

# **Banco de los Trabajadores**

**Unaudited Condensed Interim Financial Statements**  
As of and for the Nine-Months Ended September 30,  
2015 and 2014

Lara, Martínez y Asociados

# **BANCO DE LOS TRABAJADORES**

## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

### **CONTENT**

---

	<b>Page</b>
Review Reports on Interim Financial Information	1
Unaudited Condensed Interim Balance Sheets	2
Unaudited Condensed Interim Statements of Income	3
Unaudited Condensed Interim Statements of Changes in Equity	4
Unaudited Condensed Interim Statements of Cash Flows	5
Notes to the Unaudited Condensed Interim Financial Statements	6

## 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 September 30, 2015 and the statements of income, of changes in equity and of cash flows for the nine months 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 and IAS 34 Interim Financial Reporting. 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 September 30, 2015, and of its financial performance and its cash flows for the nine months 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 and IAS 34 Interim Financial Reporting.

*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.

The figures of the financial statements for the nine months and the year ended on December 31, 2014, were regrouped within the same accounting item with respect to the report previously issued in Spanish on February 4, 2015 for a better understanding by the foreign investors as mentioned in note 23.

This report is solely for exclusive use by the foreign investors and should not be used for any other purpose.

**Lara, Martínez y Asociados**

Member Firm of:

**Deloitte Touche Tohmatsu Limited**

A handwritten signature in black ink, appearing to read 'Sergio Patzán', is written over a horizontal line. The signature is stylized and cursive.

Sergio Patzán  
CPA Register No. 2200

October 27, 2015  
Guatemala, C. A.

# BANCO DE LOS TRABAJADORES

## UNAUDITED CONDENSED INTERIM BALANCE SHEETS AT SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

(Expressed in Quetzales)

<b>ASSETS</b>	<b>Notes</b>	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Cash and cash equivalents	5	Q. 1,776,181,483	Q. 1,042,332,654
Investments - Net	6	5,574,623,697	4,531,058,168
Loans receivable - Net	7	8,040,168,641	7,765,474,785
Accounts receivable - Net		217,392,776	231,165,585
Assets classified as held for sale		81,297,919	68,352,812
Property and equipment	8	170,440,401	182,772,625
Other assets		271,424,709	275,918,400
		<u>Q. 16,131,529,626</u>	<u>Q. 14,097,075,029</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Loans payable	9	Q. 1,214,521,487	Q. 1,270,560,719
Accounts payable	10	633,241,455	816,314,757
Deposits	11	12,753,365,605	10,721,652,949
		<u>14,601,128,547</u>	<u>12,808,528,425</u>
Total liabilities			
<b>STOCKHOLDERS' EQUITY</b>			
Capital stock	12	199,865,081	199,862,981
Reserves	12	953,272,004	739,799,888
Revaluation of assets		59,633,949	59,633,949
Retained earnings		317,630,045	289,249,786
		<u>1,530,401,079</u>	<u>1,288,546,604</u>
Total stockholders' equity			
		<u>Q. 16,131,529,626</u>	<u>Q. 14,097,075,029</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 NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(Expressed in Quetzales)

	Notes	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
<b>INTEREST</b>			
Interest income	13	Q. 1,635,806,292	Q. 1,423,657,698
Interest expense	14	<u>(778,209,224)</u>	<u>(702,475,706)</u>
Subtotal		857,597,068	721,181,992
Other extraordinary income and expenses - Net	15	<u>196,056,253</u>	<u>201,831,771</u>
Total operating income		<u>1,053,653,321</u>	<u>923,013,763</u>
<b>NON-INTEREST EXPENSES</b>			
Administrative expenses	16	(640,026,059)	(546,714,015)
Other income and expenses -Net	17	<u>(63,369,500)</u>	<u>(81,731,203)</u>
Total non-interest expenses		<u>(703,395,559)</u>	<u>(628,445,218)</u>
<b>INCOME BEFORE TAX</b>		350,257,762	294,568,545
<b>INCOME TAX</b>	18	<u>(32,627,717)</u>	<u>(87,361,815)</u>
<b>NET INCOME FOR THE PERIOD</b>		<u>Q. 317,630,045</u>	<u>Q. 207,206,730</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 NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**  
(Expressed in Quetzales)

