FitchRatings

Banks

Guatemala

Banco de los Trabajadores

Full Rating Report

Ratings

Foreign Currency

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

[a]Upgraded from 'b+' on April 26, 2019.

Local Currency

Long-Term IDR[b]	BB–
Short-Term IDR	B

[b]Upgraded from 'B+' on April 26, 2019.

National Rating

Long-Term Rating[c]	A–(gtm)
Short-Term Rating	F2(gtm)

[c]Upgraded from 'BBB+(gtm)' on April 26, 2019.

Outlooks

Foreign-Currency Long-Term IDR[d]	Stable
Local Currency Long-Term IDR[d]	Stable
National Long-Term Rating	Positive

[d]Revised from Positive on April 26, 2019.

Financial Data

Banco de los Trabajadores

(GTQ Mil.)	12/31/18	12/31/17
Total Assets (USD Mil.)	3,196.8	2,954.5
Total Assets	24,615.4	21,568.0
Total Common Equity	2,551.9	2,157.7
Operating Profit	511.7	541.0
Published Net Income	512.8	493.1
Comprehensive Income	512.8	493.1
Operating RORWA (%)	3.65	4.25
Net Income/ Average Total Equity	21.33	25.74
Fitch Core Capital/ Weighted Risks (%)	16.40	14.54
Total Regulatory Capital Ratio (%)	18.69	17.10
Impaired Loans/ Gross Loans	1.90	2.90
Loans/Customer Deposits	67.90	71.17

Related Research

Fitch 2019 Outlook: Latin American Banks (December 2018)

Guatemala (April 2019)

Analysts

Adriana Beltrán
+1 +52 81 8399-9151
adriana.beltran@fitchratings.com

Álvaro Castro
+1 503 2516-6615
alvaro.castro@fitchratings.com

Key Rating Drivers

Strengthened Risk Management Controls: Banco de los Trabajadores's (Bantrab or the bank) ratings are mainly driven by its improved risk control framework and risk appetite, which are similar to the industry average. Bantrab's underwriting standards and risk controls indicate a favorable evolution toward better practices.

Pressured Operating Environment: Fitch Ratings believes that Guatemala's economic prospects and heightened political tensions could hinder the overall business environment and limit the banking system's financial prospects, including Bantrab's.

Solid Equity: Solid capitalization also buttresses the bank's growth prospects, which compares favorably with the industry average and its main competitors. Its 2018 Fitch Core Capital (FCC) ratio was 16.4%, which compares favorably with the Guatemalan banking system and most of its competitors.

Good Asset Quality: Bantrab registers good loan quality indicators for its consumer-focused business model due to debt collection via automatic payroll deductions. The nonperforming loan (NPL) ratio over total gross loans for 2018 was 1.9%, while reserve loan coverage was an adequate 111%. Bantrab ranks second in consumer loans in the Guatemalan market.

Sound Profitability: The bank's profitability is sound, based on a high net interest margin, acceptable operational efficiency and moderate loan loss provisions. As of YE18, operating profitability on risk weighted assets was 3.7% versus the industry's 2.1%.

Concentrated Funding Structure: The issuer's funding structure is based on term deposits of higher than average cost but with good stability. This has led to a greater financial cost than the local average (7.7% versus 4.2% for the industry). According to Fitch, the bank's funding structure, less diversified compared to its peers, would improve in the medium term via more correspondent bank relationships.

Adequate Liquidity: Bantrab's liquidity is above industry parameters and would allow a timely response to liquidity needs that might arise. The bank benefits from the stability of its deposits through the economic cycles. Liquid asset (cash and equivalents) coverage of total deposits is higher than the Guatemalan industry average.

Rating Sensitivities

Constraining Operating Environment: Fitch believes that Bantrab's IDR and VR have limited upside potential in the medium term due to the constraining operating environment. On the other hand, if a negative rating action on the sovereign were severe (i.e. a downgrade of more than one notch) or if the bank's evolution of its risk framework and financial profile regressed, its ratings would be downgraded accordingly.

Improvement of Funding and Liquidity Profile: National Ratings would be upgraded if the bank's structural changes were accompanied by further improvements of its funding and liquidity profiles that bring the bank up to its higher rated competitors. In contrast, the National Ratings would remain at their current levels if the bank's funding profile does not continue progressing in accordance to current expectations.

Operating Environment

On April 11, 2019, Fitch affirmed Guatemala's Long-Term Foreign and Local-Currency IDRs at 'BB' but revised the Rating Outlook to Negative from Stable. The revision of Guatemala's Rating Outlook to Negative from Stable reflects heightened political tension and uncertainty and steady erosion in the government's already-low tax collection. Presidential and congressional elections scheduled for this year may result in continued political gridlock and diminishing reform prospects.

Guatemala has a track record of macroeconomic stability, reflected by low volatility of inflation, the GDPs steady though moderate growth and real effective exchange rate relative to peers. Fitch expects 3.2% GDP growth in 2019, driven by recovery in the export sector, looser fiscal stance and positive construction performance. Remittances will continue to support private consumption. Growth picked up to 3.1% in 2018 from 2.8% in 2017 due to private consumption growth funded by remittance inflows.

According to Fitch's criteria, the operating environment assessment is the result of combining two core metrics: GDP per capita and the World Bank's Ease of Doing Business ranking (EDB). Fitch believes these ratios best explain the banks' ability to generate business volumes with acceptable levels of risk. In 2018, both Guatemala's GDP per capita (USD4,500) and EDB (48.7%) were below the median of countries in the 'BB' rating category (USD6,300 and 52.2%, respectively).

The banks' performance might continue to be influenced by the economy's moderate growth prospects although will remain sensitive to the country's challenging political environment. Guatemalan banking system maintains high concentration as the six largest banks account for 88% of total system's assets and deposits along a predominant orientation toward wholesale corporate lending. The banks' maintains a consistent though moderate performance and continue exhibiting reasonable liquidity levels. However, delinquency deterioration has been contained by the banks' risk control frameworks. Fitch believes impairment would not significantly increase in the ratings horizon. The industry's focus on less profitable sectors could continue to pressure net interest margins.

