



Annual Report 2020

 **BANCO INTERNACIONAL**
Queremos ser más

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01

Letter from
the President

LETTER FROM THE PRESIDENT

Ecuador starts 2020 within a complex political and economic environment, with a GDP per capita decreasing for the fifth consecutive year, a country risk over 1000 points (the third highest in Latin America) and little capacity, from the government, to implement the reforms agreed with the International Monetary Fund.

By the end of the first quarter, the World Health Organization declared the SARS-COVID-19 virus as a global pandemic, while, in our country, on March 16, a state of emergency was decreed throughout the national territory, with a view to contain the spread of the virus. By virtue of this declaration, all activities not related to the strategic and health sectors were suspended.

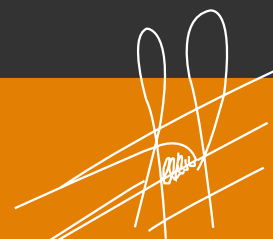
Not only the health wise, but the confinement itself, posed an unprecedented challenge for the entire country: government, companies and families. Terms such as distancing, teleworking or “new normal”, became of daily use and efforts to protect health gained importance, as well as adaptation to new ways of doing things.

The lockdown also implied endless restrictions on commercial and productive operations, which were diminished or almost nil in many sectors of the country, with the consequent loss of employment and disruption in the payment chain of companies and families; constant that lasted practically the entire 2020.

In this regard, Banco Internacional S.A. made quick and urgent decisions to: maintain its operation, take care of the work of the more than one thousand three hundred employees and, of course, ensure the security of the deposits entrusted by our clients throughout these 47 years. In parallel, being sensitive to the difficult economic situation our country was going through, the Bank made available to its clients’ different financial relief solutions (without moratorium interest or collection expenses) for their credit operations, and then attend, one by one, refinancing applications; hence, supporting Ecuadorian entrepreneurs and families to cope with this complex situation.

These business continuity efforts were approached in a comprehensive manner since serving our clients and ensuring - at the same time – our employees’ health required, among several actions, the creation of biosafety protocols and a deployment of online technical support so that the collaborators from different central departments can work from their homes with all the systems enabled.

The results obtained during the 2020 financial year, within a complex environment, have been possible thanks to the support of the Institution’s Shareholders, Directors and the commitment of all Bank employees, for whom I express my deepest gratitude.



Francisco Naranjo Martínez
Presidente Ejecutivo

02

**Board of directors and
Management team**

BOARD OF DIRECTORS 2020**Directors**

D. Antonio José Cobo Mantilla

D. Juan Manuel Ventas Benítez

D. Giuseppe Marzano

Doña. Paulina Burbano de Lara Moncayo

D. Roberto Coronel Jones

Alternate Directors

D. Dominic Channer

D. José Luis Bruzzone Dávalos

D. Sebastián Hurtado Pérez

Doña. Inés Allende Diez

D. Víctor Laso López*

* On November 19, 2020, Mr. Víctor Laso López resigned from his position as Deputy Member of the Board of Banco Internacional S.A

MANAGEMENT TEAM 2020

Francisco Naranjo Martínez
Chief Executive Officer

George Lalama Rovayo
Executive Vice President

Carlos Burgos Jácome
Vice President Finance Controller

Carlos Maldonado Reszka
Vice President Corporate Banking

Guillermo Moreano Guerra
Vice President Operations & Technology

Mariella Inés Letamendi Garino
Vice President Human Resources

Mauricio Larrea Arregui
Vice President Risk

Pablo Peralta Chiriboga
Vice President Credit

Renato Cumsille Capponi
Vice President Marketing

Sebastián Cárdenas Burbano de Lara
Vice President Commercial Banking

Ivonne Repetto Dobronski
Internal Auditor

Norman Romero Romero
Vice President Security

03

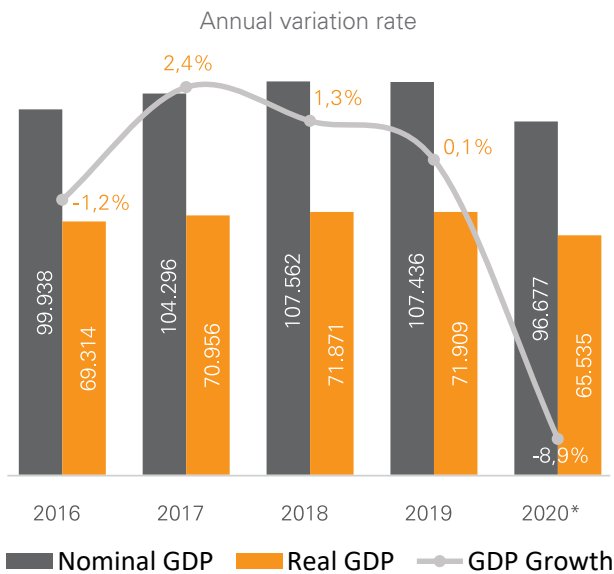
**Management
Report**

THE ECUADORIAN ECONOMY IN 2020

REAL SECTOR

In a context in which the world economy suffered the consequences of the pandemic, Ecuador's GDP decreased at real terms 8,9% reaching USD 9.6677 billion. The 6.8% decrease in household consumption and the public administration, which represents 78% of GDP, was the main factor behind this decrease. The 6.8% decrease in consumption in households and public administration expenditure representing 78% of GDP was the main factor behind this decrease.

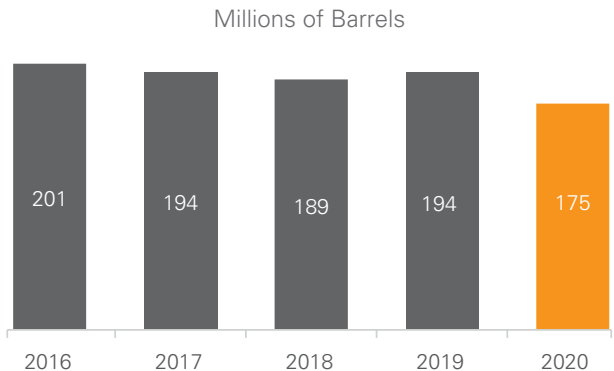
GROSS DOMESTIC PRODUCT



Source: Central Bank of Ecuador
*2020-2021 Forecast (BCE)

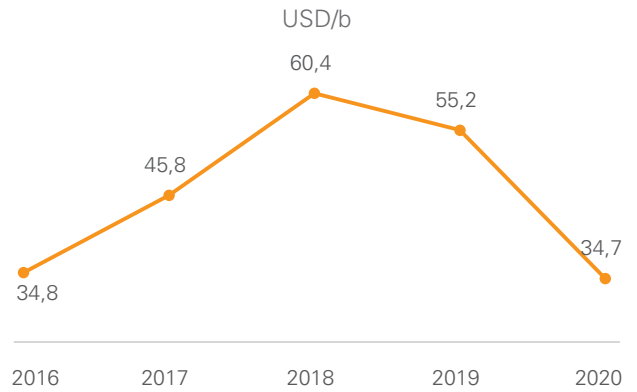
The reduction in external demand and restrictions on productive activities in the midst of the pandemic impacted the performance of the oil sector. Production decreased 9.5% compared to 2019, reaching 175 million barrels, while the average oil price contracted 37%, reaching USD 34.7 per barrel.