	Capital Stock	Legal Reserve	Reserve for Contingencies	Reserve for Plowing Back of Profits	Other Reserves	Total Reserves	Revaluation of Assets	Retained Earnings	Total
<b>Balance, as at December 31, 2013</b> <b>(Audited)</b>	Q. 199,859,881	Q. 53,006,250	Q. 1,751,147	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	1,570	-	-	-	-	-	-	-	1,570
Increase legal reserve	-	10,686,845	-	-	-	10,686,845	-	(10,686,845)	-
Increase reserves for contingencies	-	-	21,590,758	-	-	21,590,758	-	(51,590,757)	(29,999,999)
Increase other reserves	-	-	-	-	120,483,142	120,483,142	-	(120,378,433)	104,709
Dividends payable	-	-	-	-	-	-	-	(31,080,860)	(31,080,860)
Net income for the year	-	-	-	-	-	-	-	207,206,730	207,206,730
<b>Balance, as at September 30, 2014</b> <b>(Unaudited)</b>	<u>Q. 199,861,451</u>	<u>Q. 63,693,095</u>	<u>Q. 23,341,905</u>	<u>Q. 2,927,808</u>	<u>Q. 668,926,689</u>	<u>Q. 758,889,497</u>	<u>Q. 59,633,949</u>	<u>Q. 207,206,730</u>	<u>Q. 1,225,591,627</u>
<b>Balance, as at December 31, 2014</b> <b>(Audited)</b>	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
Increase in Capital	2,100	-	-	-	-	-	-	-	2,100
Increase legal reserve	-	14,462,489	-	-	-	14,462,489	-	(14,462,489)	-
Increase reserves for contingencies	-	-	61,561,775	-	-	61,561,775	-	(91,561,775)	(30,000,000)
Increase other reserves	-	-	-	-	137,447,852	137,447,852	-	(137,342,662)	105,190
Dividends payable	-	-	-	-	-	-	-	(45,882,860)	(45,882,860)
Net income for the year	-	-	-	-	-	-	-	317,630,045	317,630,045
<b>Balance, as at September 30, 2015</b> <b>(Unaudited)</b>	<u>Q. 199,865,081</u>	<u>Q. 78,155,583</u>	<u>Q. 65,817,744</u>	<u>Q. 2,927,808</u>	<u>Q. 806,370,869</u>	<u>Q. 953,272,004</u>	<u>Q. 59,633,949</u>	<u>Q. 317,630,045</u>	<u>Q. 1,530,401,079</u>

- 5 - 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 NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(Expressed in Quetzales)

	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Interest receivable	Q. 1,610,341,101	Q. 1,408,489,801
Commissions receivable	21,869,628	15,152,433
Services receivable	127,516,750	147,992,376
Interest payable	(732,825,658)	(637,006,022)
Commissions payable	(24,078,740)	(30,967,186)
Services payable	(30,182,999)	(26,040,473)
Administrative expenses payable	(640,026,058)	(546,714,014)
Exchange gain or loss	1,705,465	9,731,903
Investments:		
Income from divestiture	26,976,813,241	22,501,809,341
Expense for investment	(28,018,957,519)	(22,819,620,094)
Loans receivable:		
Income from amortization	7,530,036,392	4,422,101,552
Expense for disbursement	(7,928,071,514)	(5,555,942,257)
Other investments:		
Income from divestiture	603,750	1,170,000
Expense for placement	(1,035,000)	(679,500)
Deposit obligations:		
Income from deposits	26,549,615,845	22,071,608,062
Expense for withdrawal of deposits	(24,517,903,188)	(21,153,092,052)
Loans payable:		
Income from loans	61,937,900	164,608,922
Expense for amortization of loans	(117,977,132)	(238,340,074)
Financial obligations:		
Income from placement	-	292,834
Expense for redemption or reacquisition	(290,000)	(1,538,834)
Sale of extraordinary assets	6,954,897	9,697,074
Income Tax paid	(54,836,255)	(36,505,848)
Other operating income	116,841,131	224,505,548
Other operating expenses	(165,814,545)	(175,748,588)
	<u>772,237,492</u>	<u>(245,035,096)</u>
Net cash generated by (used in) operating activities	<u>772,237,492</u>	<u>(245,035,096)</u>

