

Banistmo, S.A.

Full Rating Report

Ratings Foreign Currency

Long-Term IDR	BBB
Short-Term IDR	F2

Viability Rating	bbb-
Support	2
Support Floor	NF

National Scale Ratings

Long-Term Rating	AA+(pan)
Short-Term Rating	F1+(pan)

Sovereign Rating

Long-Term Foreign Currency	BBB
Long-Term Local Currency	BBB
Country Ceiling	A

Outlooks

Long-Term Foreign-Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Rating	Stable

Financial Data

Banistmo, S.A.

	09/30/13	12/31/12
Assets (\$ m)	9,030.4	9,634.6
Equity (\$ m)	748.9	775.0
Net Income (\$ m)	(7.5)	58.2
ROAA (%)	(0.1)	0.5
Fitch Core	11.1	9.6
Capital/RWA (%)		

Related Research

[Bancolombia, S.A., Oct. 24, 2013](#)
[2014 Outlook: Central America and the Dominican Republic, Dec. 16, 2013](#)
[Panama, May 22, 2013](#)

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Support from Bancolombia: Banistmo, S.A. IDR is driven by the potential support it would receive from its new holding company, the Colombian Bancolombia, S.A. ('BBB'/Stable), should it be required.

Core Subsidiary: Banistmo is considered core to its parent (following Fitch criteria: "Rating FI Subsidiaries and Holding Companies"). This classification is based on Fitch's view on the role of the bank in Bancolombia's expansion and diversification in Central America, its expected contribution in terms of revenues and assets, and the significant reputational risk that a default from this new subsidiary would pose to Bancolombia. Fitch expects that Banistmo will provide a recurring and meaningful stream of revenues to the consolidated entity over the medium term.

High Influence of Financial Profile in VR: Banistmo's financial profile has the highest influence on its VR. The bank's current VR also reflects the sound operating environment, ample funding and liquidity, and moderate risk appetite. Banistmo's intrinsic creditworthiness is tempered by its modest performance and lower than average loan loss reserve cushion.

Adequate Capital Structure: The bank's capital position is adequate, albeit remains below average when compared to some regional players. Banistmo's Fitch Core Capital (FCC) ratio improved to 11.1% at end-September 2013 as assets contracted. The bank targets a minimum regulatory capital ratio of 11%, and Fitch estimates that the Fitch Core Capital ratio will stay close to 11%. In Fitch's opinion, there is a high probability that Bancolombia could provide capital, should it be required.

Good Asset Quality: Banistmo's asset quality also improved, but compared negatively with local peers. Banistmo's NPL ratio reached 1.8% at end-September 2013, while the Panamanian banking system average was 0.7%. Similarly, at 57% as of Sept. 30, 2013, the bank's reserves coverage of impaired loans was also weak relative to that of its peers (above 125%). Weaker asset quality is partially mitigated by the bank's sound credit and risk management policies and a history of limited loan losses.

Modest Profitability: Banistmo's financial performance deteriorated in 2013 due to extraordinary expenses related to the spinoff of its subsidiaries. Fitch expects the bank's performance to gradually improve over 2014; although it will remain weak compared with its peers and detract from internal capital generation. Tighter margins, moderate loan loss provisions and operating expenses will continue to weigh on net income in 2014. Given the increasingly competitive market, Fitch estimates that the ROAA will stay below 1% over its forecast horizon.

Rating Sensitivities

Driven by Support: Banistmo's IDRs and National ratings are sensitive to a change in Fitch's opinion on the parent's capacity and/or propensity to support its subsidiaries. They could be upgraded if Bancolombia's IDRs are upgraded.

Banistmo's VR could be pressured if performance declines, asset quality deteriorates, reserve coverage weakens, or capital ratios deteriorate. More specifically, Banistmo's VR could be downgraded if its Fitch Core Capital to Weighted Assets and/or Tangible Common Equity to Tangible Assets ratios fall below 10% or 8%, respectively; and/or if operating ROAA is less than 0.7%. There is limited upside potential in the near future for Banistmo's VR.