OIL PRODUCTION



Source: Central Bank of Ecuador

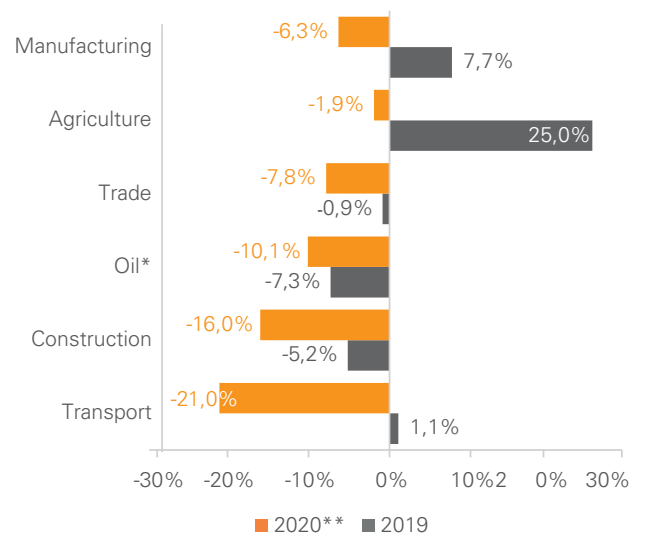
OIL PRICE PER BARREL



Source: Central Bank of Ecuador

As expected, the non-oil sector also suffered the effect of the pandemic. The contraction of basic consumer needs was reflected in the performance of agriculture, which decreased 1.9%, manufacturing -6.3% and trade -7.8%. At the end of 2020, the economy observed a decrease in all sectors, the most affected being transport and construction, which fell by 21% and 16% respectively.

GDP BY INDUSTRY

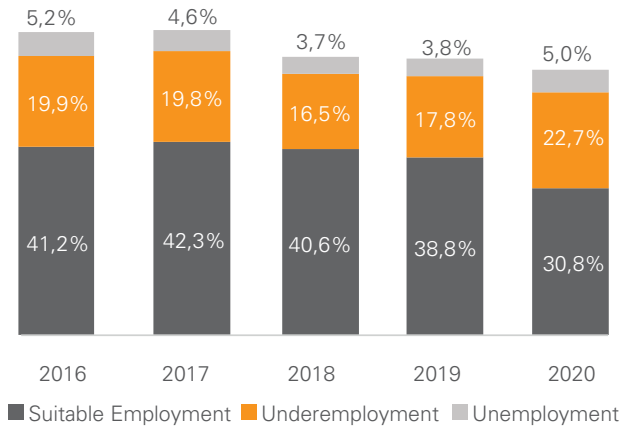


Source: Central Bank of Ecuador
* Including Mining and Oil Refining
** 2020-2021 Forecast (BCE)

The confinement measures dictated to prevent the spread of COVID-19 affected the normal performance of productive activities, and consequently, the labor market. Hence, adequate employment observed a dramatic reduction of 8 percentage points.

LABOR MARKET

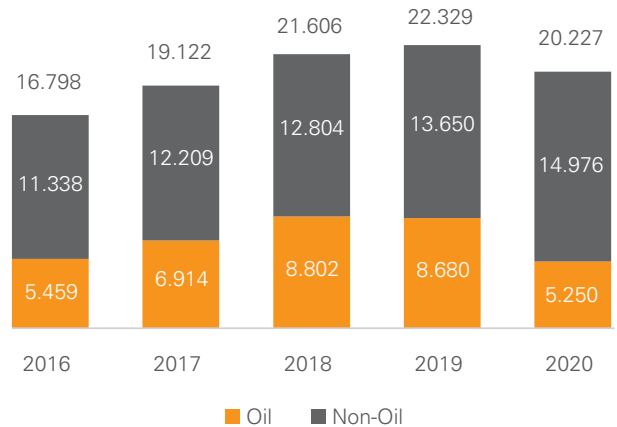
Data to December as % PEA



Source: Ecuador Statistics and Census Institute

EXPORTS

Millions of USD and Composition

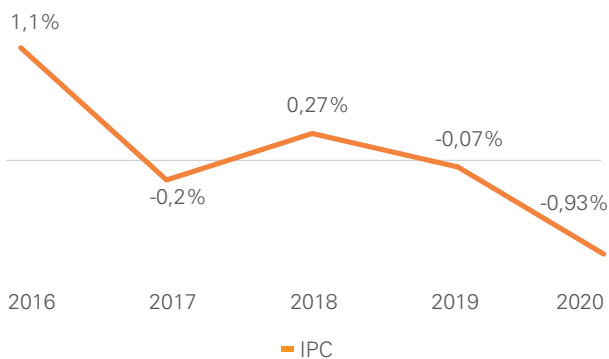


Source: Central Bank of Ecuador

At the end of December 2020, the annual inflation rate was negative at 0.93%, mainly influenced by transportation, food and non-alcoholic beverages.

ANNUAL INFLATION

Annual Inflation Rate

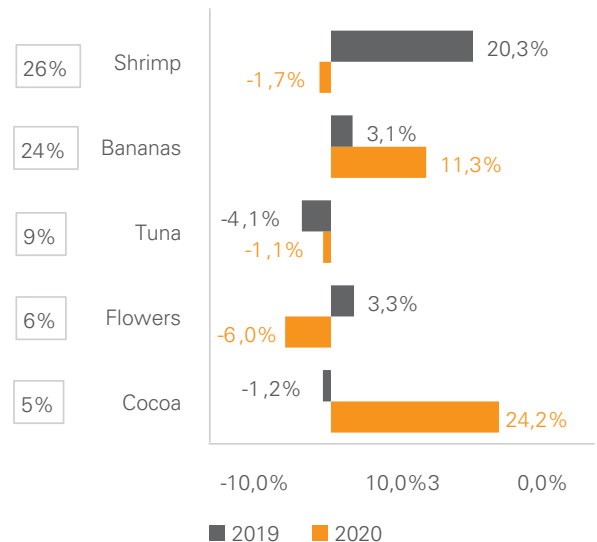


Source: Ecuador Statistics and Census Institute

On the other hand, non-oil exports grew 9.7% compared to 2019, reaching a total of USD 1.4976 billion. Bananas performed very well in foreign trade (24% of total non-oil exports), representing a positive annual rate of 11.3%, followed by cocoa, which increased by 24.2%; whereas shrimp, the first non-oil export product with 26%, presented a negative annual variation of 1.7%, tuna -1.1% and flowers -6%.

NON-OIL EXPORTS

Annual variation rate



Source: Central Bank of Ecuador

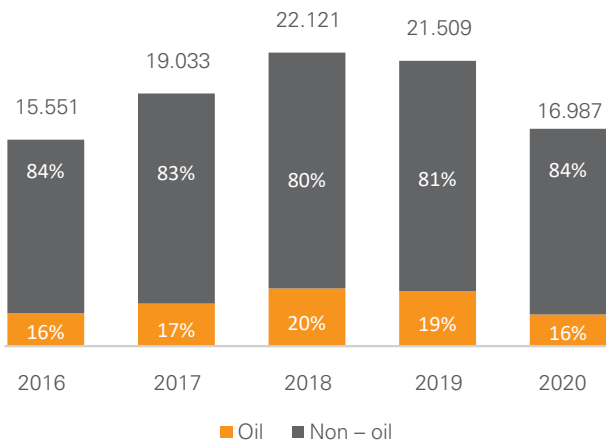
EXTERNAL SECTOR

The global economic recession during 2020 determined lower levels of demand for products and services. The country's total exports had a negative annual variation of 9%, marked by a decrease in oil exports of USD 3.278 billion, 40% compared to 2019, which is explained by the lower average price per barrel and the decrease in the production in April 2020 of 6.2 million barrels, caused by lower external demand and by the breakage of the two main oil pipelines (SOTE and OCP).

Trade restrictions, the weakening of local consumption and the decrease in the oil price, among other factors, produced a 21% decrease in total imports, reaching USD 1.6987 billion. Oil imports decreased 36% annually, which represent 16% of total imports, while non-oil imports, representing 84%, reached USD 1.4335 billion, decreasing 17% compared to 2019.

IMPORTS

Millions of USD and Composition

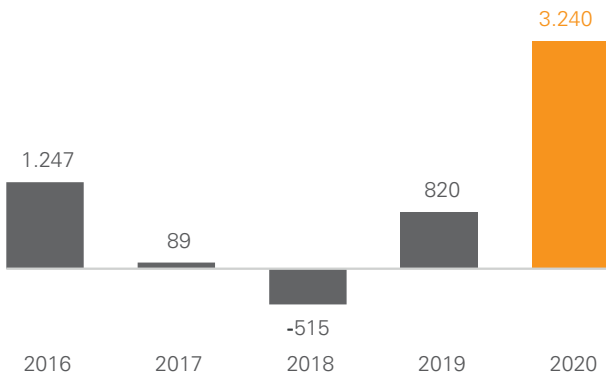


Source: Central Bank of Ecuador

The growth of non-oil exports and the weakening of imports allowed the trade balance to register a surplus of USD 3,240 billion, in a year of fiscal adjustment and economic recession.