(Continued)



# BANCO DE LOS TRABAJADORES

## UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS AND CASH EQUIVALENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(Expressed in Quetzales)

	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expense for investments	Q. (990,000)	Q. -
Dividends received	12,211,940	6,000,000
Income for sale of property and equipment	14,349	-
Expense for purchase of property and equipment	<u>(10,845,134)</u>	<u>(26,099,604)</u>
Net cash flows generated by (used in) investing activities	<u>391,155</u>	<u>(20,099,604)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(38,781,918)	(22,714,040)
Subscription and payment of shares	<u>2,100</u>	<u>750</u>
Net cash flows used in financing activities	<u>(38,779,818)</u>	<u>(22,713,290)</u>
NET INCREASE (DECREASE) IN CASH	733,848,829	(287,847,990)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,042,332,654</u>	<u>2,152,444,834</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>Q. 1,776,181,483</u>	<u>Q. 1,864,596,844</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 NINE MONTHS ENDED SEPTEMBER 30, 2015**

(Expressed in Quetzales)

---

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

The unaudited condensed interim financial statements for the nine-months ended September 30, 2015 and 2014, have been prepared according to the Accounting Instructions Manual 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 and IAS 34 Interim Financial Reporting.

### **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, 2014.

Unaudited condensed interim financial statements for the nine months ended September 30, 2015 and 2014, 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 JUDGMENTS**

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 nine-month financial statements. The main accounting policies and measurement bases are described in Note 2 to the 2014 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 nine-months ended September 30, 2015 there were no significant changes in the estimates made at 2014 year-end other than those indicated in these nine-month 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 2014.

- a. **Contingencies and Commitments** - Notes 30 and 31 to the Bank's financial statements as of December 31, 2014 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, 2014 to the date of preparation of these unaudited condensed financial statements for the nine months ended September 30, 2015.
- b. **Comparative Information** - The information for the nine months ended September 30, 2015 and 2014, contained in these nine-month unaudited condensed financial statements is presented for comparison purposes only with the information relating to the nine months ended September 30, 2015.
- 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 nine months ended September 30, 2015 and 2014.
- 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>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Cash	Q. 102,626,538	Q. 122,790,319
Deposits in Guatemalan Central Bank	1,501,417,007	743,417,617
Deposits in foreign banks	138,820,346 (a)	126,619,269
Checks and drafts pending compensation	32,645,069	47,106,593
Local banks	<u>672,523</u>	<u>2,398,856</u>
	<u>Q. 1,776,181,483</u>	<u>Q. 1,042,332,654</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 September 30, 2015 and December 31, 2014 is Q. 76,602,069 and Q. 64,255,590, respectively. This investment accrues the following interest rates:

<b>Description</b>	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Reserve operations Local Currency	4.0700%	3.96%
Financial operations	0.24288%	0.24232%
Reserve operations Foreign Currency	0.08800%	0.101%

- (a) As of September 30, 2015 and December 31, 2014, its included an operation for a Credit Linked Deposit, contracted by Banco de los Trabajadores on April 20, 2011, with the entity Société 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 September 30, 2015 and December 31, 2014 this deposit is recorded at its initial contracted value.

The cash is free of pledges.

## 6. INVESTMENTS - NET

	Annual Interest	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
<b>Local Currency</b>			
<i>In held-for-sale securities:</i>			
Certibonos - Central Government maturing in 2001, 2016, 2017, 2020, 2021, 2025, 2026, 2027 and 2029. <i>a/</i>	7.3750 % to 12.9475%	Q. 3,905,617,500	Q. 3,108,048,750
<i>In held-to-maturity securities:</i>			
Central Bank of Guatemala (CDPs) maturing in 2015.	Between 3% and 3.3899%	600,000,000	353,100,000
Financiera de los Trabajadores (CDPs) maturing in 2015.	6%	18,200,000	18,200,000
Instituto de Fomento de Hipotecas Aseguradas – Mortgage bonds maturing on different dates between 2014 and 2035.	Between 8.5% and 13.95%	32,383,398	35,291,976
<i>Repurchase agreement operations</i>		109,500,000	-
<i>Interest paid in purchase of securities</i>		-	353,151
<b>Subtotal</b>		<u>4,665,700,898</u>	<u>3,514,993,877</u>
<b>Shares and other securities</b>			
<i>Of Financial Institutions:</i>			
<b>Financiera de los Trabajadores</b> 39,120 shares with a value of Q. 1,000 each, discount of Q. 2,420,000		36,700,000	36,700,000
<b>Aseguradora de los Trabajadores</b> 34,912 shares with a value of Q.801 each, premium of Q. 7,054,154		35,018,666	35,018,666
<i>Of Non-Financial Entities</i>			
<b>Útil Valor, S. A.</b> 40,000 shares with a value of Q. 10 each, premium of Q. 2,400		402,400	402,400
<b>Asociación Bancaria de Guatemala</b> 72 shares with a value of Q 5,000 each.		360,000	360,000