Company Profile

Medium-Sized Bank Focused on Retail Lending

Bantrab is a medium-sized local bank that focuses on consumer lending from primarily low and medium-income formal public sector employees and, to a lesser extent, private sector ones and citizens without access to other banking services. As of December 2018, Bantrab ranks sixth in terms of loan portfolio and total assets, fifth in total customer deposits and equity and is the fourth largest in terms of net profits. The market is highly concentrated, with the three largest banks holding 69.6% of the system's assets. Fitch considers Bantrab to be relevant for the financial inclusion of the Guatemalan working class: It ranks second in consumer lending, 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 a strong financial education component. Bantrab complements its business lines with a small proportion of products and services in the small and medium-sized business segments and bancassurance. The bank provides services through an ample network of branch offices that cover most of the Guatemalan territory, along with electronic coverage (i.e. internet banking, app and chatbot) and other channels of service like banking agents (affiliated commercial outlets where transactions can take place).

Related Criteria

Bank Rating Criteria (October 2018)
National Scale Ratings Criteria (July 2018)

The company's loan portfolio is primarily comprised of consumer loans (98.3%) and residential mortgages (0.4%), complemented by commercial and corporate loans (1.3%). The majority of its operating income derives from financial intermediation (97.5%), with the rest from commissions and fees related to its financial products and services.

Fitch considers Bantrab's competitive advantages come from its ability to collect payments via automatic payroll deductions. This reduces operating income volatility and yields sustainable income levels that compare favorably with most of the local market competition. Fitch expects Bantrab's business model to develop further in the medium term, namely acquiring private sector clients, entrepreneurs and increase mortgage market penetration, specifically in residential mortgages for low-income individuals.

The bank's organizational structure is considered neutral to its ratings. The bank owns three subsidiaries that complement its structure: A finance company named Financiera de los Trabajadores (Fintrab, 94%), with minimum business activity, an insurance company named Aseguradora de los Trabajadores (Astrab, 99.2%), a small firm with a modest market share and good financial profile; and the brokerage house Casa de Bolsa de los Trabajadores (99.0%). According to Guatemalan regulation, one issuer must be legally held responsible for the group of entities, thus being obliged to compensate any equity deficiency of its subsidiaries or sister companies. In that case, Bantrab is the "responsible entity" for Grupo Financiero de los Trabajadores, comprising of the bank, the insurance company, the brokerage house and the finance company.

Management and Strategy

Strong Management Team

Bantrab's senior management exhibits a high degree of credibility, competence and experience in the banking system. It changed almost entirely in the past two years in a progressive and positive way. All recent hires hail from local or foreign financial institutions of a better risk profile and have laid the foundation for an improved corporate culture in part by adapting and applying the best practices from their former employers to Bantrab. Fitch deems this as a major and positive step for improved management and transparency. The agency expects these improvements to permeate and consolidate slowly. Tangible results have begun to register, namely improved operational efficiency, risk controls and better established and measurable goals.

New Board of Directors Chosen Under Improved Process

Bantrab's equity is widely held, registering approximately 200,000 shareholders in total. The bank's shareholder base was created between 1966 and 1991 when it was mandatory for all Guatemalan employees to contribute five GTQs monthly to the bank's equity until each employee reached his or 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 0.25% share of the paid-in capital.

Since 2013, preferred shares have been allocated to the foreign investor DHK Finance, linked alongside former members of the board of directors and employees charged with fraud, illicit associations and embezzlement to the detriment of the bank's common shareholders. As of April 2019, the bank continues to collaborate with Guatemalan authorities in order to legally declare these shares void. Fitch believes that the perceived opaqueness of the bank's organizational structure as diminished under the new management.

The assembly of shareholders is the highest authority of the institution, to which the board of directors answers. The latter includes four members with their respective alternates plus the president. There are no independent directors, although none has a relevant shareholding property, which Fitch highlights as an important difference to other banks with higher ratings. The organic law of Bantrab gives the Guatemalan government the ability to appoint the president of the board of directors. Each director has the right to one vote. As part of a set of relevant changes in the entity's decision-making process, the tie-breaking vote of the president was eliminated, aiding in the corporate governance's democratization.

The board of directors was completed in June 2018 after a General Assembly session that filled the vacancies created by the exit of directors involved in criminal activities. Bantrab devised a new process of electing board members that aims to consider only the most apt candidates based on their competencies, knowledge and experience via an evaluation from an outsourced third party. Furthermore, a due diligence process conducted by the issuer in terms of risks associated with money laundering, terrorism financing, personal financial standing and conflict of interests complemented this reform. After the final candidates are chosen, they are presented to the Assembly of Shareholders for election. The current board is composed of individuals with ample and profound experience in the banking industry; some have held management positions in the bank as recently as 2018.

Fitch deems the current process to elect board members as effective. It also ponders positively that potential modifications to the document that rules this process requires an approval of the Assembly of Shareholders and an endorsement by the regulator Superintendencia de Bancos (SIB per its initials in Spanish). Bantrab also has three internal committees that report to the board: The compliance committee, the risk management committee and the audit committee. Fitch deems this as positive since it strengthens the corporate governance structure and improves compliance of regulatory requirements.

On the other hand, Fitch states that Bantrab's new way of electing a professional board is effective and more transparent, and distances itself from past practices via a more professional and collegiate decision making process. On the other hand, the agency believes that a longer track record of resilience and effectiveness is needed, especially under the current period of heightened political tension and uncertainty.

Loans to related parties are minimal (2018: 0.06% of FCC) and, therefore, do not pose any conflicts of interest for the bank's current management. Fitch also considers positive the continued improvement in the quality of financial reporting continues to improve and compares positively with higher rated banks in the region. Management states that internal audit has evolved to a more risk-based audit from a merely operative one. There's a strong emphasis that audit provides assurance to senior management and the board that efforts by operational management and internal monitoring and oversight perform consistently with expectations.

