

# **Banco de los Trabajadores**

## **Unaudited Condensed Interim Financial Statements**

As of and for the Six-Months Ended June 30,  
2014 and December 31, 2013

Lara, Aranky y Asociados

# **BANCO DE LOS TRABAJADORES**

## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

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## REVIEW REPORTS ON INTERIM FINANCIAL INFORMATION

To the Stockholders of  
Banco de los Trabajadores

### *Introduction*

We have reviewed the accompanying balance sheet of Banco de los Trabajadores (the “Bank”) as of June 30, 2014 and the statements of income, of changes in equity and of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board of the Republic of Guatemala. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Bank as of June 30, 2014, and of its financial performance and its cash flows for the six-month period then ended in accordance with the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board of the Republic of Guatemala, as described in Note 4 to the financial statements.

*Emphasis of Matter*

Without modifying our conclusion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting used in the preparation of these financial statements. The financial statements were prepared in accordance with the basis of accounting established in the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board of the Republic of Guatemala, which differs in certain aspects from the International Financial Reporting Standards.

**Lara, Aranky y Asociados**

Member Firm of:

**Deloitte Touche Tohmatsu Limited**

A handwritten signature in black ink, appearing to read "Sergio Patzán", enclosed within a hand-drawn oval shape.

Sergio Patzán  
CPA Register No. 2200

July 28, 2014  
Guatemala, C. A.

# BANCO DE LOS TRABAJADORES

## UNAUDITED CONDENSED INTERIM BALANCE SHEETS

AT JUNE 30, 2014 AND DECEMBER 31, 2013

(Expressed in Quetzales)

<b>ASSETS</b>	<b>Notes</b>	<b>June 30, 2014 (Unaudited)</b>	<b>December 31, 2013 (Audited)</b>
Cash and cash equivalents	5 Q.	1,894,685,055	Q. 2,152,444,834
Investments - Net	6	3,570,489,913	3,360,886,218
Loans receivable - Net	7	7,175,637,056	6,446,189,795
Accounts receivable - Net		212,299,649	142,697,611
Assets classified as held for sale		53,184,661	53,323,149
Property and equipment	8	166,050,304	168,321,279
Other assets		256,621,934	238,536,734
Total assets		<u>Q. 13,328,968,572</u>	<u>Q. 12,562,399,620</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Loans payable	9 Q.	1,416,072,893	Q. 1,427,300,988
Accounts payable		440,178,400	320,756,697
Other payables		245,211,962	264,286,907
Deposits	10	10,088,622,216	9,470,695,551
Total liabilities		<u>12,190,085,471</u>	<u>11,483,040,143</u>
<b>STOCKHOLDERS' EQUITY</b>			
Capital stock		199,861,821	199,859,881
Reserves for contingencies	11	758,893,409	606,128,752
Revaluation of assets		59,633,949	59,633,949
Retained earnings		120,493,922	213,736,895
Total stockholders' equity		<u>1,138,883,101</u>	<u>1,079,359,477</u>
TOTAL		<u>Q. 13,328,968,572</u>	<u>Q. 12,562,399,620</u>

The enclosed notes are part of the unaudited condensed interim financial statements.

# BANCO DE LOS TRABAJADORES

## UNAUDITED CONDENSED INTERIM STATEMENTS OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (Expressed in Quetzales)

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	Notes	June 30, 2014 (Unaudited)	June 30, 2013 (Unaudited)
<b>INTEREST</b>			
Interest income	12	Q. 907,980,533	Q. 810,089,469
Interest expense	13	<u>(463,934,401)</u>	<u>(335,263,333)</u>
Subtotal		444,046,132	474,826,136
Other extraordinary income and expenses - Net		<u>137,225,983</u>	<u>18,229,923</u>
Total operating income		<u>581,272,115</u>	<u>493,056,059</u>
<b>NON-INTEREST EXPENSES</b>			
Administrative expenses		(348,796,455)	(305,576,036)
Other income and expenses -Net		<u>(61,754,945)</u>	<u>(79,669,199)</u>
Total non-interest expenses		<u>(410,551,400)</u>	<u>(385,245,235)</u>
<b>INCOME BEFORE TAX</b>		170,720,715	107,810,824
<b>INCOME TAX</b>	14	<u>(50,226,792)</u>	<u>(49,734,916)</u>
<b>NET INCOME OF THE PERIOD</b>		<u>Q. 120,493,923</u>	<u>Q. 58,075,908</u>

The enclosed notes are part of the unaudited condensed interim financial statements.

