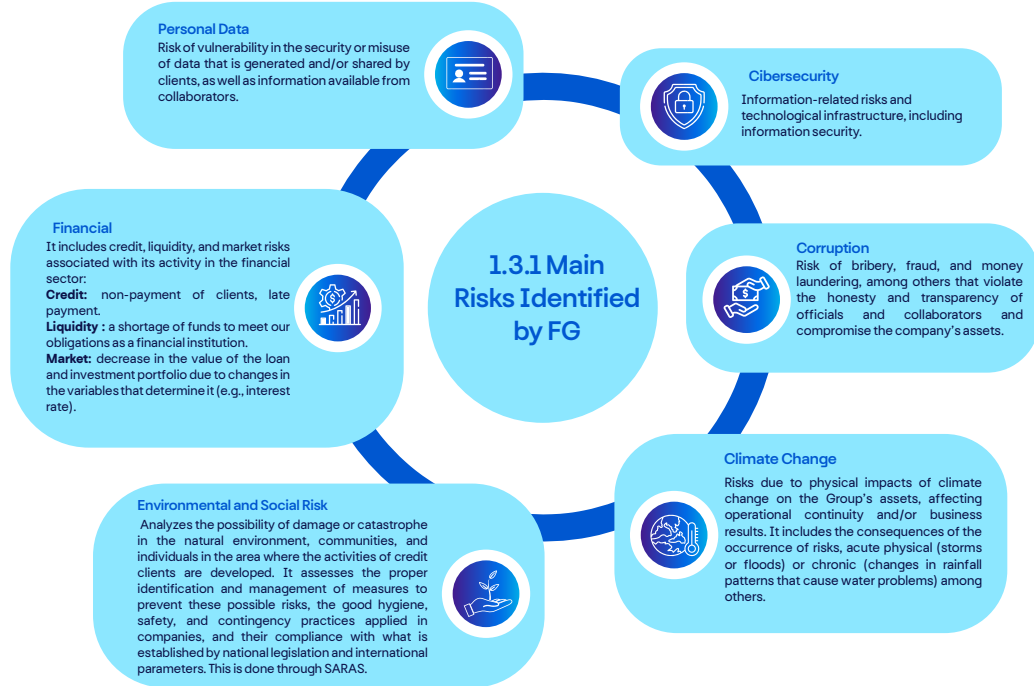
Respect for the requirements imposed by the legal framework.

Fulfillment of commitments to different stakeholders.



Risk Management

The Board of Directors is responsible for ensuring an adequate environment for risk management, as well as for fostering an internal environment that facilitates its development.

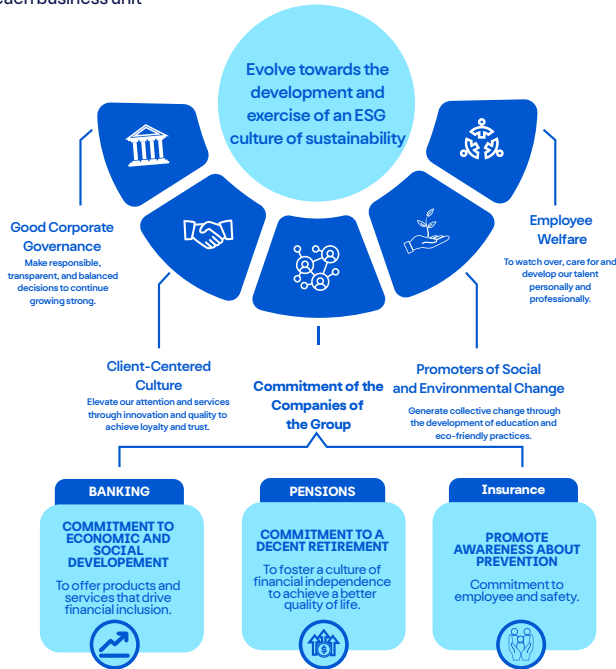


FG has a regional Risk Committee and local committees by country

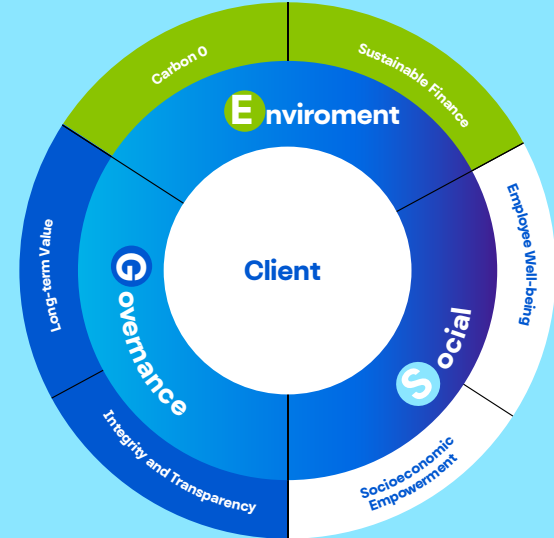
Sustainability Strategy

In Ficohsa Group we promote sustainable development so that together we go far, we transform ourselves every day to respond to the economic, environmental, and social challenges to which we are exposed as a sector, working with the global agenda framed in the Sustainable Development Goals and the principles of the UN Global Compact.

FG adopted its 2023-2028 sustainability model, consisting of four pillars of action and an additional one for each business unit



During this year we strengthened our sustainability strategy with the purpose of focusing on the criteria of Environment, Society, Governance (ESG), and economical, aligning the execution of internal activities with the purpose of positively impacting our environment with sustainable practices from our operations, through responsible and transparent decision making.



