

Banco Internacional S.A.

Type of Engagement: Annual Review

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Introduction

In 2022, Banco Internacional S.A. ("Banco Internacional" or the "Bank") issued a blue bond raising USD 69 million (the "2022 Blue Bond") to finance or refinance projects that aim to generate positive environmental contributions related to the protection of hydrologic resources. In 2023, the Bank engaged Sustainalytics to review the projects financed with proceeds from the 2022 Blue Bond (the "Nominated Projects") and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Banco Internacional Blue Finance Framework (the "Framework").¹ Sustainalytics provided a Second-Party opinion on the Framework in October 2022.

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

1. Met the use of proceeds and eligibility criteria defined in the Banco Internacional Blue Finance Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPI

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Value chain of fisheries, aquaculture and seafood	Sustainable production and waste management and reduction measures that meet, maintain, or exceed Marine Stewardship Council certification standards, Aquaculture Stewardship Council certification standards or equivalent IFC approved certification standards.	<ul style="list-style-type: none">• Certified product financed (in tonnes)

¹ Banco Internacional, "Marco de Referencia para Bono Azul", (2022), at: <https://www.bolsadequito.com/uploads/mercados/emisores/prospectos/A-B/BANCO%20INTERNACIONAL/OBLIGACIONES/BCO%20INTERNACIONAL%20OBL%20BONO%20AZUL%202022.pdf>

Issuer's Responsibility

Banco Internacional is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Banco Internacional's 2022 Blue Bond. The work undertaken as part of this engagement included collection of documentation from the Bank and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by the Bank. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by the Bank.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. Banco Internacional has disclosed to Sustainalytics that the proceeds from the blue bond were fully allocated as of November 2023.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the 2022 Blue Bond to determine if projects aligned with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the 2022 Blue Bond to determine if impact of projects was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

² Sustainalytics' limited assurance process includes reviewing the documentation relating to the details of the funded projects, such as descriptions of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation

As of 1 November 2023, the Bank had allocated 100% of the net proceeds from the 2022 Blue Bond.

Table 3: Allocation per Use of Proceeds Category

Use of Proceeds Category	Project Description	Sub Category	Net Proceeds Allocation (USD)
Value chain of fisheries, aquaculture and seafood	Fisheries, aquaculture, and seafood value chain: sustainable products and waste management and reduction measures that meet, keep or exceed the Marine Stewardship Council	Investment in fisheries to meet, keep or exceed the Marine Stewardship Council certification standard or equivalent	19,987,050
		Investment in aquaculture to meet, keep or exceed the Aquaculture Stewardship Council certification standard or equivalent	59,610,400
Total allocated to the Nominated Projects			79,597,450
Total Proceeds Raised			69 million

Appendix 2: Reported Impact as per project

Table 4: Reported Impact as per Use of Proceeds

Project Description	Sub Category	Certified Product Financed (tonnes)
Fisheries, aquaculture, and seafood value chain: sustainable products and waste management and reduction measures that meet, keep or exceed the Marine Stewardship Council	Investment in fisheries to meet, keep or exceed the Marine Stewardship Council certification standard or equivalent	523.61
	Investment in aquaculture to meet, keep or exceed the Aquaculture Stewardship Council certification standard or equivalent	

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