## BANCO DE LOS TRABAJADORES

### UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013

(Expressed in Quetzales)

	Capital Stock	Legal Reserve	Reserve for Contingencies	Reserve for Plowing Back of Profits	Other Reserves	Total Reserves	Revaluation of Properties	Retained Earnings	Total
<b>Balance, as at December 31, 2012 (Audited)</b>	Q. 43,316,122	Q. 46,450,377	Q. 30,365,680	Q. 2,927,808	Q. 513,895,561	Q. 593,639,426	Q. 59,633,949.00	Q. 131,117,464	Q. 827,706,961
Increase in Capital	156,541,849	-	-	-	-	-	-	-	156,541,849
Increase legal reserves	-	6,555,873	-	-	-	6,555,873	-	(6,555,873)	-
Increase reserves for contingencies	-	-	21,529,960	-	-	21,529,960	-	(80,369,405)	(58,839,445)
Increase other reserves	-	-	-	-	34,553,237	34,553,237	-	(34,444,031)	109,206
Dividends payable	-	-	-	-	-	-	-	(9,748,154)	(9,748,154)
Net income for the period	-	-	-	-	-	-	-	58,075,908	58,075,908
<b>Balance, as at June 30, 2013 (Unaudited)</b>	Q. <u>199,857,971</u>	Q. <u>53,006,250</u>	Q. <u>51,895,640</u>	Q. <u>2,927,808</u>	Q. <u>548,448,798</u>	Q. <u>656,278,496</u>	Q. <u>59,633,949</u>	Q. <u>58,075,909</u>	Q. <u>973,846,325</u>
<b>Balance, as at December 31, 2013 (Audited)</b>	Q. 199,859,881	Q. 53,006,250	Q. 1,751,148	Q. 2,927,808	Q. 548,443,547	Q. 606,128,753	Q. 59,633,949	Q. 213,736,895	Q. 1,079,359,478
Increase in Capital	1,940	-	-	-	-	-	-	-	1,940
Increase legal reserve	-	10,686,845	-	-	-	10,686,845	-	(10,686,845)	-
Increase reserves for contingencies	-	-	21,590,757	-	-	21,590,757	-	(51,590,757)	(30,000,000)
Increase other reserves	-	-	-	-	120,487,054	120,487,054	-	(120,378,433)	108,621
Dividends payable	-	-	-	-	-	-	-	(31,080,860)	(31,080,860)
Net income for the period	-	-	-	-	-	-	-	120,493,922	120,493,922
<b>Balance, as at June 30, 2014 (Unaudited)</b>	Q. <u>199,861,821</u>	Q. <u>63,693,095</u>	Q. <u>23,341,905</u>	Q. <u>2,927,808</u>	Q. <u>668,930,601</u>	Q. <u>758,893,409</u>	Q. <u>59,633,949</u>	Q. <u>120,493,922</u>	Q. <u>1,138,883,101</u>

The enclosed notes are part of the unaudited condensed interim financial statements.

# BANCO DE LOS TRABAJADORES

## UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS AND CASH EQUIVALENTS FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013

(Expressed in Quetzales)

	<b>June 30, 2014 (Unaudited)</b>		<b>June 30, 2013 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest receivable	Q. 163,800,431	Q.	136,275,312
Commissions receivable	1,748,245		13,121,990
Services receivable	14,709,318		1,270,013
Interest payable	(69,316,175)		(52,806,315)
Commissions payable	(3,160,087)		(1,414,202)
Services payable	(2,845,388)		(4,219,418)
Administrative expenses payable	(65,040,846)		(56,587,194)
Exchange gain or loss	701,014		583,457
Investments:			
Income from purchases of investment	3,446,616,214		1,736,193,479
Expense for investment	(3,366,005,728)		(1,441,080,047)
Loans receivable:			
Income from amortization	435,882,273		385,534,177
Disbursement of loans	(543,871,757)		(474,531,411)
Deposit obligations:			
Proceeds from deposits	2,442,928,574		2,249,598,398
Withdrawal of deposits	(2,262,872,082)		(2,008,704,429)
Loans payable:			
Income from loans	853,508		5,160,596
Expense for amortization of loans	(6,029,733)		(5,785,312)
Sale of extraordinary assets	-		1,154,000
Income tax paid	-		(9,173,093)
Other operating income	32,314,277		-
Other operating expenses	-		(113,597,745)
Net cash generated by operating activities	<u>220,412,058</u>		<u>360,992,256</u>