TRADE BALANCE

Millions of USD



Source: Central Bank of Ecuador

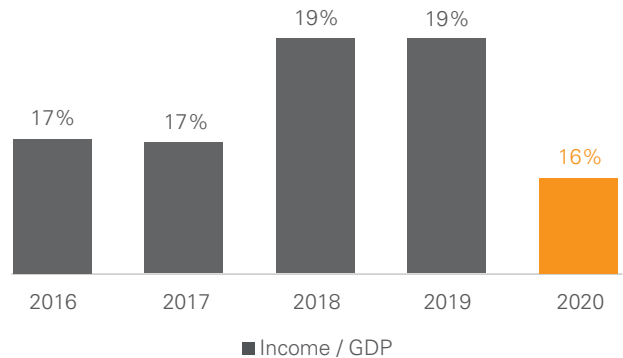
As of September 2020, remittances received reached USD 2,352 billion, with a decrease of 1.7% compared to the same month in 2019. On the contrary, in the third quarter of 2020, Foreign Direct Investment, despite showing an increase of 45% compared to the same period last year, registered USD 897 million, just 0.9% of GDP.

FISCAL SECTOR

At the end of 2020, the total revenue of the Central Government reached USD 1,531,300 million (16% of GDP), 23% less than that received in 2019. From this contribution, 80% came from tax collection (USD 1,233,000 million) reflecting a decrease of 14.8% compared to the previ-

ous year, mainly influenced by a reduction of 14% in the collection of income tax and a negative annual variation of 15% of the value added tax that represents 25% and 34% of total tax revenue, respectively.

INCOME / GDP

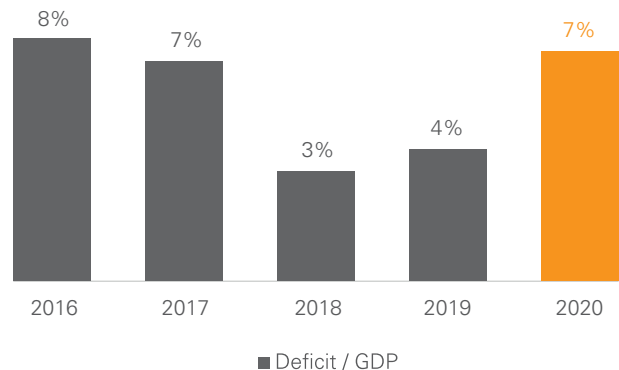


Source: Fiscal Policy Observatory

Government expenditures decreased by 8% in relation to 2019, reaching USD 22,214 million (23% of GDP), this due to the 7.9% decrease in current spending, caused by the reduction of public salaries in USD 705 million (7.6% less compared to 2019), which represents 38% of total expenses. The payment of goods and services also decreased by USD 589 million, capital expenditure by USD 576 million and the payment of external interest by USD 275 million.

At the end of the year, the fiscal deficit reached USD 6,901 million (7% of GDP); which, added to other items such as debt repayments, pre-sale payments and other liabilities, required the government to obtain financing for USD 1,232,100 million through an agreement signed with the International Monetary Fund.

DEFICIT / GDP



Source: Fiscal Policy Observatory

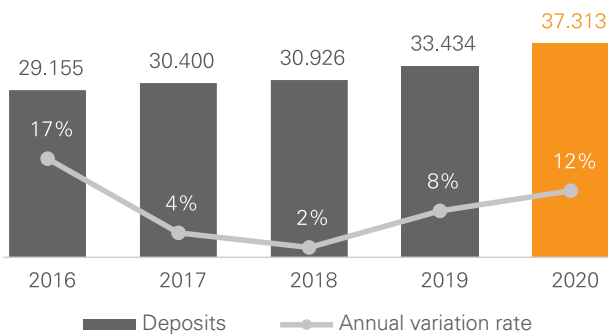
At the end of 2020, the Ministry of Economy and Finance reported a 10% increase in the country's public debt, reaching USD 63,163 million, which represents 65% of GDP, from which 72% corresponds to external debt.

MONETARY AND FINANCIAL SECTOR

Liquidity in the economy was influenced by the currency income from the export sector (not oil) and the public debt. Bank deposits as of December 2020 totaled USD 3.7313 billion (39% of GDP), with an annual growth of 12%, driven particularly by demand deposits (59% of total deposits) with an annual variation of 15%

BANK DEPOSITS

Millions of Dollars and Annual Variation Rate

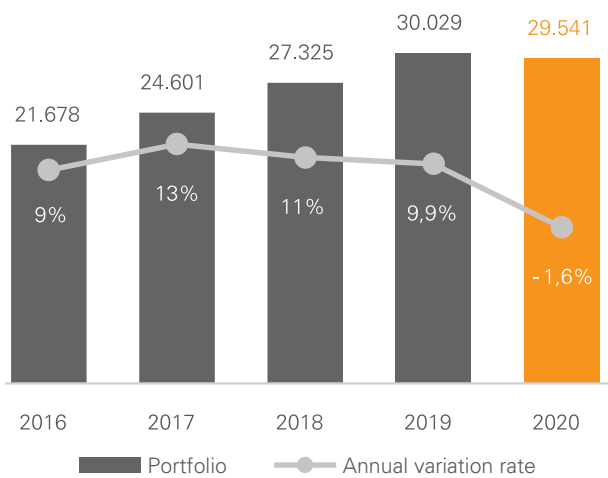


Source: Superintendence of Banks

Regarding the loan portfolio, due to lower consumption, lockdown, and production restrictions; a negative annual variation of 1.6% was recorded reaching USD 2.9541 billion (31% of GDP). The commercial portfolio and the Consumer portfolio obtained negative annual rates of 1.3% and 2.1%, respectively.

CREDIT PORTFOLIO

Millions of Dollars and Annual Variation rate

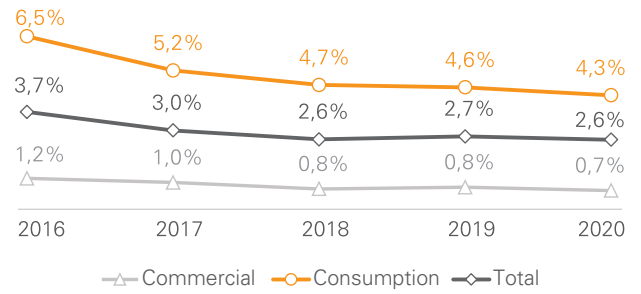


Source: Superintendence of Banks

The financial relief policy, loan deferrals and the regulatory change in the days of transfer to past due of loans, allowed the delinquency ratio of the financial system - as a whole - remain relatively controlled, positioning the rate at 2.6% (0,7% commercial and 4.3% consumption).

DELINQUENCY RATE BY SEGMENT

Data as of December



Source: Superintendence of Banks

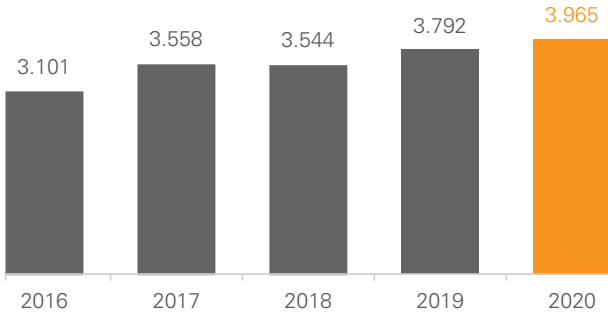
BANCO INTERNACIONAL IN 2020

FINANCIAL STATEMENTS

Balance

As of 2020, Banco Internacional total assets reached USD 3.965 billion, which represented a 4,6% growth compared to 2019.

