




# Executive Profile 2022



This document contains a summary of the work we have developed with our customers over the last year.

We are committed to the growth of the business and Panamá, as we continue working and innovating to offer high-quality service and confidence to all our customers.

MetroBank is a reference in the Panamanian banking market and the results shown in this document demonstrate it.



# Navigating This Report

The menu icon returns you to the Table of Contents.

Clicking on the arrows at the bottom right takes you to the preceding or next page.



This document contains navigable features. For the best experience, open in Adobe Acrobat. If you don't have Acrobat it can be downloaded for free.



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# Economic and Regulatory Framework



# Economic Overview

Panama had one of the strongest growth performance in Latin America and the Caribbean (LAC) before the COVID-19 crisis. It grew 4.7 % on average from 2014 to 2019, while LAC grew at 0.9 %. Fast growth and prudent fiscal management allowed Panama to reach investment grade and access private financing markets at low cost.

Panama suffered from one of the most severe COVID-19 outbreaks in LAC. The impact on the labor market reduced the median labor income by 18 % in 2020 and the GDP contracted 18% in 2020.

Panama responded to the COVID-19 crisis by maintaining approximately the same investments levels as of 2019, while adding new social spending, despite a large drop in revenues (21.2 % in 2020). Consequently, the fiscal deficit widened to 10.3 % of GDP in 2020. Fiscal expansion was financed mostly by debt, which increased total public debt from US\$31 billion (46.4 % of GDP) in 2019 to US\$36.9 billion (68.5 % of GDP) in 2020 (68.5 % of GDP).

Real GDP growth estimated by INEC (Instituto Nacional de Estadística y Censo de Panama) for 2021 was 15.3%, while the projected potential growth for 2022 by IMF is approximately 5%.

Panama's ratings are supported by its high per capita

income, result of a track record of strong macroeconomic performance featuring high average growth rates and relatively low inflation, exploiting a strategic location and asset (the Panama Canal).

Rating agencies view Panama's outlook to be stable, as a result of the ongoing improvement in its fiscal position and positive economic recovery following the initial pandemic shock. They expect Panama will reach its pre-pandemic GDP level by 2022 (a year earlier than projected). Signs of construction oversupply and a smaller infrastructure project pipeline may indicate lower medium-term growth prospects compared to the high growth rates over the past decade. Panama's diverse economy, however, may mitigate the risk of a protracted economic slowdown.

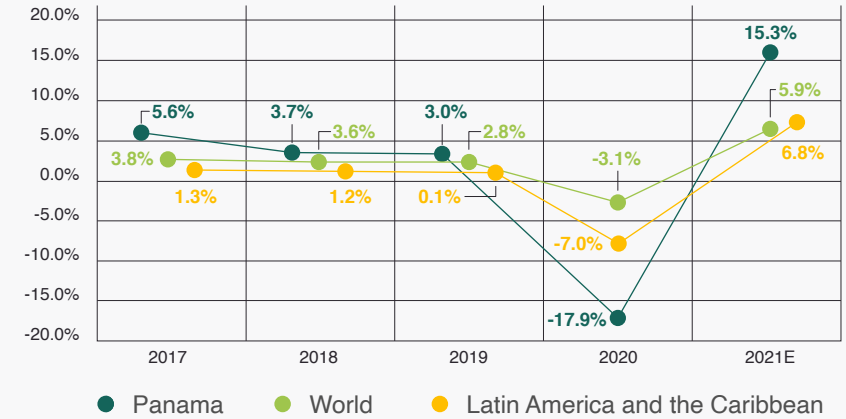
Panama credit ratings by agency:

**BBB**  
(Negative) **STANDARD & POOR'S**

**BBB-**  
(Stable) **FitchRatings**

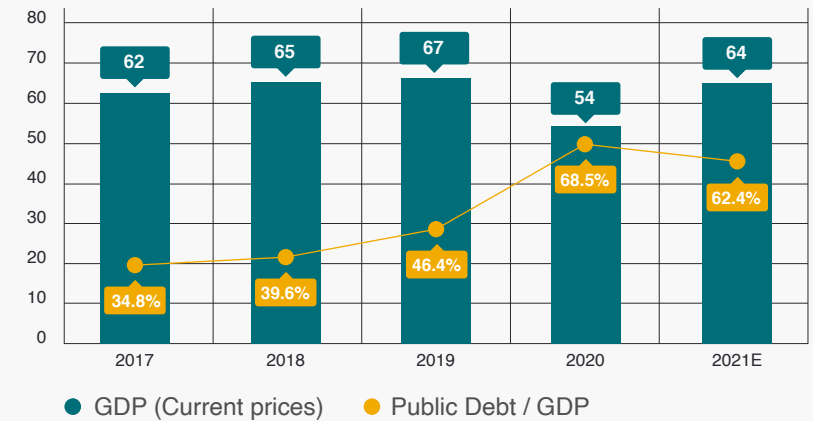
**Baa2**  
(Stable) **MOODY'S**

## Economic Grow



\*International Monetary Fund, Jan 2022 and INEC.

## GDP (US\$ BLN) and Public Debt



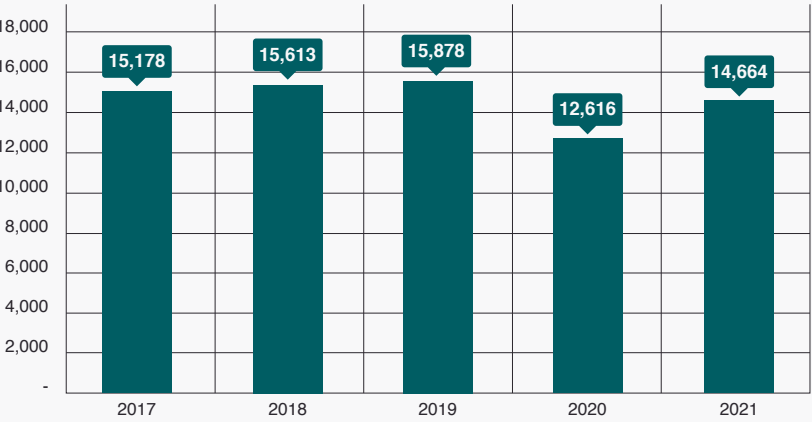
\*International Monetary Fund, Jan 2022 and INEC.

# Economic Overview

Panama's GDP for 2021 reached US\$64 billion (US\$ 14,664 per capita). The internal activities that presented a positive performance in this period were construction, commercial activities, manufacturing industries, energy, real estate business, and other personal services, whereas financial services and education registered a decrease.