Fitch believes Bantrab's business strategy to be effective. It is contained in strategic plan that covers gradual actions from 2019 to 2022. Fitch deems its business and financial objectives as sound and feasible. The entity 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 beyond its traditional market segments of public sector employees. A market penetration strategy for private sectors employees is set for the short term while market development strategies are to be implemented in segments of relatively lesser risk.

Fitch believes that Bantrab has the capacity to fulfil its current plan in terms of both business volume and financial objectives if it maximizes its competitive advantages in the retail banking segment. However, its income diversification potential would remain limited in relation to other banks with a more universal business approach.

Bantrab's execution is sound. The bank has fulfilled most of its business and financial goals for the 2018 fiscal period. Fitch denotes how the customer deposits franchise and correspondent banking relationships have improved.

Risk Appetite

Improved Risk Management Framework

Bantrab's risk policies follow local regulations and, alongside their respective procedures, are considered to be adequate. These have been strengthened by the best practices introduced by senior management hailing from other institutions. The bank's risk management structure has increased in relation to previous periods in order to fully administrate risks. Moreover, a major overhaul of risk processes and procedures in the past three years has been performed. Around 80% of changes in risk manuals and documents of the past five years has been performed under the new management, which began in the latter part of 2016.

The risk management structure is comprised of a series of committees that meet periodically, including compliance, risk management, assets and liability management and audit. The bank also has a number of commissions that articulate the functions of specific areas such as strategy, collections, technology, operational risk and fraud, etc. Fitch believes that these are generally effective. The agency also believes that the assignment of roles in these committees and commissions has improved, namely the elimination of voting roles for staff that may incur in a conflict of interest and the determination that the bank's president is not a member of any of these decision taking groups since the role has exhibited a long history of high rotation. Also, the composition of each committee or commission ensures that no director leads a higher number than others, ensuring the mitigation of potential concentration of power.

Underwriting — High-Risk Appetite Mitigated by Collection Method

Credit underwriting for consumer loans has been strengthened through a revision of policies, parameters and risk metrics. Improvements include the creation of a specific area for credit card underwriting, voluntary payment (unlike the payroll discount) and a credit collection scoring system. Fitch believes these are important changes that may yield positive results as more products are deployed.

Underwriting follows a checklist of socioeconomic variables in accordance with the local industry standard, such as age, place of residence, credit references and bureau scores, income level, current internal and external debt levels, etc. However, the consumer loan portfolio's credit risk is mainly mitigated by the collection of payments through direct payroll deductions (93% of the total). In the case of residential mortgages, a loan-to-value of 80% is taken into account. Generally, pricing is considered adequate due to the high risk of the core customer segments.

Investment policies are simple albeit adequate to the level of development of the Guatemalan market: Investment in sovereign-backed securities presents are allowed as long as liquidity needs are not compromised. These types of securities predominate in the market and are in ample demand. In the case of private sector-issued securities, the main condition is that these must hold an investment-grade rating on an international scale in the case of foreign issues or national scale for issues available in the local market.

Fitch recognizes the improvement in Bantrab's risk controls in relation to its recent past, especially in its internal management control framework. Positively, a considerable investment in information technology is under way in order to support its operations and provide a robust capacity for further growth. Fitch expects these policies and controls to consolidate in terms of effectiveness in the medium term in order to be considered in line with the higher rated issuers in the market.

Credit Risk

The main risk exposure of the bank is credit risk, primarily through its net loan and investment portfolios (53.1% and 28.9% of earning assets, respectively). The main mitigating factor of the loan portfolio's credit risk is its payroll collection scheme. The bank also relies on vintage loan monitoring and an aggressive collection strategy for overdue loans that do not fall under the discount-via-payroll arrangement. The bank has strengthened its risk controls via risk-based pricing per business segment, expected loss and expected recovery exercises plus traditional credit vintage monitoring. It also relies on a diversified number of outsourced collection agencies.

On the other hand, the investment portfolio's credit risk is primarily related to the Guatemalan sovereign risk. This is because of limited investment options in this market and because Guatemalan-sovereign securities favor the calculation of regulatory capital ratio. Most of the portfolio is listed as available for sale.

Liquidity Risk

The bank monitors the various indicators linked to liquidity management, including: liability structure, volatility of customer loans, liquidity coverage ratios, stress tests, among others. In 2018, according to management, liquidity risk indicators remained within the established parameters. It also included the calculation of the liquidity coverage ratio, which yields above 100%. The bank presents a contingency liquidity plan with periodic updates. According to management, new tools with more detailed information are currently in development in order to extend the reach of evaluation and to improve treasury management practices.

Operational Risk

Fitch believes that Bantrab has taken the necessary measures to reduce the gap in operational measures that contributed to the issues detected in 2016. These mainly include the development of tools such as a three-lines-of-defense scheme, where the front, middle- and back-office sections have all their processes mapped out and documented. The bank's operational risk framework has been improved and now follows COSO and ISO standards, going beyond the regulatory standards. Economic losses due to operational risk events amounted to 0.22% of total equity. Fitch states that the sustainability of these measures over time is a slow but steady process and believes that there is a good chance of them being enforced effectively, thus improving the bank's risk profile and reducing its reputational risk.

Technological Risk

According to management, the bank's technological systems have been strengthened. There is a project in development that would define the levels of authority and classification of the bank's data, assessing the importance and confidentiality of information sources, which Fitch deems as positive. No major technological risk events were recorded in 2018.

Bantrab's business volume and general balance sheet growth continued to rank well above the system median: By YE18, its gross loans portfolio grew 9.2% versus the system's median of 6.7%; also, its total assets grew 14.1% versus the system's 7.5%. These results reflect the issuer's appetite for growth in contrast with the rest of the industry, which tends to favor corporate and commercial loans. Fitch believes that Bantrab will be able to fulfil its growth prospects for 2019 given its dominant position in its core market segment.

Nonmaterial Exposures to Market Risks

Interest Rate Risk

Interest rates are adjustable for both assets and liabilities. The bank uses the local reference rate as the rest of the industry and benefits from the ample spread earned due to the adequate pricing of its loans.