For Ficohsa sustainability is framed in its corporate purpose to facilitate solutions that transform lives, which represents a collective commitment to generate value to stakeholders so that through its products and services they can materialize their dreams, goals and objectives. Beyond financial alternatives, it is a step forward to accompany them in their daily lives with comprehensive solutions to their needs.

Contributing to the Sustainable Development Goals (SDGs) through sustainable projects

Job Generation



Meta 5.5



Meta 8.5

6,780 collaborators at the regional level
2,198 new collaborators joined the Ficohsa family in 2023
58% of collaborators are women and 42% men
507 women hold leadership positions
229 women in science, technology, engineering, and mathematics (STEM) positions

Quality Education



Meta 2.1



Meta 4.2



Meta 17.17

+157,000 children benefited from 2000 to date from preschool education in Honduras, Nicaragua, Guatemala, and Panama
151 preschool centers supported to date at the regional level
+300 teachers trained to date
+10,000 young people benefited from elementary education in Honduras through the Alliance for Education with USAID/ Ministry of Education
220 young people sponsored to date through HONDUFUTURO scholarships for postgraduate studies at universities abroad
+835,000 indirect beneficiary families at the regional level

Education and Financial Inclusion



Meta 4.2



Meta 17.17

The financial inclusion of 60,000 people through TENGO was achieved in 2023, representing 8 million digital transactions, as part of the commitment to the alliance with Partnership for Central America (PCA)
+3,290 bank-backed youth to date from vulnerable areas of Honduras through the partnership with Glasswing Honduras/Young Impact Leaders for Central America program
+10 million people reached with the Your Financial Awareness program at the regional level
+190 clients reached with the regional financial education program

De Mi Tierra Program



Meta 1.4



Meta 2.3, 2.4



Meta 8.3



Meta 10.2



Meta 17.17

+USD \$7.8 million in agricultural financing to date
+2,700 credits granted to date in 11 departments of HN, benefiting +100 communities for the production of +40 products
+33.6 millions in purchases to date by Supermercados La Colonia to producers of the program
84 million pounds of products marketed to date
+14% participation of women in the program

Mujeres Adelante Program



Meta 5.5



Meta 8.3



Meta 17.17

3,000 women users registered on the Mujeres Adelante platform to date
+550 spaces generated in different entrepreneurship fairs
+15% new female customers for Entrepreneurial Banking

Corporate Volunteering Program



Meta 17.17

94% participated in at least 1 volunteer activity by Ficohsa collaborators
+11,000 hours of corporate volunteering invested regionally in social projects in the communities where Ficohsa operates
+1,000 collaborators at the regional level joined "Un día para dar" donating basic staple food and cash supporting vulnerable families, an activity promoted annually

Environment



Meta 12.2, 12.5
12.6



Meta 13.3



Meta 15.2

Ethics, Human Rights, Anti-corruption and Bribery



Meta 16.5, 16.10

+70,500 trees planted to date in the region in different reforestation days
+1,450 cases analyzed through the Environmental and Social Risk Analysis System (ESRAS) during 2023
+USD \$229.2 millions disbursed to date for green financing of 15 renewable energy projects (solar, wind, hydro, biomass)
The main buildings in Honduras, Nicaragua, and Panama, in addition to 11 agencies work with solar panel power (5,499 mt2 of solar panels)
549,600 kg CO2 CO2 is not generated annually by producing solar energy, with the production of 1,200,000 megawatt hours

98% of collaborators at the regional level have been trained in 2023 in Corruption and Bribery
100% Compliance with the activities in the training and awareness plan of the Anti-corruption and Bribery Management System (ABMS)
+170 reports received and attended to in a timely manner during 2023 through the reporting channel; the system is operated by a third party, an independent specialist in the management of reports called EthicsGlobal

Ethics and Compliance

Ethical Conduct

GF is committed to acting under ethical conduct attached to its corporate values and compliance with the mechanisms of self-regulation which we have, as well as the regulations and legislation of the countries where it has a presence. We have voluntarily adopted measures that strengthen good practices, such as the implementation of the Anti-Corruption and Bribery Management System (ABMS) to prevent and detect irregular practices. We also incorporate good practices in business management through our Human Rights policy, including the design of Due Diligence processes.

The group continues to promote a business culture based on sound ethical principles and transparency, contributing positively to the progress and welfare of society.

Reports and Concerns Channel

A Reporting System is available; a secure, easy, confidential and anonymous platform for reporting unethical conduct or integrity. The system is operated by a third party, an independent report management specialist called EthicsGlobal.

174 reports received during 2023, 100% were received through the EthicsGlobal system.

GF has a Code of Ethics and Conduct which is periodically updated according to the needs of the Group and its environment, applicable at the regional level. In addition, they have Codes for Suppliers and Customers, which set the guidelines expected in the business relationships that take place.

Anti-Corruption and Bribery System (ABMS)

Ficohsa Group as a voluntary adoption has implemented the ABMS, this system contributes in mitigating the risks of corruption and bribery, It also integrates and strengthens the compliance program for the prevention of money laundering and financing of terrorism and proliferation financing (LAFTFP). The design of the ABMS is inspired by the requirements of the ISO anti-bribery standard.

98% of GF employees were trained on Corruption and Bribery
100% compliance with the activities of the Training and Awareness Plan

ISO 37301:2021 Compliance Management System (CMS)

In follow-up to the certification process of the Compliance Management System (CMS) under ISO 37301:2021 for Ficohsa Bank Honduras, in 2023 different activities were developed aligned with the deployment and implementation of the system, aimed at meeting the compliance requirements of the standard, preparing for the external audit to be carried out in 2024 by the certifying body.