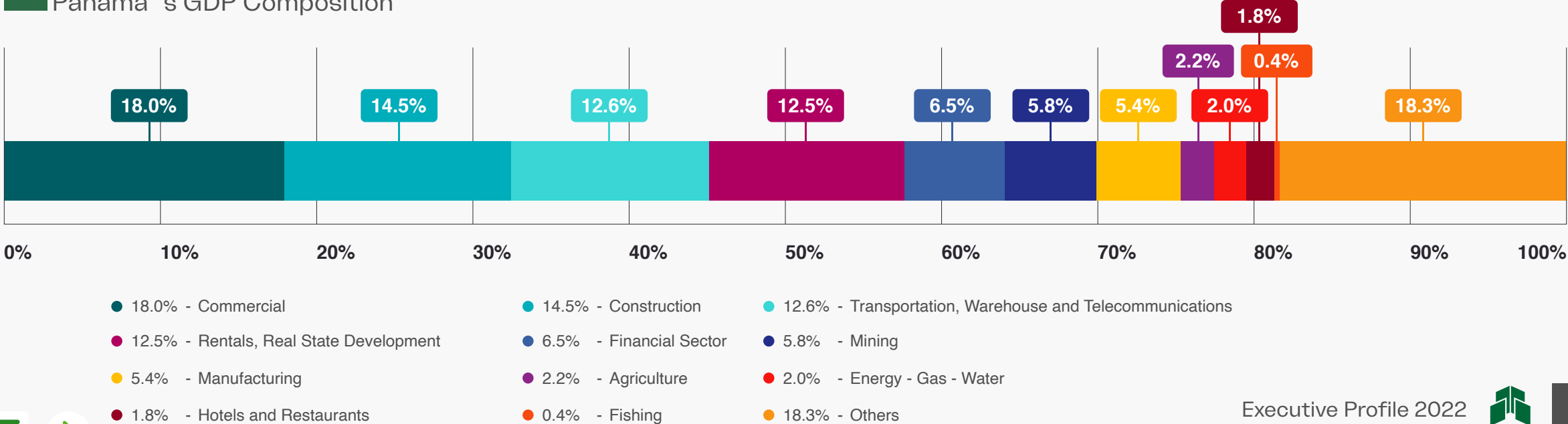
Activities that also showed improvements in 2021: Copper Mining, the Panama Canal, Port Services, Air Transport, and the Colon Free Zone.

GDP per Capita (Current Prices)



\*INEC

Panama's GDP Composition



# Regulatory Framework

## Regulations for Bearer Shares

- Law No. 47 of August 6, 2013, that created a custody regime for bearer shares
- Law No. 18 of April 23, 2015, amended Law No. 47 of 2013.
- Rule No. 307 of April 24, 2015, of the Supreme Court of Justice of Panamá that created a registry of lawyers authorized to act as custodians of bearer shares certificates.
- Rule No. 004-2015 of May 11, 2015, of the Superintendency of Banks of Panama (SBP) regulates the procedure for the registration of bearer shares custodians for financial institutions supervised by the SBP.
- Law No. 129 of March 17, 2020. Creates a private and unique system for registration of (UBO's) final beneficiaries of legal entities and creates the Superintendence of obliged Non-Financial Subjects. Obligation to the Resident Agents (Lawyers) to identify the Final Beneficiaries of all the entities. Panama implemented a modern technological platform that is now at the forefront of new trends in corporate transparency, providing an adequate balance between the duty to know their clients and avoiding abuses of the corporate system.

## Prevention of Money Laundering, Terrorism Financing and Financing of Proliferation of Weapons of Mass Destruction in Panama - Law No. 23 of April 27, 2015

This law is the regulatory framework for the different supervisory bodies, as well as the entities, natural and legal persons subject to supervision, establishes:

- Requires identifying, assessing, and understanding the risk and consequences of money laundering, terrorism financing, and the financing of the proliferation of mass destruction weapons and implements the appropriate controls for its mitigation, protect the integrity of the country's financial system and other sectors of the economy.
- Law No. 70 of January 31, 2019. Amends the Penal Code modifying Law No. 23 of 2015 where tax evasion became a preceding AML crime
- Fiscal Compliance Law of Foreign Accounts (FATCA), to report Law No. 47 of October 24, 2016, intergovernmental agreement (IGA) between Panama and the United States, Fiscal Compliance Law of Foreign Accounts (FATCA), to report to the United States, financial account information maintained by citizens, residents, entities incorporated in the United States and passive entities that have US shareholders.
- Law No. 51 of October 28, 2016, Common Reporting Regulatory Framework (CRS), developed by the OECD, implements the exchange of information for tax purposes. CRS asks jurisdictions to obtain information about tax

residents in foreign jurisdictions from their financial institutions and to exchange the information with those jurisdictions. In compliance with CRS and legislation, MetroBank requires all clients to provide additional information relating to all countries they are considered as nationals, residents, or fiscal residents, in addition to the percentage of control that is held by any passive entity.

- Information is provided to the Dirección General de Ingresos, (DGI), the equivalent to the Internal Revenue Service (IRS) and will be shared with those countries which Panama has signed an automated agreement for exchange of information.

- Law 254 of 2021 Modifying the regulatory frame of AML/CFT/: Implements changes on accounting records requirements, adjustments in terms of fiscal transparency and prevention of money laundering, tax evasion and financing of the proliferation of mass destruction weapons.

- Applies to Accounting Records, Due Diligence and the System of Registration of Final Beneficiaries however it was the obligation of all Panama companies and foundations with operations or assets outside Panama, to maintain accounting records and support documentation, the law hardens these requirements, and mandates the legal entity to send at least a copy to the resident agent every year of records and supporting documentation ,gives reporting obligations to the resident agent to inform to the Panama authorities which entities are in compliance with said requirements and which are not.



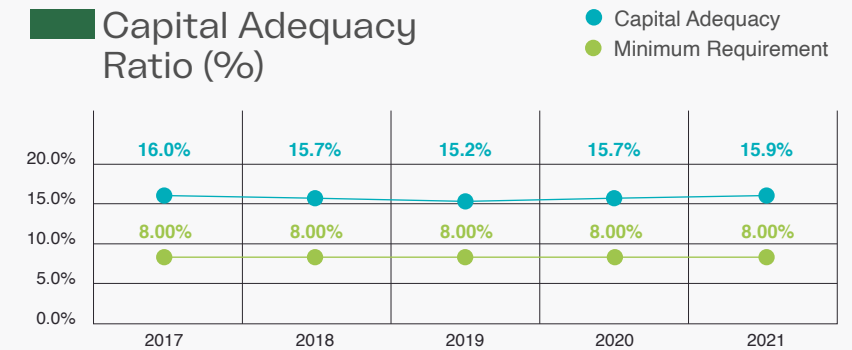
# Banking System



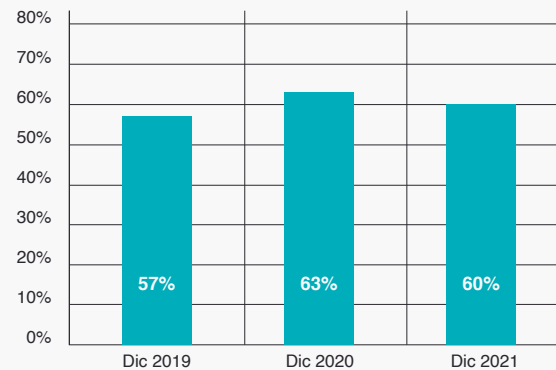
# Panama Banking Regulations

Rule No. 002-2018 issued by the Superintendence of Banks of Panama (SBP), established requirements on liquidity risk management and the Liquidity Coverage Ratio (LCR). This ratio requires that banks hold high-quality, liquid assets that can be easily and immediately converted into cash in order to cover 30 days of cash outflows. The SBP provided an adjustment period to meet a LCR of 100% by 2022.

