Fitch Ratings

Banks

Guatemala

Banco de los Trabajadores

Bantrab
Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BB–
Short-Term IDR	B
Viability Rating	bb–
Support Rating	5
Support Rating Floor	NF

Local Currency

Long-Term IDR	BB–
Short-Term IDR	B

Outlooks

Foreign-Currency Long-Term IDR	Stable
Local Currency Long-Term IDR	Stable
National Long-Term	Stable

Financial Data

Banco de los Trabajadores

	12/31/15	12/31/14
Total Assets (USDm)	2,203.1	1,856
Total Assets (GTQm)	16,875.6	14,097
Total Common Equity (GTQm)	1,455.5	1,131
Operating Profit (GTQm)	332	329
Published Net income (GTQm)	420	289
Comprehensive income (GTQm)	420	289
Operating ROAA (%)	2.14	2.54
Operating ROAE (%)	25.67	30.65
Internal Capital Generation (%)	27.51	25.58
Fitch Core Capital/ Weighted Risks (%)	15.63	13.01
Total Regulatory Capital Ratio (%)	15.32	12.73
Net income (GTQm)	420	289

Source: Bantrab

Related Research

2016 Outlook: Central America and Dominican Republic Banks (December 2015)

Guatemala (May 2016)

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Key Rating Factors

Risk Mitigated by Collection Method: Banco de los Trabajadores (Bantrab) is characterized by its high appetite for risk, focusing on the low to medium income segments, particularly of the Guatemalan public sector. The bank's risk controls, mainly carried out through its collection method, which relies on direct payroll deductions for loan payments, largely mitigate the credit risk inherent to its target segments. On the other hand, its investment portfolio is highly concentrated in instruments guaranteed by the Guatemalan sovereign (BB/Stable).

Solid Profitability: Bantrab's profitability metrics are solid and exceed the Guatemalan banking system's average. This is due to the bank's high net interest margin (NIM), its clients' acceptable risk profiles, as well as its adequate operating efficiency and moderate loan loss provisions. Fitch Ratings expects its operating return over average assets (operating ROAA) to reach between 3.6% and 4.0% and its operating return over average equity (operating ROAE) to exceed 26% in 2016.

Good Asset Quality: The bank's loan portfolio quality is good, particularly for a bank that focuses on higher risk segments. Its 90-day or more non-performing loan (NPL) ratio increased due to changes in its write-off policies, but the net effect on NPLs plus net charge-offs is an improvement compared to historical levels. In addition, NPL coverage by reserves has increased and is now in line with the industry average.

Good Capitalization: The bank's capital position compares favorably to both its recent history and the industry average. Its Fitch Core Capital (FCC) ratio of 15.6% provides adequate loss absorption capacity and exceeds that of other major local banks. In Fitch's opinion, an adequate capitalization level is key given the risks associated to its strategic plan.

Retail Banking Focus: Its business model, which focuses on retail banking and targets the high risk segments of the population through payroll-deductible loans, provides significant competitive advantages over its competitors. Fitch believes that a diversification of its model could be highly beneficial to the bank, but notes its limited history in other segments.

Fitch does not anticipate material changes in the foreseeable future, given the bank's business model that focuses on traditional financial intermediation.

Rating Sensitivities

Limited Upside Potential: Fitch believes that the likelihood of a positive rating action is limited in the medium term. However, in the long term, an upgrade could take place if the entity were able to achieve greater revenue diversification while maintaining its good asset quality.

Weaker Credit Quality: While not Fitch's base case scenario, a substantial deterioration in the bank's credit portfolio quality that would have a negative impact on operating profitability and lead to a material weakening in its capital position could trigger a downgrade.

Operating Environment

Stable Macroeconomic Environment but Structural Weaknesses Persist

Guatemala has been assigned a rating of 'BB' with Stable Outlook by Fitch Ratings. The ratings reflect the stable macroeconomic performance, low public debt, and adequate external liquidity of the country. In addition, it considers its low tax revenue base and structural weaknesses, such as low human development and governance indicators relative to other countries in the 'BB' rating category. In Fitch's opinion, household remittances, primarily from the U.S., and low oil prices stimulate the economy. Fitch projects Guatemala's GDP to grow by approximately 3.9% per year in 2016 and 2017, driven primarily by consumption.

Fitch believes that the Guatemalan banking system continues to demonstrate ample growth potential given low banking penetration (gross loans represent 33.3% of GDP at year-end 2015) and a stable economic outlook. Fitch expects this growth to decelerate to close to 9% in 2016; however, the risks from unpredictable political events could affect the banks' growth potential. Fitch expects ROAA to weaken to around 1.5% in 2016. Strong competition, primarily in the corporate segment, limits credit growth in the short term as well as the potential to improve net interest margins (NIM). Improvements in margins are also limited by a greater usage of institutional funding; however, this type of lending helps reduce mismatches in foreign currency operations, partly mitigating the risks stemming from the nearly 40% dollarization of the system's credit portfolio, compared with 17% of its deposits.

