UN environment programme | finance initiative

Principles for Responsible Banking

Responsible Banking Progress Statement

for PRB Signatories



Summary template

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**
BGR integrates sustainability into its strategy through governance, ESG risk management, sustainable finance and financial well-being. During 2025 it strengthened sustainability governance, methodologies, ESG integration and reporting aligned with GRI and SASB references. References: Sustainability Report 2025, Governance and Sustainable Finance sections.	BGR identified two priority impact areas: Financial Well-being & Inclusion and Sustainable Finance & ESG Management. The impact analysis covered 100% of the loan portfolio. For financial well-being, a baseline of 37.0% of military customers with debt levels above 80% was established, with a reduction target to 35.0% by 2026. For sustainable finance, the Bank advanced the validation of a green finance product aligned with its Green Bond Framework; the product remained under validation at year-end 2025, and financed emissions were not yet measured. References: Sustainability Report 2025, Financial Well-being Study, Green Bond Framework.	BGR promotes responsible banking through financial education, customer protection, inclusion initiatives and sustainable finance solutions. In 2025, 21,938 customers received financial education, USD 38.66 million was allocated to debt consolidation solutions, and the Bank maintained its Gold Customer Protection Certification. References: Sustainability Report 2025, Financial Education and Customer Protection sections.
See Sustainability Report 2025 and related sections.	Sources: Sustainability Report 2025 — portfolio scope and impact priorities; Financial Well-being Study — military customer baseline; Green Bond Framework — categories eligible for green financing.	See Sustainability Report 2025 and related sections.

Principle 4: **Stakeholders**	Principle 5: **Governance & Culture**	Principle 6: **Transparency & Accountability**
BGR engages customers, employees, suppliers, shareholders, regulators and communities through surveys, meetings, workshops, reports and training. Partnerships with institutions such as UNICEF, CFN and Banco de Alimentos support social and sustainability initiatives.	During 2025, BGR strengthened the foundations of sustainability governance through policies, methodologies and progressive ESG integration across processes. Awareness and training initiatives reinforced a responsible banking culture. After the 2025 reporting period, Sustainable Finance will coordinate management-area sessions and consolidate monitoring information, with responsibilities, KPIs and targets guided by the updated materiality assessment.	BGR discloses sustainability performance through its Sustainability Report, Sustainable Finance Report and Financial Well-being Study. The Responsible Banking Progress Statement provides a concise and traceable summary of progress and commitments.
See Sustainability Report 2025 for details.	See Sustainability Report 2025: sustainability governance, ESG integration, and internal awareness and training.	See Sustainability Report 2025, Sustainable Finance Report 2025, and Financial Well-being Study for the underlying results, indicators and supporting information.

RESPONSIBLE BANKING PROGRESS STATEMENT

Principles for Responsible Banking | UNEP FI

2025

Banco General Rumiñahui

BGR

Banco General Rumiñahui S.A. | Ecuador

Responsible banking that improves financial well-being

At BGR, we integrate sustainability, risk management and responsible financial solutions to strengthen our customers' financial well-being and contribute to the country's development.

Executive Summary

Purpose of the document

To present BGR's progress in implementing the six Principles for Responsible Banking in a concise, verifiable and results-oriented manner.

2 priority impact areas	6 principles reported	2025 reporting period

Reporting approach

This statement presents BGR's progress during 2025 in implementing the six Principles for Responsible Banking, together with its priorities and next steps. The 2025 Sustainability Report is the main source of information and is complemented by institutional reports and the financial well-being study of military customers.

Prioritized impact areas

01 FINANCIAL WELL-BEING AND INCLUSION	Support customers throughout their financial cycle, prevent over-indebtedness and promote responsible decision-making.
02 SUSTAINABLE FINANCE AND ESG MANAGEMENT	Mobilize financing based on sustainability criteria and strengthen environmental and social risk management.

Principle 1: ALIGNMENT

How the strategy and business model connect with society's goals

BGR integrates sustainability as a cross-cutting element of its management, focused on risk management, responsible portfolio development and the creation of economic, social and environmental value. The Sustainability Strategy is structured around four pillars: leadership and governance, comprehensive ESG risk management, sustainable business and finance, and agents of change and financial well-being.