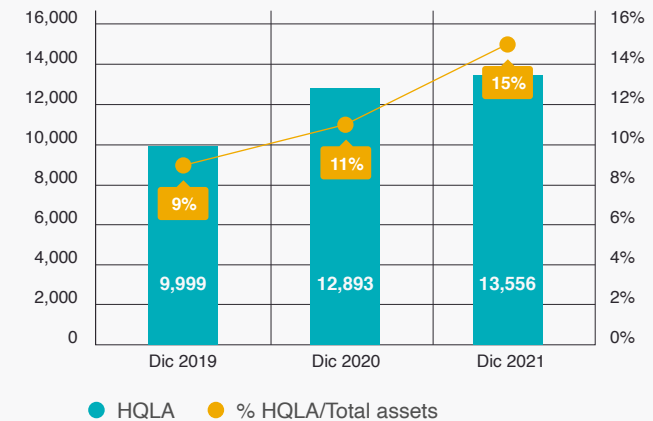
The Capital Adequacy Ratio of the National Banking System stood at 15.9%, an increase in comparison to prior year of 15.7%.



## Local Regulatory Liquidity Ratio. (Minimum requirement 30%)



## High Quality Liquidity Asset/Total Assets



# Business Model and Strategy







# Corporate Structure

## Metro Holding Enterprises, Inc.

Metro Holding Enterprises, Inc. is a publicly traded company, registered under the Superintendencia del Mercado de Valores de Panama (Superintendence of Securities Market ) and is 100% owner of MetroBank, S.A. and subsidiaries

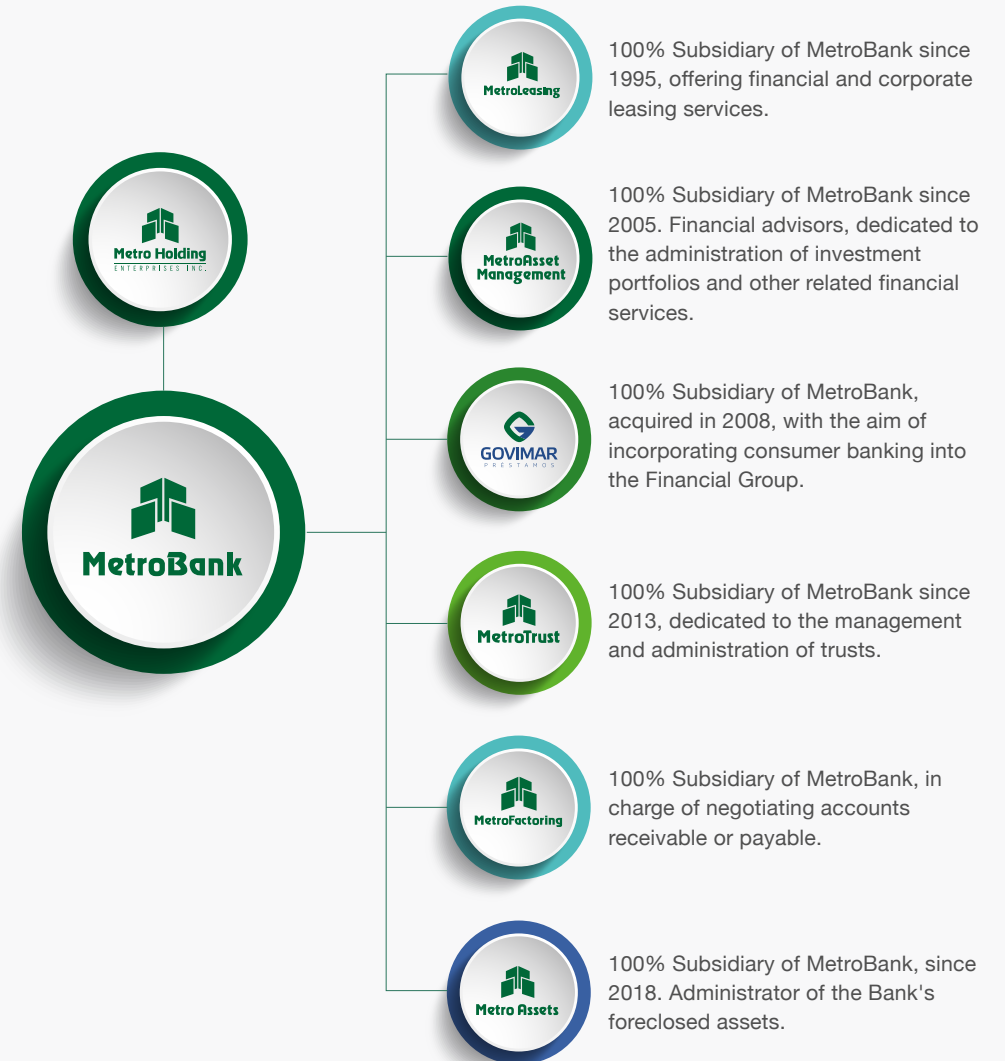
## MetroBank, S.A.

MetroBank, S.A. was established in 1991 and operates under a general license granted by the Superintendence of Banks of Panama which allows it to conduct banking business in or from Panama, both for the local and foreign market.

## Subsidiaries

MetroBank S.A. owns 100% participation of all its subsidiaries. Each subsidiary offers unique products that complement the banking products and services offered by the bank.

The main activities of its subsidiaries are as follows:





# MetroBank at a glance

MetroBank has a strong banking performance of more than 30 years, with an assets rate in the last 10 years of 9%.

Services are targeted to specific market segments, mainly corporate and private clients. The business comprises four lines: Corporate and Commercial Banking, Private Banking, Retail Banking, and Payment & Cash Management.

MetroBank provides services in 4 branches: two in Panama City, one in Colon Free Zone, and one in David, the latter being the center of commercial livestock and agro-industrial activity. Our consumer Finance Division has 15 branches around the country to serve customers in the consumer segment.

**A-PA**  
(Stable)

FitchRatings

**A-PA**

Moody's

Amount in US\$MM

'17

'18

'19

'20

'21

Total Assets and Asset Under Management and Custody	2,002	2,381	2,783	2,918	2,940
Total Assets	1,414	1,414	1,515	1,605	1,528
Asset Under Management and Custody	588	967	1,268	1,313	1,412
Net Loan Portfolio	996	966	1,018	1,005	984
NPLs (90d) / Total Loans	0.95%	1.13%	1.30%	0.57%	1.47%
Deposits	1,080	1,089	1,168	1,224	1,188
Total Funding	1,231	1,230	1,320	1,400	1,316
Shareholders Equity	155	161	174	186	190

Net Interest Income	35.2	39.8	40.5	39.2	38.7
NIM(%)	2.6%	2.8%	2.8%	2.6%	2.5%
Efficiency Ratio (%)	58.6%	54.8%	56.4%	61.6%	62.1%
Net Income	12.8	12.9	14.5	4.3	9.0
Dividend	3.2	3.3	5.5	6.5	2.8