Profile

Banistmo, S.A. (Banistmo) is the second largest bank in Panama (11% in terms of assets) and serves consumer, middle-market, and corporate customers through a network of 46 branches and 263 ATMs in the country. The bank's operations correspond to HSBC's operations in Panama, acquired by the Colombian Bancolombia, S.A. on November 2013, adopting its actual name. The bank was incorporated in 1972 as a representative office of Marine Midland Bank. The bank's sustained organic growth was supplemented by several acquisitions: Chase Manhattan Bank in 2000; Financomer in 2005; and the former Grupo Banistmo in 2006. Also, in 2007 began the merger between the bank and HSBC's operations in Panama and was completed in 2009 after a thorough reorganization and an IT overhaul at both banks.

Banistmo's acquisition is well in line with Bancolombia's international growth strategy and the company's policy of acquiring banks with significant market share, consistent performance, and adequate management. After this acquisition and once it acquires full control of Banco Agromercantil in Guatemala, Bancolombia will have a strong footprint in three of the leading markets of Central America. In Fitch's opinion, the acquisition will consolidate Bancolombia's competitive position in Panama, a very dynamic market in Central America, and has the potential to contribute substantially to its growth and performance in the coming years.

Bancolombia is the largest bank in Colombia, a universal bank with operations in seven countries and substantial market share in its core markets, Colombia (22% by assets at June 2013) and El Salvador (30% by assets at June 2013). After Banistmo's acquisition, Bancolombia's operations in Central America represent around 18% of its consolidated assets. The subsidiaries in El Salvador and Panama are locally self-funded, with large participation of retail deposits, and sufficient capital according to the regulatory guidelines in each country.

Before November 2013, Banistmo consolidated the operations of HSBC in Colombia that accounted assets for \$809 m and net losses for \$45.7 m as of September 2013. These operations were transferred to HSBC Latin American Holdings when Bancolombia acquired Banistmo.

Strategy

Following its acquisition by Bancolombia, Banistmo's core strategy is likely to remain unchanged, since the bank enjoys a strong local franchise. Banistmo's strategic objectives have been defined by business lines and are oriented to increase sales opportunities and reduce costs; to improve customer service and cross-selling; and focus on key segments in Panama (multinationals, government, etc.). Aligned with Bancolombia's strategy, the bank plans to achieve further segmentation on retail clients and focus on loans with payroll deduction and private banking.

Corporate Governance

Corporate Governance policies and procedures are in line with the region's best practices, as are Bancolombia's. The board of directors consists of nine principal and five substitute directors, including three independent. The integration into Bancolombia's practices would result in changes in the board composition, except for the independent directors. The board is still working with three committees (audit and compliance, ALCO, and risk management) and, in addition to a senior management committees oversee IT, strategic costs, operational risk, and internal control.

Presentation of Accounts

This report is based on HBPA's year-end audited financial statements for 2008-2012 and interim financials at September 2013. These statements were prepared in accordance with IFRS. All financial statements between 2008 and 2012 received unqualified opinions and were

Related Criteria

Global Financial Institutions Rating Criteria,
Jan. 31, 2014

audited by KPMG. Additional information was obtained from managerial reports.

Notably, the assets and liabilities associated with the Colombian operation (and previously the Central American operations) are accounted as "Discontinued Operations" in the balance sheet appended at the end of this report. Also, net profits from these discontinued operations are accounted in the income statement as "Profit/Loss from Discontinued Operations". This classification has been made for September 2013 and 2012-2010 year-end figures.