Compliance Management System (CMS) Policy of Ficohsa Bank Honduras:

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

Commitment of the Ficohsa Group:

- Comply with and enforce applicable requirements including compliance obligations.
- Continuously improve the Compliance Management System.
- Promote the raising of concerns, prohibiting any form of retaliation.

Compliance with Human Rights

Aligned with ethical conduct, principles and values, FG is committed to strengthening a human rights culture in all its companies and countries where they operate, this is a fundamental element in the Group's vision that strengthens the practices of responsible and sustainable business conduct.

Ficohsa has a Human Rights policy, due diligence is implemented in its operations and processes, as well as with its suppliers, clients, and other business relationships; in order to identify, prevent, mitigate, respond and take appropriate measures to manage impacts.

Relation with the Value Chain

For FG its stakeholders must have a sense of responsibility on the issues of anti-corruption and bribery, business continuity, money laundering and terrorist financing, which is why supplier certification policies are tacitly governed by government standards. This practice has been strengthened through the due diligence process in the value chain for all contracting parties.

80% of Ficohsa suppliers are national



Collaborator Well-being

Attributes as an employing brand allow FG to excel in the labor market, we understand the needs of talent, its search for constant learning and the opportunity to be part of innovation for its clients

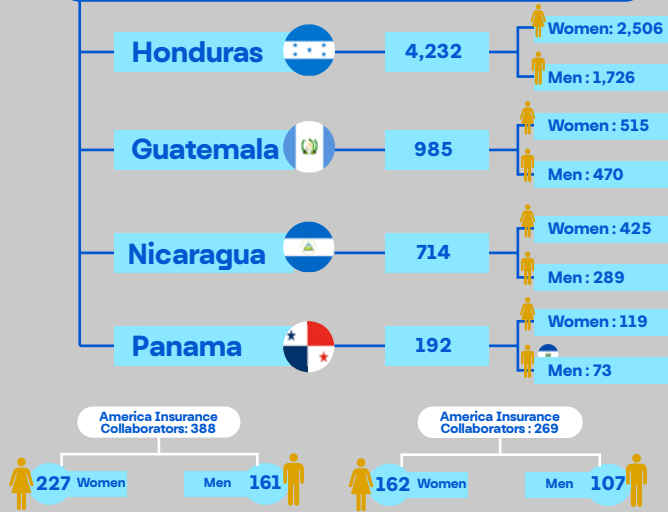


Organizational Talent Growth Sheet

Attributes as an employing brand allow FG to excel in the labor market, we understand the needs of talent, its search for constant learning and the opportunity to be part of innovation for its clients.

6,780 collaborators are part of the Group at the end of 2023.

Collaborator at Regional level



2,198 new collaborators were part of the Ficohsa Family in 2023.

Well-being Program

8,239 health care for regional staff at the various medical clinics located in the Group's main buildings during 2023.

2,206 Provide psychological support at the regional level as part of the overall well-being of its employees.

Onboarding Program

This program was born in 2023 with the aim of providing new collaborators the best experience by being part of Ficohsa Group. It is for this reason that, from the first contact with the company, wishing to offer an experience of approach that is based on actively listening to their opinion, offering:

Attraction processes with an inclusive approach.

Generating a memorable experience through participation in their first corporate volunteering activity.

Provision of tools that facilitate and standardize the induction plan in the area.

Companiment to help them build their purpose through the IKIGAI technique, which seeks the realization of what one wants and desires in life.

Diversity, Equity, and Inclusion

In 2023, a Regional Policy on diversity, equity and inclusion was created, which aims to achieve a favorable environment that facilitates and enhances equal opportunities and treatment, non-discrimination, diversity, equity and inclusion for all the Ficohsa Group staff.

Ficohsa Bank Honduras signed a Declaration of Support for the Principles for the Empowerment of Women, which formally confirms that FG will continue its work and commitment to attract and promote the greatest number of talents, and promote economic and social conditions that create opportunities for women at the regional level.

58% of collaborators are women and 42% men

507 women in leadership positions

229 women in STEM positions

Ficohsa Corporate University (UCF)

Average hours collaborator Data on training hours during 2023

	2022		2023	
	Total Hours	Average hours collaborator	Total Hours	Average hours collaborator
Honduras	183,266	44.42	216,572	50.05
Guatemala	53,376	59.11	48,326	48.86
Nicaragua	23,755	36.21	34,692	46.82
Panama	4,962	28.03	7,368	38.10
TOTAL	265,358	41.94	306,959	45.98

15.6% increment in average training in 2023.

Client-Centered Culture






At FG we strive to provide an experience focused on the needs of each of our customers, making available our wide range of products and services through innovation and quality to achieve their trust and loyalty.



Ficohsa points of service and digital channels

Interbanking, App Ficohsa and the Agile Service of Automatic Response (SARA), are the main points of non-physical attention for the administration of accounts and/or contracting of services.

Ficohsa always innovating with digital points, in addition to continuing with the incorporation of new physical agencies; at regional level we have at our disposal our official social networks to attend any questions and queries of our clients.

Point of Services 2023	 Honduras	 Guatemala	 Nicaragua	 Panama	 USA
Agencies	80	10	13	2	12
TENGO	5000	-	-	-	-
ATM	541	-	96	2	-
Kioskos	32	-	-	3	-
Multipayments	-	30	-	80	-
Drive-Thru	10	-	3	-	-
Cashiers	81	-	1	-	-
Extended payment network	-	-	867	-	-
Total	5744	40	980	89	12



Client Quality and Experience Client Business Details

Business Unit



Corporate and Business Banking

- CEPROBAN authorized Banco Ficohsa as an intermediary agent and liquidator of the service for Indirect participants in ACH, therefore, they provide support and work hand in hand with their Cooperative and Financial clients to be integrated in this service.