2025 progress

- Consolidation of guidelines, methodologies and documentation to strengthen sustainability governance.
- Progressive integration of environmental, social and governance criteria into internal and lending processes.
- Alignment of sustainability reporting with international references such as GRI and SASB.
- Continued carbon footprint management under the Ecuador Carbono Cero Program.

Key change
Sustainability progressed from isolated initiatives toward a more structured, cross-cutting approach connected to the Bank's processes.

Main reference

BGR 2025 Sustainability Report: Sustainability Strategy, Governance and Sustainable Finance.

Principle 2:
IMPACT & TARGET SETTING

Identification of impacts, priorities and progress toward measurable targets

How priorities are identified

BGR uses its materiality assessment, analysis of the business model, stakeholder dialogue and portfolio management tools to identify impacts, risks and opportunities. Prioritized topics include customer experience and protection, financial sustainability, comprehensive risk management, financial inclusion, climate change and environmental footprint.

Impact management approach
BGR focuses its priorities on financial well-being and inclusion, and on sustainable finance and ESG management, with an emphasis on climate change and green finance. Developing targets, outcome indicators and monitoring mechanisms is part of its implementation process.

Scope of the impact analysis

The impact analysis covers BGR's total loan portfolio in Ecuador at year-end 2025, amounting to USD 1,043,455,562 across 107,619 customers, equivalent to 100% of the loan portfolio reported for this exercise. The portfolio is concentrated in Consumer lending (75.28%), followed by Mortgage lending (13.60%) and Commercial lending (11.07%). This composition links the materiality of the business with impacts on financial well-being, housing, productive activity, and the environmental and social management of lending.

Within the commercial portfolio, BGR financed 292 SMEs at year-end 2025, with an outstanding balance of USD 23,684,384, equivalent to approximately 2.27% of the total portfolio. 85.3% of the SMEs are concentrated in Pichincha and Guayas, which account for 93.9% of the SME portfolio balance. For this period, BGR does not have sufficient information to quantify jobs created or preserved by these companies; therefore, decent employment is recognized as an opportunity to strengthen impact measurement rather than as a quantitative 2025 target. The financial well-being study of military customers complements the portfolio analysis and provides a specific baseline on financial vulnerability.

Prioritization criteria

Prioritization considers the portfolio composition, BGR's business model, the materiality assessment, stakeholder dialogue, the needs of the Ecuadorian context, and available evidence on positive and negative impacts. The concentration of 75.28% of the portfolio in Consumer lending and the results of the financial well-being study support Financial Well-being and Inclusion as a priority. Sustainable Finance and ESG Management remains the second priority area, focusing on environmental and social risk management and the progressive development of green finance. Institutional materiality is a complementary input and does not replace portfolio impact analysis.

Impact area 1 | Financial well-being and inclusion

1,360 people supported through debt consolidation	**USD 38,66 MM aimed at reducing financial burdens.**	**GOLD Customer Protection certification**

During 2025, BGR strengthened the monitoring of financial well-being, financial education, inclusion and relief solutions. The quantitative analysis covered 76,376 military customers; of this universe, 28,285 customers, equivalent to 37.0%, recorded a debt level above 80%. The highest concentrations were among enlisted personnel and retired military personnel. This measurement constitutes the baseline for prevention, education, debt consolidation and targeted support actions.

Measurement model: BGR conducts the quantitative financial well-being study annually, with semiannual monitoring of its main indicators. The qualitative study is conducted every two years to deepen understanding of the causes, behaviors and experiences behind the quantitative results. Combining both approaches makes it possible to monitor changes in indebtedness and adjust actions aimed at the most vulnerable segments.

Financial well-being target and monitoring

Expected outcome	Reduce the financial vulnerability of prioritized military customers, with emphasis on enlisted personnel and retired military personnel.
Core indicator	Percentage of military customers with debt levels above 80%.
Baseline	37.0% in 2025: 28,285 customers out of a universe of 76,376 military customers analyzed.
Target and date	Reduce by 2 percentage points the proportion of military customers with debt levels above 80%, from 37.0% in 2025 to 35.0% in 2026. The indicator will be measured annually, with semiannual monitoring of its main variables.
Scope	Military customers, with priority monitoring of enlisted personnel and retired military personnel.