(Continued)



## BANCO DE LOS TRABAJADORES

### UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS AND CASH EQUIVALENTS FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013

(Expressed in Quetzales)

	<b>June 30, 2014 (Unaudited)</b>	<b>June 30, 2013 (Unaudited)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Expense for purchase of property and equipment	Q. (2,159,353)	Q. (1,232,359)
Net cash flows used in investing activities	<u>(2,159,353)</u>	<u>(1,232,359)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(529,359)	(241,730)
Subscription and payment of shares	430	(1,687)
Net cash flows used in financing activities	<u>(528,929)</u>	<u>(243,417)</u>
NET INCREASE IN CASH	217,723,776	359,516,480
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,676,961,279</u>	<u>928,459,652</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>Q. 1,894,685,055</u>	<u>Q. 1,287,976,132</u>

The enclosed notes are part of the unaudited condensed interim financial statements.

(Concluded)

# **BANCO DE LOS TRABAJADORES**

## **NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2014**

(Expressed in Quetzals)

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### **1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements are intended only to provide an update on the content of the latest annual financial statements authorized for issue, focusing on new activities, events and circumstances occurring during the six-month period, and does not duplicate information previously reported in the latest annual financial statements authorized for issue.

Consequently, these unaudited condensed interim financial statements do not include all the information required of complete financial statements prepared in accordance with the Manual of Accounting Instructions for Entities subject to the Oversight and Inspection of the Superintendency of Banks, accordingly, for a proper comprehension of the information included in these unaudited condensed interim financial statements, they should be read together with the Bank's financial statements as of December 31, 2013 and for the year then ended.

### **2. ACCOUNTING ESTIMATES**

The preparation of unaudited condensed interim financial statements requires the use of certain critical accounting estimates. It also requires Bank management to exercise judgment in applying the Bank's accounting policies. The areas where significant judgments and estimates have been made in preparing the unaudited condensed interim financial statements and their effect are disclosed in note 4.

The accounting policies and methods used in preparing these unaudited condensed interim financial statements are the same as those applied in the financial statements for December 31, 2013.

Unaudited condensed interim financial statements for the six months ended June 30, 2014 and 2013, reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented and all such adjustments are of a normal recurring nature.

### **3. USE OF ESTIMATES AND JUDGEMENTS**

The results and the determination of equity are sensitive to the accounting policies, measurement bases and estimates used by the directors of the Bank in preparing the six-month financial statements. The main accounting policies and measurement bases are described in Note 2 to the 2013 financial statements.

These estimates, which were made on the basis of the best information available, relate basically to the following:

- a. The income tax expense, which is recognized in interim periods based on the best estimate of the weighted average tax rate expected by the Bank for the full financial year;
- b. The impairment losses on certain assets; and
- c. The useful life of the tangible assets.

During the six-month period ended June 30, 2014 there were no significant changes in the estimates made at 2013 year-end other than those indicated in these half-year unaudited condensed financial statements.

#### 4. SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

The accounting policies and methods used in preparing these unaudited condensed interim financial statements are the same as those applied in the financial statements for 2013.

- a. **Contingencies and Commitments** - Notes 25 and 26 to the Bank's financial statements as of December 31, 2013 and for the year then ended include information on the contingent liabilities and commitments at that date. There were no significant changes in the Bank's contingent liabilities and commitments from December 31, 2013 to the date of preparation of these unaudited condensed financial statements for the six-month period ended June 30, 2014.
- b. **Comparative Information** - The information for the three months period ended June 30, 2014 and 2013, contained in these six-month unaudited condensed financial statements is presented for comparison purposes only with the information relating to the six-month period ended June 30, 2014.
- c. **Seasonality of the Bank's Transactions** - In view of the business activities in which the Bank engages, their transactions are not cyclical or seasonal in nature. Therefore, no specific disclosures are included in these explanatory notes to the unaudited condensed financial statements for the six-month periods ended June 30, 2014 and 2013.
- d. **Materiality** - In determining the note disclosures to be made on the various items in the financial statements or other matters, the Bank took into account their materiality in relation to the interim financial statements.