Financial Performance

Panama

Fitch expects that public and private investments that are underway will continue to drive strong economic growth in Panama. Fitch foresees Panama to continue to grow fast, 7.4% and 7.0% for 2013 and 2014, respectively; while inflation tends to decrease gradually, 4.5%. The growth cycle of Panama, along with its diversified economic base (focused on the export services, instead of a raw material based economy)- largely protect the economy against external shocks and the next election cycle in two years. On May 14, 2013, Fitch affirmed the long-term rating of Panama at 'BBB' with Outlook Stable.

Panama's sustained economic growth drives growth and credit quality, but has pushed capital indicators entities. The profitability of the Panamanian banking system will continue high, despite the strong competition and preponderance of corporate loans. Profitability will continue supported by the remarkably low cost of impaired loans and the outstanding efficiency, which together offset margins lower. Fitch recognizes the high degree of predictability of the banks' performance and does not expect significant changes in the profitability indicators. However, a negative deviation from the baseline scenario of Fitch -which includes increasing impairment- could have a material impact on profitability, due to the limited financial flexibility of the financial system to increase reserves.

Banistmo

Banistmo's performance has been modest for the past six years due to different causes: the merger process with HSBC (2007-2009), measures taken by the bank to face the crisis, and fiercer competition during the last 3 years. Particularly, in 2013, higher loan loss provisions and operating expenses pressured operating income; however, Net Interest Margin (NIM) remains stable. It should be noted that the negative net income results from losses in discontinued operations. At 3Q13, the bank's operating ROAA is far below the market average (1.4%) and that of its category peers (2.0%).

Banistmo's NIM is modest and remains lower than its peers. A change in the funding mix toward medium- and long-term funds drives higher funding costs that were compensated with an increase in portfolio yield. In turn, non-interest revenue contribution to revenue generation continues to decline. These revenues are largely recurrent and fairly diversified fees and commissions related to trading, credit/debit card usage, transfers, cash management, and investment banking services, among others. The bank focuses on these revenues due to the pressures on the NIM and expects to inject higher diversification to its revenue structure through increasing cross selling.

Banistmo's efficiency ratios are still good, despite the slight deterioration in 2013. Personnel expenses are well under control; while administrative expenses at September 2013 include approximately USD25 m of expenses related to HSBC's operations. The non-interest expenses to operating income of 68% and to total assets of 2.4% compare negatively with those of local peers. Further improvements on efficiency are foreseen in 2014 due to the continuous efforts of the administration to maintain these expenses under control through the restructuring process. Loan loss provisions (LLPs) are moderate and reflect mostly consumer loan delinquency. Fitch

estimates LLPs will remain moderate, considering the more stable economic prospects and environment in Panama.

Prospects

Banistmo's overall performance should improve in 2014, but will remain modest while the bank adjusts to the ownership changes as well as elimination of some service charges. Tighter margins, moderate loan loss provisions and operating expenses will continue to weigh on Banistmo's net income in 2014. The continued economic growth and a focused marketing strategy should allow the bank to grow its loan portfolio. Also, higher contribution and diversification from non-interest revenues should benefit Banistmo's overall profitability.

Risk Management

At this stage of the integration process, no significant changes in the risk management structure or metrics have occurred. The bank will maintain a conservative approach in the short-term horizon. At the same time, as most risk management decisions now rely on local officers, the credit approval process may shorten. Also, current market and operational risk indicators and policies are unlikely to change in the short-term, but Banistmo expects to gradually align its risk's policies, procedures, and indicators to those of Bancolombia.

The bank's main risk is the credit risk of its loan portfolio, which historically represents about 65%-70% of total assets.

Credit Risk

Banistmo's loan portfolio is well diversified between retail and wholesale lending, 45%-55%, as well as between economic sectors. Graphic 1 shows the actual distribution of the loan portfolio by economic sectors, where mortgage is the most representative. As a result, concentration by individual creditor is fairly low. The top 20 obligors concentrate about 10% of the loan portfolio (8%-10% in the past few years); none of these obligors represents an abnormal credit risk.