- Expansion of the collection service network with Inversiones La Paz Group, allowing clients to make payments from any of the Ficohsa electronic channels.



Entrepreneur Banking

- Growth in the portfolio of credit balances was achieved by 24%, which represents a greater financial inclusion by supporting the SME sector by contributing to job creation.

- Launched the new service Enterprising Health



Personal Banking

- Launch of the first loyalty plan in Honduras with the product of Remesa+, which provides benefits in stores, free recharges and unique promotions aimed at the remittance customer.

- It was possible to expand the channels of attention through the CLAROPLAY projects and the payment of remittances at the cashiers of Supermercados La Colonia, providing extended hours.

Broadened the scope of financial products through their digitization to encourage greater inclusion of the Honduran population in banking.



Private Banking

- A preferential hotline is available 24 hours a day, 365 days a year.

- For the convenience of its clients in their face-to-face transactions, in Honduras there are two exclusive attention agencies, located in Tegucigalpa.

Achievements

Business Unit



Mortgage Banking

- Leadership in housing finance continues to be consolidated in Honduras closing the year with a portfolio balance of USD 562 MM

- Thanks to the trust provided by its clients, the growth of the mortgage portfolio with respect to 2022 was 23%.

- 1,914 credits were disbursed, reflecting a 13% increase in the number of clients served, which made possible their dream of own.



Ficohsa Express

- It facilitates the sending of remittances throughout Latin America and the payment of basic services in Honduras.

- 2023 was dedicated to consolidate the growth of the digital platform with the FicoSend product.



Ficohsa Insurance

- More than 66 years maintained in a process of continuous improvement, high standards of service and added values for its insured, with the creation of products that meet the needs of its customers, development of new digital platforms of attention, purchase and sale of insurance.



Ficohsa Pensions and Severance

- It has more than 71,100 members, with more than 20% market share



Ficohsa Brokerage House

- Innovating with the implementation of a system for the registration of clients and their investment negotiations, mitigating the risk of error in the operation of the Brokerage house.

- Managed to place in secondary market USD \$114 M in government bonds trading mostly international sovereign bonds and private issuers, which has positioned us for the 4th consecutive year as the #1 brokerage house in negotiations in this market.

Evolution and Digital Transformation

GF continues to innovate in the digital age, offering products and digital services designed to meet the needs of customers, facilitating access quickly, safely and conveniently. Connecting communities through innovation and technology.

To this end, the following organizational business objectives have been established:

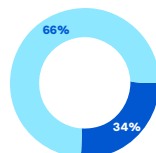
- Positioning as pioneers in digital channels
- Distinction for delivering a unique and superior experience for clients on digital channels
- Use digital channels as a central asset in client acquisition and product sales
- Capture operational and commercial efficiencies by increased use of digital assets

All this is reflected in an annual growth of more than 25% in transactions made through the different Ficohsa digital channels.

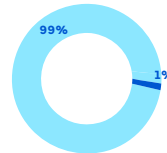
Digital Factory

By 2023, Honduras already had the first 100% Digital Products, being these: savings accounts and personal loans, oriented to meet the needs and expectations of clients. During the same year, the offer was expanded by incorporating 100% digital credit cards and a new chatbot for the collection of remittances. Additionally, the development of 100% digital Insurance was initiated.

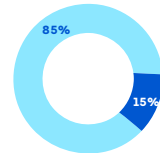
One of Ficohsa's main objectives is to expand the reach of financial products to encourage greater coverage and access to banking. Digital products, prevent people from moving to agencies, give new populations the opportunity to access products and services.



Existing Client New Client
Savings Account



Existing Client New Client
Personal Loans



Existing Client New Client
Credit Cards

We can highlight this initiative with banking data with the participation of new customers acquiring financial products through digital alternatives.

Responsible Bank

Committed to generate value to our stakeholders, so that through our products and services they can achieve their dreams, goals and purposes, and build a better future for themselves and their families.

Environmental and Social Credit Assessment

Under the commitment to responsible banking, environmental and social assessment continues to be implemented through the Environmental and Social Risk Analysis System (SARAS) to the Business, Corporate, and high-risk sectors of the Entrepreneur Banking (SME) loan portfolio to mitigate the impacts on the communities where the projects are developed

In 2023, the SARAS system also incorporates socio-environmental due diligence to real estate received as collateral for the credit operations of clients subject to evaluation, according to the requirements of the National Commission of Banks and Insurance (CNBS).

91.5% increment of the total number of cases analyzed at the regional level compared to 2022.

In 2023, all the members of the Boards of Directors were trained in each country, and more than 220 collaborators at the regional level from the areas involved in the SARAS process.










Entrepreneurship, Education, And Financial Inclusion

Ficohsa Group committed to the personal and economic growth of different sectors of society, promoting entrepreneurship as an engine of development and job creation, accompanied by education and financial inclusion.

During 2023 Entrepreneur Banking achieved a 24% growth in its credit balance portfolio, which represents a commitment to support the SME sector with Access to financing.

Mujeres adelante

Products and services offered by the program

Savings Account Distruta+	Referrals Banca+	Consumer Loan/debt consolidation	Credit and Debit Card	Mortgage Loan	Entrepreneur Banking	Acquisition Service	Pension Fund	Insurance and Attentions
								

The confidence of women in Honduras is reflected in the growth of:

- + 15%** in consumer deposit balances
- +53.8%** in the growth of consumer loan balances / debt consolidation
- +19%** growth in pension fund savings
- +15%** in new customers in Entrepreneur Banking compared to 2022

De Mi Tierra



To date **+2,700** credits have been granted in **11** departments of the country, benefiting **+100** communities for the production of **+40** products.