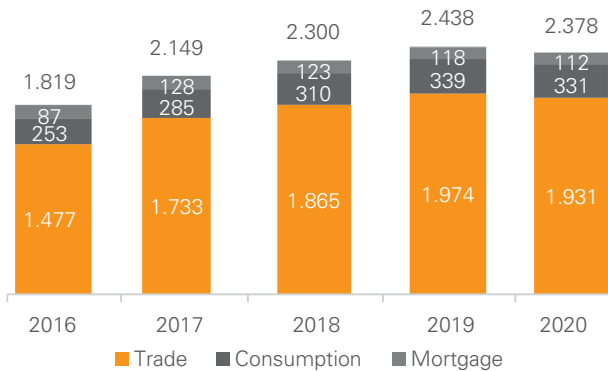
TOTAL ASSETS



Source: Superintendece of Banks

Credit portfolio registered a decrease of 2,4% with a balance of USD 2.378 billion to December. Banco Internacional's main business segment: Trade Portfolio, experienced a 2,2% decrease reaching USD 1.931 billion to December; followed by order of importance, Consumer Credit Portfolio USD 331 million and Mortgage Loan Portfolio USD 112 million.

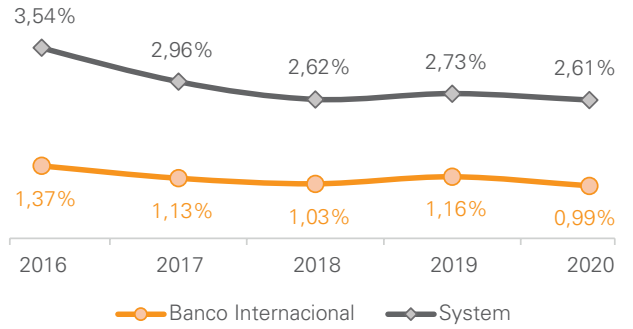
CREDIT PORTFOLIO



Source: Superintendece of Banks

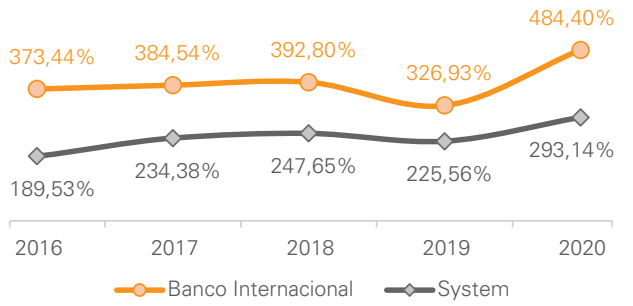
The delinquency rate at the end of 2020 was of 0.99%, lower than the 1.16% registered in the previous year and remains well below the average indicator of the Financial System (2.61%). The coverage of the ailing portfolio reached 484.40%, a ratio higher than the system's which was 293.14%, and ranked as the highest of all the large banks.

DELINQUENCY



Source: Superintendece of Banks

COVERAGE

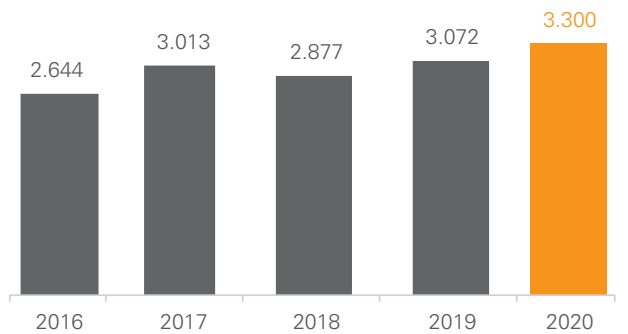


Source: Superintendece of Banks

Contingent operations, given the weakening of imports, decreased by 10.2% annually, reaching USD 694 million, figure including Foreign Trade letters of credit, securities, guarantees - businesses in which the bank has historically maintained leadership position.

The Bank's total source of funding is Public liabilities which accounts for USD 3.3 billion and represents 92% of the liability. In this year, the trust of clients was reflected in the increase of deposits (7,4%) as follows: fixed term deposits increased by USD 91.7 million, demand deposits reached USD 160.9 million.

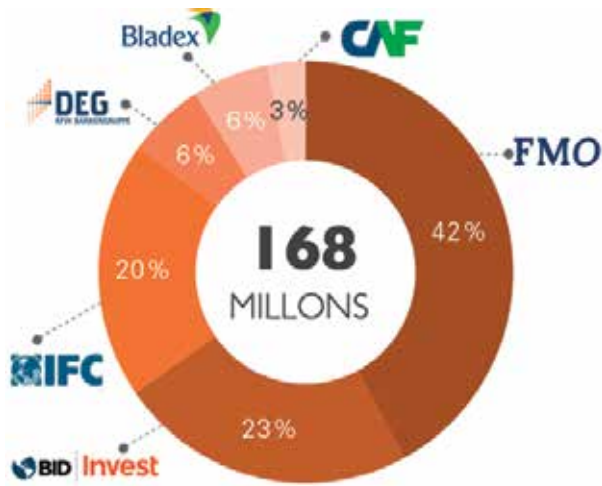
LIABILITIES TO THE PUBLIC



Source: Superintendece of Banks

The Bank's extensive experience and financial soundness allowed it to maintain, despite the situation of the country, the Access to alternative sources of financing with multilateral organizations and foreign financial institutions and thus diversify the sources of institutional funding. Liabilities balance at the end of 2020 reached USD 168 million.

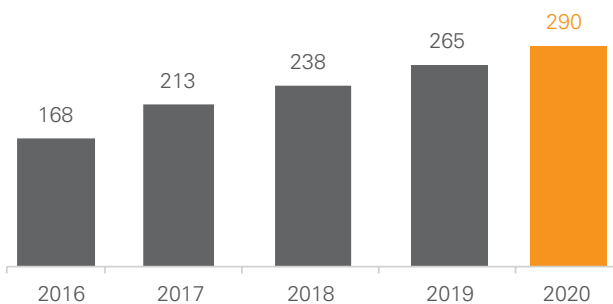
DEBT FROM FINANCIAL INSTITUTIONS



Source: Banco Internacional

With regard to the entity's solvency, the Bank's equity increased by USD 7.87 million (2,1%), achieving USD 386 million, including the profits for the period. The paid – in capital also registered an increase from USD 265 million to USD 290 million.

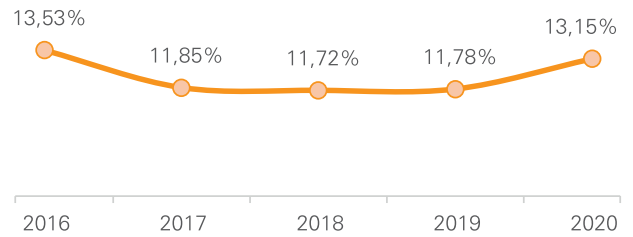
PAID – IN CAPITAL



Source: Superintendec de Banks

The technical equity ratio, which relates the bank's constituted technical equity with risk – weighted risk and contingents strengthened significantly, from 11.78% to 13.15% as of December 2020.

TECHNICAL EQUITY



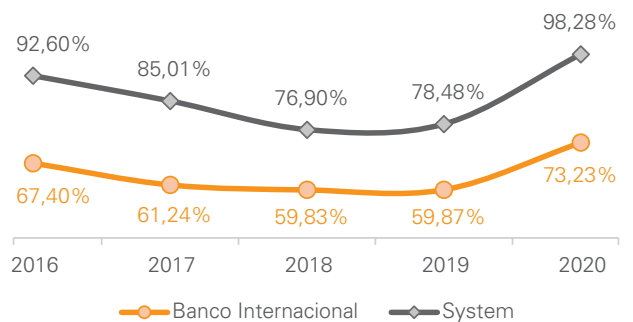
Source: Superintendec de Banks

RESULTS STATEMENT

The Gross Financial Margin, which comprises net interests, net commissions, service revenue, and the outcome of financial operations increased to USD 193.66 million as of December 2020. The operating cost decreased by 4% compared to 2019 reaching USD 107 million to the end of 2020; additionally, USD 47.15 million were allocated to provisions.