Trading Risk

The risk linked to the investment portfolio is moderate because it is composed of securities with good liquidity and in line with the liquidity maintenance guidelines. The majority of the portfolio consists of issues with sovereign guarantee with duration of approximately five years as of YE18. The bank carries out valuations at the market price, obtaining positive results.

Exchange Rate Risk

The bank has a short foreign currency position that represents 8.2% of its equity exchange rate risk and is also mitigated by the relatively stable Guatemalan exchange rate. The bank does not do business in USD and its funding are mostly in local currency.

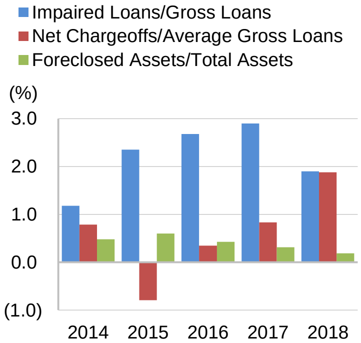
Financial Profile

Asset Quality

Strong Competitive Advantage via Payroll Deduction Scheme

Bantrab's asset quality is good. The 90-day or more NPL ratio is low for a bank focused on the high risk segments of the retail banking business, thanks to the automatic payroll-deduction collection method. The impaired loans ratio decreased to 1.90% from 2.90% of 2017 due to a larger amount of overdue loans being written off. However, as of 2018, the overall proportion of 90+ overdue loans and net chargeoffs remained constant in relation to 2017 *(see Loan Portfolio Quality graphic)*. Despite this, Fitch believes that Bantrab will exhibit an impaired loans ratio of around 2% in 2019 and lower write offs mainly due to its improved underwriting policies as risk metrics such as vintages show.

Loan Portfolio Quality



Source: Bantrab.

Charge offs become effective at 180 days as a measure to exhaust every collecting tactic, therefore writing off only those loans that are definitely nonrecoverable. Aggressive collecting continues beyond the writing off process. The agency deems this as positive given the high risk segments attended.

On the other hand, NPL coverage is sufficient at 111% but compares below the bank's 2014–2017 average of 140%. Due to the nature of its business, the bank's loan portfolio is highly granular, with concentrations representing only 0.92% of total loans and 0.05% of FCC while real guarantees are nearly non-existent at approximately 1.7%

Fitch believes that Bantrab's historical concentration in the public sector will effectively decrease in a slow, progressive way due to the refocused risk policies which aim to fulfil the bank's mission of providing financial products and services to all the Guatemalan working force, beyond selected public service institutions. As of 2018, 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 0.86% of total loans denominated in foreign currency (2017: 1.0%). In addition, the entity does not show exposure to nonresidents to its credit portfolio. The good asset quality also translated into insignificant levels of restructured loans and foreclosed assets, which combined represented less than 0.5% of gross loans.

Investments Focused on Sovereign-Backed Securities

Bantrab registers a significant exposure to the Guatemalan sovereign. As of December 2018, instruments issued or guaranteed by the sovereign or the Central Bank of Guatemala represented 94.8% of total securities held and about 30% of total assets. Around 81% of the portfolio will mature in five or more years and is classified as available for sale.

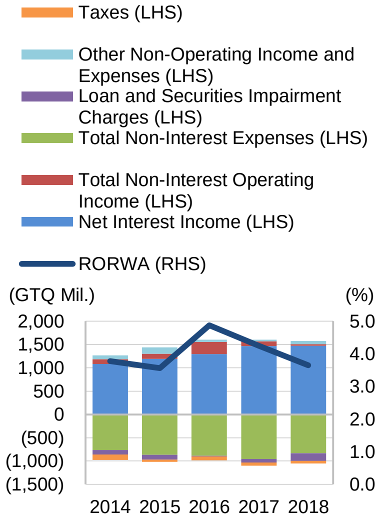
Earnings and Profitability

Operating Profitability According to Risks Taken

Bantrab's operating profitability is high as a result of adequate NIM, increased operating efficiency and moderate provisioning. Operating profit over risk-weighted assets was 3.7%, well above the 2.1% of the banking industry and the 3.1% of the closest competitor in retail banking. All other profitability indicators place the bank well above the system median. However, operating profitability has slightly declined in relation to previous periods due to regulatory and market reasons that affected income lines. This was moderately compensated via improved administrative practices.

Financial income was affected by slower credit placement and a high cost of funding; also, nonfinancial income reduced since the credit disbursement fee passed to cash-based accounting from the accrual-based method per the regulator's indication Overall operating expenses fell despite increased marketing expenditure and IT investments via reduced insurance fees and new outsourcing schemes. Loan impairment charges, while still moderate, increased due to all of these provisions being listed in the income statement and not partly in the capital side of the balance sheet, thus providing a more transparent and true view of the bank's profitability levels.

Income Statement Structure



RORWA – Operating Profit/ Risk Weighted Assets.
Source: Bantrab.

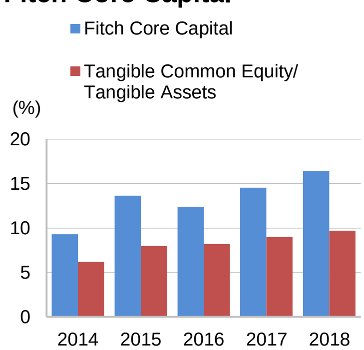
Fitch expects Bantrab to continue registering high profit metrics due to continued loan growth at lending rates that are adequate for its target segments and effective operating expense controls. However, funding costs, namely interests paid for customer deposits, with greater participation of term deposits, will continue to hinder the NIM from reaching optimum levels. The agency believes that there is enough deposit repricing margin to reduce funding cost. Fitch believes that the bank's income sources will continue to be linked to the retail banking business as this will remain at the core of its strategy; income diversification prospects in the short term are low.

