



## Banco de Desarrollo Rural BANRURAL

Created in 1997, it began operations on January 2, 1998. BANRURAL's main objective is to promote the economic and social development of the rural area of the country, by stimulating and facilitating savings, credit assistance and the provision of other financial services.

Its business concept is associated with the development of Guatemala and the growth of the productive and entrepreneurial sectors. It promotes a financial economic model that reflects the social fabric and the reality of the country.

Banrural is a mixed capital company with multisectoral participation: an example of the democratization of capital. It has more than 13,500 direct shareholders and more than a million indirect shareholders, who belong to various social and productive sectors of the country: cooperatives, indigenous organizations; micro, small and medium enterprises; NGOs; women's groups and the general public, including Bank employees. Likewise, it has the State of Guatemala as a shareholder with a minority stake.

Since its creation, Banrural has grown steadily, becoming the second largest bank in Guatemala and the third largest in the Central American region. In the country, it is the bank with the largest number of savings accounts and one of the ones that grants the most credits. In the last year, Banrural operated 23% of the deposits in the financial system - a solid indicator of the confidence of its clients.

In the last twelve months, the Bank grew 12% in assets, placing these, at the end of the third quarter, at US \$ 11,826 million; increase that was mainly supported by a 10% growth in deposits and the items that make up the capital, which also grew 10%; while the use of foreign credits increased by 30% in the same period.

It is worth highlighting the financial indicators reported by the Bank at the end of the third quarter, with a capital adequacy ratio of 21.1%, more than double that legally required (10%); likewise, it reports adequate indicators of liquidity (cash and cash equivalents added to marketable investments, in relation to deposits, represent more than 64%) and profitability (ROE of 16.3%), which corroborates the Bank's financial soundness.

Regarding the quality of the loan portfolio, the default indicator, as of September 2021, is 4.2%, with a decrease of 0.67 percentage points compared to that registered in the same month of 2020. While overdue portfolio coverage increased 42.6 percentage points, from September 2020 to the same month in 2021, rising from 148.3% in 2020 to 190.9% in 2021.

Its management promotes the financial inclusion of the segments that, prior to its creation, were not subject to financial assistance from traditional banks. Among them, it is worth highlighting the support for the micro, small and medium business segments -MSME- and the women's segment, counting for them with specialized products.

In addition to serving the aforementioned sectors, the Bank has products and services to serve other segments, such is the case of housing loans, corporate banking, support for investment loans, working capital or foreign trade.

It is a bank that, due to its size, coverage and number of clients, influences the financial system in such a way that it directly impacts the lives of all Guatemalans. In fact, Banrural has the highest coverage nationwide: with 7,349 service points, which include branches, ATMs and bank agents, as well as different electronic channels that Banrural has made available to its customers. The above, added to the diversity of financial products and services designed according to the needs of its clients and the personalization of the service, have placed it as a facilitator and an accessible and beneficial financial agent for the economic reactivation of the country.

Among the transactions carried out by the Bank, the amount of remittances paid through its different service channels stands out, representing more than 50% of the total payments made nationwide.

The digital transformation has been a continuous process, in which Banrural has been betting, since it has gradually allowed it to provide effective and immediate solutions to customers.

The availability of online banking, applications on phones with virtual assistants and a mobile wallet, among others, have been fundamental in the period of the pandemic. Thanks to its presence at the national level and the diversity of its service channels, Banrural played a fundamental role in channeling the aid granted by the Government to the most needy segments at that time (companies and families). Likewise, relief measures promoted by the monetary authorities were applied for the benefit of debtors.

Its mission, its vision, its shareholding composition, its coverage, its portfolio of products and services, and the trust of more than 3.1 million clients (almost 20% of the national population) have made Banrural the natural ally of important initiatives aimed at improving the population's living conditions and creating opportunities to boost the productivity of the country's productive segments, especially micro, small, and medium-sized enterprises.

The Bank has one of the best valuation ratings granted by Fitch Ratings to a Guatemalan bank AA (gtm).

In order to incorporate best practices in its administration, the Bank was certified under the standards: ISO 9001: 2015, Quality Management System, which promotes efficiency and transparency in operations; and ISO 37001: 2016, Anti-bribery Management System, to strengthen its culture of ethics and transparency, becoming the first bank in the country and in the Central American region that obtains it.

Finally, it should be noted that the bank is part of a financial conglomerate, made up of the Bank, a second-tier entity, an insurance company and a Credit Card operating company. Additionally, it has a bank and an insurance company in Honduras and a representative office in El Salvador.