Banco de los Trabajadores

Financial Statements for the Year Ended
December 31, 2014 and Corresponding Figures
for 2013 and Independent Auditors' Report Dated
February 4, 2015

BANCO DE LOS TRABAJADORES

CONTENT

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INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Banco de los Trabajadores

We have audited the accompanying financial statements of Banco de los Trabajadores (the "Bank"), which comprise the Balance Sheets as at December 31, 2014 and the statements of income, of changes in equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements have been prepared by management of the Bank based on the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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, which represents a basis of accounting that differs from the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and the resolutions issued by the Guatemalan Institute of Certified Public Accountants and Auditors for the regulated financial sector. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements mentioned above present fairly, in all material respects, the financial position of Banco de los Trabajadores as at December 31, 2014, the results of its operations and its cash flows for the year 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 2 to the financial statements.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 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, which differs in certain aspects from the International Financial Reporting Standards, as mentioned in Note 3.

The financial statements referred to above have been prepared in English for the special purpose of the convenience of English-speaking readers. Accordingly, the financial statements have been prepared by the Bank using those originally issued in Spanish and filed with the Superintendency of Banks, and presented in accordance with the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of bank issued by the Monetary Board of the Republic of Guatemala. The effects of the differences between accounting bases accepted in Guatemala for financial institutions and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified by the Bank. Accordingly, the financial statements are not intended to present the financial position, results of operations, and changes in equity or cash flows in accordance with accounting principles generally accepted in the countries of the users of the financial statements, other than Guatemala.

The figures of the financial statements for the years ended December 31, 2014 and 2013 were regrouped within the same accounting item with respect to the report previously issued in Spanish for a better understanding by the foreign investors as mentioned in note 28. This report is for exclusive use by the foreign investors and should not be used for any other purpose.

Lara, Aranky y Asociados
Member Firm of:
Deloitte Touche Tohmatsu Limited

Sergio Patzán
CPA Register No. 2200

February 4, 2015
Guatemala, C. A.

BANCO DE LOS TRABAJADORES

BALANCE SHEETS
AT DECEMBER 31, 2014 AND 2013
(Expressed in Quetzales)

ASSETS	Notes		2014		2013
Cash and cash equivalents	4	Q.	1,042,332,654	Q.	2,152,444,834
Investments - Net	5		4,531,058,168		3,360,886,218
Loans receivable - Net	6		7,765,474,785		6,446,189,795
Accounts receivable - Net	7		231,165,585		142,697,611
Assets classified as held-for-sale	8		68,352,812		53,323,149
Property and equipment	9		182,772,625		168,321,279
Other assets	10		275,918,400		238,536,734
Total assets		Q.	14,097,075,029	Q.	12,562,399,620

LIABILITIES AND SHAREHOLDERS' EQUITY
LIABILITIES

	Notes		2014		2013
Loans payable	11	Q.	1,270,560,719	Q.	1,427,300,988
Accounts payable	12		816,314,757		509,086,234
Other payables	13		-		75,957,370
Deposits	14		10,721,652,949		9,470,695,551
Total liabilities			12,808,528,425		11,483,040,143

STOCKHOLDERS' EQUITY

	Notes		2014		2013
Capital stock	15		199,862,981		199,859,881
Reserves	15		739,799,888		606,128,752
Revaluation of assets			59,633,949		59,633,949
Retained earnings			289,249,786		213,736,895
Total stockholders' equity			1,288,546,604		1,079,359,477
TOTAL		Q.	14,097,075,029	Q.	12,562,399,620

The enclosed notes are part of the financial statements.

BANCO DE LOS TRABAJADORES

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Quetzales)

	Notes	2014	2013
INTEREST			
Interest income	16	Q. 1,970,809,236	Q. 1,824,897,206
Interest expense	17	(962,979,368)	(730,028,245)
Subtotal		1,007,829,868	1,094,868,961
Other extraordinary income and expenses - Net	18	272,978,803	39,009,594
Total operating income		1,280,808,671	1,133,878,555
NON-INTEREST EXPENSES			
Administrative expenses	19	(765,771,269)	(700,547,404)
Other income and expenses -Net	20	(107,109,320)	(107,536,232)
Total non-interest expenses		(872,880,589)	(808,083,636)
INCOME BEFORE TAX		407,928,082	325,794,919
INCOME TAX	21	(118,678,296)	(112,058,024)
NET INCOME OF THE YEAR		Q. 289,249,786	Q. 213,736,895

The enclosed notes are part of the financial statements.

BANCO DE LOS TRABAJADORES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013
(Expressed in Quetzales)

	Capital Stock (Note 15)	Legal Reserve (Note 15)	Reserves for Contingencies	Reserves for Fiscal Benefits	Other Reserves	Total Reserves	Revaluation of Assets	Retained Earnings	Total
Balance, as at December 31, 2012	Q. 43,308,111	Q. 46,450,375	Q. 30,365,680	Q. 2,927,808	Q. 513,895,563	Q. 593,639,426	Q. 59,633,949	Q. 131,117,463	Q. 827,698,949
Increase in capital	156,551,770	-	-	-	-	-	-	-	156,551,770
Increase legal reserve	-	6,555,874	-	-	-	6,555,874	-	(6,555,874)	-
Decrease reserves for contingencies	-	-	(28,614,532)	-	-	(28,614,532)	-	(80,369,405)	(108,983,937)
Increase other reserves	-	-	-	-	34,547,984	34,547,984	-	(34,444,030)	103,954
Dividends payable	-	-	-	-	-	-	-	(9,748,154)	(9,748,154)
Net income for the year	-	-	-	-	-	-	-	213,736,895	213,736,895
Balance, as at December 31, 2013	Q. 199,859,881	Q. 53,006,249	Q. 1,751,148	Q. 2,927,808	Q. 548,443,547	Q. 606,128,752	Q. 59,633,949	Q. 213,736,895	Q. 1,079,359,477
Increase in capital	3,100	-	-	-	-	-	-		3,100
Increase legal reserve	-	10,686,845	-	-	-	10,686,845	-	(10,686,845)	-
Decrease reserves for contingencies	-	-	2,504,821	-	-	2,504,821	-	(51,590,757)	(49,085,936)
Increase other reserves	-	-	-	-	120,479,470	120,479,470	-	(120,378,433)	101,037
Dividends payable	-	-	-	-	-	-	-	(31,080,860)	(31,080,860)
Net income for the year	-	-	-	-	-	-	-	289,249,786	289,249,786
Balance, as at December 31, 2014	Q. 199,862,981	Q. 63,693,094	Q. 4,255,969	Q. 2,927,808	Q. 668,923,017	Q. 739,799,888	Q. 59,633,949	Q. 289,249,786	Q. 1,288,546,604

The enclosed notes are part of the financial statements.

BANCO DE LOS TRABAJADORES

STATEMENTS OF CASH FLOWS AND CASH EQUIVALENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Quetzales)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest receivable	Q. 1,949,748,407	Q. 1,652,198,117
Commissions receivable	20,987,295	161,403,536
Services receivable	195,397,283	15,901,161
Interest payable	(856,311,151)	(682,398,520)
Commissions payable	(50,619,235)	(15,467,445)
Services payable	(35,966,010)	(49,769,896)
Administrative expenses payable	(765,771,269)	(700,547,376)
Exchange gain or loss	14,244,131	8,550,923
Gain or loss from holding or sale of extraordinary assets (Net)	(353,705)	-
Investments:		
Income from divestiture	42,533,109,642	32,040,615,933
Expense for investment	(43,703,772,091)	(32,571,355,622)
Loans receivable:		
Income from amortization	5,835,102,680	5,235,897,288
Expense for disbursement	(7,303,956,821)	(6,527,451,385)
Other investments:		
Income from divestiture	1,170,000	1,406,250
Expense for placement	(679,500)	(1,919,250)
Deposit obligations:		
Income from deposits	30,140,299,627	28,276,064,439
Expense for withdrawal of deposits	(28,889,342,229)	(26,725,395,537)
Loans payable:		
Income from loans	180,293,518	1,318,847,348
Expense for amortization of loans	(337,033,787)	(362,098,090)
Financial obligations:		
Income from sale	292,834	921,118
Expense for redemption or reacquisition	(1,569,834)	(1,731,118)
Sale of extraordinary assets	11,972,661	4,064,304
Income Tax paid	(49,525,211)	(109,442,353)
Other operating income	421,383,768	73,795,498
Other operating expenses	(362,200,839)	-
Net cash (used in) generated by operating activities	(1,053,099,836)	1,042,089,323

BANCO DE LOS TRABAJADORES

STATEMENTS OF CASH FLOWS AND CASH EQUIVALENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Quetzales)

	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES:		
Held-to-maturity investments		
Income from divestiture	Q. -	Q. 918,000
Dividends received	6,000,000	3,272,940
Expense for purchase of property and equipment	(39,891,127)	(32,521,911)
Net cash flows used in investing activities	(33,891,127)	(28,330,971)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(23,123,497)	(2,679,199)
Subscription and payment of shares	2,280	156,551,770
Net cash flows (used in) generated by financing activities	(23,121,217)	153,872,571
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,110,112,180)	1,167,630,923
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,152,444,834	984,813,911
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Q. 1,042,332,654	Q. 2,152,444,834

The enclosed notes are part of the financial statements.