	<b>Annual Interest</b>	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
<b>Casa de Bolsa de los Trabajadores</b> 99 shares with a value of Q. 10,000 each.	Q.	990,000	Q. -
<b>Imágenes Computarizadas de Guatemala, S. A.</b> 504 shares with a value of Q. 1,000 each, premium of Q. 311,100		815,100	815,100
<b>Visa Inc.</b> 7,952 common shares with a value of US\$0.0001, at the exchange rate of Q.7.84137		6	6
<b>Total shares and other securities</b>		74,286,172	73,296,172
<b>Other Investments</b>		637,500	206,250
<b>Total Local Currency</b>		4,740,624,570	3,588,496,299
<b>Foreign Currency</b>			
<b>In held-for-sale securities:</b>			
<i>Certibonos</i> - Central Government maturing in 2017, 2020, 2021, 2026, 2027 and 2028	Between 4% and 6.20%	764,943,319	757,092,104
<b>Repurchase agreement operations</b>		76,755,300	189,918,750
<b>Interest paid in purchase of securities</b>		-	3,250,507
<b>Subtotal</b>		5,582,323,189	4,538,757,660
<b>(-) Estimate for valuation of investments</b>		(7,699,492)	(7,699,492)
		Q. 5,574,623,697	Q. 4,531,058,168

a/ This group includes twelve *Certibonos* of the Government of the Republic of Guatemala, which have been pledged (see Note 21).

The investments are free of pledges.

As of September 30, 2015 and December 31, 2014 the investments have the following maturity schedule:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Up to 1 month	Q. 786,544,336	Q. 353,508,876
More than 1 month and less than 3 months	-	-
More than 3 months and less than 6 months	-	366,265
More than 6 months and less than 1 year	18,200,000	27,961
More than 1 year	36,839,238	24,722,144
More than 5 years	4,664,798,443	3,965,308,157
No contractual maturity	75,941,172	194,824,257
	<u>Q. 5,582,323,189</u>	<u>Q. 4,538,757,660</u>

#### 7. LOANS RECEIVABLE – NET

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Loans	Q. 8,096,789,761	Q. 7,735,366,337
Payments for letters of credit	25,854,570	25,675,836
Credit cards <sup>1/</sup>	195,310,851	151,843,050
Receivables from sale of extraordinary assets	670,645	662,465
	8,318,625,827	7,913,547,688
(-) Allowance for doubtful loans	<u>(278,457,186)</u>	<u>(148,072,903)</u>
	<u>Q. 8,040,168,641</u>	<u>Q. 7,765,474,785</u>

<sup>1/</sup> As of September 30, 2015 the Bank offers 5 types of credit cards, and as of December 31, 2014 the Bank offered 4. 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 September 30, 2015 and December 31, 2014, the credit card account includes balances for additional financing for Q. 18,104,452 and Q.14,514,964, respectively, which were generated by the use of an additional amount of credit beyond the customers' normal credit line.

As of September 30, 2015 and December 31, 2014, the maximum amount of credit authorized for a credit cardholder is Q.392,700.