Capitalization and Leverage

Strong Capitalization

The bank's capitalization remains strong. As of December 2018, its FCC is at a peak of 16.4% exceeding its historical average. Payouts are consistently low, keeping equity growth higher than total asset growth (18.3% versus 14.1%). Fitch expects Bantrab to continue to record healthy capitalization levels in the medium term with a FCC above 15%, higher than the industry average.

Fitch Core Capital



Source: Bantrab.

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 payments are accumulated in accounts payable that grow each year, ceasing to be part of the capital.

The bank's preferential shares do not receive equity credit according to Fitch's criteria. The "B" series of these shares remain seized by the Guatemalan authorities have been retaining these shares since the investor is currently under investigation alongside a number of former bank officials and are expected to become void in a judicial process. They payment of these shares to the Guatemalan government would not affect the bank's equity ratios materially.

Funding and Liquidity

Funding Structure Based on High Cost Deposits

Bantrab's funding structure is primarily based on stable customer deposits, particularly term deposits (85% of total funding) with high renewal rates (95%). This has led to a greater financial cost than the local average (7.7% versus 4.2% for the industry). Concentration in the 20 largest depositors is high and in line with previous years (30.1% versus 2015–2017 average of 29.1%). This is due to the institutional depositors the bank has business relationships with and whose employees it attends. Most of the institutional depositors are public entities, although the majority of Bantrab'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 USD150 million 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. According to management, the bank will deliberately limit the growth of deposits taken in order to equate their growth with gross loans growth via repricing. Fitch believes that these measures could be effective in the medium term.

Above-Industry Average Liquidity

Liquidity is high, favored by the stability of its deposits throughout the economic cycles. Liquid asset (cash and equivalents) coverage of total deposits is higher than the Guatemalan financial sector: 49% versus 42%. 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 this has a low probability of occurring in the medium term.

Support

Bantrab's Support Rating of 5 and Support Rating Floor of NF are based on the uncertainty of obtaining external support given the government's low ownership in Bantrab and the bank's limited systemic importance.

Debt Ratings

Fitch has assigned a 'B+' long-term foreign currency rating to Bantrab Senior Trust's (BST) seven-year USD loan participation notes. These notes are senior unsecured obligations that rank equally to Bantrab's unsecured and unsubordinated obligations. The notes were issued for USD150 million and are secured by BST's sole asset, a 100% participation in and to a senior unsecured loan from Deutsche Bank AG, London to Bantrab.

Banco de los Trabajadores — Income Statement

	2018			2017		2016		2015		2014	
(Years Ended Dec. 31)	USD Mil.	GTQ Mil.	As % of Earning Assets	GTQ Mil.	As % of Earning Assets	GTQ Mil.	As % of Earning Assets	GTQ Mil.	As % of Earning Assets	GTQ Mil.	As % of Earning Assets
Interest Income on Loans	325.7	2,507.9	10.58	2,285.3	11.09	1,985.0	11.44	1,808.9	11.33	1,673.6	12.66
Other Interest Income	60.1	462.6	1.95	423.7	2.06	456.7	2.63	368.6	2.31	276.1	2.09
Dividend Income	3.5	27.1	0.11	16.3	0.08	13.9	0.08	12.2	0.08	6.0	0.05
Gross Interest and Dividend Income	**389.3**	**2,997.6**	**12.64**	**2,725.4**	**13.22**	**2,455.6**	**14.15**	**2,189.7**	**13.72**	**1,955.7**	**14.80**
Interest Expense on Customer Deposits	184.1	1,417.3	5.98	1,164.3	5.65	1,130.6	6.52	997.0	6.25	856.3	6.48
Other Interest Expense	14.0	108.1	0.46	92.7	0.45	48.6	0.28	0.0	0.00	19.1	0.14
Total Interest Expense	**198.1**	**1,525.5**	**6.43**	**1,257.0**	**6.10**	**1,179.2**	**6.80**	**997.0**	**6.25**	**875.4**	**6.62**
Net Interest Income	**191.2**	**1,472.1**	**6.21**	**1,468.3**	**7.12**	**1,276.4**	**7.36**	**1,192.7**	**7.47**	**1,080.3**	**8.17**
Net Fees and Commissions	8.5	65.2	0.27	149.4	0.72	143.4	0.83	124.1	0.78	148.9	1.13
Net Gains (Losses) on Trading and Derivatives	N.A.	N.A.	—	N.A.	—	(3.7)	(0.02)	0.6	0.00	(11.3)	(0.09)
Net Gains (Losses) on Assets and Liabilities at FV	N.A.	N.A.	—	N.A.	—	0.0	0.00	N.A.	—	0.0	0.00
Net Gains (Losses) on Other Securities	2.7	20.6	0.09	0.0	0.00	0.0	0.00	N.A.	—	0.0	0.00
Net Insurance Income	N.A.	N.A.	—	N.A.	—	0.0	0.00	N.A.	—	0.0	0.00
Other Operating Income	(6.2)	(47.4)	(0.20)	(48.5)	(0.24)	8.2	0.05	(17.7)	(0.11)	(30.5)	(0.23)
Total Non-Interest Operating Income	**5.0**	**38.4**	**0.16**	**100.9**	**0.49**	**147.8**	**0.85**	**107.0**	**0.67**	**107.2**	**0.81**
Total Operating Income	**196.2**	**1,510.5**	**6.37**	**1,569.2**	**7.61**	**1,424.3**	**8.21**	**1,299.7**	**8.14**	**1,187.5**	**8.99**
Personnel Expenses	65.3	503.0	2.12	606.0	2.94	535.0	3.08	534.0	3.35	452.4	3.42
Other Operating Expenses	43.0	331.0	1.40	347.6	1.69	354.7	2.04	334.8	2.10	313.3	2.37
Total Non-Interest Expenses	**108.3**	**834.0**	**3.52**	**953.6**	**4.63**	**889.7**	**5.13**	**868.8**	**5.44**	**765.8**	**5.79**
Equity-accounted Profit/(Loss) — Operating	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Pre-Impairment Operating Profit	**87.9**	**676.5**	**2.85**	**615.7**	**2.99**	**534.5**	**3.08**	**430.9**	**2.70**	**421.7**	**3.19**
Loan Impairment Charge	19.5	150.0	0.63	74.7	0.36	14.3	0.08	92.1	0.58	89.0	0.67
Securities and Other Credit Impairment Charges	1.9	14.8	0.06	N.A.	—	0.0	0.00	7.2	0.05	3.9	0.03
Operating Profit	**66.5**	**511.7**	**2.16**	**541.0**	**2.62**	**520.3**	**3.00**	**331.7**	**2.08**	**328.8**	**2.49**
Equity-accounted Profit/(Loss) — Non-operating	N.A.	N.A.	—	N.A.	—	0.0	0.00	N.A.	—	0.0	0.00
Goodwill Impairment	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Non-recurring Income	4.7	36.2	0.15	23.9	0.12	29.7	0.17	0.0	0.00	0.0	0.00
Non-recurring Expense	0.8	5.9	0.02	5.7	0.03	6.2	0.04	0.0	0.00	0.0	0.00
Change in Fair Value of Own Debt	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Other Non-operating Income and Expenses	2.9	22.0	0.09	7.6	0.04	(29.1)	(0.17)	137.8	0.86	79.1	0.60
Pre-tax Profit	**73.2**	**564.0**	**2.38**	**566.8**	**2.75**	**514.6**	**2.97**	**469.5**	**2.94**	**407.9**	**3.09**
Tax Expense	6.6	51.2	0.22	73.6	0.36	79.3	0.46	49.1	0.31	118.7	0.90
Profit/(Loss) from Discontinued Operations	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Net Income	**66.6**	**512.8**	**2.16**	**493.1**	**2.39**	**435.3**	**2.51**	**420.3**	**2.63**	**289.3**	**2.19**
Change in Value of AFS Investments	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Revaluation of Fixed Assets	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Currency Translation Differences	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Remaining OCI Gains/(Losses)	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Fitch Comprehensive Income	**66.6**	**512.8**	**2.16**	**493.1**	**2.39**	**435.3**	**2.51**	**420.3**	**2.63**	**289.3**	**2.19**
Memo: Profit Allocation to Non-controlling Interests	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Memo: Net Income after Allocation to Non-controlling Interests	66.6	512.8	2.16	491.0	2.38	435.3	2.51	420.3	2.63	289.3	2.19
Memo: Common Dividends Relating to the Period	0.7	5.1	0.02	5.1	0.02	5.1	0.03	1.0	0.01	3.2	0.02
Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	2.5	18.9	0.08	18.9	0.09	18.9	0.11	18.9	0.12	36.2	0.27