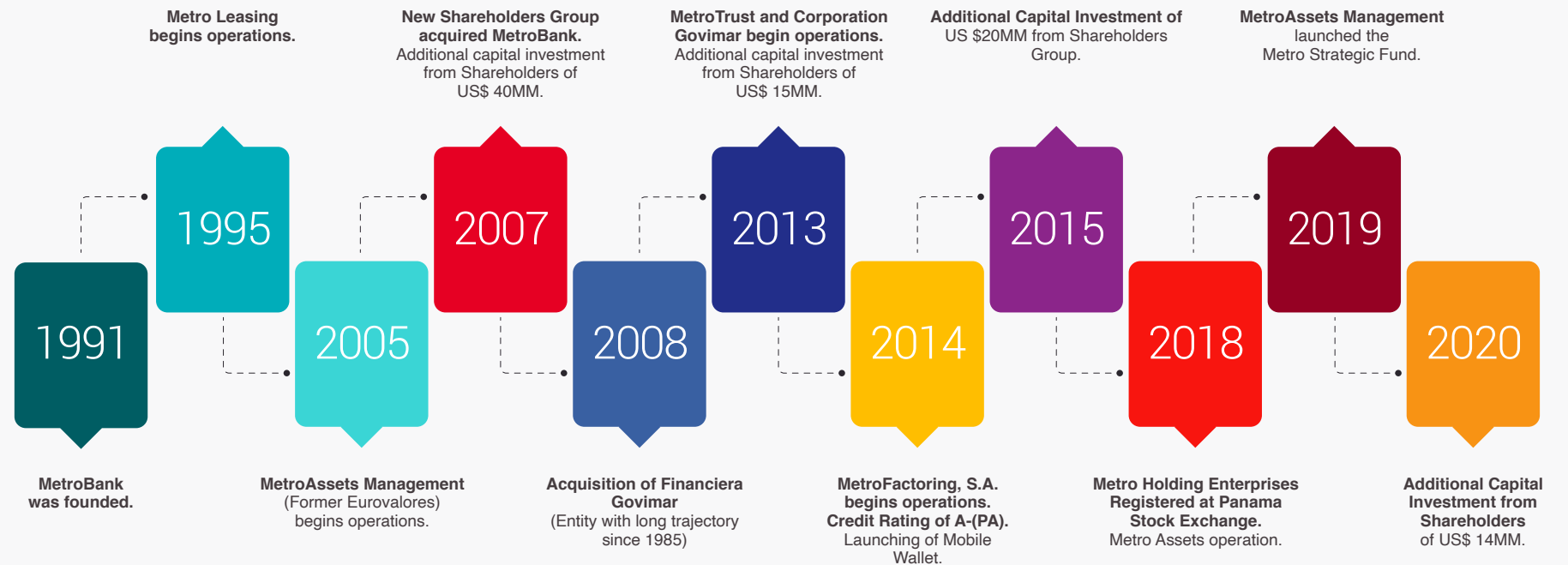
ROAA (%)	0.94%	0.91%	0.99%	0.27%	0.58%
ROAE (%)	8.47%	8.35%	8.62%	2.37%	4.79%







# Milestone

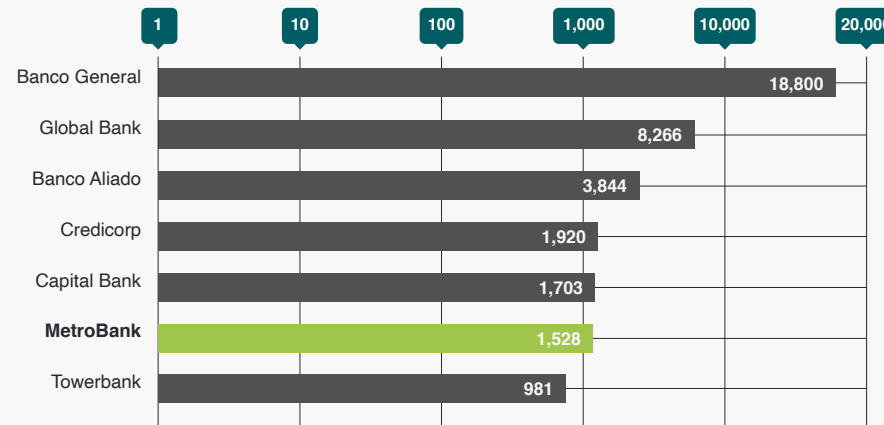


# Market Positioning

Panamanian Private Banks = 13

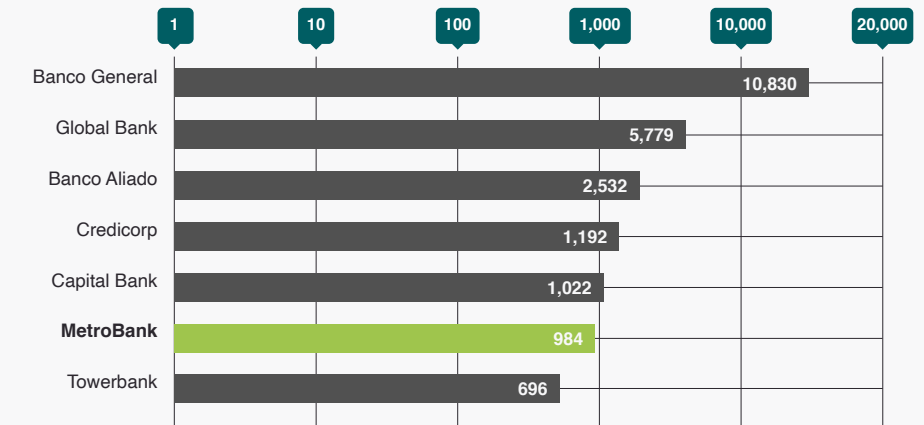
## Total Assets

Panamanian Private Banks (US\$ MM) (\*)

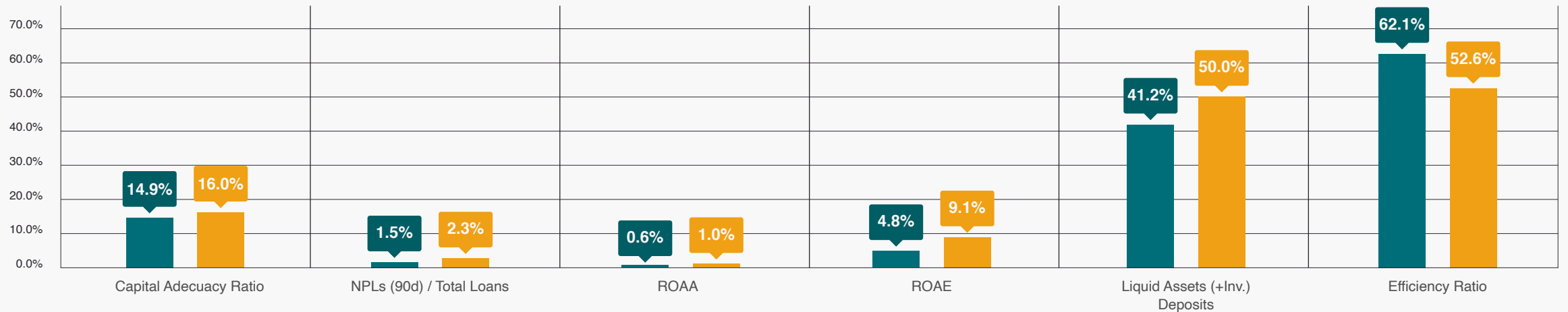


## Net Loans

Panamanian Private Banks (US\$ MM) (\*)



## Performance Vs National Banking System (\*)



● MetroBank ● National Banking System

Source: SBP Statistics Reports dated December 31, 2021 and Audited Financial Statements dated December 31, 2021.