1. GENERAL INFORMATION

Banco de los Trabajadores (the Bank) was organized through Decree Law No. 383 of the Congress of the Republic of Guatemala issued in 1965. This Decree contains the Organizational Law of the Bank and establishes its creation as a banking institution of a special nature, with its own legal status and its own equity. The duration of the Bank is indefinite.

Its main objective is economic development and promoting the welfare of workers by fostering regular and systematic savings. The Bank operates nationally. It is governed, in order, by its Organizational Law, the Law of Banks and Financial Groups, by the resolutions issued by the Monetary Board and as applicable, by the Organizational Law of the Guatemalan Central Bank, the Monetary Law and the Law of Financial Oversight.

In order to conduct its operations that Bank has main offices located in Guatemala City and 139 bank branches nationally.

2. BASES OF PRESENTATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used by Banco de los Trabajadores in the preparation of its financial statements are summarized as follows:

a. ***Bases of Preparation*** **-** The accompanying financial statements have been prepared according to the Manual of Accounting Instructions for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board, the provisions issued by the Monetary Board and those issued by the Superintendency of Banks. In the offering Memorandum, it was established that the audited financial statements would be presented annually to investors abroad, with the same format of the financial statements that were included in the positioning of the senior notes.

b. ***Functional Currency and Presentation Currency*** **-** The Bank prepares and presents its financial statements in quetzales (Q.), which is the functional currency. The functional currency is the currency of the primary economic environment in which it operates.

c. ***Use of Estimates*** **-** The preparation of the financial statements requires that management make estimates and assumptions for the determination of balances of assets, liabilities and amounts of income and expenses, and for the disclosure of contingent assets and liabilities, as of the date of the financial statements. If subsequently there is any change in the estimates or assumptions due to changes in the circumstances on which they were based, the effect of the change shall be included in the determination of the net profit or loss for the period in which the change occurs, and for future periods if applicable. The significant estimates in the financial statements correspond to the allowance for doubtful loans placed, provision for extraordinary assets, the provision for the accounts receivable, the provision for investments, the useful life assigned to property, furniture and equipment, and the recording of contingent liabilities.

d. ***Financial Instruments -*** The Bank's financial assets and liabilities include cash, investments, loans receivable, other accounts receivable, loans payable and deposits. These financial assets and liabilities are recognized as such at their trade date and their recognition ceases when they are settled.

e. ***Allowance for Doubtful Loans -*** The allowance for doubtful loans is determined according to the criteria and percentages established in Resolution JM-93-2005 "Regulation for Credit Risk Management" and its modifications.

The allowance for doubtful loans includes a specific portion and a generic portion. The specific allowance for loans is calculated based on the percentages established in the Resolution of the Monetary Board. The generic allowance for loans was established preventatively by the requirements of Resolution JM-167-2008.

The specific allowance may be charged to the expenses of the year or to the equity account for reserves for contingencies.

f. ***Investments -*** The securities held-for-trading are initially recorded at acquisition cost, which does not consider the commissions and other similar charges incurred in the purchase. The book value of these investments is updated at the end of each month based on their market value in the securities market. When there is no market value in the securities market, it is determined based on the rule related to the valuation of investments in securities. The differences deriving from the changes in price are recognized in the results of the period.

If the securities are reclassified to the "available-for-sale" category, the differences resulting from the variation of prices recorded in the results should be transferred to net equity.

Investments in securities available-for-sale: these are initially recorded at acquisition cost, which does not consider the commissions and other similar charges incurred in the purchase. The book value of these investments is updated monthly based on their market value in the securities market. When there is no market value in the securities market, it is determined based on the rule related to the valuation of investments in securities. When dealing with securities issued by the Guatemalan Central Bank or the Public Finance Ministry and it is not possible to establish a reference market value, the valuation is made at acquisition cost. The differences deriving from the variation of prices are recorded in net equity. When the security is sold, the gain or loss accumulated in the net equity shall be recognized in the results.

Investments in securities held-to-maturity: these are initially recorded at acquisition cost, which does not consider the commissions and other similar charges incurred in the purchase. The book value is determined through the amortized cost method.

Investments in permanent investments: The investments in shares, made by the investor, with the intent of maintaining their stake in the capital of the issuer of the shares, will be recorded using the cost method. The investor will recognize the income from the investment only to the extent that the retained earnings from the investee (in which the investment is held) that arose after the acquisition date are distributed. The amounts received over such gains are considered as a recovery of the investment and, therefore, shall be recognized as a reduction in their cost.

As of the present date, the Superintendency of Banks has not issued the regulations related to the valuation of investments in securities, and thus such investments are recorded by the Bank as follows:

- In securities held-for-trading and in securities available-for-sale: these are initially recorded at acquisition cost, which does not consider the commissions and other similar charges incurred in the purchase. The book value of these investments is updated at the end of each month based on their market value in the securities market. If there is no market value in the securities market, they are valued at cost.

Investments in securities held-to-maturity and permanent investments: These are valued at acquisition cost.

g. ***Assets Classified as Held for Sale*** **-** These assets correspond to assets awarded to the Bank as a consequence of non-compliance by the borrowers in the payment of the loans granted. The assets received for non-compliance with payments are recorded according to the settlement approved by the Board of Directors or the body acting as such or by whom such decision is delegated to. Such settlement must include the taxes and expenses for the transfer of ownership. The legally awarded assets are recorded at the value established in the settlement approved by the judge, plus the taxes and expenses for transfer of ownership. As of December 31, 2014 and 2013 the Bank had valuation reserves of Q. 40,520,176 and Q. 14,873,934, respectively.

h. ***Property and Equipment*** **-** These assets are recorded at cost, except for property and buildings that were revalued during the year 2012. The appraisal was performed by independent expert appraisers. The surplus on revaluation was Q. 59,633,949 and is recorded in equity.

The advances for purchases of fixed assets are classified as part of this account, per that established by the Manual of Accounting Instructions.

Depreciation is calculated using the straight-line method using the legal percentages established in the Income Tax Law, which are the following:

	Depreciation Rate
Property	5%
Furniture and equipment	20%
Information systems	33.33%
Vehicles	20%
Telecommunications equipment	20%
Tools	25 %
Artwork and paintings	20%
Others	10% and 20%

i. ***Deferred Charges*** **-** This account records all of the expenses incurred for the organization of Banco de los Trabajadores, and the improvements on leased or the bank's own properties, which are amortized within the range established by the Income Tax Law.

j. ***Employee Severance*** **-** According to the Labor Code of the Republic of Guatemala, entities are obligated to pay severance to employees dismissed under certain circumstances, on the basis of one month's salary, plus one-twelfth of the Christmas bonus and mid-year bonus, for each year of service. The Bank pays severance in accordance with the Law. As of December 31, 2014 and 2013 the Bank has a provision for this item of Q. 39,879,394 and Q.37,072,777, respectively, which is calculated based on monthly salaries by applying the percentage that is deductible according to the Income Tax Law. The severance paid during the years 2014 and 2013 was Q. 2,095,973 and Q. 1,786,755, respectively.