Methodology and action plan | Financial well-being

The core indicator is calculated by dividing the number of military customers with a debt level above 80% by the total number of military customers with valid information at the same reporting date and multiplying the result by 100. The quantitative measurement is conducted annually and is complemented by semiannual monitoring of the main indicators. The qualitative study is conducted every two years to deepen understanding of the causes, behaviors and experiences associated with financial well-being.

1. Targeting: prioritize support actions for segments with the highest concentration of vulnerability, especially enlisted personnel and retired military personnel.
2. Education and support: maintain financial education and targeted support actions, recording participants and type of intervention.
3. Financial solutions: assess relief and consolidation alternatives in line with repayment capacity and the Bank's policies, without treating debt consolidation alone as evidence of improved financial well-being.
4. Results assessment: compare the annual evolution of the indicator against the 2025 baseline and review its main variables semiannually to guide corrective actions.

Monitoring will be coordinated by Sustainable Finance with the areas responsible for customer management, risk and business. Results for the total population will be distinguished from results for supported groups to avoid automatically attributing all changes to the Bank's interventions.

Principle 2:
IMPACT & TARGET SETTING

Continued

Impact area 2 | Sustainable finance and ESG management: climate change and green finance

15 high-risk transactions under active monitoring	**100% compliance with the Footprint Reduction Plan**	**1,266.14 tCO_2e operational footprint measured for 2024**

During 2025, BGR prioritized the development of a green product as the first stage of its climate roadmap, with eligibility categories focused on activities that generate environmental benefits. This approach seeks to build internal capabilities, identify eligible portfolio exposures and generate traceable information on amounts, transactions and financed categories. BGR does not yet measure financed emissions; this represents a later stage of maturity that will require defining scope, methodology, data availability and priority portfolio sectors. The operational carbon footprint is reported separately and does not replace measurement of the portfolio's climate impact.

Green finance objective | Future implementation

Expected outcome	Develop and implement a green product that mobilizes financing toward eligible activities with environmental benefits and traceability of the use of proceeds.
Core indicator	Number of funders with documented interest and progress in funding discussions for the green product, focusing on green construction and housing; subsequently, formalized resources, amounts disbursed and number of eligible transactions.
Baseline	At year-end 2025, the green product was undergoing validation with all areas involved. Its categorization is based on the Bank's Green Bond Framework, developed in 2024, which establishes the categories of activities eligible for green financing.
Target and date	For 2026, BGR expects to have funders interested in providing resources for a green product aligned with the Bank's Green Bond Framework, with particular interest in green construction and housing. The financing will be subject to the evaluation and agreements reached with interested institutions.

Associated impact	During 2026, BGR will define the environmental benefits to be assessed and how they will be measured, according to the characteristics of the green product and the activities financed.

Action plan | Green finance

1. Validation and approval: complete validation of the green product with the areas involved, based on the categories in the Bank's Green Bond Framework, and formalize technical criteria, exclusions and required documentation.
2. Commercial and operational readiness: define the assessment, registration, monitoring and training procedures required to implement the product.
3. Funding and implementation: during 2026, advance discussions with funders interested in the green product, particularly for green construction and housing, aligned with the Bank's Green Bond Framework. The formalization of resources and product implementation will be subject to the corresponding agreements and approvals.
4. Environmental monitoring: during 2026, define the environmental benefits to be assessed and how they will be measured, in line with the development of the green product.

Implementation will require the participation of the relevant business, risk and support areas, with Sustainable Finance coordinating eligibility, traceability and reporting. Transaction records will distinguish approved amounts, disbursements and outstanding balances, and will identify the eligibility category and supporting evidence.

As a later stage, BGR plans to define the methodology and information requirements needed to measure financed emissions in priority portfolio sectors. This activity represents a subsequent stage of maturity and does not constitute a measurement performed in 2025 or an established emissions reduction target.

Key next step

Monitoring will distinguish direct operational indicators, such as the institutional footprint, from financed portfolio impact indicators.