#### 5. CASH AND CASH EQUIVALENTS

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Cash	Q. 84,385,139	Q. 97,512,009
Deposits in Guatemalan Central Bank	1,613,859,594	1,883,176,270
Deposits in foreign banks	136,426,914 (a)	131,815,347
Checks and drafts pending compensation	57,879,076	36,656,109
Local banks	<u>2,134,332</u>	<u>3,285,099</u>
	<u>Q. 1,894,685,055</u>	<u>Q. 2,152,444,834</u>

The Organizational Law of the Guatemalan Central Bank establishes that bank deposits are subject to reserves. The percentage of bank reserves in local and foreign currency is 14.6%.

These reserves must be kept constantly in the form of demand deposits in the Guatemalan Central Bank, of cash funds in the bank's cashiers, and, when the circumstances warrant it, of liquid investments in instruments, documents or securities, local or foreign, in accordance with the regulations issued by the Monetary Board for such purpose.

The mandatory investment in Quetzales and US dollars in the Guatemalan Central Bank as of June 30, 2014 and December 31, 2013 is Q. 60,433,278 and Q. 57,189,409 respectively, earning interest rates of:

<b>Description</b>	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Reserve operations Local Currency	3.97%	3.93%
Financial operations	0.24886%	0.24582%
Reserve operations Foreign Currency	0.03700%	0.0280%

- (a) As of June 30, 2014 and December 31, 2013, it includes an operation for a Credit Linked Deposit, contracted by Banco de los Trabajadores on April 20, 2011, with the entity Societé Generale, a banking institution established in France, for an amount of US\$12,500,000. The term for the credit linked deposit contract is 17 years, maturing on August 17, 2027.

The deposit earns an annual interest rate of 1%, payable semi-annually; additionally, upon maturity of the term, the Bank will receive the sum of US\$25,000,000, as long as the Government of Guatemala is not in default.

The deposit described meets the characteristics of a deposit with an implicit credit default swap (CDS), a generalized operation in international banking. As of June 30, 2014 and December 31, 2013 the deposit is recorded at its initial contracted value.

The cash is free of pledges.

## **6. INVESTMENTS - NET**

	<b>Annual Interest</b>	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
<b>Local Currency</b>			
In securities held for sale:			
Certibonos - Central Government maturing in 2014, 2016, 2017, 2020, 2021, 2025 y 2026.	8.40% to 12.8520%	Q. 2,827,805,000	Q. 2,478,958,250
Instituto de Fomento de Hipotecas Aseguradas		37,656,565	39,698,823
Central Bank of Guatemala (CDPs) maturing in 2014	4.5% to 5.2498%	175,000,000	500,000,000

	Annual Interest	June 30, 2014 Unaudited	December 31, 2013 Audited
Repurchase agreement operations	5%	Q. -	Q. 44,000,000
Interest paid in purchase of securities		-	177,355
Financiera de los Trabajadores (CDP's) maturing in 2014	6%	12,200,000	12,200,000
Sub-total		3,052,661,565	3,075,034,428
<b>Share and Other Securities</b>			
<b>Of Financial Institutions:</b>			
Financiera de los Trabajadores 39,120 shares with a value of Q.1,000 each, discount of Q.2,420,000.		36,700,000	36,700,000
Aseguradora de los Trabajadores 34,912 shares with a value of Q.801 each, premium of Q. 7,054,154.		35,018,666	35,018,666
<b>Of Non-Financial Entities</b>			
Útil Valor, S. A. 40,000 shares with a value of Q. 10 each, premium of Q.2,400.		402,400	402,400
Asociación Bancaria de Guatemala 72 shares with a value of Q.5,000 each.		360,000	360,000
Imágenes Computarizadas de Guatemala, S. A. 504 shares with a value of Q.1,000 each, premium of Q.311,100.		815,099	815,099
Sub-total		73,296,165	73,296,165
<b>Other Investments</b>		450,000	696,750
<b>Total Local Currency</b>		3,126,407,730	3,149,027,343
<b>Foreign Currency</b>			
In securities held for sale:			
Certibonos - Central Government maturing in 2017, 2020, 2021 and 2026	4% to 6.20%	451,781,668	219,558,360

	<b>Annual Interest</b>	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Visa Inc. 7,952 common shares, with a value of US \$0.0001 each, exchange rate Q.7.84137.		Q. 7	Q. 7
Sub-total		3,578,189,405	3,368,585,710
(-) Estimate for valuation of investments		<u>(7,699,492)</u>	<u>(7,699,492)</u>
		<u>Q. 3,570,489,913</u>	<u>Q. 3,360,886,218</u>

The permanent investments are free of pledges.