The Bank does not have established defined retirement benefit plans for the employees or any other type of post-retirement benefits.

k. ***Other Payables*** **-** Subordinated debt; according to the modifications to the Manual of Accounting Instructions, which were made through Resolution JM-9-2008, the obligations from the capturing of resources through subordinated debt contracted prior to January 31, 2008 and for a term greater than five years must be reported under Capital. In the case of Banco de los Trabajadores, the subordinated debt was contracted in October 2008, which is why this obligation is recorded as a liability.

l. ***Income Recognition*** **-** The modified accrual basis is used. The Bank records as income the revenues obtained from: a) interest earned but not collected on bonds or documents issued by the Guatemalan Central Bank and securities from other issuers whose amortization funds are controlled by the Guatemalan Central Bank; b) interest earned but not collected on securities issued by foreign governments or foreign central banks, that have a minimum risk rating of A-3 for the short-term or BBB- for the long-term, granted by Standard & Poor's or an equivalent rating granted by an internationally recognized risk rating agency; and, c) interest, commissions, revenues and other income on the credit card portfolio, factoring and financial leasing.

The income earned from items other than those indicated above, including the interest on loans, is recorded as retained earnings, and recognized in the statement of income until it is effectively collected. In addition, the recording in accounting of income earned but not collected as retained earnings is suspended when there is a delay of 30 calendar days for the investments in securities and 90 calendar days for the rest of the operations and services, counting as of the day following the date on which the agreed upon payments should have been made. When such suspension occurs, the income earned but not collected is reversed from the affected retained earnings.

For the credit card operations, factoring and financial leasing performed by banks and financial corporations, the recording in accounting in the results is suspended when there is a delay of 90 calendar days, counting from the day following the date on which the agreed upon payments should have been received. When such suspension occurs, the income recorded in income statement accounts that has not been effectively collected shall be recognized as expenses against the account for income receivable in which they were initially recorded; with the exception of the charges that are capitalized in credit card accounts, which shall not be returned.

The income that has been suspended, recorded in retained earnings and in income statement accounts, as well as income that has been earned as of the date of suspension, is recorded in memorandum accounts.

m. ***Recognition of Expenses*** **-** The Banks records the expenses using the accrual method.

n. ***Income and Expenses of Prior Periods*** **-** The corrections to income and expenses of prior periods correspond to the correction of accounting errors, which are recorded as part of the operating income of the year in which the correction is made.

3. DIFFERENCES BETWEEN THE MANUAL OF ACCOUNTING INSTRUCTIONS FOR ENTITIES SUBJECT TO THE OVERSIGHT AND INSPECTION OF THE SUPERINTENDENCY OF BANKS AND THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The financial statements were prepared in accordance with the format and description of accounts included in the Manual of Accounting Instructions for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board, whose accounting policies differ in certain aspects from the International Financial Reporting Standards (IFRS), mainly in:

- For the recognition of income the modified accrual method is used (see detail in note 2, paragraph "l"). IFRS requires that all income be recorded under the accrual method when it satisfies the definitions and criteria for recognition foreseen for such elements in the Conceptual Framework of the IFRS.

- The securities issued by the Guatemalan Central Bank or the Public Finance Ministry are recorded at cost. IFRS requires that they be valued at fair value or amortized cost, according to the intention of negotiation.

- The evaluation of the allowance for doubtful loans is made according to the regulations established by the Monetary Board, recording the reserve for the valuation of credit assets as a charge to the results or equity. According to IFRS, when there is objective evidence that there is a loss due to impairment in the value of the financial assets measured at amortized cost, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of the future estimated cash flows (excluding the future credit losses which have not been incurred), discounted with the original effective interest rate of the financial asset. The amount of the loss is recognized in the results of the period.

- In addition, IFRS requires an evaluation of whether there is individual objective evidence of impairment in the value for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the entity determines that there is no objective evidence of impairment in the value of a financial asset that has been individually evaluated, whether significant or not, it shall include the asset in a group of financial assets with similar characteristics of credit risk, and shall evaluate its impairment in value on a collective basis. The assets that have been individually evaluated for impairment and for which an impairment loss has been or will continue to be recognized, shall not be included in the collective evaluation for impairment.

- The property and equipment is depreciated using the straight-line method, using the depreciation rates established in the Income Tax Law. IFRS requires that the fixed assets be depreciated according to their estimated useful lives.

- The start-up expenses are recorded as deferred charges and amortized within the range established by the Income Tax Law. IFRS requires that these types of expenses be recorded in the results of the period in which they are incurred.

- The expenditures that constitute intangible assets and that due to their nature can be amortized in various future periods are recorded as an asset. IFRS establishes that the intangible assets with an indefinite useful life should not be amortized. In addition, they establish that the entity verify whether an intangible asset with an indefinite useful life has experienced a loss due to impairment in the value by comparing its recoverable amount with its carrying amount, recording the impairment within the results for the year.

- The Bank constitutes reserves for contingencies, separating them from its retained earnings, according to authorizations from the General Shareholders' Meeting, whenever it is considered advisable to create or increase reserves, in order to face any future problems or ensure coverage for non-specific purposes or unforeseen events.

  According to IFRS, a provision must be recognized with a charge to the results when the following conditions occur:

  - The entity has a present obligation (legal or constructive) as a result of a past event;

  - It is probable that the entity will have to use resources that incorporate economic benefits in order to settle the obligation; and

  - A reliable estimate can be made of the amount of the obligation.

- Corrections made to income and expenses of prior periods resulting from a correction of accounting errors are recorded as part of the operating results of the year in which the correction is made. The corrections to the income tax expense of prior years is charged or credited directly to the retained earnings.
  IFRS requires that the entity correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery, except when it is impracticable to determine the period-specific effects or the cumulative effect of the error, by:

  - Restating the comparative information for the prior period(s) in which the error occurred; or

  - If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and equity for such period.

- No deferred income tax is recorded. IFRS requires the recording of deferred income tax assets or liabilities based on temporary differences between the book value of the assets and liabilities and their tax value, which will be deductible or taxable in the future.

- Agreement number 06-2008 of the Superintendent of Banks requires the consolidation of financial statements under the organizational structure of the responsible company, process through which, depending on the case, financial statements of the other companies that are members of the Financial Group authorized by the Monetary Board are added or incorporated into the financial statements of the responsible company, eliminating the investments of the companies in the capital of other or others of its own group, as well as the reciprocal operations between companies, in accordance with the procedures established in said agreement. Such consolidated financial statements are presented separately from the individual financial statements of the responsible company.

IFRS requires the preparation and presentation of the consolidated financial statements of a group of entities under control of a controlling entity, defining control as the power to direct the financial and operating policies of an entity in order to obtain benefits from its activities. The consolidated financial statements shall include all of the subsidiaries of the controlling entity.

- The assets judicially awarded are recorded in accounting at the value established in the settlement approved by the judge, plus the taxes and expenses for the transfer of ownership. According to IFRS, the entity should value the non-current assets classified as held-for-sale at the lower of carrying amount or its fair value minus the sales costs.

- The obligations from the capturing of resources through contracted subordinated debt prior to January 1, 2008 at a term greater than five years is recorded as part of the supplementary capital. When the maturity of the subordinated obligations is less than 5 years, the corresponding amount is transferred to the liability account for subordinated obligations. The IFRS require that the financial liabilities be recorded as liabilities classified in their long-term and short-term portions, as applicable.

- In repurchase agreements, the financial asset reported is written-off and recorded in a memorandum account. According to IFRS, if the entity substantially retains the risks and inherent benefits of ownership in a financial asset, it must continue recognizing it as such.

- If there are derivative financial instruments, the Manual of Accounting Instructions for Entities Subject to the Oversight and Inspection of the Superintendency of Banks does not establish the form in which they must be recorded. According to IFRS, derivative financial instruments meet the definition of a financial instrument and, therefore, they should be recognized in accounting. Derivative financial instruments create rights and obligations that have the effect of transferring, between the parties implicated in the instrument, one or various types of financial risks inherent to an underlying primary financial instrument. Since the conditions of the exchange are established upon the creation of the derivative instrument, these may become favorable or unfavorable to the extent that the prices change in the financial markets.