[a]Exchange rate: 2018 – USD1 = GTQ7.7; 2017 – USD1 = GTQ7.3; 2016 – USD1 = GTQ7.5; 2015 – USD1 = GTQ7.7; 2014 – USD1 = GTQ7.6. N.A. – Not applicable.
Source: Fitch Ratings, Fitch Solutions and Banco de los Trabajadores.

Banco de los Trabajadores — Balance Sheet

	2018			2017		2016		2015		2014	
(Years Ended Dec. 31)	USD Mil.	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets
Assets											
Loans											
Residential Mortgage Loans	6.4	49.6	0.20	52.5	0.24	55.7	0.31	58.9	0.35	51.6	0.37
Other Mortgage Loans	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	N.A.	—
Other Consumer/Retail Loans	1,703.1	13,114.1	53.28	12,006.8	55.67	10,636.9	58.31	8,370.0	49.60	7,561.6	53.64
Corporate and Commercial Loans	23.3	179.1	0.73	156.6	0.73	183.3	1.00	213.8	1.27	296.7	2.10
Other Loans	0.0	0.2	0.00	0.3	0.00	0.3	0.00	1.7	0.01	3.7	0.03
Less: Loan Loss Allowances	36.4	280.5	1.14	367.7	1.70	401.9	2.20	314.2	1.86	148.1	1.05
Net Loans	**1,696.4**	**13,062.5**	**53.07**	**11,848.4**	**54.94**	**10,474.3**	**57.42**	**8,330.3**	**49.36**	**7,765.5**	**55.09**
Gross Loans	**1,732.9**	**13,343.0**	**54.21**	**12,216.2**	**56.64**	**10,876.2**	**59.62**	**8,644.4**	**51.22**	**7,913.5**	**56.14**
Memo: Impaired Loans included Above	32.9	253.0	1.03	354.4	1.64	290.9	1.59	202.7	1.20	93.1	0.66
Memo: Specific Loan Loss Allowances	27.9	214.6	0.87	336.1	1.56	N.A.	—	N.A.	—	N.A.	—
Other Earning Assets											
Loans and Advances to Banks	394.2	3,035.6	12.33	2,874.2	13.33	1,259.1	6.90	1,235.4	7.32	919.5	6.52
Reverse Repos and Securities Borrowing	54.7	421.5	1.71	218.4	1.01	195.6	1.07	194.8	1.15	189.9	1.35
Derivatives	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Trading Securities and at FV through Income	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Securities at FV through OCI/Available for Sale	796.0	6,129.3	24.90	5,256.3	24.37	4,715.2	25.85	4,256.0	25.22	3,108.0	22.05
Securities at Amortized Cost/Held to Maturity	128.1	986.4	4.01	343.4	1.59	48.7	0.27	1,050.6	6.23	406.9	2.89
Other Securities	0.0	0.0	0.00	0.0	0.00	655.5	3.59	894.2	5.30	826.1	5.86
Total Securities	**924.1**	**7,115.7**	**28.91**	**5,599.7**	**25.96**	**5,419.3**	**29.71**	**6,200.8**	**36.74**	**4,341.1**	**30.79**
Memo: Government Securities included Above	974.4	7,503.1	30.48	5,576.5	25.86	5,315.7	29.14	5,101.7	30.23	3,496.4	24.80
Memo: Total Securities Pledged	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Equity Investments in Associates	9.6	73.9	0.30	73.9	0.34	N.A.	—	N.A.	—	0.0	0.00
Investments in Property	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Insurance Assets	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Other Earning Assets	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Total Earning Assets	**3,079.1**	**23,709.2**	**96.32**	**20,614.6**	**95.58**	**17,348.3**	**95.10**	**15,961.3**	**94.58**	**13,216.1**	**93.75**
Non-Earning Assets											
Cash and Due From Banks	18.1	139.6	0.57	160.3	0.74	127.2	0.70	132.1	0.78	122.8	0.87
Memo: Mandatory Reserves included Above	370.9	2,856.1	11.60	101.7	0.47	85.8	0.47	79.4	0.47	64.3	0.46
Foreclosed Assets	6.0	45.9	0.19	67.9	0.31	77.8	0.43	101.0	0.60	68.4	0.48
Fixed Assets	23.1	177.6	0.72	168.9	0.78	168.6	0.92	168.0	1.00	182.8	1.30
Goodwill	0.5	4.1	0.02	4.1	0.02	4.1	0.02	4.1	0.02	4.1	0.03
Other Intangibles	23.6	181.8	0.74	237.0	1.10	212.2	1.16	285.1	1.69	271.9	1.93
Current Tax Assets	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Deferred Tax Assets	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Discontinued Operations	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Other Assets	46.4	357.2	1.45	315.2	1.46	304.6	1.67	223.9	1.33	231.2	1.64
Total Assets	**3,196.8**	**24,615.4**	**100.00**	**21,568.0**	**100.00**	**18,242.8**	**100.00**	**16,875.6**	**100.00**	**14,097.1**	**100.00**