As of June 30, 2014 and December 31, 2013 the investments have the following maturity schedule:

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Up to 1 month	Q. 176,655,000	Q. 560,832,355
More than 1 month and less than 3 months	-	20,000,000
More than 6 months and less than 1 year	12,200,000	12,200,000
More than 1 year	22,100,000	41,503,425
More than 5 years	3,293,488,233	2,660,753,758
No contractual maturity	<u>73,746,172</u>	<u>73,296,172</u>
	<u>Q. 3,578,189,405</u>	<u>Q. 3,368,585,710</u>

## 7. LOANS RECEIVABLE – NET

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Loans	Q. 7,171,216,457	Q. 6,447,016,747
Payments for letters of credit	24,487,817	25,771,731
Credit cards	130,197,772	111,603,166
Receivables from sale of extraordinary assets	<u>732,126</u>	<u>852,176</u>
	7,326,634,172	6,585,243,820
Minus: Allowance for doubtful loans	<u>(150,997,116)</u>	<u>(139,054,025)</u>
	<u>Q. 7,175,637,056</u>	<u>Q. 6,446,189,795</u>

The credit portfolio is free of pledges.

The loans and discounts according to their aging are detailed as follows:

	<b>June 30, 2014 Unaudited</b>	%	<b>December 31, 2013 Audited</b>	%
Current	Q. 7,222,395,647	99	Q.6,490,696,879	99
In extension process	1,208,198	-	784,795	-
Past due in administrative collection	90,216,534	1	88,507,330	1
Past due in judicial collection	<u>12,813,793</u>	-	<u>5,254,816</u>	-
	7,326,634,172	100	6,585,243,820	100
(-) Allowance for doubtful loans	<u>(150,997,116)</u>		<u>(139,054,025)</u>	
	<u>Q. 7,175,637,056</u>		<u>Q.6,446,189,795</u>	

As of June 30, 2014 and December 31, 2013 the loans had the following maturity schedule:

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Upon to 1 month	Q. 27,513,542	Q. 29,786,807
More than 1 month and less than 3 months	44,166,127	40,822,410
More than 3 months and less than 6 months	79,440,705	55,363,326
More than 6 months and less than 1 year	169,701,156	161,089,302
More than 1 year and less than 5 years	2,250,994,523	2,079,220,323
More than 5 years	<u>4,754,818,119</u>	<u>4,218,961,652</u>
	<u>Q. 7,326,634,172</u>	<u>Q. 6,585,243,820</u>

The loans were granted at annual interest rates between 7% and 40%. The terms may be less than one year, or from one to twenty-five years, taking into consideration the nature and guarantee offered.

The operation in foreign currency, mortgage loans, fiduciary loans, and secured bonds were granted at annual interest rates between 4% and 12.4%.

The movement of the allowance for doubtful loans as of June 30, 2014 and December 31, 2013, was the following:

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Balance at January 1	Q. 139,054,025	Q. 184,334,396
Allowance	78,343,078	126,695,068
Recoveries and reversals	-	30,201,338
Write-offs	<u>(66,399,987)</u>	<u>(202,176,777)</u>
	<u>Q. 150,997,116</u>	<u>Q. 139,054,025</u>

## 8. PROPERTY AND EQUIPMENT

The movement of property and equipment, as of June 30, 2014 and December 31, 2013 was as follows:

### June 30, 2014 (Unaudited)

Cost	Initial Balances	Additions	Disposals	Reclassifications	Final Balances
Land	Q. 39,641,164	Q. -	Q. -	Q. -	Q. 39,641,164
Revaluation land	(2,363,042)	-	-	-	(2,363,042)
Buildings	56,082,994	881,228	-	-	56,964,222
Revaluation buildings	61,996,991	-	-	-	61,996,991
Furniture and office equipment	38,979,615	7,443,562	(4,983,941)	(204,909)	41,234,327
Information Systems	27,768,853	4,172,736	(2,393,941)	(1,050)	29,546,598
Telecommunications Equipment	881,957	105,393	(254,745)	-	732,605
Vehicles	149,415	-	-	-	149,415
Artwork and paintings	482,557	-	-	-	482,557
Others	565	-	-	-	565
Advances for acquisitions of assets	10,064,394	4,186,019	(3,759,826)	(2,370,743)	8,119,844
Subtotals of cost	233,685,463	16,788,938	(11,392,453)	(2,576,702)	236,505,246
Accumulated depreciation	(65,364,184)	(12,355,205)	7,264,447	-	(70,454,942)
Net totals	<u>Q. 168,321,279</u>	<u>Q. 4,433,733</u>	<u>Q. (4,128,006)</u>	<u>Q. (2,576,702)</u>	<u>Q. 166,050,304</u>