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

	<b>September 30, 2015 (Unaudited)</b>	%	<b>December 31, 2014 (Audited)</b>	%
Current	Q.8,141,115,393	98	Q.7,820,137,875	99
In extension process	360,148	-	311,500	-
Past due in administrative collection	126,750,451	1	80,035,013	1
Past due in judicial collection	<u>50,399,835</u>	1	<u>13,063,300</u>	-
	8,318,625,827	100	7,913,547,688	100
(-) Allowance for doubtful loans	<u>(278,457,186)</u>		<u>(148,072,903)</u>	
	<u><u>Q. 8,040,168,641</u></u>		<u><u>Q.7,765,474,785</u></u>	

As of September 30, 2015 and December 31, 2014 the loans had the following maturity schedule:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Up to 1 month	Q. 55,357,879	Q. 26,749,946
More than 1 month and less than 3 months	10,626,010	48,189,963
More than 3 months and less than 6 months	41,600,002	77,222,621
More than 6 months and less than 1 year	313,608,906	206,722,179
More than 1 year and less than 5 years	2,225,772,616	2,456,593,471
More than 5 years	<u>5,671,660,414</u>	<u>5,098,069,508</u>
	<u><u>Q. 8,318,625,827</u></u>	<u><u>Q. 7,913,547,688</u></u>

The loans were granted at annual interest rates between 1% and 42%. 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 September 30, 2015 and December 31, 2014, was the following:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Balance at January 1	Q. 148,072,904	Q. 139,054,025
Allowance	122,536,813	128,714,982
Recoveries and reversals	7,847,469	20,869,608
Write-offs	-	(140,565,712)
	<u>Q. 278,457,186</u>	<u>Q. 148,072,903</u>

## 8. PROPERTY AND EQUIPMENT

The movement of property and equipment as of September 30, 2015 and December 31, 2014 was as follows:

### September 30, 2015 (Unaudited)

Cost	Initial Balances	Additions	Disposals	Reclassifica- tions	Final Balances
Land	Q. 49,543,522	Q. -	Q. -	Q. -	Q. 49,543,522
Revaluation of land	(2,363,042)	-	-	-	(2,363,042)
Buildings	59,733,749	1,235,761	-	(10,821)	60,958,689
Revaluation of buildings	61,996,991	-	-	-	61,996,991
Furniture and office equipment	47,396,931	5,382,978	2,687,996	-	50,091,913
Information systems	30,190,343	3,600,507	4,490,171	(36,541)	29,264,138
Telecommunications equipment	731,749	74,334	46,161	(35,490)	724,432
Vehicles	64,684	136,511	770	-	200,425
Artwork and paintings	482,558	-	58,000	-	424,558
Others	565	-	565	-	-
Advances for acquisitions of assets	12,626,657	4,848,033	6,015,189	(1,841,120)	9,618,381
	<u>260,404,707</u>	<u>15,278,124</u>	<u>13,298,852</u>	<u>(1,923,972)</u>	<u>260,460,007</u>
Accumulated depreciation	<u>77,632,082</u>	<u>19,560,014</u>	<u>7,172,490</u>	<u>-</u>	<u>90,019,606</u>
	<u>Q. 182,772,625</u>	<u>Q. (4,281,890)</u>	<u>Q. 6,126,362</u>	<u>Q.(1,923,972)</u>	<u>Q.170,440,401</u>

### December 31, 2014 (Audited)

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

Cost	Initial Balances	Additions	Disposals	Reclassifications	Final Balances
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	-	77,632,082
	<u>Q. 168,321,279</u>	<u>Q. 25,487,416</u>	<u>Q. 11,042,400</u>	<u>Q. 6,330</u>	<u>Q. 182,772,625</u>

## 9. LOANS PAYABLE

As of September 30, 2015 and December 31, 2014 the Bank had contracted the following loans:

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
<b>Deutsche Bank AG London</b> 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. <u>1/</u>	Q.1,151,329,500	Q.1,139,512,500
<b>DEG: Deutsche Investitions Und Entwicklungsgesellschaft MBH</b> Loan for US\$15,000,000, interest rate of Libor + 4.58% and maturing on February 15, 2016. Semi-annual amortizations as of February 15, 2013 for an amount of US\$2,142,857.	16,447,571	48,836,254
<b>Central American Bank for Economic Integration - CABEL-</b> 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
<b>Wells Fargo Bank</b> Line of credit for US\$ 3,000,000, interest rate of Libor + 2.30% and maturing on December 31, 2015.	16,046,525	10,446,970
<b>Wells Fargo Bank CCC GSM 102</b> Line of credit for US\$ 3,104,191, interest rate of Libor + 1.33% and maturing on December 24, 2015.	11,913,157	11,790,883
<b>Wells Fargo Bank CCC GSM 102</b> Line of credit for US\$ 4,894,707, interest rate of Libor + 1.33% and maturing on January 15, 2016.	18,784,734	37,183,862
	<u>Q.1,214,521,487</u>	<u>Q.1,270,560,719</u>