The loan portfolio's contraction follows the bank's restriction on certain sectors, such as payroll deduction from the private sector and hotels on corporate lending. According to Banistmo's strategy, growth in 2014 will be focused on retail lending (where the bank will resume payroll deduction loans) and develop private banking opportunities. This strategy may underpin the bank's NIM. Banistmo's exposure to related-party loans is insignificant, less than 2% of the bank's equity.

Loan Loss Experience and Reserves

The asset quality indicators' trend is favourable and will continue to improve in 2014. The NPLs to total loans ratio of the Panamanian portfolio accounted for 1.8% as of September 2013. In Fitch's opinion, the improvement in Banistmo's loan portfolio quality is sustainable, given the good economic prospects, expected growth, and divestment of the bank's operations in Colombian and Central America, which were riskier than the Panamanian business.

In turn, reserve coverage of the troubled portfolio is low and compares poorly with that of similarly rated banks and, considering Banistmo's capital is also below average, is a credit negative that may pressure its VR. This low level is somewhat mitigated by Banistmo's environment and sound risk management policies reflected in its consistent charge-off policies and high level of collateral.

Other Earning Assets

Banistmo's investment portfolio accounted for 9% of the bank's total assets at September 2013. Investments have been mostly classified as available-for-sale and were roughly 93%

investment-grade government securities, 4% private sector debt, and 3% equity investments. Other earning assets, such as loans and advances to banks (14% of total assets at September 2013), were mostly held with HSBC's treasuries in New York and London.

Market Risk

Banistmo's risk management is efficient to maintain market risks under control. The bank's market risk processes are considered adequate given its discipline, and conservative investment policies. Interest rate risk is well under control, since 75% of the loans are placed at variable rates.

Operational Risk

The operational risk management process involves assessing the impact and likelihood of risk events; controls and mitigating action are factored in to measure the effective exposure of the bank. A database of events has been in place since 2001, with most of these events considered to have low inherent risk and impact.

Funding and Liquidity

Banistmo remains largely deposit funded and enjoys a wide deposit base that consistently funds the loan portfolio completely. This deposit base is a result of the bank's strong franchise and branch network. Deposits are quite diversified; Banistmo's top 20 deposits accounted for 12.4% of total deposits at September 2013. Interbank funding and other institutional funding supplement the financing structure. It should be noted the change in the funding mix, where the institutional funding had increased its participation (17% Sep. 2013; 13% Dec. 2012; 11% Dec. 2011) due to Bancolombia's acquisition.

Liquidity is ample; liquid assets represent 40.5% of customer deposits, below the market average (42% as of September 2013). Internal liquidity ratios are conservatively calculated, excluding short-term professional funding from liquid assets. Also the bank calculates deposit stability ratios, considering percentages of non-core deposits between 15-55%. Banistmo's operations present maturity mismatches in less than one year bands. These mismatches are lower due to the change in the bank's funding mix; Fitch estimates that this trend will continue during 2014.

Capital

The bank's Fitch core capital ratio remains at a tight level, given the low reserve coverage. At September 2013, Fitch Core Capital ratio of 11.1% was in line with the median of category peers. The bank has \$147m in noncumulative, preferred, callable shares that do not receive any equity credit, following Fitch's methodology on hybrid capital.

The bank has set an 11% minimum of regulatory capital level, and Fitch estimates that the Fitch core capital ratio will stay close to 11%. Banistmo's capital will remain tight; however, in Fitch's opinion, there is a high probability that Bancolombia could provide fresh capital, should it be required.