The agency believes that the continued low international prices for the country's main export goods could lead to a deterioration in asset quality, with the agriculture/livestock and agroindustry sectors being the most susceptible sectors. However, it is unlikely that this could lead to a material erosion in the system's good asset quality. Fitch believes that low capitalization rates, caused by ongoing pressures on net interest margins (NIMs) and high dividend payments, will continue to represent a structural weakness for several banks in the system. For 2016, Fitch expects an equity/assets ratio of 9.5%, similar to previous years, but lower than the regional average.

Financial regulation is adequate and continues to improve gradually. However, there are important opportunities to close the gap with other Central American countries, particularly in terms of banking and capital market regulation. On the other hand, the Credit Card Law, which would have had a significant impact on credit card issuers' profitability levels, was provisionally suspended on March 31, 2016 by the Supreme Court of Guatemala on constitutional grounds.

Company Profile

Medium-Sized Bank Focused on Retail Niches

Banco de los Trabajadores is a local bank focused on consumer loans, which targets low and medium-income employees, primarily from the public sector. As of December 2015, Bantrab was the fifth largest bank in terms of assets, loan portfolio, deposits and equity, and the fourth largest in terms of net profits. The market is highly concentrated, with the three largest banks concentrating 67% of the system's assets. Fitch considers the bank to be relevant for the financing of the Guatemalan workers' segment, which allows it to have significant pricing power in this area.

Bantrab's business model consists of offering traditional retail products and services as well as seeking greater market penetration within its target segments. The bank focuses on differentiating itself from the competition through client services and adequate value added in each segment.

Related Criteria

Global Bank Rating Criteria (March 2015)

Bantrab complements value with product and market development through its small and medium-sized business, institutional lending, and bancassurance lines which should help the institution achieve greater revenue diversification in the medium term.

Traditionally, the bank provides services through an ample network of agencies that cover most of the Guatemalan territory, complemented with electronic channels.

The company's loan portfolio is primarily comprised of consumer (97.8%) and residential mortgage (0.7%) loans, complemented by commercial and corporate loans (2.5%). About 91.8% of operating income comes from financial intermediation, with the rest stemming from commissions and fees related to its financial products and services. In addition, there is a small amount of non-interest income related to the recovery of charged-off loans as well as to a one-time sale of assets.

Bantrab's equity is widely held, registering approximately 700,000 shareholders in total. The bank's shareholder base was created between 1966 and 1991, when it was mandatory for all of the entity's Guatemalan employees to contribute GTQ5 on a monthly basis to the bank's equity, until each employee reached his/her GTQ20,000 limit. By law, no shareholder can own more than GTQ20,000 (USD2,500) in shares, with the exception of the Central Government, which contributed an initial investment of GTQ500,000 (USD64,000) and holds an approximate 1% share of the paid-in capital.

Guatemalan regulation requires the establishment of a local financial group and the designation of an entity responsible for the financial companies related to the Guatemalan operations. Bantrab is the entity responsible for the Grupo Financiero de los Trabajadores, which also includes Aseguradora de los Trabajadores, S.A. and Financiera de los Trabajadores, S.A., all 100% owned by the bank. According to local regulation, Bantrab is responsible for providing the necessary capital when capital levels are deficient at any of the entities that form the group. As of year-end 2015, the bank represented almost all of the assets and revenues of the financial group.

Management

Adequate Management Team

Bantrab's management team, comprised of executives with amply and deep knowledge of the industry, is considered to be adequate. Most of the executives have had a long history with the entity. In addition, the corporate culture and identity are solid. On the other hand, loans to related parties are minimal (2015: 0.68% of equity), and therefore do not pose a conflict of interests for the bank's management.

The bank's corporate governance is considered to be similar to that of its rating peers. The Board of Directors is the maximum authority of the institution, and includes four members with their respective alternates, plus the president. There are no independent directors, which the agency notes as an important difference relative to other, higher rated banks. The Guatemalan government has the ability to appoint the president of the board of directors. Each director has the right to one vote, with the exception of the president, who has the right to a tie-breaking vote.

Well-Defined and Effectively Executed Strategy

Fitch considers Bantrab's strategy to be effective, being carried out through a five-year plan. The entity has a proven track record of consistently achieving the goals established in its five-year plans. The most recent plan was launched in 2015. After a five-year period of focusing on aggressive expansion, the institution now aims at consolidating its position as a retail bank that differentiates itself through the quality of its services and a more detailed segmentation of client groups. The goal of the latter is to increase the number of products and services for each client as well as to increase the number of new clients. In addition, it aims at reaching greater diversification in complementary business lines, such as commercial lending and trusts, as well as bancassurance products.