- The Bank records an annual provision of 8.33% of the total salaries and wages paid to cover the severance liability; IFRS establishes that the expense and liability for severance be recorded upon the existence of the payment obligation.

- No information on related parties is disclosed. IFRS requires disclosure of the nature of the relationship with related parties as well as the information on the transactions and balances.

- The disclosures made by the Bank according to the accounting basis used differ from the disclosures that would have been necessary had the financial statements been prepared according to IFRS.

4. CASH AND CASH EQUIVALENTS

	2014		2013
Cash	Q. 122,790,319		Q. 97,512,009
Deposits in Guatemalan Central Bank	743,417,617		1,883,176,270
Deposits in foreign banks	126,619,269	a/	131,815,347
Checks and drafts pending compensation	47,106,593		36,656,109
Local banks	2,398,856		3,285,099
	Q. 1,042,332,654		Q. 2,152,444,834

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 December 31, 2014 and 2013 is Q. 64,255,590 and Q. 57,189,409, respectively. This investment accrues the following interest rates:

Year Ended	Operations in Quetzales	Operations in Dollars
As of December 31, 2013	0.24582 and 3.93%	0.028%
As of December 31, 2014	0.24232 and 3.96%	0.101%

a/ As of December 31, 2014 and 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; the interest earned for the 2014 and 2013 periods was Q. 966,094 and Q. 987,362, respectively; additionally, upon maturity of the term, the Bank will receive the sum of US$25,000,000, if the Government of Guatemala defaults.

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

As of December 31, 2014 and 2013, the cash is free of pledges.

5. INVESTMENTS - NET

	Annual Interest	2014	2013
Local Currency			
In securities available-for-sale:			
Certibonos - Central Government maturing in 2001, 2016, 2017, 2020, 2021, 2025, 2026, 2027 and 2029. a/	7.3750 % to 12.9475%	Q. 3,108,048,750	Q.2,478,958,250
In securities held-to-maturity:			
Central Bank of Guatemala (CDPs) maturing in 2015.	Between 3% and 3.3899%	353,100,000	500,000,000
Financiera de los Trabajadores (CDPs) maturing in 2015	6%	18,200,000	12,200,000
Instituto de Fomento de Hipotecas Aseguradas – Mortgage Bonds maturing on different dates between 2014 and 2035.	Between 8.5% and 13.95%	35,291,976	39,698,823
Repurchase agreement operations		-	44,000,000
Interest paid in purchase of securities		353,151	177,355
Subtotal		3,514,993,877	3,075,034,428
Shares and other securities			
Of Financial Institutions:			
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
Of Non-Financial Entities			
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

	Annual Interest	2014	2013
Imágenes Computarizadas de Guatemala, S. A. 504 shares with a value of Q. 1,000 each, premium of Q. 311,100		Q. 815,100	Q. 815,100
Visa Inc. 7,952 common shares with value of US $0.0001, at the exchange rate of Q. 7.84137		6	6
Total shares and other securities		73,296,172	73,296,172
Other Investments		206,250	696,750
Total Local Currency		3,588,496,299	3,149,027,350
Foreign Currency			
In securities held-for-sale:			
Certibonos - Central Government maturing in 2017, 2020, 2021, 2026, 2027 and 2028	Between 4% and 6.20%	757,092,104	219,558,360
Repurchase agreement operations		189,918,750	-
Interest paid in purchase of securities		3,250,507	-
Subtotal		4,538,757,660	3,368,585,710
(-) Estimate for valuation of investments		(7,699,492)	(7,699,492)
		Q. 4,531,058,168	Q. 3,360,886,218

a/ This group includes twelve *Certibonos* of the Government of the Republic of Guatemala, which have been embargoed (see Note 26).

The permanent investments are free of pledges.

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

	2014	2013
Up to 1 month	Q. 353,508,876	Q. 575,471,340
More than 1 month and less than 3 months	-	163,849
More than 3 months and less than 6 months	366,265	199,759
More than 6 months and less than 1 year	27,961	45,439
More than 1 year	24,722,144	56,977,695
More than 5 years	3,965,308,157	2,734,072,628
No contractual maturity	194,824,257	1,655,000
	Q. 4,538,757,660	Q. 3,368,585,710

As of December 31, 2014 and 2013, the investments are free of pledges, except for the Certibonos of the Government of the Republic of Guatemala mentioned in Note 26, which are embargoed.

6. LOANS RECEIVABLE - NET

	2014	2013
Loans	Q. 7,735,366,337	Q. 6,447,016,747
Payments for letters of credit	25,675,836	25,771,731
Credit cards 1/	151,843,050	111,603,166
Receivables from sale of extraordinary assets	662,465	852,176
	7,913,547,688	6,585,243,820
Minus: Allowance for doubtful loans	(148,072,903)	(139,054,025)
	Q. 7,765,474,785	Q. 6,446,189,795

1/ As of December 31, 2014, the Bank has 4 types of credit cards. For collection purposes, the balances of credit card loans are divided into cycles whose cut-off dates are days 01, 04, 07, 10, 13, 16, 19, 22, 25, 28 and the end of each month. For purposes of the monthly accounting close, the balances are accrued until the last day of the month.

As of December 31, 2014 and 2013, the credit card account includes balances for additional financing for Q. 14,514,964 and Q.7,859,897, respectively, which were generated by the use of an additional amount of credit beyond the customers' normal credit line.

As of December 31, 2014, the maximum amount of credit authorized for a credit cardholder is Q. 392,700 and Q.164,000, respectively.

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

	2014	%	2013	%
Current	Q. 7,820,137,875	99	Q. 6,490,696,879	99
In extension process	311,500	-	784,795	-
Past due in administrative collection	80,035,013	1	88,507,330	1
Past due in judicial collection	13,063,300	-	5,254,816	0
	7,913,547,688	100	6,585,243,820	100
(-) Allowance for doubtful loans	(148,072,903)		(139,054,025)	
	Q. 7,765,474,785		Q. 6,446,189,795	

As of December 3l, 2014 and 2013 the loans had the following maturity schedule:

	2014	2013
Up to 1 month	Q. 26,749,946	Q. 29,786,807
More than 1 month and less than 3 months	48,189,963	40,822,410
More than 3 months and less than 6 months	77,222,621	55,363,326
More than 6 months and less than 1 year	206,722,179	161,089,302
More than 1 year and less than 5 years	2,456,593,471	2,079,220,323
More than 5 years	5,098,069,508	4,218,961,652
	Q. 7,913,547,688	Q. 6,585,243,820

The loans were granted at annual interest rates between 6% 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 operations in foreign currency, mortgage loans, fiduciary loans, and secured bonds were granted at annual interest rates between 4% and 12.4%.

On May 23, 2005 the Monetary Board issued Resolution JM-93-2005 that repealed resolution JM-141-2003. This resolution approved the Regulation for Credit Risk Management. In Title IV the valuation of loans receivable is established, indicating that financial institutions should value all of their loans receivable at least four times per year, with balances referenced to the closing of the months of March, June, September, and December, whose results should be recorded in accounting no later than the last day of the month following the month in which the valuation took place. In valuing loans receivable, the guarantee, arrears, and capacity of payment should be considered, and the percentages established by such resolution should be applied.

According to the current rules, the Bank must record estimates based on the risk analysis, calculated on the accounts included in the group of loans receivable. During the years ended December 31, 2014 and 2013 the Bank charged to the results Q. 89,005,363 and Q. 52,549,883, respectively.

In addition, in the years 2014 and 2013 reserves were recorded for Q. 3,928,180 and Q. 3,514,559, to cover other balances, and thus the total charge to the results for bad debts and doubtful accounts for those years was Q. 92,933,543 and Q. 56,064,442, respectively (see Note 20).

On December 30, 2008, the Monetary Board issued Resolution JM-167-2008, which modified articles 27, 33, 34 and 35 of Resolution JM-93-2005 of the Monetary Board that contains the Regulations for Credit Risk Management. Such modifications refer to the classification of the extended, restructured or novated loans receivable; determination of the base balance; sufficient guarantees and establishment of generic reserves or provisions. At the same time it adds articles 27 bis, 34 bis, 38 bis and 42 bis to the Regulation in reference. Articles 34 and 35 of this Resolution went into effect on January 1, 2010.