- +USD \$7.8** Millions in agricultural financing to date,
- +USD \$978,000** during 2023
- +USD 33.6** Millions in purchases to date by Supermercados la Colonia to producers of the program, +USD 4 Million only in 2023
- +14%** participation of women in the program
- +85** producers trained in Financial Education

Other Entrepreneurial Initiatives

Since 2022, the "Young Impact Leaders for Central America" program has been supported through banking, and given the impacts and results achieved, it was decided to participate in the entrepreneurship component to continue promoting the growth, innovation and development of small and medium-sized enterprises in the country.

This resulted in a strategic alliance with the Chamber of Commerce and Industry of Tegucigalpa (CCIT), the International Organization for Migration (IOM) and Glasswing International to promote youth entrepreneurship in Tegucigalpa and contribute to the economic development of the communities.

Results:

+10 million people reached at the regional level through social networks, talks and campaigns	+ 190 thousand customers reached at regional level
+25 thousand visits to the Tu Conciencia Financiera Portal	+17 000 hours of classroom and virtual training
+150 employees (86 women and 64 men) received personalized advice and support to improve their financial health.	

Projects and initiatives 2023

1. Launching of the podcast Tu Bienestar Financiero.

1,699,272 users reached

71% are women

900 hours listened on Youtube

2. Financial Education Week organized by the CNBS

400 people trained, including young people, adults, women and the general population.

3. Global Money Week 2023

265 adults through face-to-face lecture/conference

42 children participating in the Savings Club

Reach of 509, 425 in social networks

4. Cybersecurity Month organized by AHIBA

+420,944 e-mails sent to customers and collaborators.

+7,500 messages sent to clients via whatsapp SARA with educational capsule on how to avoid becoming a victim of financial fraud, "Cuida tu Dinero".

Cybersecurity talk 90 face-to-face employees and 170 virtual employees.

Financial Inclusion

Financial education and inclusion is seen as an opportunity to promote the sustainable economic growth of countries, as well as a key element for poverty reduction and immigration.



A Fintech dedicated to transforming access to financial services in Honduras, with more than 100 types of payments that can be made from the TENGO App and more than 5,000 points of service, this allows them to reach and penetrate new markets and areas in order to bank more people through innovative financial services that adapt to the needs of their customers.

2023 was a year of evolution in the company's value proposition, moving from being a local closed loop solution to a payment solution with international standards; this was due to the launch of the TENGO Visa reloadable card, backed by Ficohsa Bank Honduras.

Nearly 8 million transactions were processed in total, growing +33% in coverage, mainly in foreign areas.

The TENGO Visa Reloadable Card is the most innovative and secure card in the market, since it has a physical and virtual mode, it is infocless and can be managed through the App

In the first 4 months of operation, +45,000 cards were placed, mostly to people in the unbanked segment, such as housewives, high school graduates, secretaries, workers, students and others. This confirms that TENGO has once again promoted financial inclusion through innovation in financial services.

+100 Allies 9 Financial Institutions +100 trading companies	+14 Stirrers International Remittances	3,332 Service Points Tingo
Visa Alliance 9 Financial Institutions +100 trading companies	+1.1 MM Unique customers in Physical Network	400 K Registered Users in APP Tingo.

7 out of 10 registered TENGO users are unbanked, i.e. their first product or card, 71% of them are non-professionals.

Other Financial Inclusion Initiatives:

Ficohsa Group official member of Partnership for Central America (PCA)

In 2023 Ficohsa Group became an official member of the Partnership for Central America (PCA)/Alianza para Centroamérica, joining a select group of companies and key players that seek to generate a positive impact in the region.

Advances

The SME loan portfolio in Honduras has increased by USD \$60 million, USD \$70 million in deposits, and has supported 8,500 new businesses.

We have achieved the financial inclusion of 60,000 people through TENGO, representing 8 million digital transactions.

In partnership with Glasswing International | Central American Services Corps supporting the "Jóvenes Líderes de Impacto por Centroamérica" project, an NGO that empowers youth and communities to address the root causes of poverty, violence and migration, we have banked more than 3,500 youth and will continue to move forward with the goal of reaching more than 7,000 Honduran youth.

Committed to increasing remittance banking penetration by at least 20% over the next five years. To date we have surpassed our goal by banking 39% of total remittances received, representing USD \$507 million with 32,500 new clients.

Information Security

Ficohsa continues to strengthen existing security controls and implement new technologies to enhance its cybersecurity posture and strengthen the confidence of its customers in the products and services provided. Working under the best cybersecurity and cyber resilience practices defined in the management framework, known as NIST SP 800-53 (National Institute of Standards and Technology), complying with the controls established in the maturity levels of the CMMI (Capability Maturity Model Integration) scale, so that operations remain protected and operational.

Internal and external awareness campaigns are held throughout the year for customers and employees on information security issues.
+800 thousand customers reached
+6 thousand employees reached



Promoters Of Social and Environmental Change

Ficohsa Group is committed to generating value in the communities through programs that promote inclusive and sustainable growth. Establishing lines of action on ESG issues: Reducing inequalities, promoting entrepreneurship, creating opportunities for all through education, and promoting respect and care for the environment.





During 2023 Ficohsa Foundation (FF) celebrated 25 years of achievements, which reflect the commitment to sustainable development in each of the communities where it has a regional presence. Since its inception, efforts have been channelled into various educational programmes that make a significant difference in access to quality education for children and young people.

Among the benefits granted, a number of components can be mentioned, such as: rehabilitation or construction of public preschool centers, community organization where educational centers are located, teacher strengthening, provision of school meals, and school supplies and educational materials.