[a]Exchange rate: 2018 – USD1 = GTQ7.7; 2017 – USD1 = GTQ7.3; 2016 – USD1 = GTQ7.5; 2015 – USD1 = GTQ7.7; 2014 – USD1 = GTQ7.6. N.A. – Not applicable.
Continued on next page.
Source: Fitch Ratings, Fitch Solutions and Banco de los Trabajadores.

Banco de los Trabajadores — Balance Sheet (Continued)

	2018			2017		2016		2015		2014	
(Years Ended Dec. 31)	USD Mil.	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets	GTQ Mil.	As % of Assets
Liabilities and Equity											
Interest-Bearing Liabilities											
Total Customer Deposits	2,552.3	19,652.4	79.84	17,165.8	79.59	14,357.9	78.70	13,319.9	78.93	10,721.7	76.06
Deposits from Banks	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Repos and Securities Lending	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Commercial Paper and Short-term Borrowings	N.A.	N.A.	—	N.A.	—	0.0	0.00	38.9	0.23	45.1	0.32
Customer Deposits and Short-term Funding	**2,552.3**	**19,652.4**	**79.84**	**17,165.8**	**79.59**	**14,357.9**	**78.70**	**13,358.7**	**79.16**	**10,766.7**	**76.38**
Senior Unsecured Debt	150.8	1,161.1	4.72	1,101.8	5.11	1,128.3	6.19	1,145.4	6.79	1,225.5	8.69
Subordinated Borrowing	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Covered Bonds	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Other Long-term Funding	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Total Long-Term Funding	**150.8**	**1,161.1**	**4.72**	**1,101.8**	**5.11**	**1,128.3**	**6.19**	**1,145.4**	**6.79**	**1,225.5**	**8.69**
Memo: o/w Matures in less than One Year	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Trading Liabilities	N.A.	N.A.	—	N.A.	—	0.8	0.00	0.8	0.00	2.0	0.01
Total Funding	**2,703.1**	**20,813.5**	**84.55**	**18,267.5**	**84.70**	**15,487.0**	**84.89**	**14,505.0**	**85.95**	**11,994.2**	**85.08**
Derivatives	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Total Funding and Derivatives	**2,703.1**	**20,813.5**	**84.55**	**18,267.5**	**84.70**	**15,487.0**	**84.89**	**14,505.0**	**85.95**	**11,994.2**	**85.08**
Non-Interest Bearing Liabilities											
Fair Value Portion of Debt	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Credit Impairment Reserves	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Reserves for Pensions and Other	6.6	51.0	0.21	116.4	0.54	113.2	0.62	119.7	0.71	93.4	0.66
Current Tax Liabilities	6.6	51.2	0.21	73.6	0.34	N.A.	—	N.A.	—	0.0	0.00
Deferred Tax Liabilities	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Other Deferred Liabilities	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Discontinued Operations	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Insurance Liabilities	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	0.0	0.00
Other Liabilities	128.7	991.2	4.03	795.1	3.69	792.2	4.34	481.3	2.85	721.0	5.11
Total Liabilities	**2,845.1**	**21,906.9**	**89.00**	**19,252.7**	**89.27**	**16,392.5**	**89.86**	**15,105.9**	**89.51**	**12,808.5**	**90.86**
Hybrid Capital											
Preferred Shares and Hybrid Capital Accounted for as Debt	20.3	156.6	0.64	157.6	0.73	157.6	0.86	157.6	0.93	157.6	1.12
Preferred Shares and Hybrid Capital Accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Equity											
Common Equity	328.0	2,525.7	10.26	2,110.9	9.79	1,651.5	9.05	1,552.4	9.20	1,071.3	7.60
Non-controlling Interest	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Securities Revaluation Reserves	(1.7)	(12.7)	(0.05)	4.8	0.02	(4.0)	(0.02)	0.0	0.00	N.A.	—
Foreign Exchange Revaluation Reserves	N.A.	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Fixed Asset Revaluations and Other Accumulated OCI	5.1	38.9	0.16	42.0	0.19	45.2	0.25	59.6	0.35	59.6	0.42
Total Equity	**331.4**	**2,551.9**	**10.37**	**2,157.7**	**10.00**	**1,692.7**	**9.28**	**1,612.0**	**9.55**	**1,130.9**	**8.02**
Memo: Equity plus Preferred Shares and Hybrid Capital Accounted for as Equity	331.4	2,551.9	10.37	2,157.7	10.00	1,692.7	9.28	1,612.0	9.55	1,130.9	8.02
Total Liabilities and Equity	**3,196.8**	**24,615.4**	**100.00**	**21,568.0**	**100.00**	**18,242.8**	**100.00**	**16,875.6**	**100.00**	**14,097.1**	**100.00**
Memo: Fitch Core Capital	298.7	2,300.2	9.34	1,849.8	8.58	1,417.6	7.77	1,271.5	7.53	809.8	5.74

[a]Exchange rate: 2018 – USD1 = GTQ7.7; 2017 – USD1 = GTQ7.3; 2016 – USD1 = GTQ7.5; 2015 – USD1 = GTQ7.7; 2014 – USD1 = GTQ7.6. N.A. – Not applicable.
Source: Fitch Ratings, Fitch Solutions and Banco de los Trabajadores.