Fitch believes that Bantrab has the ability to fulfill its current five-year plan in terms of both the growth in its business volume and the targeted profitability level, if it uses its competitive advantages in the retail banking segment.

Risk Appetite

High Risk Appetite Mitigated by Collection Method

Bantrab has a high appetite for risk. Its risk policies follow strictly local regulations and the policies and procedures developed are considered to be adequate. The bank's risk management structure is comprised of a series of committees that meet periodically, including the credit, auditing, compliance, and business continuity committees. Fitch believes that these are in general effective.

The main risk exposure of the bank is credit risk, primarily through its loan and investment portfolios (52% and 40% of earning assets, respectively). The loan portfolio's credit risk is mitigated by the collection of loan payments through direct payroll deductions (93% of the total). On the other hand, the investment portfolio's credit risk is primarily related to the Guatemalan sovereign risk. This is because investment options in this market are limited and because Guatemalan-sovereign securities favor the calculation of regulatory capital ratio. Most of the portfolio is registered as available for sale and is short term in nature.

The bank's reputational risk is similar to that of other Guatemalan banks. In April, 2016, the seizure of the preferential shares of one of its investors by legal authorities slightly effected client deposits. However, Fitch does not believe that this will have repercussions on the institution's credit profile.

Slowdown in Credit Growth

The bank's total business volume grew modestly in 2015, due to the country's political turmoil as well as the deceleration outlined in its current 5-year plan. The gross loan portfolio expanded by 9.2%, below both its 2011-2014 18.8% average and the system's 14% average last year.

Mitigated Market Risk

Bantrab does not have any material exposure to interest rate or exchange rate risks. Interest rates are adjustable for both assets and liabilities. In addition, the bank has a short foreign currency position that represents 17% of its equity (2014: 14%). Exchange rate risk is also mitigated by the relatively stable Guatemalan exchange rate.

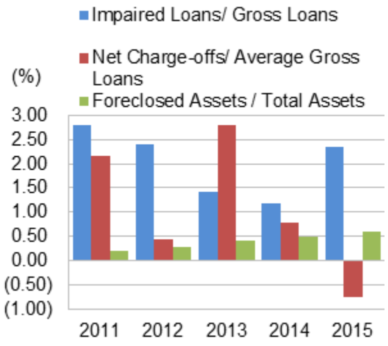
Financial Profile
Asset Quality

Asset Quality

	Bantrab		System	
(%)	2015	2011–2014 Average	2015	2011–2014 Average
Growth of Gross Loans	9.2	18.8	14.0	13.7
Impaired Loans/Gross Loans	2.4	2.0	1.4	1.4
Reserves for Impaired Loans/Impaired Loans	155.0	144.4	152.0	156.5
Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	(7.7)	(5.4)	(4.5)	(4.6)
Loan Impairment Charges/Average Gross Loans	1.1	1.4	n.a.	n.a.
Net Charge-offs/Average Gross Loans	(0.8)	1.6	n.a.	n.a.

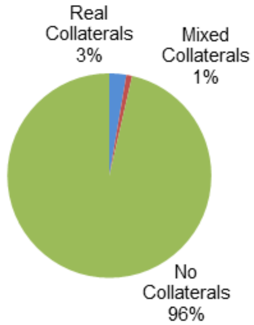
Source: Banco de los Trabajadores y Superintendencia de Bancos de Guatemala (SIB).

Loan Quality



Source: Bantrab.

Loan Portofolio by Collateral Type



Source: Bantrab.

Loan Portfolio Quality Benefits from Payroll Deductions

Bantrab's asset quality is good. The 90-day or more NPL ratio is low despite the bank's focus on the high risk segments of the retail banking business, thanks to the automatic payroll-deduction collection method. However, this ratio has increased from its recent historical levels. This is due to a change in the bank's charge-off policies, which made the charge-off become effective at 180 days, instead of 90 days. The purpose of this measure was to give every possible way of collecting the payment a chance, therefore writing off only those loans that are definitely non-recoverable. Fitch believes that this greater flexibility will not affect the entity's credit profile in the medium term as long as its automatic payroll deduction method will stay in place as is and collection practices are kept strict.

On the other hand, the agency considers positive the fact that NPL coverage has gradually increased and is now in line with the industry average. Due to the nature of its business, the bank's loan portfolio is highly granular, with concentrations representing only 1.5% of total loans (2014: 1.9%), while real guarantees are basically non-existent.

However, the concentration of public entities on which the bank's borrowers depend to pay their debt is high. The credit portfolio has a large exposure to public sector employees (approximately 90% of the total), particularly to employees of the Ministry of Education and the Ministry of the Interior. It should be noted that (positively for the bank) the public sector exhibits a lower rotation of personnel than the private sector. Foreign currency exposure is low, with only 1.8% of total loans being denominated in foreign currency (2014: 2.1%). In addition, the entity does not show exposure to non-residents within its credit portfolio.