One of the important points is that the institutions must establish and maintain, at a minimum, generic reserves that added to the specific reserves total the equivalent of one hundred percent (100%) of the past due portfolio.

The sum of these reserves cannot be less than 1.25% of the total loans receivable. The generic reserves must be recorded within the month following the corresponding quarter.

On December 30, 2008, Resolution JM-168-2008 was published which approved the modifications to the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks. These modifications are mainly to section IV that refers to the Description of Accounts and recording procedures, adding the accounts in which the generic reserves mentioned above should be recorded.

Upon legally or voluntarily recognizing the loss from loans receivable, the reserve account will be adjusted and they are eliminated from the respective loans receivable, with a charge to the group of accounts adjusting the asset. In the years 2014 and 2013 Q. 140,565,712 and Q. 202,176,777 were recorded against the reserve.

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

	2014	**2013**
Balance at January 1	Q. 139,054,025	Q. 184,334,396
Allowance	128,714,982	126,695,068
Recoveries	20,869,608	30,201,338
Write-offs	(140,565,712)	(202,176,777)
	Q. 148,072,903	Q. 139,054,025

The Management considers that the level of the allowance for doubtful credits is adequate to cover possible future losses in the portfolio at the balance sheet date. As of December 31, 2014 and 2013, a generic allowance for the credit portfolio is included for Q. 31,591,124 for each year.

As of December 2014 and 2013, the credit portfolio is free of pledges.

7. ACCOUNTS RECEIVABLE-NET

	2014	2013
Accounts pending settlement, trusts and repurchase agreement operations 1/	Q. 5,622,355	Q. 5,843,398
Interest receivable	217,717,166	130,677,019
Advance of loans	13,382,764	13,607,464
Payments on account of third parties	2,453,318	7,250,127
Receivables from Bank personnel	2,104,250	2,944,372
Judicial expenses	923,670	783,736
Fees for services	1,160,682	1,273,824
Others	1,156,232	1,534,262
Credit card Visa	27,912	490,759
	244,548,349	164,404,961
Valuation Allowance 1/	(13,382,764)	(21,707,350)
	Q. 231,165,585	Q. 142,697,611

1/ This item is comprised of four *Certibonos* with the Central Bank of Guatemala that matured in 2011 and 2012; as of December 31, 2014, they are in judicial proceedings.

As of December 31, 2014 and 2013, the accounts receivable are free of pledges.

8. ASSETS CLASSIFIED AS AVAILABLE-FOR-SALE

	2014	2013
Immovable	Q. 108,492,062	Q. 67,840,365
Movable	380,926	356,718
	108,872,988	68,197,083
Minus: Valuation allowance	(40,520,176)	(14,873,934)
	Q. 68,352,812	Q. 53,323,149

As of December 31, 2014 and 2013, the realizable assets are free of pledges.

9. PROPERTY AND EQUIPMENT

The movement of property and equipment during the years ended December 31, 2014 and 2013 was as follows:

2014

Cost	Initial Balances	Additions	Disposals	Reclassifica-tions	Final Balances
Land	Q. 39,641,164	Q. 9,902,358	Q. -	Q. -	Q. 49,543,522
Revaluation of land	(2,363,042)		-	-	(2,363,042)
Buildings	56,082,994	3,650,755	-	-	59,733,749
Revaluation of buildings	61,996,991		-	-	61,996,991
Furniture and office equipment	38,979,615	14,520,664	6,109,678	6,330	47,396,931
Information systems	27,768,853	9,084,476	6,662,986	-	30,190,343
Telecommunications equipment	881,957	137,295	287,503	-	731,749
Vehicles	149,415	33,314	118,045	-	64,684
Artwork and paintings	482,558	-	-	-	482,558
Others	565	-	-	-	565
Advances for acquisitions of assets	10,064,394	13,290,104	10,727,841	-	12,626,657
	233,685,464	50,618,966	23,906,053	6,330	260,404,707
Accumulated depreciation	65,364,185	25,131,550	(12,863,653)	-	77,632,084
	Q. 168,321,279	Q. 25,487,416	Q.(11,042,400)	Q. 6,330	Q. 182,772,625

2013

Cost	Initial Balances	Additions	Disposals	Reclassifica-tions	Final Balances
Land	Q. 39,641,164	Q. -	Q. -	Q. -	Q. 39,641,164
Revaluation of land	(2,363,042)	-	-	-	(2,363,042)
Buildings	53,912,662	3,629,197	(14,576)	(1,444,289)	56,082,994
Revaluation of 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
	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
	Q. 156,537,147	Q. 26,401,402	Q.(9,199,153)	Q. (5,418,117)	Q. 168,321,279

The Manual of Accounting Instructions for Entities Subject to the Oversight and Inspection of the Superintendency of Banks issued by the Monetary Board indicates that when the assets are totally depreciated they must be recorded in memorandum accounts with a value of Q. 1 per totally depreciated asset. During the years ended December 31, 2014 and 2013 totally depreciated assets were disposed of for Q. 1,225,499 and Q. 9,199,153, respectively.

As of December 31, 2014 and 2013, the property and equipment are free of pledges.

10. OTHER ASSETS

	% of Amortization	2014	2013
Merger expenses a/	10%	Q. 158,635,969	Q. 158,635,969
Improvements to leased properties	5%	76,590,609	61,500,314
Goodwill	10%	4,077,500	4,077,500
Software licenses	20%	435,551	-
Brands and licenses	5%	20,448	20,448
		239,760,077	224,234,231
Accumulated amortization		(96,593,758)	(77,836,312)
		143,166,319	146,397,919
Pre-paid expenses			
Services b/		79,427,162	87,486,312
Taxes, municipal taxes, and contributions		50,485,678	-
Materials and supplies		2,839,241	4,652,503
		132,752,081	92,138,815
		Q. 275,918,400	Q. 238,536,734

a/ Expenses corresponding to the merger by absorption of Banco de la República by Banco de los Trabajadores per the Resolution from the Monetary Board 50-2009 dated May 13, 2009; as of December 31, 2014 and 2013 the annual amortization is Q. 15,812,361 for both periods.

b/ These deferred charges correspond to pre-paid expenses, mainly for the payment of commissions for the placement of fixed-term certificates of deposit and for pre-paid expenses in the placement of foreign debt. These charges are amortized during the term of such fixed-term certificates of deposit and debt.

11. LOANS PAYABLE

As of December 31, 2014 and 2013, the Bank had contracted the following lines of credit and loans:

	2014	2013
Deutche Bank AG London		
Loan for USD150,000,000.00, 9% interest rate, semi-annual amortizations of interest and principal when due, for a term of 7 years that matures on November 22, 2020. **1/**	Q. 1,139,512,500	Q. 1,176,205,500

		2014		2013
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$2,142,857.	Q.	48,836,254	Q.	84,014,681
Central American Bank for Economic Integration -CABEI- Line of credit for US$ 27,500,000, interest rate of 5.8%. The amount used is comprised of three disbursements with a maximum maturity date of November 14, 2015.		22,790,250		106,904,011
Wells Fargo Bank: Line of credit for US$ 3,000,000, interest rate of Libor + 2.30% and maturing on June 10, 2015.		10,446,970		-
Wells Fargo Bank CCC GSM 102: Line of credit for US$ 3,104,191, interest rate of Libor + 1.33% and maturing on December 24, 2015.		11,790,883		-
Wells Fargo Bank CCC GSM 102: Line of credit for US$ 4,894,707, interest rate of Libor + 1.33% and maturing on January 15, 2016.		37,183,862		-
Wells Fargo Bank CCC GSM 102: Line of credit for US$ 5,700,000, interest rate of 1.527% and maturing on November 14, 2014.		-		22,347,850
Bac Florida Bank CCC GSM Line of credit for US$ 5,000,000, interest rate of 4.27600% and maturing on November 27, 2014		-		19,603,425
Other minor		-		18,225,521
	Q.	1,270,560,719	Q.	1,427,300,988

1/ On November 14, 2013, Banco de los Trabajadores and Deutsche Bank AG, London Branch, subscribed a loan agreement for an amount of principal of US$150 million, for a term of 7 years, at an interest rate of 9% annually, with semi-annual interest payments. The loan granted by Deutsche Bank AG, London Branch, was documented through a promissory note. The Loan Agreement must be governed and interpreted in accordance with the Law of the State of New York. The loan funds come from the placement of Bantrab Senior Trust bonds in the international market.