Principle 3:
CLIENTS & CUSTOMERS

Responsible relationship, protection and support

BGR works with its customers to promote the responsible use of financial products and strengthen their well-being. The approach combines education, inclusion, protection and solutions aligned with customers' capabilities and stages of the financial cycle.

2025 highlights

21,938 customers trained in financial education	**USD 277,8 MM Loans granted at interest rates below the regulatory rate**	**USD 150.20 million financing for first-home VIP and VIS housing**

Action area	Progress	Monitoring approach
Financial well-being	Financial well-being study and relief actions.	Evolution of debt levels and repayment capacity.
Inclusion	Financial inclusion manual and solutions for priority segments.	Access, responsible use and continued participation.
Protection	Gold Certification and process strengthening.	Complaints, transparency, fair treatment and resolution.

Improvement commitment

From reach to outcomes
The next level of maturity is to complement beneficiary counts and lending amounts with evidence of improvement in customers' financial well-being.

Principle 4: STAKEHOLDERS

Partnerships and dialogue to expand impact

BGR engages with customers, employees, suppliers, shareholders, regulators, communities and partners. Engagement mechanisms include surveys, meetings, workshops, training, reports and feedback channels.

Partnerships and collaboration spaces

Public sector and regulation	Coordination with national entities related to the environment, finance and supervision.
Organizations and partners	Initiatives with UNICEF, CFN, Banco de Alimentos and other organizations.
Communities and employees	Financial education, social investment and corporate volunteering.

2026 opportunity
Formalize customer participation mechanisms for the design, testing and monitoring of sustainable products and financial well-being actions.

Main reference

BGR 2025 Sustainability Report: stakeholders, partnerships, social investment and volunteering.

Principle 5: GOVERNANCE & CULTURE

Responsibility, oversight and capabilities

Progress during 2025

During 2025, BGR advanced the formalization of sustainability management through guidelines, methodologies, policies and supporting documentation, as well as the progressive integration of environmental, social and governance criteria into the Bank's processes. These advances provide the foundation for strengthening the allocation of responsibilities and monitoring sustainability priorities. The management-area sessions and KPIs linked to the updated materiality assessment are described below as future implementation, not as mechanisms implemented in 2025.

Future implementation | Responsibilities and monitoring

As part of the update of the Sustainability Strategy, BGR will strengthen its governance model through working sessions with the management areas involved and periodic monitoring mechanisms. The updated materiality assessment will guide the definition of priorities, responsibilities, action plans, key performance indicators (KPIs) and targets by area. This framework will be implemented after the 2025 reporting period and will enable structured monitoring of sustainability commitments.

- Management areas involved: will be responsible for implementing their respective action plans, reporting their KPIs and explaining results and deviations from agreed targets.
- Sustainable Finance: will coordinate sessions with each management area, consolidate information and monitor results, agreements and improvement actions.
- Review of results: each session will assess progress against prioritized material topics and document commitments, owners and deadlines. Decision-making or resource needs will be escalated to the competent bodies in accordance with the Bank's current authority framework.

Culture and capabilities | 2025 progress

- Internal awareness and training on sustainability and customer protection.
- Progressive integration of ESG criteria into management-area activities.
- Strengthening a culture centered on customers, ethics and continuous improvement.

Next step | Formalization and implementation
Implementing the framework will require completion of the updated materiality assessment and formalization of responsibilities, KPIs, targets and the session schedule. Implementation is expected to be complemented by training tailored to each management area's responsibilities. Progress will be reported in subsequent periods, distinguishing activities performed from results achieved.

Principle 6:
TRANSPARENCY & ACCOUNTABILITY

Accessible, traceable information linked to the main report

BGR communicates its economic, social, environmental and governance performance through its Sustainability Report and other institutional reports. This Progress Statement serves as an executive summary and refers readers to those sources for further information.

Evidence sources

Source	Use in this statement	Status
2025 Sustainability Report	Main source of results and indicators.	Available
2025 Sustainable Finance Report	Details of milestones, ESMS, eco-efficiency and inclusion.	Available
Financial well-being study	Baseline and financial well-being indicators for military customers.	Available: 2025 quantitative measurement 2024 qualitative assessmenT