The good asset quality also translated into insignificant levels of restructured loans and foreclosed assets, which combined represented less than 1% of gross loans.

High Exposure to Guatemalan Sovereign

Bantrab boasts a significant exposure to the Guatemalan sovereign. As of December 2015, instruments issued or guaranteed by the sovereign or the Central Bank of Guatemala represented 35.9% of total assets. About 80.6% of the portfolio matures in five or more years and 79.2% is classified as available for sale, followed by securities held to maturity (16.4%), with repos and others representing an insignificant share of the total.

Earnings and Profitability

Earnings and Profitability

(%)	Bantrab 2015	Bantrab 2011–2014 Average	System 2015	System 2011–2014 Average
Net Interest Income/Average Earning Assets	8.2	9.9	5.3	6.1
Non-Interest Expense/Gross Revenues	66.8	64.0	68.2	67.3
Loans and securities impairment charges/pre-impairment Op. Profit	23.0	30.5	n.a.	n.a.
Operating Profit/Average Total Assets	2.1	2.5	1.7	2.0
Operating Profit/Risk Weighted Assets	3.6	3.8	2.3	2.7
Operating Profit/Average Equity	25.7	29.0	18.5	22.0

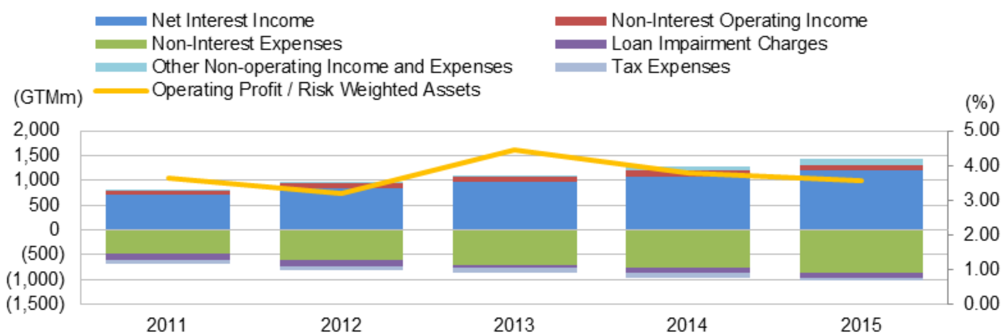
Source: Banco de los Trabajadores y Superintendencia de Bancos de Guatemala (SIB).

High Profits Sustained by Wide Interest Margins Bantrab's operating profitability is high as a result of wide NIMs, controlled operating expenses, and moderate provisioning. The bank's operating profitability, while somewhat below its own historical averages, significantly exceeds the industry's average.

Fitch expects Bantrab to continue to register high profits due to continued loan growth, in line with its five-year goal, lending rates that are adequate for its target segments and effective operating expense controls. Provisioning expenses are expected to increase due to its new charge-off policy, although the agency does not expect this to affect substantially its profitability.

Fitch expects operating return over risk-weighted assets to reach between 3.6% and 4.0% while operating return over equity should exceed 26%.

Income Statement Composition



Source: Bantrab.

Stable Income Sources with Low Diversification Prospects

Fitch believes that the bank's income sources will continue to be linked to the retail banking business in the short term, but, given its plans to gradually increase diversification towards other business lines, there could be some volatility in revenues in the medium term, as the company does have a limited history in those businesses.

Capitalization and Leverage

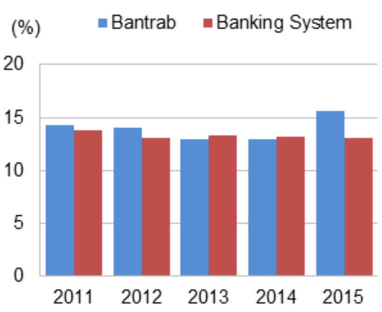
Good Capitalization

Capitalization and Leverage

	Bantrab		System	
(%)	2015	2011–2014 Average	2015	2011–2014 Average
Fitch Core Capital/ Risk Weighted Assets	15.6	13.6	13.0	13.4
Tangible Common Equity/ Tangible Assets	8.6	8.1	9.3	9.2
Total Regulatory Capital Ratio	15.3	13.2	14.1	14.8
Internal Capital Generation	27.5	19.2	n.a.	n.a.
Cash Dividends Paid & Declared/ Net Income	4.8	7.0	n.a.	n.a.

Source: Banco de los Trabajadores y Superintendencia de Bancos de Guatemala (SIB).

Fitch Core Capital



Source: Bantrab and regulator SIB.