Benefits delivered in 2023:

150 pre-schools served at regional level

+USD \$240,000 invested in snacks and school supplies

+USD \$104,000 invested in 42 pre-schools for infrastructure improvements

+1.2 million food rations delivered

+7400 children benefited

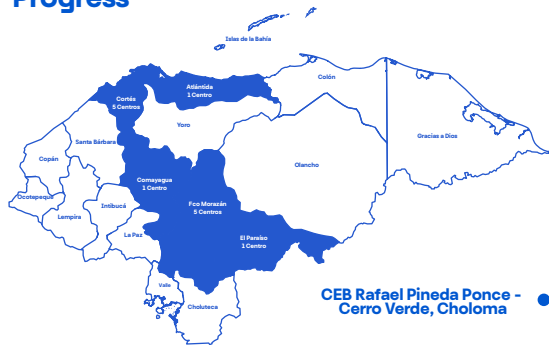


Strengthening Education Alliance For Education

This year we also had a direct impact on Basic Education in Honduras by being part of the alliance led by U.S. Ambassador Laura F. Dogu, a tripartite alliance with the participation of USAID, the Government of Honduras and the Private Sector.

Ficohsa Foundation joined this initiative by committing to invest USD \$1,000,000 in the next two years to renovate 25 basic education centers, 245 classrooms, and thus contribute to development by benefiting more than 10,500 children and youth.

Progress



Regional Enrollment
2023;
7,417 boys and girls



10 años
abriendo puertas
a nuestros jóvenes

The call for the 2023 Credit-Scholarship Program closed in April, then the Academic Committee began with the work of evaluating each of the candidates. The Board of Directors, based on the evaluations and recommendations of the Academic Committee, selected 22 candidates to become the tenth generation of beneficiaries. Finally, those selected legalized the credit-scholarship and are already doing their postgraduates in different countries around the world.

220 talented Hondurans benefited to date

+USD \$6 million invested

22 countries have been host countries for the development of these

12 elds of study

+55% beneficiaries have returned to Honduras after completing their studies



CEB Carlos Miranda -
Cerro el Nance, Comayagua



CEB Rafael Pineda Ponce -
Cerro Verde, Choloma



CEB Roberto Hasbun -
San Antonio Oriente,
Francisco Morazán

Other contributions in education

Education programs: Training programs for teachers developed through the portal www.portalfundacionfichsa.com and face-to-face trainings, acquisition of up-to-date teaching materials, and the promotion of innovative pedagogical practices were essential elements to enrich the educational experience of children in these centers.

Social and financial education program: Fichsa Foundation has positively impacted more than 19,800 children through innovative programs that promote financial skills, entrepreneurship and essential social values.

More Sustainable Initiatives

Support to innovation



In 2023, the Tech4DevHN project was completed, an initiative that Ficohsa promoted as a contributing partner for 3 years (2020-2023). The objective of this program was to strengthen the entrepreneurship and innovation ecosystem of Honduras through the acceleration of technological startups in the areas of health, education, security, digital transformation and fintech, as well as creating a network of entrepreneurs trained to boost their businesses. The project had a budget of USD \$2 million, thanks to its contributing partners. During the execution time, an acceleration program was developed that consisted of advanced advice for the consolidation of business models and technological products.

The advice, to promote the sustainability and scalability of the enterprise, followed three phases: conception, birth and persistence. Each of the phase was formed by training workshops and specialized mentoring to train the entrepreneur according to his needs and the maturity in which his startup was. Within this program, the tool of testing or technological validations was incorporated to obtain a greater effectiveness of the startup before its launch and consolidate future commercial links. The acceleration program is maintained through the Entrepreneurship HUB of our partner UNITEC, with the aim of continuing to be used by the entrepreneurial community of Honduras.

Growing up with Diabetes Foundation



GF supports this non-profit organization that was founded in 2018 as an initiative to raise awareness about diabetes in Honduras. Through the different initiatives of the Foundation, it is intended that the patient and caregivers can have relevant information that allows them to empower and have a greater commitment in their treatment and therefore a better quality of life.

+ USD \$ 129,000 invested to date

Education: 11,126 people reached
Awareness raising and sensitization: 227,000 people reached
Diagnosis and prevention: 959 people served

Corporate Volunteering



Ficohsa Group has a corporate volunteer community made up of its collaborators and their families, who participate in social and environmental activities with a high impact in the communities at the regional level where it has a presence. Each member of the Ficohsa family becomes a champion of the people, being an ally who inspires, guides and supports others to become an agent of change to transform lives.

Corporate values define how volunteers act. Commitment drives them to be persistent in the pursuit of good. Service reminds them that their purpose goes beyond themselves, extending to the community they serve. Sustainability guides their actions towards lasting impact, building a better future for all.

Highlighted

94% participation of employees in at least 1 volunteer activity per year

+11,000 hours of corporate volunteering invested regionally in social projects in the communities where we operate

+1,000 regional collaborators joined Un día para dar by donating essential and effective supplies supporting vulnerable families, this is an activity that we promote annually.

+2,600 pounds of food donated as part of Día de las buenas obras to Casa David in Honduras for families who need lodging and food in the country's hospitals

+1,575 volunteers celebrated 3,000+ children in commemoration of Children's Day in Honduras, Guatemala and Nicaragua

+850 collaborators participated in reforestation days in Honduras, Guatemala and Nicaragua

The Onboarding Program began this year, in coordination with Human Talent, aimed at promoting the participation of new collaborators in its first corporate volunteer activity as part of its induction process.