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Banistmo S.A. Income Statement

	30 sep 2013	31 dic 2012	31 dic 2011	31 dic 2010	31 dic 2009
	9 Months - 3rd Quarter	Year End	Year End	Year End	Year End
	PABm	PABm	PABm	PABm	PABm
	Unaudited	Unqualified	Unqualified	Unqualified	Unqualified
1. Interest Income on Loans	259.1	351.4	409.4	366.0	845.5
2. Other Interest Income	30.5	35.8	48.6	35.5	110.1
3. Dividend Income	n.a.	1.3	n.a.	n.a.	1.8
4. Gross Interest and Dividend Income	289.6	388.5	458.0	401.5	957.4
5. Interest Expense on Customer Deposits	79.3	97.5	104.7	112.8	366.6
6. Other Interest Expense	16.6	18.9	23.2	14.6	47.9
7. Total Interest Expense	95.9	116.4	127.9	127.4	414.5
8. Net Interest Income	193.7	272.1	330.1	274.1	542.9
9. Net Gains (Losses) on Trading and Derivatives	(2.3)	(0.8)	2.3	14.9	12.3
10. Net Gains (Losses) on Other Securities	0.0	0.0	0.0	3.8	17.0
11. Net Gains (Losses) on Assets at FV through Income Statement	0.0	0.0	0.7	0.4	1.2
12. Net Insurance Income	n.a.	n.a.	n.a.	n.a.	21.5
13. Net Fees and Commissions	41.8	65.8	7.4	8.6	58.3
14. Other Operating Income	14.7	15.0	106.6	103.7	35.5
15. Total Non-Interest Operating Income	54.2	80.0	117.0	131.4	145.8
16. Personnel Expenses	57.6	75.5	121.5	108.0	177.6
17. Other Operating Expenses	111.8	115.8	174.0	171.4	221.5
18. Total Non-Interest Expenses	169.4	191.3	295.5	279.4	399.1
19. Equity-accounted Profit/ Loss - Operating	0.0	0.0	0.0	0.0	n.a.
20. Pre-Impairment Operating Profit	78.5	160.8	151.6	126.1	289.6
21. Loan Impairment Charge	24.9	36.4	47.6	20.7	158.0
22. Securities and Other Credit Impairment Charges	0.2	0.0	0.2	1.1	0.1
23. Operating Profit	53.4	124.4	103.8	104.3	131.5
24. Equity-accounted Profit/ Loss - Non-operating	0.0	0.0	0.0	1.3	0.6
25. Non-recurring Income	n.a.	n.a.	n.a.	n.a.	17.8
26. Non-recurring Expense	n.a.	n.a.	n.a.	n.a.	n.a.
27. Change in Fair Value of Own Debt	n.a.	n.a.	n.a.	n.a.	n.a.
28. Other Non-operating Income and Expenses	n.a.	n.a.	n.a.	n.a.	n.a.
29. Pre-tax Profit	53.4	124.4	103.8	105.6	149.9
30. Tax expense	15.2	26.6	25.9	29.2	26.4
31. Profit/Loss from Discontinued Operations	(45.7)	(39.6)	48.2	35.6	n.a.
32. Net Income	(7.5)	58.2	126.1	112.0	123.5
33. Change in Value of AFS Investments	(4.1)	4.0	6.0	10.3	8.0
34. Revaluation of Fixed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
35. Currency Translation Differences	(10.2)	11.5	(5.5)	21.8	3.1
36. Remaining OCI Gains/(losses)	3.5	46.1	n.a.	n.a.	n.a.
37. Fitch Comprehensive Income	(18.3)	119.8	126.6	144.1	134.6
38. Memo: Profit Allocation to Non-controlling Interests	0.0	5.8	5.7	5.9	(0.6)
39. Memo: Net Income after Allocation to Non-controlling Interests	(7.5)	52.4	120.4	106.1	124.1
40. Memo: Common Dividends Relating to the Period	n.a.	504.3	n.a.	n.a.	62.0
41. Memo: Preferred Dividends Related to the Period	7.8	11.6	10.4	11.6	14.1

Exchange rate

USD1 = PAB1.000 USD1 = PAB1.0000 USD1 = PAB1.00000 USD1 = PAB1.000 USD1 = PAB1.000

Banistmo S.A.