Banco de los Trabajadores — Summary Analytics

(%, Years Ended Dec. 31)	2018	2017	2016	2015	2014
Interest Ratios					
Interest Income/Average Earning Assets	13.29	14.46	14.62	14.84	15.60
Interest Income on Loans/Average Gross Loans	19.58	19.73	20.59	22.32	23.10
Interest Expense on Customer Deposits/Average Customer Deposits	7.54	7.46	8.06	8.15	8.48
Interest Expense/Average Interest-bearing Liabilities	7.65	7.52	7.77	7.41	7.62
Net Interest Income/Average Earning Assets	6.53	7.79	7.60	8.08	8.62
Net Interest Income less Loan Impairment Charges/Average Earning Assets	5.86	7.39	7.52	7.46	7.91
Net Interest Income less Preferred Stock Dividend/Average Earning Assets	6.44	7.69	7.49	7.95	8.33
Other Operating Profitability Ratios					
Operating Profit/Risk Weighted Assets	3.65	4.25	4.54	3.56	3.78
Non-Interest Expense/Gross Revenues	55.21	60.77	62.47	66.84	64.49
Loans and securities impairment charges/Pre-impairment Operating Profit	24.36	12.13	2.67	23.04	22.04
Operating Profit/Average Total Assets	2.13	2.74	2.94	2.12	2.47
Non-Interest Income/Gross Revenues	2.54	6.43	10.38	8.23	9.03
Non-Interest Expense/Average Total Assets	3.47	4.83	5.03	5.57	5.75
Pre-impairment Operating Profit/Average Equity	28.13	32.13	32.12	31.05	39.32
Pre-impairment Operating Profit/Average Total Assets	2.81	3.12	3.02	2.76	3.17
Operating Profit/Average Equity	21.28	28.23	31.26	23.90	30.65
Other Profitability Ratios					
Net Income/Average Total Equity	21.33	25.74	26.16	30.29	26.97
Net Income/Average Total Assets	2.13	2.50	2.46	2.69	2.17
Fitch Comprehensive Income/Average Total Equity	21.33	25.74	26.16	30.29	26.97
Fitch Comprehensive Income/Average Total Assets	2.13	2.50	2.46	2.69	2.17
Taxes/Pre-tax Profit	9.07	12.99	15.41	10.47	29.09
Net Income/Risk Weighted Assets	3.66	3.88	3.80	4.51	3.33
Capitalization					
FCC/FCC-Adjusted Risk Weighted Assets	16.40	14.54	12.37	13.65	9.31
Tangible Common Equity/Tangible Assets	9.69	8.99	8.19	7.98	6.19
Equity/Total Assets	10.37	10.00	9.28	9.55	8.02
Basel Leverage Ratio	N.A.	N.A.	N.A.	N.A.	0.00
Common Equity Tier 1 Capital Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Fully Loaded Common Equity Tier 1 Capital Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 1 Capital Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Total Capital Ratio	18.69	17.10	14.67	15.32	12.73
Impaired Loans less Loan Loss Allowances/Fitch Core Capital	(1.20)	(0.72)	(7.83)	(8.76)	(6.79)
Impaired Loans less Loan Loss Allowances/Equity	(1.08)	(0.62)	(6.56)	(6.91)	(4.86)
Cash Dividends Paid and Declared/Net Income	4.68	4.87	5.52	4.75	13.61
Risk Weighted Assets/Total Assets	57.00	58.97	62.80	55.20	61.67
Risk Weighted Assets — Standardized/Risk Weighted Assets	N.A.	N.A.	N.A.	N.A.	N.A.
Risk Weighted Assets — Advanced Method/Risk Weighted Assets	N.A.	N.A.	N.A.	N.A.	N.A.
Loan Quality					
Impaired Loans/Gross Loans	1.90	2.90	2.68	2.35	1.18
Growth of Gross Loans	9.22	12.32	25.82	9.24	20.17
Loan Loss Allowances/Impaired Loans	110.88	103.76	138.14	154.96	159.05
Loan Impairment Charges/Average Gross Loans	1.17	0.64	0.15	1.14	1.23
Growth of Total Assets	14.13	18.23	8.10	19.71	12.22
Loan Loss Allowances/Gross Loans	2.10	3.01	3.70	3.63	1.87
Net Charge-offs/Average Gross Loans	1.88	0.83	0.35	(0.79)	0.79
Impaired Loans + Foreclosed Assets/Gross Loans + Foreclosed Assets	2.23	3.44	3.37	3.47	2.02
Funding and Liquidity					
Loans/Customer Deposits	67.90	71.17	75.75	64.90	73.81
Liquidity Coverage Ratio	N.A.	N.A.	N.A.	N.A.	0.00
Customer Deposits/Total Funding (including Pref. Shares and Hybrids)	93.72	93.17	91.78	90.84	88.23
Interbank Assets/Interbank Liabilities	N.A.	N.A.	N.A.	N.A.	N.A.
Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.	0.00
Growth of Total Customer Deposits	14.49	19.56	7.79	24.23	13.21

N.A. – Not applicable.
Source: Fitch Ratings, Fitch Solutions and Banco de los Trabajadores.

The ratings above were solicited and assigned or maintained at the request of the rated entity/Issuer or a related third party. Any exceptions follow below.