### December 31, 2013 (Audited)

Cost	Initial Balances	Additions	Disposals	Reclassifications	Final Balances
Land	Q. 39,641,164	Q. -	Q. -	Q. -	Q. 39,641,164
Revaluation land	(2,363,042)	-	-	-	(2,363,042)
Buildings	53,912,662	3,629,197	(14,576)	(1,444,289)	56,082,994
Revaluation buildings	61,996,991	-	-	-	61,996,991
Furniture and office equipment	32,421,770	12,762,319	(4,639,572)	(1,564,902)	38,979,615
Information systems	18,604,846	13,469,012	(3,989,857)	(315,148)	27,768,853
Telecommunications equipment	1,261,071	151,534	(530,648)	-	881,957
Vehicles	149,415	-	-	-	149,415
Artwork and paintings	294,748	195,809	-	(8,000)	482,557
Others	25,065	-	(24,500)	-	565
Advances for acquisitions of assets	4,028,588	17,678,332	-	(11,642,526)	10,064,394
Subtotals	209,973,278	47,886,203	(9,199,153)	(14,974,865)	233,685,463
Accumulated depreciation	(53,436,131)	(21,484,801)	-	9,556,748	(65,364,184)
Net totals	<u>Q. 156,537,147</u>	<u>Q. 26,401,402</u>	<u>Q. (9,199,153)</u>	<u>Q. (5,418,117)</u>	<u>Q. 168,321,279</u>



## 9. LOANS PAYABLE

As of June 30, 2014 and December 31, 2013 the Bank had contracted the following loans:

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Deutsche Bank AG London Loan for USD150,000,000, 9% interest rate, semi-annual amortizations of interest and principal when due, for a term of 7 years, that matures on November 22, 2020.	Q. 1,166,791,500	Q.1,176,205,500
DEG: Deutsche Investitions Und Entwicklungsgesellschaft MBH Loan for US\$15,000,000, interest rate of Libor plus 4.58% and maturing on February 15, 2016. Semi-annual amortizations as of February 15, 2013 for an amount of US\$2,142,857.	66,673,803	84,014,681
Central American Bank for Economic Integration (CABEI) Line of credit for US\$ 27,500,000, interest rate of 5.8%. The amount used is comprised of three disbursements with a maximum maturity date of November 14, 2014.	62,747,454	106,904,011
Wells Fargo Bank Line of credit for US\$ 8,000,000, interest rate of Libor + 1.3% and maturing on January 14, 2016.	62,220,308	-
Wells Fargo Bank Line of credit for US\$ 5,700,000, interest rate of 1.527% and maturing on November 14, 2014.	22,168,985	22,347,850
Bac Florida Bank Line of credit for US\$ 5,000,000, interest rate of 4.27600% and maturing on November 27, 2014	19,446,525	19,603,425
Other minor	<u>16,024,318</u>	<u>18,225,521</u>
	<u>Q. 1,416,072,893</u>	<u>Q. 1,427,300,988</u>

As of June 30, 2014 and December 31, 2013 the loans obtained had the following maturity schedule:

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
More than 1 month and less than 3 months	Q. 45,025,620	Q. 51,859,249
More than 3 months and less than 6 months	80,767,427	26,819,499
More than 6 month and less than 1 year	51,262,676	98,483,818
More than 1 year and less than 5 years	72,225,670	73,932,922
More than 5 years	<u>1,166,791,500</u>	<u>1,176,205,500</u>
	<u>Q. 1,416,072,893</u>	<u>Q. 1,427,300,988</u>

## 10. DEPOSITS

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Local Currency:		
Monetary deposits	Q. 724,194,405	Q. 661,742,104
Savings deposits	1,129,240,377	1,069,943,745
Term deposits	7,972,698,493	7,509,910,053
Deposits and other	1,495,254	1,491,483
Deposits with restrictions	<u>9,370,782</u>	<u>9,098,513</u>
	<u>9,836,999,311</u>	<u>9,252,185,898</u>
Foreign Currency:		
Monetary deposits	87,140,642	66,672,221
Savings deposits	79,735,462	56,167,082
Term deposits	84,598,459	95,559,390
Deposits and other	7,075	7,132
Deposits with restrictions	<u>141,267</u>	<u>103,828</u>
	<u>251,622,905</u>	<u>218,509,653</u>
	<u>Q. 10,088,622,216</u>	<u>Q. 9,470,695,551</u>

The term deposits in Quetzales earn an interest rate of 3.50% to 9.75% and have been placed in terms that vary from 3 months to 5 years, and in US dollars of the United States of America at a rate of 0.75% to 6.25% and have been placed in terms that vary from 3 months to 3 years.