The conservative cost management regarding income and expenses allowed Banco Internacional register a performance indicator of 73,23%, greater than the presented by the financial system in the same year.

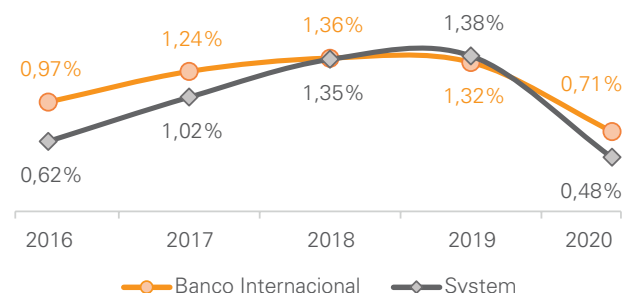
EFFICIENCY



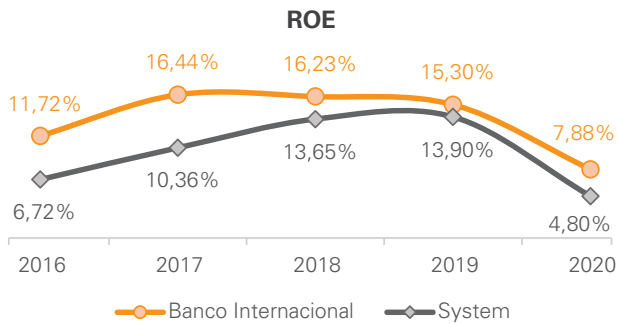
Source: Superintendec de Banks

At the close of 2020, the net profit of Banco Internacional was USD 28.18 million. ROI was 0,71%, whereas (ROE) was 7,88%, ratios greater than those achieved by the system, which were 0.48% and 4.80%, respectively.

ROA



Source: Superintendec de Banks



Source: Superintendec de Banks

RISK AND COMPLIANCE MANAGEMENT

Despite the decrease in the Ecuadorian economy, as stated previously, the liquidity of the economy was favored by the currency income from the export sector (not oil) and the public debt, supporting the deposits and the liquidity of the banks; the financial system soundness indicators remain strong while credit risk is high, since the contraction in economic activity makes payment capacity of several sectors tight, whereas the expectation for portfolio construction remains low.

In this environment, Banco Internacional focused its efforts on prudent management of its loan portfolio. Likewise, the institution significantly increased the allocation of provisions to cover non-payment risks in the medium term and maintain credit quality.

Solvency levels have been strengthened, leveraged in the financial margin and in the efficient overhead costs management, in a context of reduced income from commissions and services, as a result of lower economic activity and a higher allocation of provisions.

During 2020, the adequate management of operational risk allowed that events outside the historically observed parameters not to be reflected, prioritizing the identification of possible events derived from changes in processes as a result of the pandemic. The legal risk management system was strengthened thanks to the implementation of action plans and controls executed by the different Vice-Presidents of the Bank.

Regarding information security management, the execution of a comprehensive risk culture program is maintained, which is of great importance given the increase in cyberattacks during 2020. Support has been provided in strengthening telework management with the incorporation of control layers that allow mitigating the identified risk events.

Banco Internacional seeks to prevent the products and services it offers from being used to commit crime such as: money laundering and other illegal activities; as well as, ensure compliance with current legal and regulatory provisions. We ratify our commitment to continuously improve the management of this function with the support and commitment of the Board of Directors, the administration and all levels of the institution, in pursuit of continuous improvement in our processes, policies and methodologies, by reinforcing the culture prevention of money laundering, financing of terrorism and other crimes.

As a result of this management, the Risk Rating report carried out as of September 2020 by the Bank Watch Ratings, once again granted Banco Internacional the AAA- rating, which, according to the rating agency, stated that: *"The situation of the financial institution is exceptionally strong and has an outstanding track record of profitability reflected in its excellent reputation within the business, remarkable access to its natural money markets and clear prospects for stability. If there is any kind of weakness or vulnerability concerning the institution's activities, it is entirely mitigated thanks to the strengths of the organization"*.



BUSINESS MANAGEMENT

Despite the challenges that the bank had to face during this year, we continue with determination in the execution of the strategic goals set for this year. Hence, the execution of essential projects for the modernization and competitiveness of our institution continues its course under new modalities and with the use of state-of-the-art methodologies that have allowed us to keep the closure of the projects committed in our "Plan 2020" at a good pace.





In the first months of the health emergency that the country underwent, payments of March and April's installments were postponed for up to 60 days to more than 70% of the clients who had active consumer credit operations in micro, housing and credit cards, these customers benefitted from these deferrals automatically without generating late fees or collection management surcharges.

Likewise, companies were supported in the refinancing of loans according to their needs, thus providing financial relief to 7,492 clients, for more than USD 435 million.

Throughout 2020 we kept our commitment to the productive sector, 6.728 loans were granted to 2.010 clients for a total amount of USD 2.438 billion, which places us as the number 1 bank in commercial credit participation for companies with annual sales greater than USD 400,000.

During the pandemic, our Customer Service model allowed us to successfully continue the operation, leveraging on a standardized structure of positions, roles and functions and a distribution of personnel according to the needs and levels of absenteeism. Similarly, the follow-up to the action plans to comply with protocols and promise of service, along with training and constant feedback to our office staff, resulted at the end of 2020, in an increase in the Customer Satisfaction index of 83, 88% to 86.84%. All these actions allowed the connection of more than 32,000 new clients; consequently, achieving 528,442 clients nationwide.



Recuerda, cuando atiendes a tu cliente, hazlo de la mejor manera. Sé digno, transparente, amable y cercano.

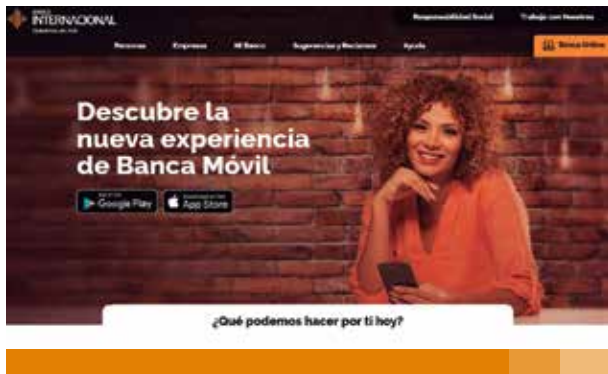


We are always looking for new ways to contribute to the development of the country and its different regions, the new branch was inaugurated in Machala. This agency - located in one of the most important productive areas of the country – started its operations in August and has all the conveniences to efficiently serve corporate and individual clients.



At Banco Internacional we consider that moments of crisis are also opportunities to demonstrate our institutional mission and for this reason, in the past year we executed several initiatives to project ourselves into the bank we want to be: we launched a renewed website, the same one that provides new experience to users who visit it; in addition, updates were made to Banca Online (Online Banking) and Banca Móvil (Mobile Banking), offering new functionalities such as: immediate payment transfers, biometric entry, payment scheduling, registration for the first time, Social Security payment, among others.

During the health emergency that our country went through, different digital user activation campaigns were carried out, allowing an increase of 45% in customers who have preferred this type of channels compared to 2019; likewise, a growth of 76 % of digital transactions were executed through electronic channels.



As a result of the above, transactions carried out over the internet represented 33% of the total of those processed in the bank, which added to 29% in ATMs and 13% in POS; therefore, a total of 74% in transactions were made outside the banking agencies.

Customer requests from the web and social networks increased considerably, so the Bank, in its need to adapt to the new reality, enabled new procedures for business advisors to pay attention to these requirements remotely. Similarly, the process of digitizing Account Statements was established allowing our clients to receive their documents by mail or receiving them via courier without the need to go to offices, this generated a positive impact on reducing the consumption of paper and its corresponding environmental impact.

We continue to strengthen the means of payment, adapting to the new conditions demanded by the market, this is how the use of debit card for online consumption was enabled, achieving great acceptance by customers.