Executive Profile 2022





# Strategic Business Partners

## Correspondent Banks



## Counterparties Financial Institutions



## Local Banks



## Rating Agencies



## External Auditors



## Principal member of:







# Lines of Business



# Business Model

Through differentiated services focused on specific market segments, MetroBank and Subsidiaries offer products mainly to the following customer segments:

## **Corporate and Commercial Banking:**

- Top Tier Corporate Clients.
- Commercial Clients (SMEs).

## **Private Banking:**

- High net worth individuals, successful entrepreneurs and institutional clients.

## **Retail Banking:**

- Cross-selling to existing customers.
- Customers with lower-middle economic profiles, mainly retirees and government employees with stable salary income.

## **Payment and Cash Management:**

- Individuals and commercial clients that seek payment solutions through secured technological platforms.





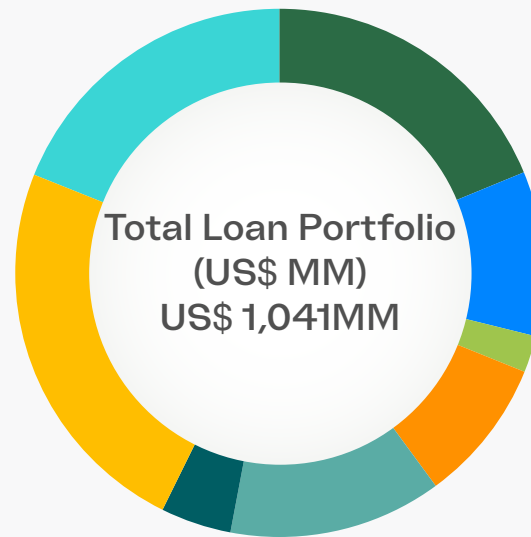
# Corporate and Commercial Banking



# Corporate and Commercial Banking

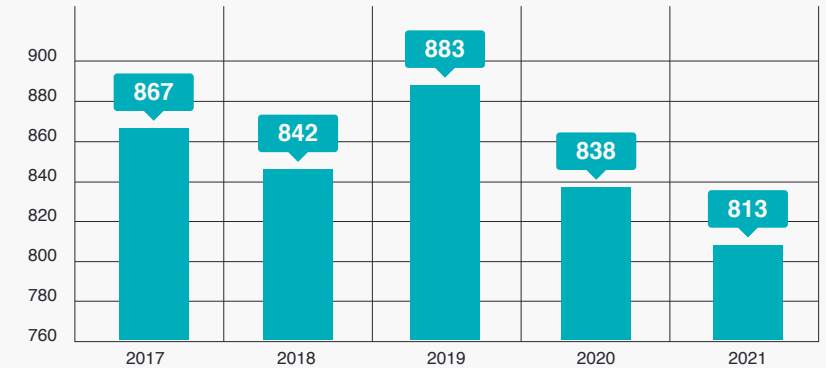
The corporate and commercial banking (CCB) loan portfolio represents 78% of MetroBank's total loans from large and mid-size companies with relevant positions in the mercantile and service sectors. The CCB loan portfolio showed a decrease since 2020 due to the negative economic impact caused by the COVID-19 and prudent lending policies. Nevertheless, the economic activities showed signs of recovery during 2021, reflected by the loan repayments received during the year, thus offsetting the business growth.

From Corporate Banking, we set important long and short-term goals, maintaining growth expectations for our productive assets (loan portfolio, corporate bonds) as the local market recovers as well as the economies of the rest of the Latin American region.

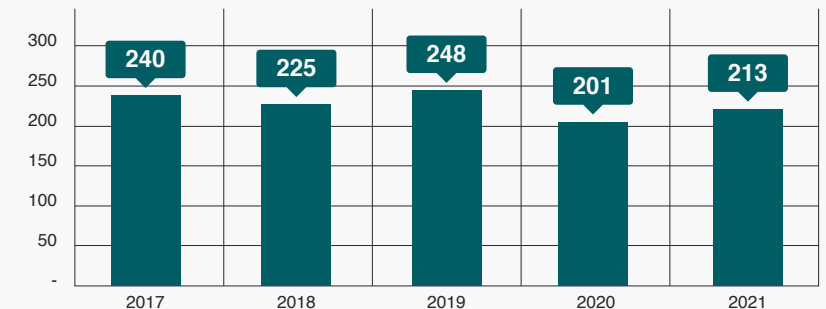


- 19% - Commercial
- 10% - Others
- 2% - Commercial Leasing
- 9% - Industrial
- 13% - Construction
- 4% - Agriculture
- 24% - Services
- 19% - Consumer

## Corporate Banking Portfolio (US\$ MM)



## Foreign Loan Portfolio (US\$ MM)

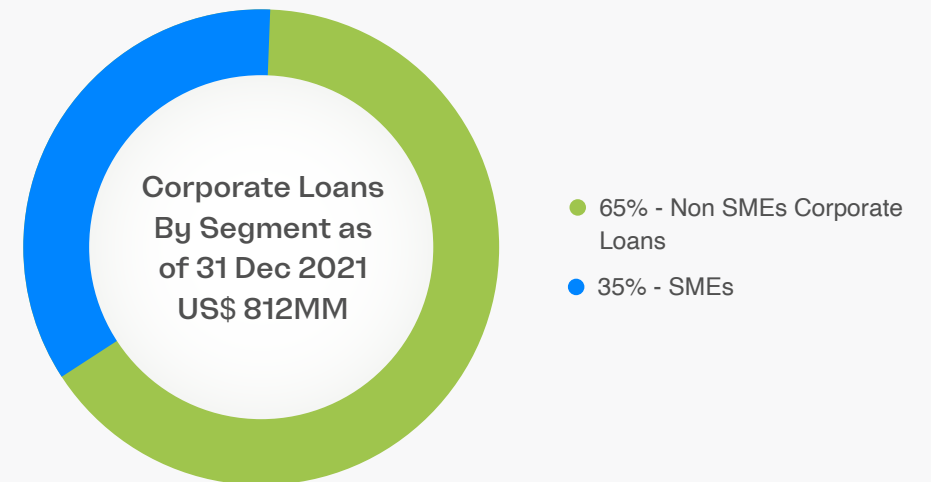
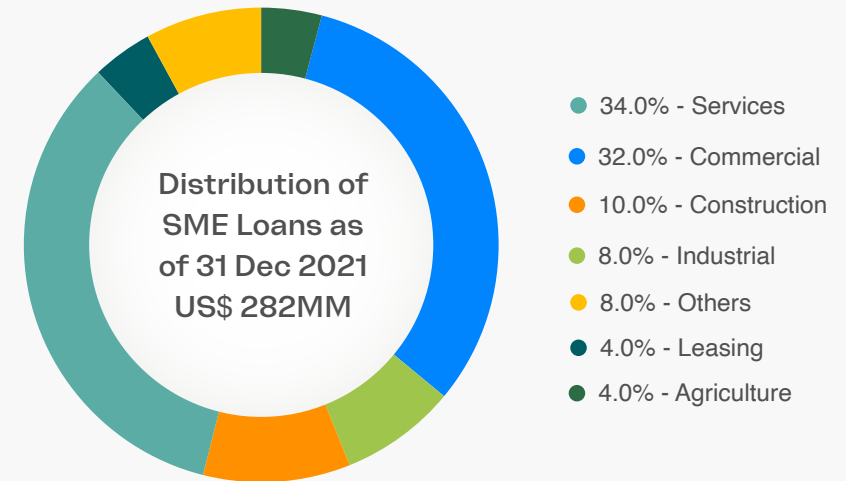
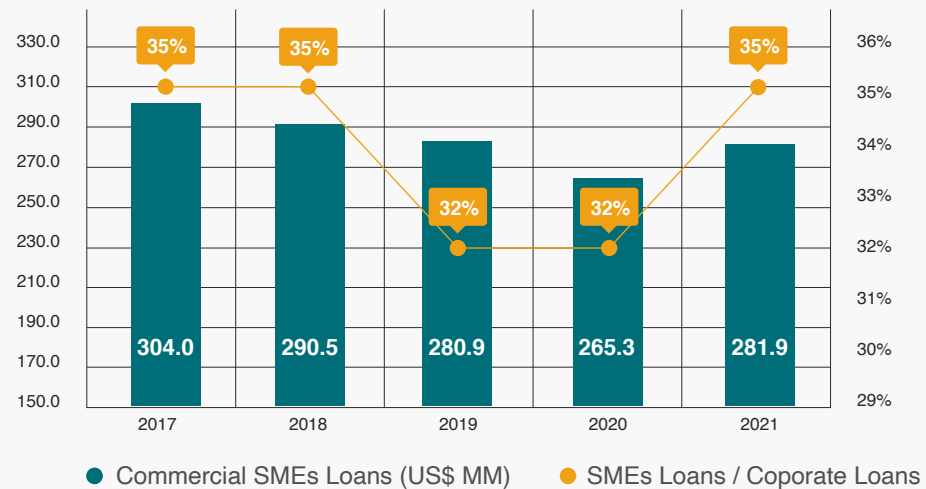