As of June 30, 2014 and December 31, 2013 the term deposits had the following maturity schedule:

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Local currency	Q. 7,972,698,493	Q. 7,509,910,053
Foreign currency	84,598,459	95,559,390
	<u>Q. 8,057,296,952</u>	<u>Q. 7,605,469,443</u>
Up to 1 month	Q. 433,407,809	Q. 371,723,424
More than 1 month and less than 3 months	1,042,091,601	768,022,726
More than 3 months and less than 6 months	1,504,557,935	1,440,107,806
More than 6 months and less than 1 year	2,432,302,213	2,343,371,319
More than 1 year	2,644,937,394	2,682,244,168
	<u>Q. 8,057,296,952</u>	<u>Q. 7,605,469,443</u>

#### 11. RESERVES FOR CONTINGENCIES

The Bank constitutes this reserve, separating it from its earnings, according to authorizations from the General Shareholders' Meeting, in order to face any future problems or ensure coverage for non-specific purposes or unforeseen events. The balance as of June 30, 2014 and December 31, 2013, is Q. 23,341,905 and Q.1,751,148, respectively.

#### 12. INTEREST INCOME

	<b>June 30, 2014 Unaudited</b>	<b>June 30, 2013 Unaudited</b>
Interest on loans	Q. 764,169,106	Q. 620,143,473
Interest on investments	133,615,442	102,740,223
Commissions on loans	10,015,859	86,939,931
Others	180,126	265,842
	<u>Q. 907,980,533</u>	<u>Q. 810,089,469</u>

#### 13. INTEREST EXPENSE

	<b>June 30, 2014 Unaudited</b>	<b>June 30, 2013 Unaudited</b>
Interest on deposits	Q.(419,667,234)	Q. (314,304,271)
Commissions on deposits	(20,123,621)	(7,358,066)
Contributions for forming FOPA fund	(9,736,279)	(6,161,546)
Additional benefits	(4,623,682)	(3,816,143)

	<b>June 30, 2014 Unaudited</b>	<b>June 30, 2013 Unaudited</b>
Repurchase agreement operations	Q. (9,517,571)	Q. (3,623,307)
Negotiation of securities	<u>(266,014)</u>	<u>-</u>
	<u>Q. (463,934,401)</u>	<u>Q. (335,263,333)</u>

#### 14. INCOME TAX

In Guatemala, the right of the tax authorities to perform reviews of the company's accounting records and additional legal documentation prescribes in a term of four years, counting from the date on which the tax returns were filed.

As of January 1, 2013 a new Income Tax Law included in Book I of the Tax Law Update, Decree 10-2012 went into effect. This new law includes two regimes for paying the tax as of the year 2013:

- a) Regime over Profits from Lucrative Activities, which consists of applying the rate of 31% to the taxable income determined based on the accounting profit (28% in 2014 and 25% as of 2015). The tax is paid through quarterly payments at the end of each quarter, with a settlement at the end of the year. This is the current regime of Banco de los Trabajadores.
- b) The Simplified Optional Regime over Income from Lucrative Activities, which consists of applying the rate of 6% to the total taxable income (7% as of 2014) and paying such tax through definitive withholdings, or in its absence, through direct payment at the tax office, with the proper authorization from the tax office. The first Q. 30,000 of monthly income pays 5% tax. The Bank selected this regime for the year 2013.

At June 30, 2014 and 2013 the income tax was Q.50,226,792 and Q.49,734,916, respectively.