1/ On November 14, 2013, Banco de los Trabajadores and Deutsche Bank AG, London Branch, subscribed a loan agreement for a principal amount 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 Laws 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) the 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](http://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”:**

- Failing to pay all or part of the principal amount of the Loan when it is due and payable, whether that is at the maturity date, in advance or in any other manner.
- Failing to pay any interest or any additional amount related to the loan, within the 15 business days following the due date.
- Failing to comply with or observe 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 schedule 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.
- Failing to pay one or more of the definitive rulings made against the Bank, which total an amount of \$10,000,000, for which either (i) there is a period of 60 days or more after such ruling(s) during which such rulings are not paid, dismissed or suspended, or (ii) executory proceedings have been initiated by any creditor based on such rulings and they are not dismissed within the 60 days following the start of such executory proceedings.
- 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 allocation 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 due to any reason other than those expressly permitted, or if 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 September 30, 2015 and December 31, 2014 the loans obtained had the following maturity schedule:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
More than 1 month and less than 3 months	Q. 28,924,183	Q. 19,759,132
More than 3 months and less than 6 months	34,267,804	9,279,769
More than 6 months and less than 1 year	-	34,581,133
More than 1 year and less than 5 years	-	67,428,185
More than 5 years	<u>1,151,329,500</u>	<u>1,139,512,500</u>
	<u>Q.1,214,521,487</u>	<u>Q.1,270,560,719</u>

## 10. ACCOUNTS PAYABLE

The balances of accounts payable as of September 30, 2015 and December 31, 2014 were as follows:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
<b>Local Currency:</b>		
Expenses payable	Q. 48,589,535	Q. 22,879,187
Taxes, municipal taxes, contributions and fees	34,905,922	120,506,313
Withholdings	6,237,039	7,958,857
Dividends payable	78,766,735	71,655,984
Miscellaneous payables	5,067,715	2,938,477
Loan portfolio	65,112,920 (a)	56,367,957
Cashier's checks	29,462,155	24,011,862
Expired checks	660,570	3,903,493
Credit portfolio	6,726,872 (a)	171,665,630
Trusts	1,001,132	1,985
Benefits for savings accounts	523,961	523,961
Shares partially paid	2,022,592	2,027,225
Financial obligations	1,688,000	1,978,000
Annual bonus ( <i>Bono 14</i> )	1,610,732	2,177,575
Severance	41,205,820	39,879,394
Bonuses 15%	66,542,637	51,327,168
Interest earned but not collected	137,555,530	149,861,138
Others	33,500,408	33,013,009
Interest payable	<u>12,536,751</u>	<u>7,664,250</u>
Subtotals in Local Currency	<u>573,717,026</u>	<u>770,341,465</u>

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
<b>Foreign currency:</b>		
Obligations, issuance of documents and orders of payment	Q. 12,896,638	Q. 25,107,829
Interest earned but not collected	133,648	347,146
Interest payable	46,082,380	19,688,661
Others	411,763	829,656
	<hr/>	<hr/>
Subtotals in Foreign Currency	59,524,429	45,973,292
	<hr/>	<hr/>
	<u>Q. 633,241,455</u>	<u>Q. 816,314,757</u>

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

## 11. DEPOSITS

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
<b>Local Currency:</b>		
Monetary deposits	Q. 838,508,122	Q. 770,099,112
Savings deposits	1,429,821,394	1,168,411,605
Term deposits <u>a/</u>	10,263,697,842	8,522,701,748
Restricted deposits	14,960,626	10,510,861
	<hr/>	<hr/>
	12,546,987,984	10,471,723,326
	<hr/>	<hr/>
<b>Foreign Currency:</b>		
Monetary deposits	64,794,887	77,498,911
Savings deposits	81,133,775	90,159,805
Term deposits <u>a/</u>	59,917,041	82,014,288
Restricted deposits	531,918	256,619
	<hr/>	<hr/>
	206,377,621	249,929,623
	<hr/>	<hr/>
	<u>Q.12,753,365,605</u>	<u>Q.10,721,652,949</u>