Balance Sheet

	30 sep 2013 9 Months - 3rd Quarter PABm	31 dic 2012 Year End PABm	31 dic 2011 Year End PABm	31 dic 2010 Year End PABm	31 dic 2009 Year End PABm
Assets					
A. Loans					
1. Residential Mortgage Loans	1,453.0	1,341.2	1,202.7	1,886.0	1,975.7
2. Other Mortgage Loans	n.a.	n.a.	n.a.	n.a.	n.a.
3. Other Consumer/ Retail Loans	1,102.2	1,117.6	1,442.6	1,890.2	1,827.0
4. Corporate & Commercial Loans	2,712.5	2,887.4	3,288.0	3,841.3	5,543.1
5. Other Loans	411.4	330.6	398.7	233.0	(77.6)
6. Less: Reserves for Impaired Loans/ NPLs	58.4	60.3	74.8	163.5	212.0
7. Net Loans	5,620.7	5,616.5	6,257.2	7,687.0	9,056.2
8. Gross Loans	5,679.1	5,676.8	6,332.0	7,850.5	9,268.2
9. Memo: Impaired Loans included above	102.2	163.2	154.9	296.2	280.1
10. Memo: Loans at Fair Value included above	n.a.	n.a.	n.a.	n.a.	n.a.
B. Other Earning Assets					
1. Loans and Advances to Banks	1,246.1	1,180.3	1,255.1	1,950.5	2,412.1
2. Reverse Repos and Cash Collateral	0.0	0.0	0.0	46.8	5.1
3. Trading Securities and at FV through Income	228.0	454.9	300.0	264.2	39.8
4. Derivatives	n.a.	n.a.	n.a.	n.a.	n.a.
5. Available for Sale Securities	581.8	531.5	749.5	1,407.8	958.9
6. Held to Maturity Securities	n.a.	n.a.	n.a.	n.a.	n.a.
7. At-equity Investments in Associates	0.0	0.2	0.2	6.6	10.0
8. Other Securities	n.a.	n.a.	n.a.	n.a.	n.a.
9. Total Securities	809.8	986.6	1,049.7	1,725.4	1,013.8
10. Memo: Government Securities included Above	769.7	939.0	n.a.	1,370.8	673.9
11. Memo: Total Securities Pledged	n.a.	n.a.	n.a.	n.a.	n.a.
12. Investments in Property	n.a.	n.a.	n.a.	n.a.	n.a.
13. Insurance Assets	26.9	32.8	28.9	56.3	59.5
14. Other Earning Assets	n.a.	n.a.	n.a.	n.a.	n.a.
15. Total Earning Assets	7,703.5	7,816.2	8,590.9	11,419.2	12,541.6
C. Non-Earning Assets					
1. Cash and Due From Banks	177.0	159.6	166.8	323.8	295.0
2. Memo: Mandatory Reserves included above	n.a.	n.a.	n.a.	n.a.	n.a.
3. Foreclosed Real Estate	14.4	16.0	17.5	77.6	69.5
4. Fixed Assets	69.5	67.5	85.7	213.1	224.3
5. Goodwill	66.8	80.2	127.5	295.0	288.9
6. Other Intangibles	0.0	0.0	0.0	14.0	19.3
7. Current Tax Assets	n.a.	n.a.	n.a.	n.a.	n.a.
8. Deferred Tax Assets	21.2	21.7	19.4	18.2	30.3
9. Discontinued Operations	809.2	1,181.0	4,383.5	0.0	n.a.
10. Other Assets	168.8	292.4	195.6	233.6	358.1
11. Total Assets	9,030.4	9,634.6	13,586.9	12,594.5	13,827.0
Liabilities and Equity					