Bantrab's capitalization was solid as of year-end 2015. Its Fitch Core Capital exceeded historical and industry averages. Internal generation of capital is significantly higher than asset growth (27.5% versus 19.7%). This is due to the controlled growth of the bank's balance sheet as well as low dividend payments in 2015. Fitch expects Bantrab to continue to record healthy capitalization in the medium term of above 14% and higher than the industry average.

Most of the dividend payments are related to the bank's preferential shares, as common share dividends tend to be so small that its shareholders do not collect them. Instead, these are accumulated in a payables account that continues to grow each year.

Regulatory capital compares favorably to minimum requirements (10%), strengthened by the issuance of preferential shares in 2013. Bantrab issued a total of GTQ156.6m (USD20.2m) in preferential shares that do not receive equity credit according to Fitch's criteria.

Funding and Liquidity

Funding Based on Stable Deposits

Funding and Liquidity

	Bantrab		System	
(%)	2015	2011–2014 Average	2015	2011–2014 Average
Loans/Customer Deposits	64.9	69.8	81.2	75.9
Customer Deposits/Total Funding (excluding derivatives)	91.8	90.5	83.6	85.3
Liquid Assets/Total Assets	39.3	36.0	28.1	29.5
Liquid Assets/Total Customer Deposits	49.7	45.8	38.6	40.0

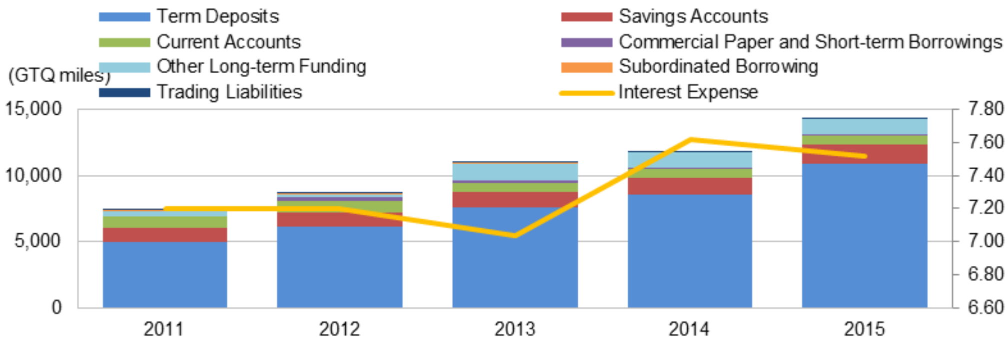
Source: Banco de los Trabajadores y Superintendencia de Bancos de Guatemala (SIB).

Bantrab's funding is primarily based on client deposits, particularly term deposits (76.2% of total funding) with high renewal rates (approximately 90%). This has led to a greater financial cost than the local average (7.5% versus 4.1% for the industry).

Concentration in the 20 largest depositors is high and on an upward trend (27.1% versus 24.8% in 2014). This is due to the institutional depositors with which the bank has a business relationship and whose employees it attends. Most of the institutional depositors are public entities, although the majority of the bank's clients are individuals.

Bantrab's funding also includes some alternative sources of financing. Noteworthy is a seven-year loan from Deutsche Bank AG's London branch, for a total of USD150m, at a fixed rate. Deutsche Bank AG obtained the funds for the loan by successfully issuing instruments in the international capital markets, through a special purpose vehicle (Bantrab Senior Trust) that reflects the conditions of the loan. Fitch believes that there will be no material changes in the bank's funding structure in the medium term, given its continued efforts to attract client deposits, although there has been a decline in the number of credit lines.

Funding Structure



Source: Bantrab.

Above-Industry-Average Liquidity

Liquidity is high, favored by the stability of its deposits through the economic cycles. Liquid asset (cash and equivalents) coverage of total deposits is higher than the Guatemalan industry's. Most liquid assets are sovereign-related instruments available for sale. Fitch believes that their marketability may be limited in a scenario of systemic stress, although the probability of this occurring is low in the medium term.

Support

There is no certainty of obtaining external support, given the government's low ownership in Bantrab and the bank's limited systemic importance.