The term deposits in quetzales earn an interest rate of 3.75% to 9.50% 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 0.25% to 5.00% and have been placed in terms that vary from 3 months to 3 years.

a/ The term deposits are detailed as follows:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Term deposits local currency	Q.10,263,697,842	Q. 8,522,701,748
Term deposits foreign currency	<u>59,917,041</u>	<u>82,014,288</u>
	<u>Q.10,323,614,883</u>	<u>Q. 8,604,716,036</u>

As of September 30, 2015 and December 31, 2014 the term deposits in local and foreign currency had the following maturity schedule:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Up to 1 month	Q. 453,623,071	Q. 411,849,195
More than 1 month and less than 3 months	1,134,217,842	852,732,861
More than 3 months and less than 6 months	1,801,471,069	1,848,203,603
More than 6 months and less than 1 year	3,163,737,217	2,629,367,043
More than 1 year	<u>3,770,565,684</u>	<u>2,862,563,334</u>
	<u>Q.10,323,614,883</u>	<u>Q. 8,604,716,036</u>

## 12. STOCKHOLDERS' EQUITY

**Capital Stock:** The authorized capital is comprised of 20,000,000 shares with a nominal value of Q.10 each, of which as of September 30, 2015 and December 31, 2014, 19,985,707 and 19,985,497 shares are subscribed and paid, respectively.

### **Reserves:**

**Legal:** 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 September 30, 2015 and December 31, 2014 the legal reserve amounts to Q. 78,155,583 and Q. 63,693,094, 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 September 30, 2015 and December 31, 2014 is Q.65,817,744 and Q.4,255,969, respectively.

Per the forty-seventh Ordinary General Shareholders' Meeting dated February 6, 2015, the shareholders approved the application to the reserves for contingencies the amount of Q.91,561,775 from the results of the previous period, as well as the amount of Q.137,342,662 for the reserve for strengthening the capital.

**13. INTEREST INCOME**

	<b>September 30, 2015 (Unaudited)</b>	<b>September 30, 2014 (Unaudited)</b>
Interest on loans	Q. 1,341,326,091	Q. 1,205,355,223
Interest on investments	268,894,482	202,902,186
Commissions on loans	21,709,893	15,152,433
Others	3,875,826	247,856
	<u>Q. 1,635,806,292</u>	<u>Q. 1,423,657,698</u>

**14. INTEREST EXPENSE**

	<b>September 30, 2015 (Unaudited)</b>	<b>September 30, 2014 (Unaudited)</b>
Interest on deposits	Q. (732,825,658)	Q. (637,006,019)
Commissions on deposits	(24,078,740)	(30,967,185)
Contributions for forming FOPA fund	(19,549,812)	(15,052,591)
Additional benefits	(56,000)	(4,887,396)
Repurchase agreement operations	(1,699,014)	(13,796,500)
Negotiation of securities	-	(766,015)
	<u>Q. (778,209,224)</u>	<u>Q. (702,475,706)</u>

**15. OTHER EXTRAORDINARY INCOME AND EXPENSES – NET**

	<b>September 30, 2015 (Unaudited)</b>	<b>September 30, 2014 (Unaudited)</b>
Commissions on miscellaneous services	Q. (14,130,885)	Q. (12,024,261)
Leases	(8,675)	(5,162)
Others	(113,377,188)	(135,962,953)
Extraordinary income	(69,451,684)	(59,652,460)
Extraordinary expenses	912,179	5,813,065
	<u>Q. (196,056,253)</u>	<u>Q. (201,831,771)</u>