This placement guarantees the line of credit with Deutsche Bank AG, London Branch, subscribed through a loan agreement for an amount of principal of US$150 million, for a term of 7 years, at an interest rate of 9% annually, with semi-annual interest payments. The loan granted by Deutsche Bank AG, London Branch, was documented through a promissory note. The Loan Agreement must be governed and interpreted in accordance with the Law of the State of New York. The loan funds come from the placement of Bantrab Senior Trust bonds in the international market.

Banco de los Trabajadores unconditionally promises to on its own reimburse Deutsche Bank AG, London Branch for the total amount of the Loan on November 14, 2020.

If Banco de los Trabajadores fails to comply with making the payment of the principal or interest, or any other payment in or with respect to the loan, on or before the expiration date, as specified in the agreement or as notified to the borrower; the borrower, on its own behalf, agrees to pay the lender, at the late payment interest rate (i) principal amount of the loan pending payment, and (ii) any interest due or other amount (other than the principal), in each case, from the date on which the payment was due until the date on which the payment was made.

Upon prior notification in writing to Deutsche Bank AG, London Branch, under the terms indicated in the loan agreement, Banco de los Trabajadores may pay the loan in advance, at any time.

Banco de los Trabajadores must promptly pay when due, any tax arising in any jurisdiction for the execution, delivery, recording or application of the loan agreement, if applicable,.

Banco de los Trabajadores agrees with Deutsche Bank AG, London Branch that so long as the loan is pending and until the amounts owed by the borrower under the loan agreement are fully paid, to comply with the following:

- To pay all amounts owed.
- To keep its books and accounting records up to date.
- To appoint an agent to receive all the lender requirements.
- To notify of certain events mainly related to non-compliance.
- To provide the lender with the financial statements as of the end of each tax period.
- To present at the end of each period the audited financial statements (in English).
- To present monthly unaudited financial statements.
- To notify the borrower of any litigation or claim that affects the debtor and that may affect the financial condition.
- To not sell, transfer or dispose of its assets without prior consent, and to not participate in any merger.
- To post or provide a link, on the borrower's web site, www.bantrab.com.gt

- The Bank cannot join, or merge, or conduct or transfer in a transaction or a series of transactions, all or considerably all of its properties and assets with any individual, unless:

    - The resulting entity, if other than the Bank, is organized and exists under the laws of Guatemala; and assumes all of the borrower's obligations to:

        - Pay the amount for the principal and interest of the loan; and
        - Perform and observe all of the other obligations of the borrower in accordance with the loan documents and any other document it is a party to;

    - The borrower or any successor entity, is not, as applicable, immediately after any transaction, in non-compliance with any loan document or other document it is a party to with respect to the loan it is a party to.

- To file tax returns and pay all the taxes the Bank, or any other entity of its property that is material, is subject to.

Each of the following events constitutes a "Case of Non-compliance":

- Paying all or part of the principal amount of the Loan when it is due and payable, whether at the maturity date, in advance or in any other manner.
- Paying any interest, any additional amount related to the loan, within the 15 business days following the due date.
- Not complying or observing any other contract or agreement of the loan and such situation continues for 30 days after the lender has given written notification of this non-compliance to the Bank.
- The occurrence, with respect to any debt of the borrower with an outstanding principal amount of $10,000,000 or more, (i) of an event of default that results in such debt being accelerated prior to its scheduled maturity or (ii) failure to make any payment of such debt when due and such defaulted payment is not made, waived or extended within the applicable grace period.
- Paying one or more of the definitive rulings against the Bank, which total an amount of $10,000,000.
- Consenting to the appointment of a receiver, custodian, inspector, administrator, trustee, examiner or liquidator of the borrower, of all or a significant part of its property.
- Performing a general assignment for the benefit of its creditors.
- Presenting a petition with the purpose of taking advantage of any other law related to bankruptcy, insolvency, reorganization, suspension of payments, liquidation, dissolution, arrangement, composition or readjustment of debts.
- If any loan document must cease being in effect or the Bank must challenge the validity or enforceability of any loan document;
- If any governmental authority of Guatemala declares a general suspension of payment or a delay in the payment of the Bank's debt.

- If any governmental authority of Guatemala: a) nationalizes, seizes, or expropriates all or a considerable part of the Bank's assets, or the common shares of the Bank, or b) takes control of the business and operations of the Bank; or c) issues an order with respect to, or initiates an intervention of the Bank or any similar arrangement under the applicable regulation.

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

	2014	2013
Up to 1 month	Q. 19,759,132	Q. 2,830,128
More than 1 month and less than 3 months	-	10,401,040
More than 3 months and less than 6 months	9,279,769	4,994,353
More than 6 months and less than 1 year	34,581,133	148,855,286
More than 1 year and less than 5 years	67,428,185	84,014,681
More than 5 years	1,139,512,500	1,176,205,500
	Q. 1,270,560,719	Q. 1,427,300,988

12. ACCOUNTS PAYABLE

The balances of accounts payable as of December 31, 2014 and 2013 were as follows:

	2014		2013
Local Currency:			
Expenses payable	Q. 22,879,187		Q. 23,788,110
Taxes, municipal taxes, contributions and fees	120,506,313		14,221,424
Withholdings	7,958,857		7,005,910
Dividends payable	71,655,984		64,860,891
Miscellaneous payables	2,938,477		4,675,106
Loan portfolio	56,367,957	**(a)**	109,973,001
Cashier's checks	24,011,862		37,913,136
Expired checks	3,903,493		5,008,111
Credit portfolio	171,665,630	**(a)**	12,264,672
Trusts	1,985		510,293
Benefits for savings accounts	523,961		2,354,824
Shares partially paid	2,027,225		2,032,897
Financial obligations	1,978,000		3,255,000
Annual bonus (*Bono 14*)	2,177,575		2,023,317
Severance	39,879,394		37,072,777
Bonuses 15%	51,327,168		38,956,417
Interest earned but not collected	149,861,138		71,397,677
Others	33,013,009		20,871,262
Interest payable	7,664,250		9,232,379
Subtotals in Local Currency	770,341,465		467,417,204

	2014	2013
Foreign currency:		
Obligations, issuance of documents and orders of payment	Q. 25,107,829	Q. 20,994,934
Interest earned but not collected	347,146	201,421
Interest payable	19,688,661	18,403,838
Others	829,656	2,068,837
Subtotals in Foreign Currency	45,973,292	41,669,030
	Q. 816,314,757	Q. 509,086,234

(a) This balance corresponds mainly to remittances received for loans pending application and insurance premiums charged in advance.

13. OTHER PAYABLES

This corresponds to subordinated obligations from the bank capitalization fund, resources that were used for the Bank's purchase of shares of Banco de la República, S.A., obligation acquired on October 28, 2008, for a term of 10 years and with an annual interest rate of 7.28%.

These obligations were paid in their entirety in May 2014 and the balance as of December 31, 2013 amounts to Q. 75,957,370.

14. DEPOSITS

	2014	2013
Local Currency:		
Monetary deposits	Q. 770,099,112	Q. 661,742,104
Savings deposits	1,168,411,605	1,069,943,745
Term deposits	8,522,701,748	7,509,910,053
Deposits with restrictions	10,510,861	10,589,996
	10,471,723,326	9,252,185,898
Foreign Currency:		
Monetary deposits	77,498,911	66,672,221
Savings deposits	90,159,805	56,167,082
Term deposits	82,014,288	95,559,390
Deposits with restrictions	256,619	110,960
	249,929,623	218,509,653
	Q.10,721,652,949	Q. 9,470,695,551

The term deposits in quetzales earn an interest rate of 3.75% to 9.75% and have been placed in terms that vary from 3 months to 5 years, and in 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 6 months to 3 years.