# Commercial SMEs Loans

MetroBank's SMEs Portfolio represented at year-end, 35% of the total Corporate Loans Portfolio. SMEs loans portfolio is well distributed and with a healthy performance throughout the years.

Currently, the average disbursement balance per SEMs Loans is approximately US\$ 360,000, with an average term of 5 years.

## Commercial SMEs Loans





# Private Banking



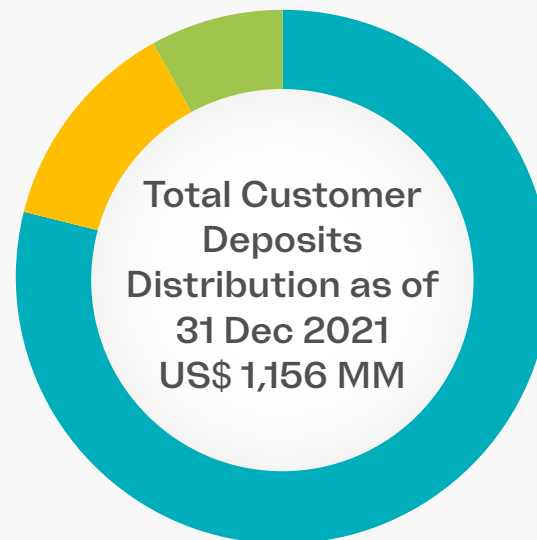
# Personalized Wealth Management

MetroBank's Private Banking is addressed to institutional clients, high net worth individuals, and owners of well-established companies, among others.

The main products offered to this segment are Deposits, Investments, Residential Mortgage Loans, Credit Cards, and others.

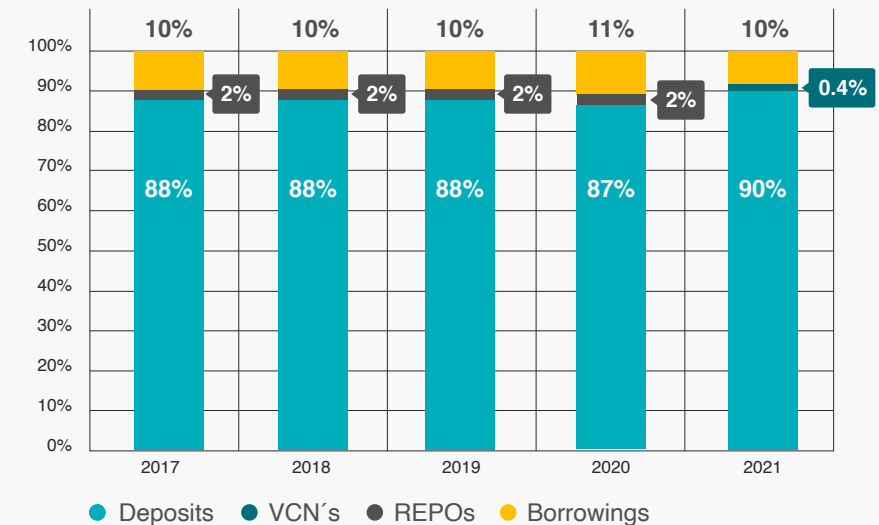
Private clients provide a stable source of funding to the bank, which historically represented more than 85% of the total funding of the Group.

MetroBank's Private Banking customers are required to maintain a minimum cash balance of US\$250,000. As of December 2021, the average time deposit balance per client was US\$900,000, with an average duration of 27 months. Time deposit accounts are very stable due to customer loyalty and brand recognition, shown in the average renewal rates throughout the years of 80%.



- 79% - Time Deposits
- 13% - Savings
- 8% - Demand Deposits

**Main Funding Sources (%)**



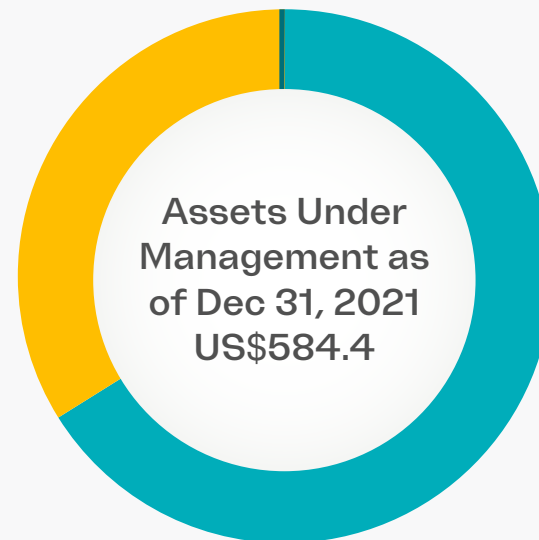


# Assets Under Management

MetroBank's Private Banking offers private clients wealth management and capital markets solutions, through its subsidiary Metro Asset Management (Eurovalores).

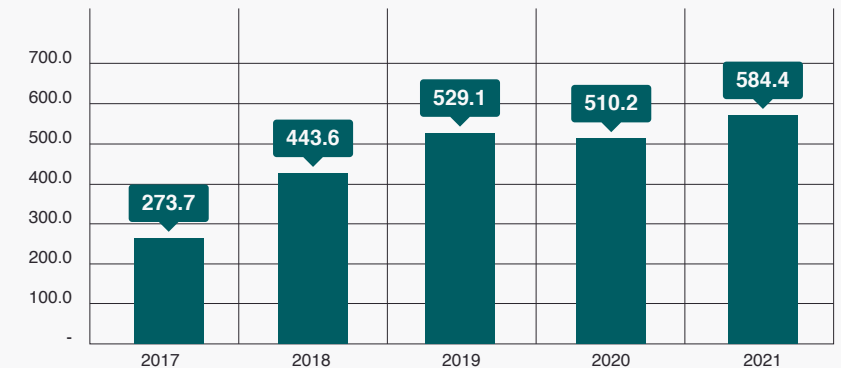
Since 2007, Metro Asset Management, through Pershing LLC (a subsidiary of Bank of New York Mellon), offers international brokerage and custody services.