## 16. ADMINISTRATIVE EXPENSES

	<b>September 30, 2015 (Unaudited)</b>	<b>September 30, 2014 (Unaudited)</b>
Board of Directors	Q. (19,507,484)	Q. (14,811,572)
Executives and employees	(174,553,393)	(143,928,750)
Taxes, municipal taxes, contributions and fees	(11,013,290)	(9,147,674)
Professional fees	(29,620,467)	(21,277,511)
Leases	(41,025,509)	(35,384,274)
Repairs and maintenance	(17,040,847)	(18,623,338)
Marketing and advertising	(34,655,640)	(32,480,866)
Insurance premiums and bonds	(3,113,461)	(3,120,506)
Depreciations and amortizations	(35,980,325)	(33,215,296)
Stationery and supplies	(3,793,533)	(4,257,030)
Miscellaneous expenses	(269,722,110)	(230,467,198)
	<u>Q. (640,026,059)</u>	<u>Q. (546,714,015)</u>

## 17. OTHER INCOME AND EXPENSES – NET

	<b>September 30, 2015 (Unaudited)</b>	<b>September 30, 2014 (Unaudited)</b>
Foreign currency exchange gains	Q. 8,776,127	Q. 10,721,253
Income from equity investments	12,211,940	6,000,000
Profit from previous years	50,317,404	2,369,568
Service charges	(30,474,284)	(26,040,613)
Foreign currency exchange losses	(4,893,167)	(989,349)
Uncollectible and doubtful balances	(94,464,963)	(71,684,037)
Expenses from previous years	(4,842,557)	(2,108,025)
	<u>Q. (63,369,500)</u>	<u>Q. (81,731,203)</u>

## 18. 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:

- a) Regime over Profits from Lucrative Activities, which consists of applying the rate of 25% to the taxable income determined based on the accounting profit (28% in 2014). 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.

At September 30, 2015 and 2014, the income tax was Q.32,627,717 and Q.87,361,815, respectively.

## 19. MEMORANDUM ACCOUNTS

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Loan portfolio guarantees	Q. 768,228,628	Q. 884,925,310
Authorized issues of financial obligations	817,357,000	817,357,000
Financial obligations	703,357,000	703,357,000
Other memorandum accounts	1,064,733,919	1,012,575,390
Third party management	450,700,288	462,189,336
Securities and assets given as collateral	22,941,683	87,837,222
Contingencies, commitments and other responsibilities	286,467,888	245,493,792
Amortized financial obligations	114,000,000	114,000,000
Margins to be drawn on	257,210,802	252,408,952
Own documents and securities remitted	9,725,891	9,725,891
	<u>Q. 4,494,723,099</u>	<u>Q. 4,589,869,893</u>

## 20. 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.
- **Trusts** - As of September 30, 2015 and December 31, 2014 the Bank managed as a trustee 15 and 17 trust contracts, respectively. 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.

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.

## 21. CONTINGENCIES

As of September 30, 2015 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 of guaranteed dividend preferred shares.	US\$ 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.
2.	<p>Precautionary pledge resulting from rulings against the previous owners of:</p> <ul style="list-style-type: none"> <li data-bbox="334 995 756 1058">• Certibonos 35065 to 35074 for Q.1,500,000.</li> <li data-bbox="334 1094 756 1157">• Certibonos 32944 to 32955 for Q.155,000</li> </ul>	<p>Q. 1,500,000</p> <p>Q. 155,000</p>	The certificates of the pledged securities are in the custody of Banco de los Trabajadores, which makes it the sole lawful and legally recognized owner.
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.

<b>No.</b>	<b>Description</b>	<b>Amount</b>	<b>Legal Status of the Litigation</b>
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.

## **22. FOREIGN CURRENCY TRANSACTIONS AND EXPOSURE TO EXCHANGE RISK**

As of September 30, 2015 and December 31, 2014 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:

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014 (Audited)</b>
Assets	Q. 1,241,226,579	Q. 1,367,664,942
Liabilities	1,480,167,408	1,565,994,008

Most of the assets and liabilities in foreign currency of the Bank are in dollars of the United States of America. As of September 30, 2015 and December 31, 2014, the exchange rate established by the Guatemalan Central Bank used to express in quetzales the balances in such foreign currency was Q. 7.67553 and Q.7.59675 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.

## **23. PRESENTATION OF FINANCIAL STATEMENTS**

The figures of the financial statements for the year ended December 31, 2014 were regrouped within the same accounting item with respect to the report previously issued in Spanish on February 4, 2015 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.

\* \* \* \* \*