Environment/ Environmental Management

As part of the environmental commitment, direct impacts and operation are managed in a responsible and sustainable manner over time. Aligned with a sustainability strategy, working with the institutional campaign **"Juntos por un futuro mas verde"** where the promotion of good practices for the care and preservation of the environment is sought, its scope includes collaborators, customers and other stakeholders.

The measurement of the ecological and carbon footprint in Honduras allows to identify and know where it is and how to advance in the reduction of CO2 emissions. This exercise is carried out under the methodology of international guidelines such as the Global Footprint Network (GFN). In turn, supported by international standards such as ISO 14040 and 14072 Life Cycle Analysis and ISO 14044 Environmental Management System.

As part of the environmental initiatives in 2023, the scope of the analysis was extended to make the Ecological Footprint measurements with data from 2022 in Guatemala, Nicaragua, in the case of Panama, we worked on the Carbon Footprint with data for the year 2021 with the support of the Ministry of Environment of that country.



- Scope 1: direct consumption of the operations related to fuel or refrigerants
- Scope 2: indirect consumption related to electricity supply
- Scope 3: consumption related to goods, services purchased, as well as activities of the collaborators

Ecological Footprint Honduras 2023

	2022	2023	Δ2023-2022
TOTAL	5689.62	5287.40	-7.07%
BY COLLABORATOR	1.53	1.25	-18.30%

Negative signs in the variation represent a decrease, positive signs represent an increase

7.7% of the Ecological Footprint in Honduras was reduced

Energy and Emissions

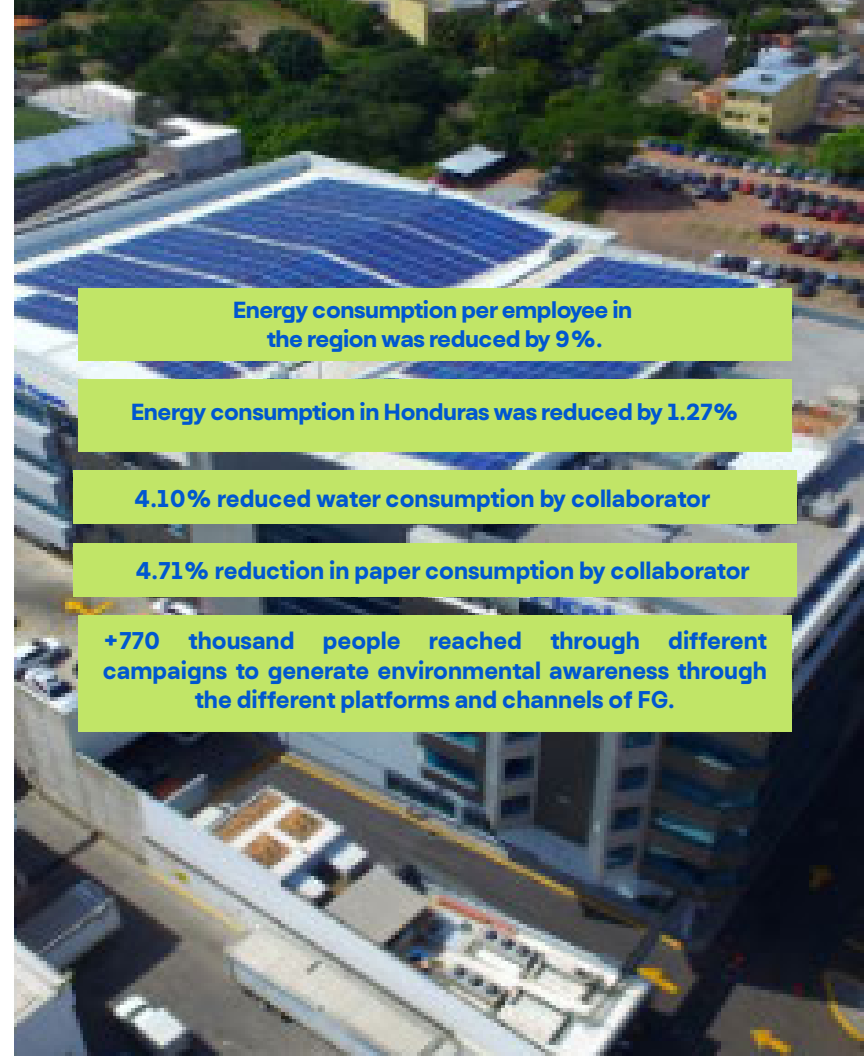
There are two objectives for reducing energy consumption: 1) reducing consumption compared to the operation (measured in terms of intensity), 2) increasing the use of renewable sources, including self-generation by our side through solar panels.

Currently there are 11 agencies and 2 buildings with solar farms (5,499 m² of solar panels)

71% of clean energy consumed in these buildings

1.2 million kilowatt hours (kWh) are produced annually

549,600kg CO₂ are NOT generated annually by producing solar



Energy consumption per employee in the region was reduced by 9%.

Energy consumption in Honduras was reduced by 1.27%

4.10% reduced water consumption by collaborator

4.71% reduction in paper consumption by collaborator

+770 thousand people reached through different campaigns to generate environmental awareness through the different platforms and channels of FG.