At year-end 2021, total assets under management were US\$584.4 MM, out of which 34% represented fixed-income investments.



- 66.2% - Variable Income
- 33.6% - Fixed Income
- 0.2% - Money Market

Assets Under Management (US\$ MM)





# MetroTrust

Since 2013, we offer our trust services from our Trustee MetroTrust, a legal entity incorporated under Panamanian Laws and duly authorized to engage in trust management business license granted by the Superintendence of Banks of Panama. We have a range of specialized services offered to our patrimonial clients, both individuals and legal entities, as an alternative for managing their assets.

At the end of 2021, we had a portfolio of trusts under management for US\$828 million.

Types of Trusts we offer:



Administration  
trust



Investment  
trust



Guarantee  
trust



Estate Planning  
Trust



Escrow  
Trust



# Retail Banking

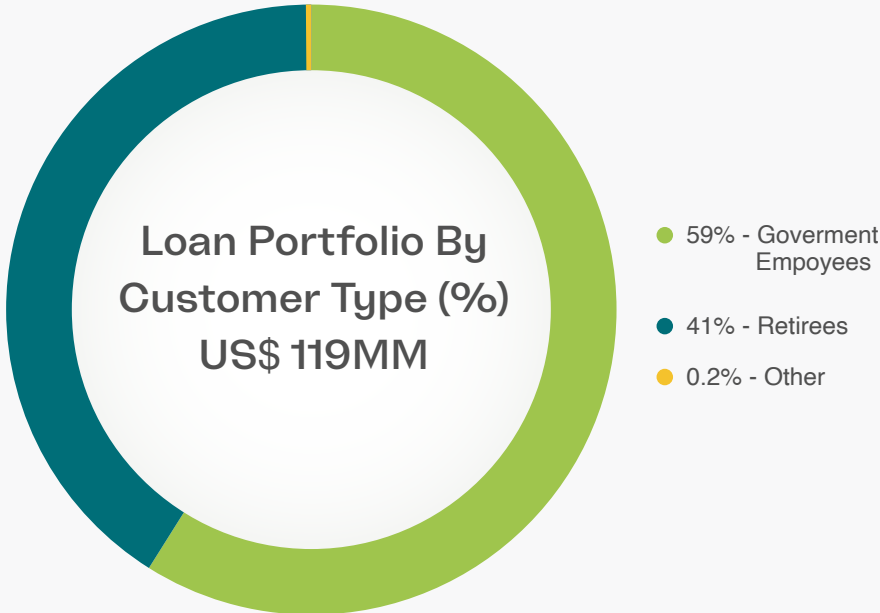


# Focused on Target Market Retail Banking

To respond to the diversification strategy and enter the retail consumer market niche, MetroBank acquired Financiera Govimar in 2008, a Financial Institution that offers low-risk credit and direct payroll discount loan products.

Govimar has 15 branches strategically located throughout the country and serves customers with stable incomes such as retirees and qualified public employees. Govimar is one of the top 3 largest retail institutions in the country and at the end of 2021, total loan portfolio rose to US\$119 million.

As of December 31, 2021, the delinquency indicator of Govimar's loan portfolio was 0.42% as a result of the effective credit policies.



# Retail Banking

MetroBank's Consumer Banking has been developing in the past years and it was formally created as a business unit in 2020. In 2021 we have consolidated our strategy with a renewed emphasis in our Consumer Finance Division.

We are focused on growing our customer base and product offering, which includes: residential mortgages, personal loans, auto loans, auto leasing, and credit cards. Through MetroBank's Consumer Banking, we aim to deepen relationships with existing customers to identify opportunities and, as a result, make available all the bank's customer service channels, increasing our cross-selling opportunities.

Composition of Consumer Banking products as of December 31, 2021:

## Total Portfolio (US\$ MM)

Products	ITEM	Balance	%P
Mortgages	178	41.429	21%
Personal Loans	345	28.468	14%
Credit Cards	956	7.386	4%
Leasing	114	3.039	2%
Consumer Finance (Govimar)	17,813	119.036	60%
<b>TOTAL</b>	<b>19,406</b>	<b>199.359</b>	<b>100%</b>



# Payment and Cash Management



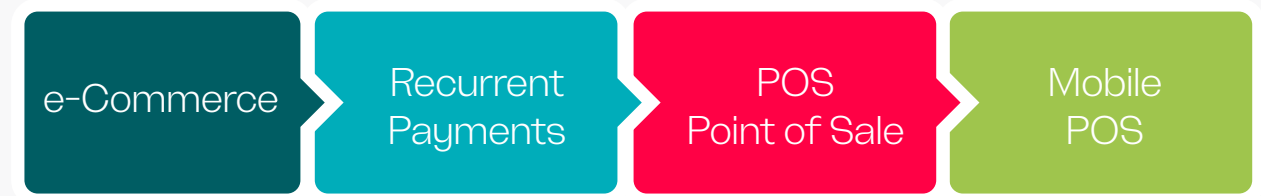
# Robust Digital Banking Platforms

For more than 10 years MetroBank has promoted a digital transformation process internally and externally, positioning the bank as a leading entity specialized in digital banking.

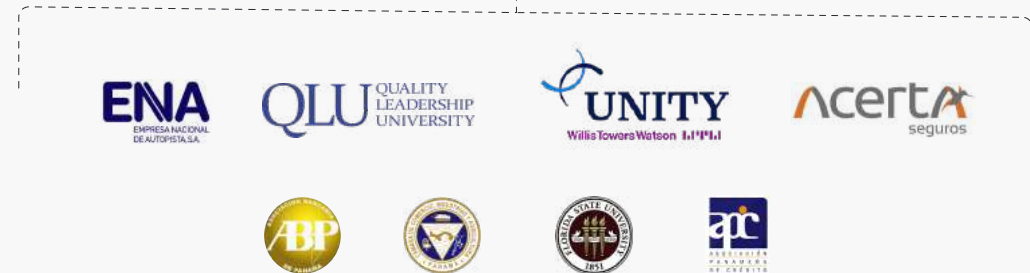
Through the diversification of its processes and the incorporation of new technologies, it accompanies its clients in bank's digital services.

Throughout 2021, all of the bank's services were improved with the design and implementation of new and modern Online Banking and Mobile Banking platforms, in addition to strengthening our security measures, to enhance the protection of our clients when transacting through the bank's digital channels.

Likewise, we continue working on solidifying our relationships with current customers in the Private and Commercial Banking segment through a wide range of products and services with our MetroBank Digital Solutions (MDS) platform.