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

	2014	2013
Up to 1 month	Q. 411,849,195	Q. 371,723,423
More than 1 month and less than 3 months	852,732,861	768,022,726
More than 3 months and less than 6 months	1,848,203,603	1,440,107,806
More than 6 months and less than 1 year	2,629,367,043	2,343,371,319
More than 1 year	2,862,563,334	2,682,244,169
	Q. 8,604,716,036	Q.7,605,469,443

15. SHAREHOLDERS' EQUITY

Paid Capital: The Authorized Capital is comprised of 20,000,000 shares with a nominal value of Q. 10.00 each, of which as of December 31, 2014 and 2013, 19,985,497 and 19,985,187 shares are subscribed and paid, respectively.

During the year 2013, the subscription and payment of 15,655,000 preferred shares was recorded in the name of a foreign investor with a nominal value of Q.10. The paid-in capital was for an amount of Q.156,550,000, which was authorized by the Superintendency of Banks per Resolution No. 401-2013.

Legal Reserve: According to the legislation of Guatemala, companies are obligated to separate as a legal reserve 5% of the net earnings of each year. As of December 31, 2014 and 2013 the legal reserve amounts to Q. 63,693,094 and Q. 53,006,249, respectively.

***Reserves for Contingencies and Other Reserves*:** According to that established in the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks, the General Shareholders' Meeting has approved separating certain amounts from the profits in order to face any future problems, ensure coverage for non-specific purposes or unforeseen events, and create reserves or provisions (allowances) according to Article 53 of the Law of Banks and Financial Groups. The balance as of December 31, 2014 and 2013 is Q. 4,255,969 and Q.1,751,148, respectively.

Per the forty-sixth Ordinary General Shareholders' Meeting dated February 7, 2014, the shareholders approved the application to the reserves for contingencies the amount of Q. 51,590,757 from the results of the previous period, as well as the amount of Q. 120,493,477 for the reserve for strengthening the capital.

16. INTEREST INCOME

	2014	2013
Interest on loans	Q. 1,673,627,026	Q. 1,436,919,595
Interest on investments	275,833,312	214,907,912
Commissions on loans 1/	20,889,571	172,296,333
Other interest	286,204	370,601
Price differences in repurchase agreement operations	73,534	295,556
Other commissions	97,725	107,200
Accounts receivable	1,864	-
Interest Central Bank and Banks of the country	-	9
	Q.1,970,809,236	Q. 1,824,897,206

1/ These commissions corresponded to charges for loan initiation fees such as administrative expenses and fees for formalizing the loans. Per the recommendations of the Superintendency of Banks these were reclassified in 2014 as other extraordinary income, see note 18.

17. INTEREST EXPENSE

	2014	2013
Interest on deposits	Q. 856,311,148	Q. 682,398,521
Commissions on deposits	50,619,233	15,467,445
Contributions for forming FOPA fund	20,720,870	12,987,866
Additional benefits	4,963,498	12,837,668
Repurchase agreement operations	19,109,167	3,817,995
Negotiation of securities	11,255,452	2,518,750
	Q. 962,979,368	Q. 730,028,245

18. OTHER EXTRAORDINARY INCOME AND EXPENSES - NET

	2014	2013
Extraordinary income		
Commissions	Q. 18,250,135	Q. 15,561,522
Recoveries	63,027,144	27,667,710
Others	194,999,435	835,463
Subtotal	276,276,714	44,064,695

	2014	2013
Extraordinary expenses		
Extraordinary assets	Q. (394,667)	Q. (350,163)
Sale of property and furniture	(5,084)	(21,156)
Loss in settlement	(952,670)	(3,197,836)
Others	(1,945,490)	(1,485,946)
Subtotal	(3,297,911)	(5,055,101)
Total Net	Q. 272,978,803	Q. 39,009,594

19. ADMINISTRATIVE EXPENSES

	2014	2013
Personnel services	Q. 252,832,269	Q. 198,433,370
Executives and employees	199,594,716	188,973,713
Marketing and advertising	53,718,490	80,162,269
Miscellaneous expenses	69,237,175	65,662,444
Depreciations and amortizations	44,985,799	39,502,224
Professional fees	30,059,747	29,130,373
Leases	48,956,317	43,993,435
Repairs and maintenance	23,988,857	21,022,288
Board of Directors	20,139,967	14,030,185
Taxes, municipal taxes, contributions and fees	11,863,044	10,804,846
Insurance premiums and bonds	4,621,095	4,234,497
Stationery and supplies	5,773,793	4,597,760
	Q. 765,771,269	Q. 700,547,404

20. OTHER INCOME AND EXPENSES -NET

	2014	2013
Exchange variations and losses	Q. (1,525,818)	Q. (3,371,308)
Doubtful accounts **a/**	(92,933,543)	(56,064,442)
Expenses for services	(35,966,151)	(49,769,894)
Net income from prior periods	1,546,242	(13,525,755)
Subtotal	(128,879,270)	(122,731,399)
Exchange gain	15,769,950	11,922,227
Income from investments in shares	6,000,000	3,272,940
Subtotal	21,769,950	15,195,167
Total Net	Q. (107,109,320)	Q. (107,536,232)

a/ This item includes allowances for valuation of credits for Q. 89,005,363 and Q. 52,549,883, for the years 2014 and 2013, respectively.

21. TAXES

Income Tax:

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

Income Tax in effect as of the year 2014:

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.

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.

The new Income Tax Law establishes a tax of 5% on the distributions of dividends and profits for both resident and non-resident shareholders.

In addition, a new Regime of Income from Capital, Capital Gains and Losses was created that establishes a rate of 10% for income from movable and immovable capital, as well as for net capital gains.

As of December 31, 2014, the Bank changed its regime from the Simplified Optional Regime over Income from Lucrative Activities to the Regime over Profits from Lucrative Activities.

As of December 31, 2013, the Bank was registered under the Simplified Optional Regime, and as of December 31, 2014 it changed to the Regime over Profits from Lucrative Activities:

Income Tax Calculation under Regime over Profits from Lucrative Activities:

		2014
Income before income tax	Q.	407,928,082
(+) Costs and expenses of exempt income, income not subject to tax		1,820,597
(-) Exempt income		(32,029,921)
(+) Plus non-deductible expenses		46,132,300

		2014
Taxable income subject to Income Tax	Q.	423,851,058
Tax rate		28%
Income Tax determined	Q.	118,678,296
Advanced payments for:		
Quarterly payments		36,454,069
Accreditable Solidarity Tax -ISO-		14,031,609
Income Tax payable	Q.	68,192,618

The Income Tax for the year ended December 31, 2013 was calculated as follows:

		2013
Gross Income	Q.	1,886,670,333
(-) Exempt income and income not subject to tax		
a) Investments in Certibonos		(11,941,814)
b) Interest of FHA mortgage schedules		(3,766,841)
c) Dividends received		(3,272,940)
Taxable income		1,867,688,738
Tax rate		5% of Q. 360,000 and 6% of excess
Income tax for the period	Q.	112,058,024

Other important changes included in the new Income Tax Law in effect as of January 2013:

The new Income Tax Law establishes a tax of 5% on the distributions of dividends and profits for both resident and non-resident shareholders.

A new Regime of Income from Capital, Capital Gains and Losses is created that establishes a rate of 10% for income from movable and immovable capital, as well as for net capital gains.

Transfer Pricing rules went into effect as of January 1, 2013 and obligate all taxpayers that have transactions with non-resident related parties that have an impact on the tax basis (income, costs and expenses with non-resident related parties) to determine the prices of these transactions according to the Arm's Length Principle. The new Law requires a Transfer Pricing Study, which taxpayers that have transactions with non-resident related parties must have available together with the annual income tax return filed by March 31, 2014 for the transactions occurring in the year 2013.

Solidarity Tax (ISO):

On December 22, 2008, Decree 73-2008, "Law of the Solidarity Tax" –ISO was published in the Official Newspaper, which contains the following:

This tax is the responsibility of individual persons or legal entities, trust funds, shareholding contracts, irregular corporations, de facto corporations, in the behalf of a trust, temporary or permanent branches, agencies or establishments of foreigners which operate in the country, joint tenancies, jointly owned properties, indivisible inheritances and other forms of corporate organization that have their own equity, that perform commercial or agricultural activities in the national territory and obtain a gross margin of over four percent (4%) of their gross income.