Furthermore, there was significant growth in the management of payment buttons, which allows businesses to accept credit cards via the web, resulting in an increase of 120% in billing and 71% in the number of establishments joining the channel.



In 2020 we also focused on providing more agile services and experiences to our clients: for instance, in June the implementation of “Interservice” was successfully completed, transforming the technological help desk into a comprehensive service desk, with a consolidated and trained technical-operational team. There was also the incorporation of a new offer of services provided to the staff, among them, the chatbot that reduces the operational load and service times, as well as the implementation of a support scheme for Online Banking Companies, with the aim of focusing the sales team on customer service and excluding from their functions the technical support that is currently centralized in a single team.

We launched to the market our product named “Confirming” in July, a product that allows companies to extend the terms of their accounts payable and, at the same time, gives their suppliers the benefit of requesting an advance payment of said invoices, benefitting from immediate liquidity and allocating these resources to working capital to continue with their operation, all this done 100% online.



HUMAN TALENT

Once the confinement was decreed on March 16, care measures were taken for our staff and we defined that only 30% of the staff work in-person. Starting in June, when the restrictions were lifted, we implemented the return plan until reaching 90% of employees working in-person in December. All those who were doing home office were given the necessary tools to

work in their tasks and those who were reincorporated in person were trained in biosafety protocols at site, PCR-Covid tests were carried out, in addition to providing them with personal protective equipment and the necessary medical follow-up to guarantee their safe return. Likewise, strict protocols and entry control were established (symptom survey, temperature measurement, exterior and interior occupancy, signage, among others), a constant disinfection of offices and agencies nationwide, sanitization of equipment, adaptation of dining rooms, redistribution of spaces and a survey that made it possible to identify risk groups and vulnerable personnel.

We are extremely pleased that this timely and dedicated management has contributed so that by the end of 2020 we have no human losses to regret, despite the fact that 297 of our collaborators got the virus (22% of the total).

Despite the difficulties, we do not stop training our staff by executing a series of distance programs such as: "Estrategias para gestionar el presente y liderar el futuro," and "Alineamiento y liderazgo 2020," as well as a motivational talk for all staff at end of the year.



In addition, we reaffirmed the commitment to our collaborators; several activities from our "Calidad de Vida" program continued its course, including emotional support, the fan club and 100% attitude.

All this new way of managing Human Talent could be successfully implemented thanks to the bank's culture, its values and leadership model, which is demonstrated in the 91% of general satisfaction obtained in the measurement of the COVID 2020 survey from Great Place to Work called "Better Together".

CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL EDUCATION

Banco Internacional defines its Corporate Social Responsibility actions based on 3 Sustainable Development Goals (SDGs) of the United Nations Organization: Quality Education (SDG 4), Decent Work and Economic Growth (SDG 8) and Responsible Consumption and Production (SDG 12).



Under this concept, the Financial Education Program, aimed at clients, suppliers and the community in general trained 2,677 people nationwide through free virtual workshops.

Despite the restrictions caused by the pandemic in 2020, the community program, together with LAB XXI, was adapted to virtual mode, managing to train 160 people in vulnerable situations in soft skills, employability and entrepreneurship nationwide.

Likewise, we made an alliance with Exponencial and its Banco del Tiempo initiative, a program created as a result of the pandemic and that seeks that executives of the main companies in the country donate hours of their time to advise small and medium-sized companies in different areas allowing them to reactivate and move forward. Our 34 volunteers have donated more than 120 hours of mentoring to date.



The economic impact caused by the confinement and the severe health crisis that the country experienced, motivated us to lead a fundraiser with our collaborators, who, together with a contribution from the bank, managed to ensure that 10,000 people in a state of vulnerability receive food baskets through the initiative "Dar una mano sin dar la mano".

APPRECIATION

Dear Shareholders, I would like to conclude by ratifying that our mission: “Ser Más, respondiendo con solidez, eficiencia y calidad a las necesidades financieras de nuestros clientes” remains intact. It is in times of adversity when values and principles that guide us are tested, and in that sense, today more than ever, I am proud of the commitment shown by our teams along with their leaders - to whom I express my deepest gratitude - have made Banco International overcome with satisfaction the challenges that this 2020 posed us.

Also, my gratitude to our Board of Directors for their support and to you, Shareholders, for your trust.



Francisco Naranjo Martínez
Executive Chairman

04

**Financial
Information**

Balance Sheet * (In U.S. Dollars)

	VARIATION			
	DEC. 19	DEC. 20	USD	%
ASSETS	3.792.356.294,19	3.965.184.755,09	172.828.460,90	4,56%
Available Funds	632.665.848,18	834.842.364,01	202.176.515,83	31,96%
Investment	621.036.361,50	660.083.265,32	39.046.903,82	6,29%
Credit Portfolio	2.345.196.621,62	2.264.224.669,63	(80.971.951,99)	(3,45%)
Current Credit Portfolio	2.409.466.781,69	2.354.828.446,35	(54.638.335,34)	(2,27%)
Credit Portfolio That Does not Accrue Interests	14.087.013,74	13.423.488,55	(663.525,19)	(4,71%)
Overdue Credit Portfolio	14.234.325,61	10.146.395,79	(4.087.929,82)	(28,72%)
Uncollectible Provision	(92.591.499,42)	(114.173.661,06)	(21.582.161,64)	23,31%
Accounts Payable	41.784.271,78	59.956.944,58	18.172.672,80	43,49%
Assets Awarded as Payment	2.679.686,40	13.714.814,47	11.035.128,07	411,81%
Property and Equipment	40.524.856,17	37.799.383,53	(2.725.472,64)	(6,73%)
Other Assets	108.468.648,54	94.563.313,55	(13.905.334,99)	(12,82%)
LIABILITIES	3.414.177.334,49	3.579.137.245,78	164.959.911,29	4,83%
Obligations to the Public	3.072.455.679,01	3.300.274.439,22	227.818.760,21	7,41%
Immediate Obligations	3.237.856,67	5.261.499,67	2.023.643,00	62,50%
Accounts Payable	119.949.337,10	104.921.681,89	(15.027.655,21)	(12,53%)
Financial Obligations	218.066.666,68	168.166.666,70	(49.899.999,98)	(22,88%)
Securities in Circulation	0,00	0,00	0,00	0%
Other Liabilities	467.795,03	512.958,30	45.163,27	9,65%
EQUITY	378.178.959,70	386.047.509,31	7.868.549,61	2,08%
Social Capital	264.612.359,00	290.295.247,00	25.682.888,00	9,71%
Reserves	43.038.203,05	48.056.891,45	5.018.688,40	11,66%
Surplus by Valuations	19.501.132,79	18.671.906,16	(829.226,63)	(4,25%)
Cumulative Results	840.380,84	840.380,84	(0,00)	(0,00%)
Financial Year Results	50.186.884,02	28.183.083,86	(22.003.800,16)	(43,84%)
Contingent Accounts	772.730.440,15	693.568.594,70	(79.161.845,45)	(10,24%)
Memoranda Accounts	13.722.164.901,91	15.003.933.165,98	1.281.768.264,07	9,34%

* Internal Presentation Format

Results Statement * (In U.S. Dollars)

	DEC. 19	DEC. 20	VARIATION	
			USD	%
Financial Income				
Earned Interest	245.267.921	250.759.324	5.491.403	2,24%
Commissions Earned	23.011.445	18.688.417	(4.323.027)	(18,79%)
Financial Profit	4.066.378	3.781.696	(284.682)	(7,00%)
Service Income	31.753.268	28.098.093	(3.655.175)	(11,51%)
	304.099.011	301.327.531	(2.771.481)	(0,91%)
Financial Expenditures				
Accrued Interest	92.891.102	103.580.936	10.689.834	11,51%
Accrued Commission	2.048.818	1.875.722	(173.096)	(8,45%)
	94.939.920	105.456.658	10.516.738	11,08%
Financial Gross Margin	209.159.091	195.870.872	(13.288.219)	(6,35%)
Provisions for Risk Assets	(20.029.839)	(47.154.146)	(27.124.308)	135,42%
Financial Gross Margin After Provisions	189.129.252	148.716.726	(40.412.527)	(21,37%)
Operating Costs	(112.088.721)	(107.280.763)	4.807.958	(4,29%)
Other Income and Operating Costs	991.188	508.713	(482.475)	(48,68%)
Net Operating Cost	78.031.719	41.944.675	(36.087.044)	(46,25%)
Non-Operating Income and Exoenses, net	1.838.773	3.174.919	1.336.146	72,67%
Profit Before Taxes and Profit Sharings among Employees	79.870.492	45.119.594	(34.750.898)	(43,51%)
Employee Profit Sharings	(11.980.574)	(6.767.939)	5.212.635	(43,51%)
Income Tax	(17.703.034)	(10.168.571)	7.534.463	(42,56%)
Annual net Profit	50.186.884	28.183.084	(22.003.800)	(43,84%)