Banco de los Trabajadores

	31-Dec-2015		31-Dec-2014	31-Dec-2013	31-Dec-2012	31-Dec-2011
	Year End	Year End	Year End	Year End	Year End	Year End
	USDm	GTQm	GTQm	GTQm	GTQm	GTQm
Income Statement						
1. Interest Income on Loans	236.1	1,808.9	1,673.6	1,436.9	1,190.2	1,032.9
2. Other Interest Income	48.1	368.6	276.1	215.6	200.0	139.5
3. Dividend Income	1.6	12.2	6.0	3.3	2.9	2.7
4. Gross Interest and Dividend Income	285.9	2,189.7	1,955.7	1,655.8	1,393.1	1,175.2
5. Interest Expense on Customer Deposits	130.1	996.6	856.3	682.4	546.7	463.6
6. Other Interest Expense	0.0	0.0	19.1	3.8	11.0	2.6
7. Total Interest Expense	130.1	996.6	875.4	686.2	557.7	466.2
8. Net Interest Income	155.8	1,193.1	1,080.3	969.6	835.4	708.9
9. Net Gains (Losses) on Trading and Derivatives	0.1	0.6	(11.3)	(2.5)	(0.8)	(0.9)
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	n.a.	0.0	0.0	0.0
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	n.a.	0.0	0.0	0.0
12. Net Insurance Income	n.a.	n.a.	n.a.	0.0	0.0	0.0
13. Net Fees and Commissions	16.2	124.1	148.9	172.5	150.5	122.5
14. Other Operating Income	(2.3)	(17.7)	(30.5)	(66.7)	(49.8)	(43.6)
15. Total Non-Interest Operating Income	14.0	107.0	107.2	103.3	99.9	77.9
16. Personnel Expenses	69.5	532.3	452.4	387.4	345.2	253.1
17. Other Operating Expenses	43.9	336.5	313.3	313.1	263.2	226.8
18. Total Non-Interest Expenses	113.4	868.8	765.8	700.5	608.4	479.9
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
20. Pre-Impairment Operating Profit	56.3	431.3	421.7	372.3	326.8	306.9
21. Loan Impairment Charge	12.0	92.1	89.0	52.6	76.0	90.3
22. Securities and Other Credit Impairment Charges	0.9	7.2	3.9	3.5	64.5	38.4
23. Operating Profit	43.3	332.0	328.8	316.2	186.3	178.2
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
25. Non-recurring Income	0.0	0.0	0.0	0.0	0.0	0.0
26. Non-recurring Expense	0.0	0.0	0.0	0.0	0.0	0.0
27. Change in Fair Value of Own Debt	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
28. Other Non-operating Income and Expenses	17.9	137.5	79.1	9.6	24.0	20.7
29. Pre-tax Profit	61.3	469.5	407.9	325.8	210.3	198.9
30. Tax expense	6.4	49.1	118.7	112.1	79.2	67.7
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
32. Net Income	54.9	420.3	289.3	213.7	131.1	131.2
33. Change in Value of AFS Investments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
34. Revaluation of Fixed Assets	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
35. Currency Translation Differences	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
36. Remaining OCI Gains/(losses)	n.a.	n.a.	n.a.	n.a.	n.a.	(99.6)
37. Fitch Comprehensive Income	54.9	420.3	289.3	213.7	131.1	31.6
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
39. Memo: Net Income after Allocation to Non-controlling Interests	54.9	420.3	289.3	213.7	131.1	131.2
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	n.a.	0.8	1.6	1.8
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	n.a.	21.4	0.2	0.2
Exchange rate	USD1 = GTQ7.66000		USD1 = GTQ7.59550	USD1 = GTQ7.85210	USD1 = GTQ7.89490	USD1 = GTQ7.80660

Source: Bantrab.

Banco de los Trabajadores

	31-Dec-2015		31-Dec-2014	31-Dec-2013	31-Dec-2012	31-Dec-2011
	Year End	Year End	Year End	Year End	Year End	Year End
	USDm	GTQm	GTQm	GTQm	GTQm	GTQm
Balance Sheet						
Assets						
A. Loans						
1. Residential Mortgage Loans	7.7	58.9	51.6	66.2	65.7	0.0
2. Other Mortgage Loans	0.0	0.0	0.0	n.a.	n.a.	0.0
3. Other Consumer/ Retail Loans	1,092.7	8,370.0	7,561.6	6,204.4	4,964.6	3,833.4
4. Corporate & Commercial Loans	27.9	213.8	296.7	306.7	436.5	630.6
5. Other Loans	0.2	1.7	3.7	8.0	30.2	0.0
6. Less: Reserves for Impaired Loans	41.0	314.2	148.1	139.1	184.3	164.0
7. Net Loans	1,087.5	8,330.3	7,765.5	6,446.2	5,312.7	4,300.0
8. Gross Loans	1,128.5	8,644.4	7,913.5	6,585.2	5,497.0	4,464.0
9. Memo: Impaired Loans included above	26.5	202.7	93.1	93.8	132.7	124.8
10. Memo: Loans at Fair Value included above	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
B. Other Earning Assets						
1. Loans and Advances to Banks	161.3	1,235.4	919.5	2,054.9	883.4	668.2
2. Reverse Repos and Cash Collateral	25.4	194.8	189.9	44.0	n.a.	n.a.
3. Trading Securities and at FV through Income	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
4. Derivatives	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
5. Available for Sale Securities	660.9	5,062.5	3,858.3	2,738.2	2,324.8	2,047.7
6. Held to Maturity Securities	137.2	1,050.6	406.6	505.4	437.2	460.5
7. Equity Investments in Associates	11.3	86.8	72.4	72.4	72.4	72.4
8. Other Securities	0.0	0.2	0.2	0.9	0.2	(1.4)
9. Total Securities	834.8	6,394.9	4,527.5	3,360.9	2,834.5	2,579.2
10. Memo: Government Securities included Above	661.8	5,069.3	3,461.1	3,231.5	2,705.7	n.a.
11. Memo: Total Securities Pledged	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12. Investments in Property	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
13. Insurance Assets	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
14. Other Earning Assets	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
15. Total Earning Assets	2,083.6	15,960.6	13,212.5	11,862.0	9,030.7	7,547.5
C. Non-Earning Assets						
1. Cash and Due From Banks	17.3	132.1	122.8	97.5	101.4	83.8
2. Memo: Mandatory Reserves included above	10.4	79.4	64.3	57.2	47.2	n.a.
3. Foreclosed Real Estate	13.2	101.0	68.4	53.3	26.4	17.2
4. Fixed Assets	21.9	168.0	182.8	168.3	156.5	93.7
5. Goodwill	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
6. Other Intangibles	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
7. Current Tax Assets	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
8. Deferred Tax Assets	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
9. Discontinued Operations	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
10. Other Assets	67.1	513.8	510.7	381.2	308.9	436.0
11. Total Assets	2,203.1	16,875.6	14,097.1	12,562.4	9,623.8	8,178.2