The tax period is quarterly and is calculated per calendar quarters;

The tax base for this tax is the greater between:

a) One-fourth of the amount of net assets; or
b) One-fourth of gross income.

In the case of taxpayers whose net assets are greater than four (4) times their gross income, the applicable tax base shall be the one established in letter b) above; and the applicable tax rate is 1%.

The ISO and the Income Tax may compensate each other as follows:

a) The ISO paid during the four quarters of the calendar may be accredited towards the payment of the Income Tax until its exhaustion during the three immediately following calendar years, for that which must be paid monthly or quarterly, as well as for that determined in the definitive annual settlement, as applicable.

b) The quarterly Income Tax payments may be accredited towards the payment of the ISO within the same calendar year. The taxpayers who adopt this form of accreditation may only change it with the authorization of the Tax Administration.

The remainder of the ISO that is not accredited in accordance with that regulated in the Law of its creation shall be considered as a deductible expense for Income Tax purposes, for the period of definitive annual settlement in which the three years referred to in the previous paragraph conclude.

22. MEMORANDUM ACCOUNTS

	2014	2013
Loan portfolio guarantees	Q. 884,925,310	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	1,012,575,390	976,584,419
Third party management	462,189,336	440,497,306
Securities and assets given as collateral	87,837,222	216,123,096

	2014	2013
Contingencies, commitments and other responsibilities	Q. 245,493,792	Q. 225,406,219
Amortized financial obligations	114,000,000	114,000,000
Margins to be drawn on	252,408,952	173,626,774
Own documents and securities remitted	9,725,891	9,725,891
Repurchasing agreement operations	-	5,360,000
Total	Q. 4,589,869,893	Q. 4,637,789,465

23. CONCENTRATION OF INVESTMENTS

On June 1, 2002 the Law of Banks and Financial Groups, Decree 19-2002, went into effect. Under those regulations, banks and financial institutions may not carry out direct or indirect financing operations or accept guarantees or endorsements that in the aggregate exceed the following percentages:

- 15% of their stockholder equity for financing operations with individuals, legal private sector entities or one sole company or governmental or autonomous entity.

- 30% of their stockholder equity for financing operations with two or more related entities who form part of one risk unit.

24. ESTABLISHMENT OF THE FINANCIAL GROUP

Article 27 of the Law of Banks and Financial Groups, Decree 19-2002, provides for the establishment of a Financial Group, which should be organized under the common control of a controlling entity organized in Guatemala for that specific purpose, or otherwise, of an entity responsible for the financial group, which shall be the Bank. In the case of the latter, it should be established according to the organizational structure authorized by the Monetary Board, and with a previous opinion from the Superintendency of Banks, in accordance with the reasoned request presented for such purpose.

In October 2010 the Bank was notified by the Monetary Board regarding Resolution JM-99-2010 which authorized the forming of Grupo Financiero de los Trabajadores, which is comprised of the Bank (company responsible for the Group), Financiera de los Trabajadores, S.A. and Aseguradora de los Trabajadores, S.A.

Agreement number 06-2008 of the Superintendent of Banks requires the consolidation of financial statements under the organizational structure of the responsible company, process through which, depending on the case, financial statements of the other companies that are members of the Financial Group authorized by the Monetary Board are added or incorporated into the financial statements of the responsible company, eliminating the investments of the companies in the capital of other or others of its own group, as well as the reciprocal operations between companies, in accordance with the procedures established in such agreement and in what is not specifically regulated, in the current accounting standards in Guatemala.

Such consolidated financial statements are presented separately from the individual financial statements of the responsible company.

25. 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 2014-2015 Collective Bargaining Agreement on Work Conditions has been in effect since January 1, 2014.

Per that established in the Collective Bargaining Agreement on Work Conditions, each year the Bank's employees must be paid a bonus based on the net profits.

Third-party Management - Trusts

The operations of the Trusts managed by the Bank are kept separate from the Bank's accounting records, and thus they are not included in its financial statements because the Bank is not the owner and does not assume the risks and benefits of the assets, liabilities and equity of the trust.

The operations of the Trusts are recorded in memorandum accounts, as established by the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks.

As of December 31, 2014 and 2013 the Bank managed as a trustee 17 trust contracts.

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.

The detail of the capital in Trusts as of December 31, 2014 and 2013 is as follows:

Name		2014		2013
Management Trusts				
Mar Trust	Q.	826,389	Q.	798,816
Fodigua Trust		1,550,180		3,481,303
Los Pinos Trust		5,125		5,285
Palos Blancos Trust		109,531		106,395
EEMZA-INDE Trust		1,032,028		2,155,664
Small Business Trust		397,003,944		385,537,379
Los Liucitos Trust		19,376,697		20,000,478
Puerto Quetzal Trust		-		111,335
Jireh Trust		3,616		3,555
Charver Trust		5,180		5,091
Subsidio Foguavi (BREP) Trust		141,671		141,671
Atlántico I Trust		817,820		817,819
Atlántico II Trust		592,736		592,736
Regal Trust		67,372		119,276

Name		2014		2013
Management Trusts				
Éxito Trust	Q.	20,123,078	Q.	20,074,959
El Progreso Trust		13,888,836		-
Guarantee Trusts				
Minds Trust		5,793,198		5,793,198
Others				
Dignity Investment Trust		213,062		212,530
Total trusts		461,550,463		439,957,490
Documents and securities on consignment		638,873		539,816
Total third-party trusts	Q.	462,189,336	Q.	440,497,306

26. CONTINGENCIES

As of December 31, 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		Amount	Legal Status of the Litigation
1.	Civil lawsuit being heard before the District Court of the United States, South Florida District, Case No. 1:41-CV-23193-UU. Purpose: The plaintiffs are seeking payment of some commissions for: the contracting of the Senior Unsecured Loan Agreement and advisement in the sale guaranteed dividend preferred shares.	$	3,250,000	The lawsuit has already been responded to by the defendants. The Bank has recorded a provision for US$ 300,000, which is the amount it considers should be paid for this claim.
	Ordinary labor proceedings 01173-2014-03714 1st Official, Fourteenth Labor and Social Welfare Court			
2.	Precautionary embargo resulting from rulings against the previous owners of:			The certificates of the embargoed securities are in the custody of Banco de los Trabajadores, which makes it the sole lawful and legally recognized owner.
	• Certibonos 35065 to 35074 for Q.1,500,000.	Q.	1,500,000	
	• Certibonos 32944 to 32955 for Q.155,000	Q.	155,000	

No.	Description	Amount	Legal Status of the Litigation
3.	Ordinary proceedings filed by Gilda Johanna Rehwoldt Castañeda before the Fourth Court of First Instance of the Civil Court, with the purpose of obtaining the absolute nullification of the termination of the San Jose Capital Management and Planning Trust. Banco de los Trabajadores is being sued as the trustee	Non-determined Value	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". In the opinion of the legal advisor, a favorable resolution will be obtained for the Bank.
4.	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.
5.	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 1999.	Q. 2,176,072	In administrative law proceedings (SCA-2004-62). The public hearing for this case was held on August 3, 2006. Pending a ruling.

27. FOREIGN CURRENCY TRANSACTIONS AND EXPOSURE TO EXCHANGE RISK

As of December 31, 2013 and 2012 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:

	2014	2013
Assets	Q. 1,367,664,942	Q. 1,537,517,371
Liabilities	1,565,994,008	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 December 31, 2014 and 2013 the exchange rate established by the Guatemalan Central Bank used to express in quetzales the balances in such foreign currency was Q. 7.59675 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.

As of December 31, 2014 and 2013, the Bank has recorded net gains and losses from exchange differences for Q. 14,244,132 and Q. 8,550,920, respectively, which are presented in the account "Exchange Variations and Gains (losses) in Foreign Currency."

28. PRESENTATION OF FINANCIAL STATEMENTS

The figures of the financial statements for the years ended December 31, 2014 and 2013 were regrouped within the same accounting item with respect to the report previously issued in Spanish for a better understanding by the foreign investors. The accounting basis used was not modified from the one established in the Accounting Instructions Manual for Entities Subject to the Oversight and Inspection of the Superintendency of Banks and approved by the Monetary Board of the Republic of Guatemala.

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