D. Interest-Bearing Liabilities					
1. Customer Deposits - Current	1,371.0	1,579.4	1,800.6	2,225.7	1,878.5
2. Customer Deposits - Savings	1,513.2	1,535.3	1,738.5	2,617.4	2,410.4
3. Customer Deposits - Term	2,633.7	2,858.5	2,742.3	4,353.5	6,272.4
4. Total Customer Deposits	5,517.9	5,973.2	6,281.4	9,196.6	10,561.3
5. Deposits from Banks	301.6	328.3	890.5	384.7	576.4
6. Repos and Cash Collateral	0.0	0.0	0.0	8.4	10.0
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	n.a.	n.a.	n.a.
8. Total Deposits, Money Market and Short-term Funding	5,819.5	6,301.5	7,171.9	9,589.7	11,147.7
9. Senior Debt Maturing after 1 Year	1,150.5	930.0	846.2	830.5	690.6
10. Subordinated Borrowing	n.a.	n.a.	n.a.	n.a.	0.0
11. Other Funding	0.0	0.0	0.0	57.2	111.2
12. Total Long Term Funding	1,150.5	930.0	846.2	887.7	801.8
13. Derivatives	n.a.	n.a.	n.a.	n.a.	n.a.
14. Trading Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
15. Total Funding	6,970.0	7,231.5	8,018.1	10,477.4	11,949.5
E. Non-Interest Bearing Liabilities					
1. Fair Value Portion of Debt	n.a.	n.a.	n.a.	n.a.	0.0
2. Credit impairment reserves	n.a.	n.a.	n.a.	n.a.	n.a.
3. Reserves for Pensions and Other	n.a.	n.a.	n.a.	n.a.	n.a.
4. Current Tax Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
5. Deferred Tax Liabilities	1.0	0.0	0.0	10.5	15.6
6. Other Deferred Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
7. Discontinued Operations	681.4	1,000.2	3,472.7	0.0	n.a.
8. Insurance Liabilities	48.8	62.7	57.1	109.5	104.8
9. Other Liabilities	433.1	418.0	432.4	478.5	466.9
10. Total Liabilities	8,134.3	8,712.4	11,980.3	11,075.9	12,536.8
F. Hybrid Capital					
1. Pref. Shares and Hybrid Capital accounted for as Debt	147.2	147.20	147.2	147.2	197.2
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	n.a.	n.a.	n.a.
G. Equity					
1. Common Equity	707.8	719.5	1,392.1	1,288.8	1,094.3
2. Non-controlling Interest	0.1	0.1	75.5	75.2	23.4
3. Securities Revaluation Reserves	13.7	15.0	13.5	23.6	13.3
4. Foreign Exchange Revaluation Reserves	27.3	40.4	(21.7)	(16.2)	(38.0)
5. Fixed Asset Revaluations and Other Accumulated OC	n.a.	n.a.	n.a.	n.a.	n.a.
6. Total Equity	748.9	775.0	1,459.4	1,371.4	1,093.0
7. Total Liabilities and Equity	9,030.4	9,634.6	13,586.9	12,594.5	13,827.0
8. Memo: Fitch Core Capital	660.9	673.1	1,312.5	1,044.2	754.5
9. Memo: Fitch Eligible Capital	n.a.	n.a.	n.a.	n.a.	n.a.