Source: Bantrab

Banco de los Trabajadores

	31-Dec-2015		31-Dec-2014	31-Dec-2013	31-Dec-2012	31-Dec-2011
	Year End	Year End	Year End	Year End	Year End	Year End
	USDm	GTQm	GTQm	GTQm	GTQm	GTQm
Balance Sheet						
Liabilities and Equity						
D. Interest-Bearing Liabilities						
1. Customer Deposits - Current	124.9	956.5	858.4	728.4	671.9	715.7
2. Customer Deposits - Savings	194.8	1,492.4	1,258.6	1,126.1	1,079.6	1,005.8
3. Customer Deposits - Term	1,419.2	10,870.9	8,604.7	7,616.2	6,168.5	4,983.3
4. Total Customer Deposits	1,738.9	13,319.9	10,721.7	9,470.7	7,920.0	6,704.8
5. Deposits from Banks	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
6. Repos and Cash Collateral	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
7. Commercial Paper and Short-term Borrowings	5.1	38.9	45.1	167.1	291.2	7.1
8. Total Money Market and Short-term Funding	1,744.0	13,358.7	10,766.7	9,637.8	8,211.2	6,711.9
9. Senior Unsecured Debt (original maturity > 1 year)	149.5	1,145.4	1,225.5	1,260.2	179.4	386.0
10. Subordinated Borrowing	n.a.	0.0	0.0	76.0	90.0	105.0
11. Covered Bonds	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12. Other Long-term Funding	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
13. Total LT Funding (original maturity > 1 year)	149.5	1,145.4	1,225.5	1,336.2	269.4	491.0
14. Derivatives	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
15. Trading Liabilities	0.1	0.8	2.0	3.3	4.1	4.1
16. Total Funding	1,893.6	14,505.0	11,994.2	10,977.2	8,484.6	7,206.9
E. Non-Interest Bearing Liabilities						
1. Fair Value Portion of Debt	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
2. Credit impairment reserves	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
3. Reserves for Pensions and Other	15.6	119.7	93.4	78.1	51.6	0.0
4. Current Tax Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
5. Deferred Tax Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
6. Other Deferred Liabilities	n.a.	n.a.	n.a.	0.1	0.1	0.0
7. Discontinued Operations	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
8. Insurance Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
9. Other Liabilities	83.3	637.8	721.0	427.7	259.8	272.3
10. Total Liabilities	1,992.5	15,262.5	12,808.5	11,483.0	8,796.1	7,479.2
F. Hybrid Capital						
1. Pref. Shares and Hybrid Capital accounted for as Debt	20.6	157.6	157.6	157.6	1.0	1.0
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	0.0	0.0	0.0	0.0
G. Equity						
1. Common Equity	182.2	1,395.8	1,071.3	862.1	767.0	698.0
2. Non-controlling Interest	n.a.	n.a.	0.0	0.0	0.0	0.0
3. Securities Revaluation Reserves	n.a.	n.a.	0.0	0.0	0.0	0.0
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	0.0	0.0	0.0	0.0
5. Fixed Asset Revaluations and Other Accumulated OCI	7.8	59.6	59.6	59.6	59.6	0.0
6. Total Equity	190.0	1,455.5	1,130.9	921.7	826.7	698.0
7. Total Liabilities and Equity	2,203.1	16,875.6	14,097.1	12,562.4	9,623.8	8,178.2
8. Memo: Fitch Core Capital	190.0	1,455.5	1,130.9	921.7	822.6	698.0
9. Memo: Fitch Eligible Capital	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Exchange rate	USD1 = GTQ7.66000		USD1 = GTQ7.59550	USD1 = GTQ7.85210	USD1 = GTQ7.89490	USD1 = GTQ7.80660

Source: Bantrab.