#### 15. MEMORANDUM ACCOUNTS

	<b>June 30, 2014 Unaudited</b>	<b>December 31, 2013 Audited</b>
Loan portfolio guarantees	Q. 904,302,939	Q. 955,751,760
Authorized issues of financial obligations	817,357,000	817,357,000
Financial obligations	703,357,000	703,357,000
Other memorandum accounts	999,191,676	976,584,419
Third party management	462,927,856	440,497,306
Securities and assets given as collateral	150,983,239	216,123,096
Contingencies, commitments and other responsibilities	235,721,193	225,406,219
Amortized financial obligations	114,000,000	114,000,000
Margins to be drawn on	217,601,948	173,626,774
Own documents and securities remitted	9,725,891	9,725,891
Repurchasing agreement operations	<u>-</u>	<u>5,360,000</u>
	<u>Q. 4,615,168,742</u>	<u>Q. 4,637,789,465</u>

## 16. COMMITMENTS

- **Collective Bargaining Agreement on Work Conditions** - With the purpose of promoting the interests of the Bank and its employees, the relationship between the parties is regulated by the Collective Bargaining Agreement on Work Conditions. The 2010-2011 Collective Bargaining Agreement on Work Conditions has been in effect since January 1, 2010.
- **Trusts** - As of June 30, 2014 and December 31, 2013 the Bank managed as a trustee 23 trust contracts, respectively. The operations of the trusts are recorded in memorandum accounts, as established by the Manual of Accounting Instructions for Entities Subject to the Oversight and Inspection of the Superintendency of Banks.

Additionally, the Bank keeps separate accounting for each trust since the Bank is not its owner and does not assume the risks and benefits of the assets, liabilities, and equity of the trusts. According to the law, the Bank is responsible before third parties for compliance with the obligations contained in the contracts subscribed, including compliance with the tax obligations of the trusts.

The trusts of the State have been audited by the office of the Comptroller General; likewise, in their majority they have also been audited by the Superintendency of Banks, and in general they are audited at the request of the trustors, as contractually established.

## 17. CONTINGENCIES

As of June 30, 2014 there are tax adjustments that have been made by the tax authorities for which there are precedents of favorable resolutions, and thus the Bank considers that they shall be similarly resolved.

No.	Description	Amounts in Q.	Legal status of the Litigation
1.	Tax adjustment by the Superintendency for Tax Administration (SAT) for adjustment to the Tax on Financial Products (Impuesto Sobre Productos Financieros - ISPF) from the year 1998.	Q. 3,832,541	In administrative law proceedings, (255-2003). The public hearing for this case was held on August 9, 2006. Pending a ruling.
2.	Adjustment to the Tax on Financial Products and Income Tax of the 1999 period for prizes and special invoices.	2,176,072	In administrative law proceedings (SCA-2004-62). On August 3, 2006 there was a public hearing. Pending a ruling.
3.	Capital Management Trust Patrimonial San Jose, 4 <sup>th</sup> Court of First Instance of the Civil Court, filed by Gilda Johanna Rehwoldt Castañeda, to obtain the absolute nullification termination of the trust. The Bank sued as the trustee.	Undetermined amount	The previous exceptions have already been presented on the "faulty lawsuit" and "lack of legal capacity to sue" of Mrs. Rehwoldt and "lack of capacity of the Bank to be sued." It is considered that a favorable resolution will be obtained for the Bank.

No.	Description	Amounts in Q.	Legal status of the Litigation
4.	Precautionary embargo resulting from rulings against the previous holders of:		On a date subsequent to the one on which the Bank made the investment, a precautionary embargo was placed on the Certibonos based on summary, executive and criminal proceedings against its previous owners. Due to these proceedings, at this time the Bank cannot make use of them.
	• Certibonos 35065 to 35074 for Q.1,500,000	8,600,000	
	• Certibonos 32944 to 32955 for Q.155,000	310,000	

#### 18. FOREIGN CURRENCY TRANSACTIONS AND EXPOSURE TO EXCHANGE RISK

As of June 30, 2014 and December 31, 2013 the balances of financial assets and liabilities denominated in foreign currency are expressed in Quetzales at the closing exchange rate published by the Guatemalan Central Bank in effect at those dates, for each currency. Such balances are summarized as follows:

	June 30, 2014 Unaudited	December 31, 2013 Audited
Assets	Q.1,518,673,070	Q. 1,537,517,371
Liabilities	1,704,138,650	1,687,479,672

Most of the assets and liabilities in foreign currency of the Bank are in dollars of the United States of America. As of June 30, 2014 and December 31, 2013, the exchange rate established by the Guatemalan Central Bank used to express in Quetzales the balances in such foreign currency was Q.7.77861 and Q. 7.84137 per US\$1, respectively.

In Guatemala, foreign currency transactions must be carried out through the banking system. On November 6, 1989 the Monetary Board freed the exchange rate of the quetzal with respect to the dollar of the United States of America and thus the exchange rate is determined by the supply and demand of the dollar in the market.

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