Solvency and Economic Performance

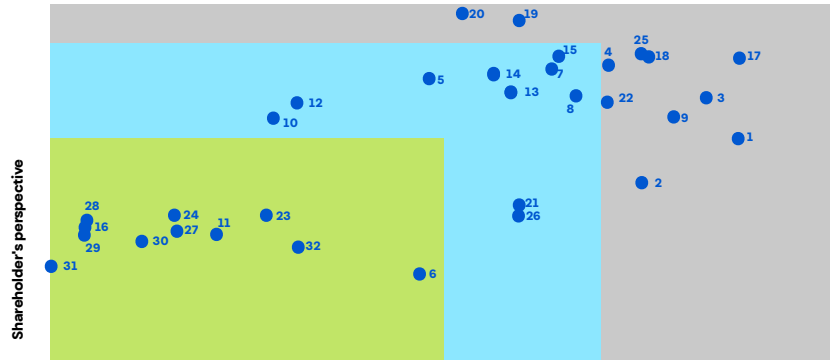
Economic Value Generated and Distributed

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

Economic value generated and distributed (in thousands of USD\$)	2022	2023	VAR 2023-2022(%)
Income (Economic value generated, EVG)	565.105,98	614.507,76	8.74%
Expenses (Economic Value distributed, EVD)	370.126,36	406.171,00	9.74%
Operational Costs	199.541,52	219.759,24	10.13%
Salaries and Allowances	132.009,73	147.557,71	11.78%
Payment to providers of capital	120.898,06	128.386,31	6.19%
Payment to Government	37.384,37	37.430,57	0.12%
Social Investment	1.190,74	1.423,49	19.55%
EVG-EVD	194.979,62	208.336,76	6.85%

Materiality Matrix

It serves as a visual tool to identify those material issues that are of high importance for both the business and the stakeholders that were consulted and differentiate them from issues that are unlikely to have as much impact in the short and medium term.



Strategic focus of the company

Material issues
Emerging issues (can be material in the short term)
Non-material issues

- 1.Ethics and Anti-corruption
- 2.Regulatory Compliance
- 3.Corporate Governance
- 4.Economic performance
- 5.Credit Risk Management
- 6.Relationship with Authorities
- 7.Brand Management
- 8.Financial Education
- 9.Financial Inclusion
- 10.ESG Credit Assessment
- 11.ESG Investment Assessment
- 12.Preventions Culture (insurance)
- 13.Business Development (clients)
- 14.Product and Service Innovation
- 15.Process Digitization
- 16.Responsible Supply Chain
- 17.Client Experience (customer service)
- 18.Transparency in Products and Services
- 19.Data Security (cybersecurity)
- 20.Client Privacy (use of the information)
- 21.Working Environment and Collaborator Satisfaction
- 22.Training and Development of Opportunities (collaborators)
- 23.Diversity and Equal Opportunities
- 24.Talent Attraction and Retention
- 25.Health and Safety of Collaborators
- 26.Social Investment
- 27.Energy Efficiency
- 28.Waste Management
- 29.Waste Management
- 30.Resilience to Climate Change
- 31.Own GHG Emissions Management (Greenhouse Gases) Products and/or Services with Environmental Benefits

Stakeholders

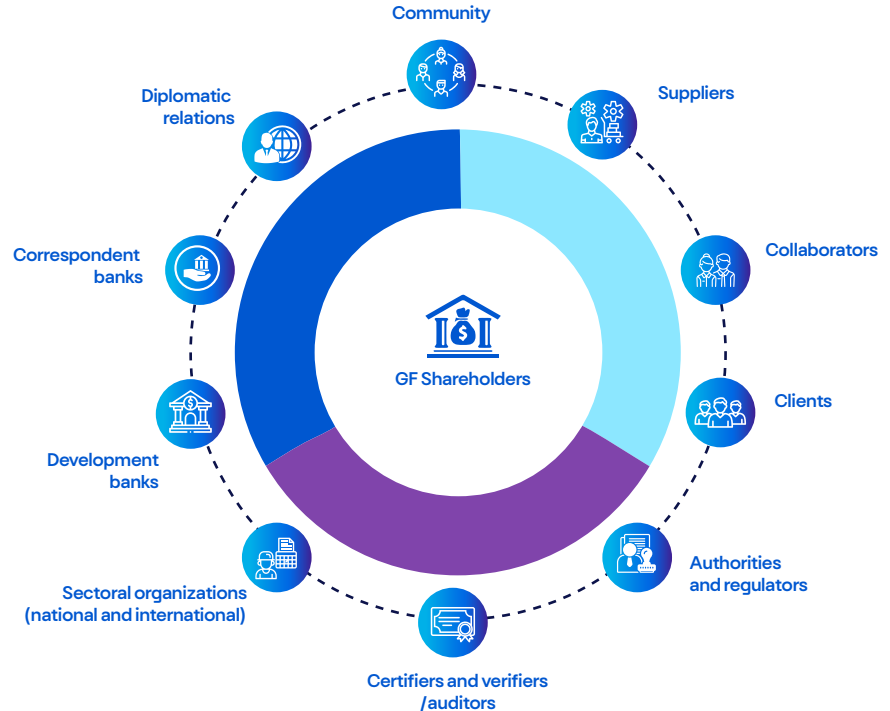
Therefore we consider material issues as those that we will prioritize in our sustainability strategy, developing initiatives that allow us to reinforce our strengths in them and address opportunities for improvement.

At the same time, based on the ongoing dialogue we have with stakeholders, we will monitor emerging issues if they show signs of becoming material. See table below:

National	National	National	National	National
Materials	Good Corporate Governance	Customer experience	Welfare of the Collaborator/ Empowerment socio-economic	Carbon 0 and Finance Sustainable
Focused	Internal	Internal	Internal	Internal/External

By 2024, this exercise will be updated through a double impact materiality analysis that will identify the needs and those of different stakeholders, working in line with the sustainability strategy in ESG.

We consider it vitally important to identify the different stakeholders with whom we have a relationship. At FG we continue working by hand in relation to their expectations and needs as a focal point for our business model.





Working Together
We've come a long way.



www.ficohsa.com