Banco de los Trabajadores — Summary Analytics

	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11
Interest Ratios					
1. Interest Income on Loans/Average Gross Loans	21.85	23.10	23.39	24.06	24.45
2. Interest Expense on Customer Deposits/Average Customer Deposits	8.29	8.48	7.68	7.57	7.51
3. Interest Income/Average Earning Assets	15.01	17.05	16.52	17.04	17.34
4. Interest Expense/Average Interest-bearing Liabilities	7.52	7.62	7.04	7.20	7.20
5. Net Interest Income/Average Earning Assets	8.18	9.42	9.67	10.22	10.46
6. Net Int. Inc Less Loan Impairment Charges/Av. Earning Assets	7.55	8.64	9.15	9.29	9.13
7. Net Interest Inc Less Preferred Stock Dividend/Average Earning Assets	8.05	9.10	9.46	10.21	10.46
Other Operating Profitability					
1. Non-Interest Income/Gross Revenues	8.23	9.03	9.63	10.68	9.90
2. Non-Interest Expense/Gross Revenues	66.82	64.49	65.30	65.06	60.99
3. Non-Interest Expense/Average Assets	5.61	5.91	6.27	6.91	6.47
4. Pre-impairment Op. Profit/Average Equity	33.35	39.32	39.69	43.18	46.50
5. Pre-impairment Op. Profit/Average Total Assets	2.79	3.26	3.33	3.71	4.14
6. Loans and securities impairment charges/Pre-impairment Op. Profit	23.02	22.04	15.06	43.00	41.94
7. Operating Profit/Average Equity	25.67	30.65	33.71	24.61	27.00
8. Operating Profit/Average Total Assets	2.14	2.54	2.83	2.12	2.40
9. Operating Profit/Risk Weighted Assets	3.56	3.78	4.46	3.18	3.65
Other Profitability Ratios					
1. Net Income/Average Total Equity	32.50	26.97	22.79	17.33	19.87
2. Net Income/Average Total Assets	2.71	2.23	1.91	1.49	1.77
3. Fitch Comprehensive Income/Average Total Equity	32.50	26.97	22.79	17.33	4.78
4. Fitch Comprehensive Income/Average Total Assets	2.71	2.23	1.91	1.49	0.43
5. Taxes/Pre-tax Profit	10.47	29.09	34.40	37.64	34.06
6. Net Income/Risk Weighted Assets	4.51	3.33	3.01	2.24	2.68
Capitalization					
1. Fitch Core Capital/Risk Weighted Assets	15.63	13.01	12.99	14.05	14.28
2. Fitch Eligible Capital/Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/Tangible Assets	8.62	8.02	7.34	8.59	8.53
4. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Total Regulatory Capital Ratio	15.32	12.73	13.67	12.70	13.54
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/Total Assets	8.62	8.02	7.34	8.59	8.53
8. Cash Dividends Paid and Declared/Net Income	4.75	13.61	11.38	1.37	1.51
9. Internal Capital Generation	27.51	22.09	20.55	15.64	18.51
Loan Quality					
1. Growth of Total Assets	19.71	12.22	30.53	17.68	23.05
2. Growth of Gross Loans	9.24	20.17	19.80	23.14	11.94
3. Impaired Loans/Gross Loans	2.35	1.18	1.42	2.41	2.80
4. Reserves for Impaired Loans/Gross Loans	3.63	1.87	2.11	3.35	3.67
5. Reserves for Impaired Loans/Impaired Loans	154.96	159.05	148.31	138.87	131.38
6. Impaired loans less Reserves for Impaired Loans/Fitch Core Capital	(7.66)	(4.86)	(4.91)	(6.27)	(5.61)
7. Impaired Loans less Reserves for Impaired Loans/Equity	(7.66)	(4.86)	(4.91)	(6.24)	(5.61)
8. Loan Impairment Charges/Average Gross Loans	1.11	1.23	0.86	1.54	2.14
9. Net Charge-offs/Average Gross Loans	(0.77)	0.79	2.80	0.45	2.15
10. Impaired Loans + Foreclosed Assets/Gross Loans + Foreclosed Assets	3.47	2.02	2.22	2.88	3.17
Funding and Liquidty					
1. Loans/Customer Deposits	64.90	73.81	69.53	69.41	66.58
2. Interbank Assets/Interbank Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/Total Funding (excluding derivatives)	91.83	89.39	86.28	93.35	93.03
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.	n.a.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.