Exchange rate

USD1 = PAB1.000\$D1 = PAB1.000\$D1 = PAB1.000\$D1 = PAB1.000\$D1 = PAB1.000

Banistmo S.A.

Summary Analytics

	30 sep 2013 9 Months - 3rd Quarter	31 dic 2012 Year End	31 dic 2011 Year End	31 dic 2010 Year End	31 dic 2009 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	6.08	5.89	4.71	4.17	9.27
2. Interest Expense on Customer Deposits/ Average Customer Deposits	1.87	1.61	1.12	1.12	3.56
3. Interest Income/ Average Earning Assets	5.04	4.83	3.87	3.32	8.63
4. Interest Expense/ Average Interest-bearing Liabilities	1.82	1.55	1.17	1.12	3.55
5. Net Interest Income/ Average Earning Assets	3.37	3.38	2.79	2.27	4.89
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	2.94	2.93	2.39	2.10	3.47
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	3.24	3.24	2.70	2.17	4.77
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	21.86	22.72	26.17	32.40	21.17
2. Non-Interest Expense/ Gross Revenues	68.33	54.33	66.09	68.90	57.95
3. Non-Interest Expense/ Average Assets	2.44	1.48	2.13	2.10	2.93
4. Pre-impairment Op. Profit/ Average Equity	13.71	11.88	10.89	10.42	26.51
5. Pre-impairment Op. Profit/ Average Total Assets	1.13	1.24	1.09	0.95	2.13
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	31.97	22.64	31.53	17.29	54.59
7. Operating Profit/ Average Equity	9.33	9.19	7.46	8.62	12.04
8. Operating Profit/ Average Total Assets	0.77	0.96	0.75	0.78	0.97
9. Taxes/ Pre-tax Profit	28.46	21.38	24.95	27.65	17.61
10. Pre-Impairment Operating Profit / Risk Weighted Assets	1.76	2.28	1.41	1.33	3.39
11. Operating Profit / Risk Weighted Assets	1.19	1.77	0.96	1.10	1.54
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	(1.31)	4.30	9.06	9.25	11.31
2. Net Income/ Average Total Assets	(0.11)	0.45	0.91	0.84	0.91
3. Fitch Comprehensive Income/ Average Total Equity	(3.20)	8.85	9.10	11.91	12.32
4. Fitch Comprehensive Income/ Average Total Assets	(0.26)	0.92	0.91	1.08	0.99
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	(0.17)	0.83	1.17	1.18	1.44
7. Fitch Comprehensive Income/ Risk Weighted Assets	(0.41)	1.70	1.18	1.51	1.57
D. Capitalization					
1. Fitch Core Capital/Weighted Risks	11.05	9.55	12.19	10.97	8.83
2. Fitch Eligible Capital/ Weighted Risks	n.a.	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	7.61	7.06	9.90	8.51	5.59
4. Tier 1 Regulatory Capital Ratio	13.10	11.30	11.50	12.00	11.10
5. Total Regulatory Capital Ratio	13.20	11.50	11.80	12.40	11.80
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	8.29	8.04	10.74	10.89	7.90
8. Cash Dividends Paid & Declared/ Net Income	(104.00)	886.43	8.25	10.36	61.62
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	(42.62)	430.63	8.21	8.05	56.54
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
11. Internal Capital Generation	(2.73)	(59.06)	7.93	7.32	4.34
E. Loan Quality					
1. Growth of Total Assets	(6.27)	(29.09)	7.88	(8.91)	8.35
2. Growth of Gross Loans	0.04	(10.35)	(19.34)	(15.30)	8.34
3. Impaired Loans/ Total Gross Loans	1.80	2.87	2.45	3.77	3.02
4. Reserves for Impaired Loans/ Gross loans	1.03	1.06	1.18	2.08	2.29
5. Reserves for Impaired Loans/ Impaired Loans	57.14	36.95	48.29	55.20	75.69
7. Impaired Loans less Reserves for Imp Loans/ Equity	5.85	13.28	5.49	9.68	6.23
8. Loan Impairment Charges/ Average Gross Loans	0.59	0.61	0.55	0.24	1.73
9. Net Charge-offs/ Average Gross Loans	0.63	0.53	0.57	1.38	1.69
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Asset:	2.05	3.15	2.72	4.71	3.74
F. Funding					
1. Loans/ Customer Deposits	102.92	95.04	100.81	85.36	87.76
2. Interbank Assets/ Interbank Liabilities	413.16	359.52	140.94	507.02	418.48
3. Customer Deposits/ Total Funding (excluding derivatives)	79.17	82.60	78.34	87.78	88.38