* Internal Presentation Format

Financial Indicators *

	DEC. 18		DEC. 19		DEC. 20	
	Bank	System	Bank	System	Bank	System
ASSET QUALITY						
Productive Assets / Total Assets	88,36%	86,01%	87,99%	87,84%	83,16%	82,41%
CREDIT RISK						
Default Rate	1,03%	2,62%	1,16%	2,73%	0,99%	2,61%
PROFITABILITY						
Return on Assets	1,36%	1,35%	1,32%	1,38%	0,71%	0,48%
Return on Equity	16,23%	13,65%	15,30%	13,90%	7,88%	4,80%
MANAGEMENT EFFICIENCY						
Operating Cost / Financial Margin	59,83%	76,90%	59,87%	78,48%	73,23%	98,28%
Operating Cost / Average Asset	3,20%	5,17%	3,15%	5,25%	2,86%	4,51%
Personnel Expenses / Average Asset	1,16%	1,63%	1,11%	1,61%	0,98%	1,36%
LIQUIDITY						
Available Funds / Short-term Deposits	25,62%	27,89%	24,65%	25,98%	29,97%	34,10%

* Internal Presentation Format

05

Incorporated Technical Equity

REPUBLIC OF ECUADOR
 SUPERINTENDE OF BANKS
 NATIONAL FINANCIAL INSTITUTION ADMINISTRATION
 RELATION BETWEEN TECHNICAL EQUITY AND ASSETS
 AND RISK WEIGHTED CONTINGENTS
 (IN U.S. DOLLARS)

Form. 229

INSTITUTION: Banco Internacional S.A.
 OFFICE IN : Quito

OFFICE CODE: 1023
 31-dec-20

CODE	DESCRIPTION	AMOUNT
PATRIMONIO TÉCNICO CONSTITUIDO		
PATRIMONIO TÉCNICO PRIMARIO		
31	Social Capital	290.295.247,00
3201	Paid-in Capital	0,00
3301	Legal Reserve	48.056.891,45
3302	General Reserves	0,00
330310	Special Reserves - for future capitalization	0,00
34-340210-3490	Other equity contributions minus donations - in assets minus others	0,00
3601	Cumulative Profits or Suplus-Audited Balances (1)	0,00
3602	Cumulative Losses-Audited Balances (1)	0,00
2608	Subordinated Debt	0,00
2802	Contributions fro Future Capitalizations (2)	0,00
Minus:		
190530	Goodwill	
3202	Discount in terms of Paid-in Capital	
A	TOTAL PRIMARY TECHNICAL EQUITY	338.352.138,45
SECONDARY TECHNICAL EQUITY		
2801	Convertible Liabilities (3)	0,00
2803	Fixed-term Subordinated Debt (7)	0,00
3303	Special Reserves	0,00
3305	Reserves due to Equity Appreciation	0,00
3310	45% Reserves due to Non-Operative Results	0,00
35	45% Surplus by Valuation	8.402.357,77
3601	Cumulative Profits or Surplus (1)	840.380,84
3602	Cumulative Losses (1)	0,00
3603	Financial Year Profit or Surplus (4)	28.183.083,86
3604	Financial Year Loss (4)	0,00
5-4	Income minus Expenditure (5)	0,00
Plus		
149980	Provisions for Uncollectible Loans - Generic Provision for Credit Technology (6)	4.182.783,40
149989	Provisions for Uncollectible Loans - Voluntary Generic Provision (6)	6.776.607,47
2912	Other Liabilities - Badwill (10)	0,00
Minus:		
37	Equity Devaluation	0,00
1613	Early Dividend Payment	0,00
B	TOTAL SECONDARY TECHNICAL EQUITY	48.385.213,34
C=A+B (**)	TOTAL TECHNICAL EQUITY TOTAL	386.737.351,79

Menos:

Se deducirá del patrimonio técnico total de la matriz, el capital asignado a una sucursal o agencia en el exterior: y, además el capital invertido, esto es, el valor de su participación en el capital pagado más las reservas exceptuando las provenientes de valuaciones del activo, en una institución subsidiaria o afiliada 2.431.628,76

Cuando una subsidiaria registre inversiones en otras instituciones del sistema financiero, que las conviertan en subsidiaria de dicha institución, dichos valores de deducirán conforme a lo establecido en el inciso anterior, del Patrimonio Técnico total de la matriz.

Los saldos registrados en la subcuenta 1611 "Anticipo para adquisición de acciones" cuando correspondan a inversiones en acciones, anticipos en la capitalización o constitución de compañías subsidiarias o afiliadas. 991.747,11

D	DEDUCCIONES DEL PATRIMONIO TÉCNICO TOTAL	3.423.375,87
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E=C-D	PATRIMONIO TÉCNICO CONSTITUIDO	383.313.975,92
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ACTIVOS Y CONTINGENTES PONDERADOS POR RIESGO

Activos ponderados con 0.00	-
Activos ponderados con 0.10	7.889.065,09
Activos ponderados con 0.20	68.552.118,33
Activos ponderados con 0.40	68.078.197,47
Activos ponderados con 0.50	54.386.808,83
Activos ponderados con 1.00	2.716.980.105,36
Activos ponderados con 2.00	-

F	TOTAL ACTIVOS Y CONTINGENTES PONDERADOS POR RIESGOS	2.915.886.295,07
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POSICION, REQUERIMIENTO Y RELACIÓN DE PATRIMONIO TÉCNICO

G=F*9%	PATRIMONIO TÉCNICO REQUERIDO	262.429.766,56
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H=E-G	EXCEDENTE O DEFICIENCIA DE PATRIMONIO TÉCNICO REQUERIDO	120.884.209,36
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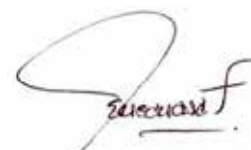
ACTIVOS TOTALES Y CONTINGENTES * 4%	186.350.133,99
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CUMPLIMIENTO NORMATIVO

Art. 190 COFM	PTC / ACTIVOS Y CONTINGENTES PONDERADOS POR RIESGO	13,15%
Art. 190 COFM	PTC / ACTIVOS Y CONTINGENTES TOTALES	8,23%
	ACTIVO FIJO / PATRIMONIO TÉCNICO CONSTITUIDO	9,86%



DR. JOSE ROMERO SORIANO
VICE PRESIDENT LEGAL REPRESENTATIVE



FABIAN ENCALADA
GENERAL ACCOUNTANT

06

Office
Network

QUITO - VALLES

Headquarter
 La Niña Agency
 Iñaquito Agency
 La Y Agency
 Meditrópoli Agency
 Los Shyris Agency
 El Condado Agency
 Quito Tennis Agency
 La Carolina Agency
 Tumbaco Agency
 Cumbayá Agency
 12 de Octubre Agency
 El Inca Agency
 Panamericana Norte Agency
 Villaflora Agency
 San Rafael Agency
 Santa Rita Agency
 Mariscal Sucre Agency
 Plaza Santo Domingo Agency
 Maldonado Agency
 Santa Prisca Agency
 Sangolqui Agency

ADDRESS

Av. Patria E4-21 y Av. 9 de Octubre
 La Niña E9-64 y Av. 6 de Diciembre, frente al C.C. Multicentro.
 Av. Amazonas N36-147 y Corea, frente al C.C. Iñaquito.
 Av. Gaspar de Villarroel SN y Londres, esquina.
 Av. Mariana de Jesús Oe84 y Av. Mariscal Sucre, Edif. Centro Médico Meditrópoli.
 Av. De Los Shyris N35-174 y Suecia, esquina.
 Av. Mariscal Sucre y Av. La Prensa C.C. El Condado, local 230.
 Av. Brasil N42-134 y Mariano Echeverría.
 Av. General Eloy Alfaro y Av, Mariana de Jesús, Edf. Gaia, Local 2 PB.
 Av. Interoceánica Oe6-192 y Fco. Pizarro C. C. Ventura Mall.
 Av. Interoceánica y Av. Diego de Robles, C. C. Plaza Cumbayá, local 8.
 Av.12 de Octubre N24-660 y Francisco Salazar, Edif. Concorde.
 Av. 6 de Diciembre N51-64 e Isaac Barrera.
 Av. Galo Plaza Lasso N74-14 y Antonio Basantes, Panamericana Norte Km 7 1/2.
 Av. Alonso de Angulo Oe1-100 y Francisco Gómez.
 Av. Gral. Enríquez e Isla Genovesa, C.C. Rumiñahui.
 Avenida Mariscal Sucre 6762 y calle La Maná.
 Av. Mariscal Sucre 2023 y Calle Quitus, esquina.
 Guayaquil y Bolívar, esquina.
 Av. Maldonado S28-40, entre Río Zabaleta y Borbón, frente a Levapan.
 Santa Prisca OE2-10 y Manuel Larrea.
 Venezuela y Montúfar esquina, Edif. Jijón y Caamaño, Parque Turismo.

GUAYAQUIL - PERIFERIA

Mayor Guayaquil Branch
 Alborada Agency
 Albán Borja Agency
 Hilton Colón Agency
 Urdesa Agency
 Durán Agency
 Los Ceibos Agency
 Samborondón Agency
 Vía Samborondón Agency
 9 de Octubre Agency
 La Bahía Agency
 Portete Agency
 Parque California Agency
 Mall del Sur Agency
 Mercado Central Agency
 Sonesta Agency
 Centro Agency
 El Dorado Agency
 Terminal Terrestre Agency
 Puerto Marítimo Agency

Av. 9 de Octubre 117, entre Pichincha y Malecón
 Av. Rodolfo Baquerizo Nazur y Demetrio Aguilera Malta, esquina.
 Av. Carlos Julio Arosemena y Llanes, C. C. Albán Borja, local 18.
 Av. Francisco de Orellana Mz. 111, Hotel Hilton Colón local 18 PB.
 Av. Víctor Emilio Estrada 425 y Ébanos.
 Autopista Durán-Bolicho Km. 3 1/2, C. C. Paseo Shopping Durán.
 Vía a la Costa km 6 1/2, C. C. Río Centro los Ceibos, local A14.
 Av. Malecón y García Moreno esquina, Edif. Jacindros local Nro. 1, PB.
 Centro Comercial Village Plaza, Km. 1.5, Vía Samborondón, local 1, PB.
 Av. 9 de Octubre 2002, entre Los Ríos y Tulcán.
 Chile 805 y Colón.
 Portete 4415 y Calle 19.
 Km. 11 1/2 vía Daule, Parque Comercial California Uno, bodega 4.
 Av. 25 de Julio entre José de la Cuadra y Ernesto Albán, C.C. Mall del Sur, local 19-20.
 Av. 6 de Marzo 829 y Clemente Ballén.
 Av. Joaquín Orrantía y Av. Leopoldo Benítez, Edif. Sonesta, local 9-10-11.
 Av. Pichincha 332 y Elizalde.
 C.C. Riocentro El Dorado, local 20, PB; Vía a La Aurora Km. 10 1/2.
 Av. Benjamín Rosales SN y Av. de las Américas, Terminal Terrestre, C.C. Outlet, local 51.
 Av. 25 de julio, Vía Puerto Marítimo de Guayaquil.

AUSTRO

Cuenca Branch	Presidente Borrero 784 y Sucre, Edif. Banco Internacional.
España Agency	Av. España 314 y Sebastián de Benalcázar.
Remigio Crespo Agency	Av. Remigio Crespo Toral 5-182 y Remigio Romero.
Azogues Branch	Bolívar 621 y 10 de Agosto.
Loja Branch	Bolívar y Azuay, esquina.

SIERRA

Otavalo Branch	Sucre y Panamericana Norte.
Cayambe Branch	Av. Bolívar 605 entre Morales y Restauración.
Ibarra Branch	Calle Pedro Moncayo N 754 entre Olmedo y Sánchez y CiSources.
La Plaza Agency	Av. Mariano Acosta 21-47 y Víctor Gómez Jurado, C. C. La Plaza Shopping, local 4.
Ambato Branch	Bolívar 1632 entre Martínez y Mera.
Cevallos Agency	Av. Cevallos 665 y Unidad Nacional, esquina.
Atahualpa Agency	Av. Atahualpa y Nery Pillahuazo.
Riobamba Branch	10 de Agosto y García Moreno, esquina.
Daniel León Borja Agency	Av. Daniel León Borja 44-43 y Epicachima.
Latacunga Branch	Calle Quijano y Ordóñez N 4-151 y General Maldonado, esquina.

COSTA

Babahoyo Branch	Gral. Barona y Rocafuerte.
Machala Branch	Av. 25 de Junio Urb. las Paulinas solar #6, Mz MERC-L, vía Machala Pasaje.
Manta Branch	Av. Malecón y Calle 13, esquina.
Cuatro de Noviembre Agency	Av. Cuatro de Noviembre del entre las calles J6 y J8.
Portoviejo Branch	Av. América y calle Pedro Zambrano Izaguirre, esquina.
Santo Domingo Branch	Av. Quito y Río Blanco, esquina.
La Concordia Agency	Av. Simón Plata Torres 052 y Quito.
El Colorado Agency	Vía a Quevedo 114 y Av. Chone, por la "Y" del Indio Colorado.
Quinindé Agency	Av. Simón Plata Torres 351 y Cuarta Transversal.
Esmeraldas Branch	Calle 10 de Agosto, lote 6, entre Bolívar y Sucre. Parque central 20 de Marzo.
Quevedo Branch	Av. 7 de Octubre 336 y la Cuarta.
Ventanas Agency	Av. Velasco Ibarra 406 y Seminario.

ORIENTE

Puyo Branch	Av. General Villamil SN y Francisco de Orellana.
Lago Agrio Branch	12 de Febrero y Av. Quito.
Shushufindi Agency	Av. Policía Nacional y Unidad Nacional.
El Coca Branch	Av. Cuenca y 9 de Octubre.
Joya de los Sachas Agency	Av. De los Fundadores y G. Moreno.

07

International Partner Banks

NAME	COUNTRY
Banco Do Brasil	Brazil
BNDES	Brazil
Banco Security Chile	Chile
Banco de Comercio Exterior de Colombia - Bancoldex	Colombia
Banco de Occidente	Colombia
Ebna Bank	Curacao
Citibank	E.E.U.U
IFB International Finance Bank	E.E.U.U
Wells Fargo	E.E.U.U
U.S. Century Bank	E.E.U.U
Standard Chartered Bank	England
Deutsche Bank	Germany
Commerzbank	Germany
Interbanco	Guatemala
UniCredit	Italia
Bank of Tokyo - Mitsubishi	Japan
Banco Nacional de México - Banamex	Mexico
Rabobank	Netherlands
Banco Internacional de Costa Rica BICSA	Panama
Banco Latinoamericano de Exportaciones - Bladex	Panama
Multibank	Panama
BanBif	Peru
Banco de Credito del Perú - BCP	Peru
Banco Sabadell	Spain
Santander Central Hispano	Spain
BBVA	Spain
Caixabank	Spain
Banco Exterior	Venezuela

08

Related
Banks

**CURAÇAO**

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