## Sample of Clients





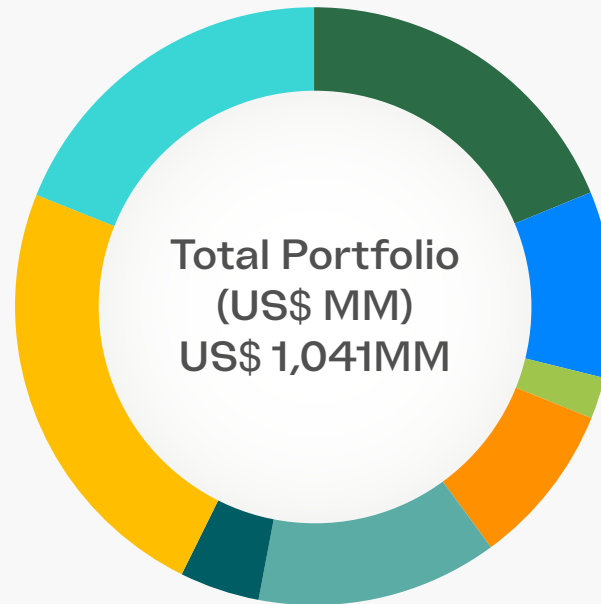
# Overview of Loan Portfolio



# Overview of Loan MetroBank's credit and risk

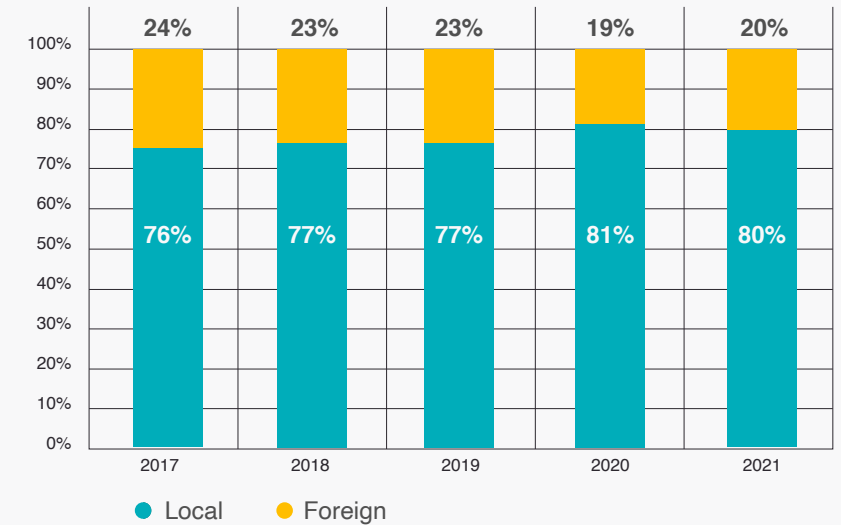
Since 2012, MetroBank's risk and commercial strategy was to diversify country risk exposure by lending to international and regional Top-tier clients through the participation in syndicated loans, structured by reputable international financial institutions.

This strategy has helped, in the past years, to maintain sustainable growth of our loan portfolio, despite the headwinds caused by the COVID 19 pandemic, affecting our local economic environment.

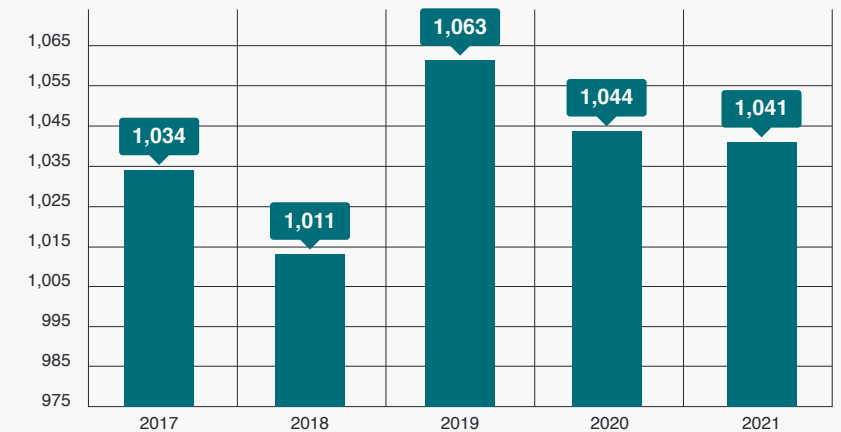


- 24% - Services
- 19% - Commercial
- 19% - Consumer
- 13% - Construction
- 9% - Industrial
- 4% - Agriculture
- 2% - Leasing
- 10% - Others

## Exposure



## Gross Loan Portfolio (US\$ MM)

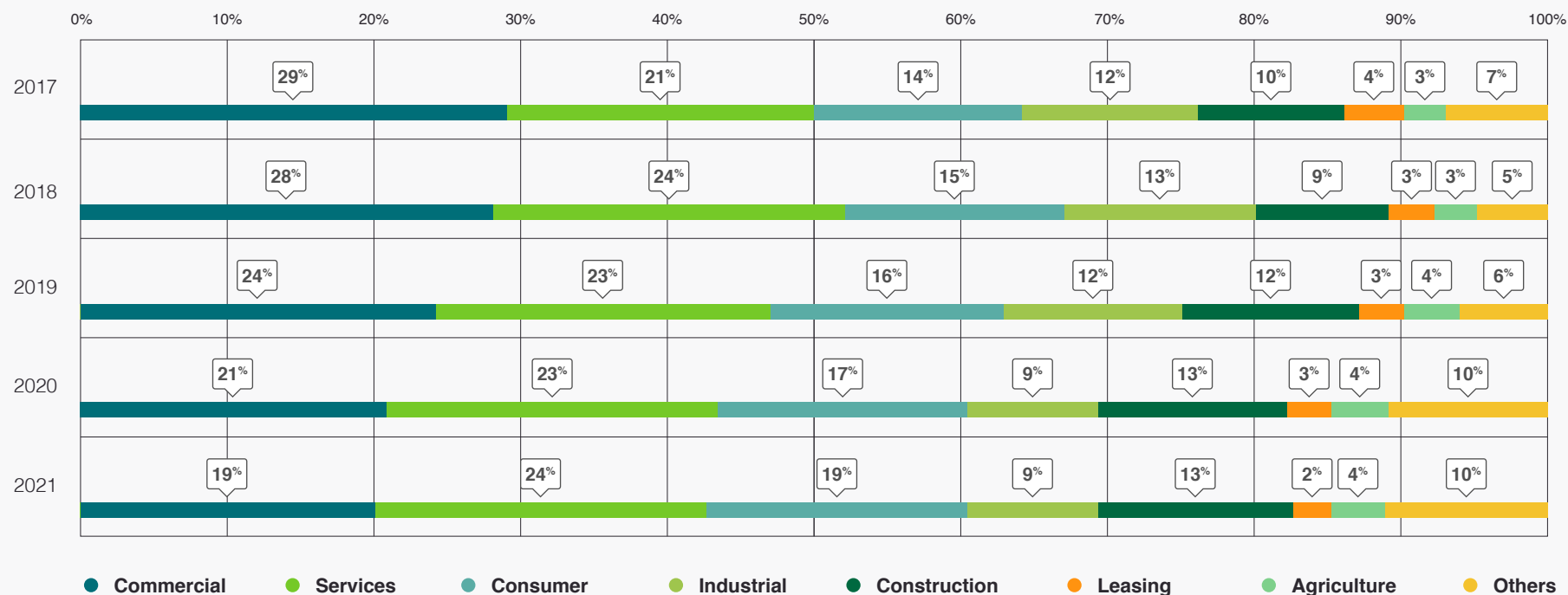




# Loan Portfolio by Economic Sector

Distribution of Loan Portfolio by Economic Sector is consistent throughout the years. Commercial loans represented an average of 27% in the last five years.

Gross Loan Portfolio by Economic Sector(%)



# Credit Quality

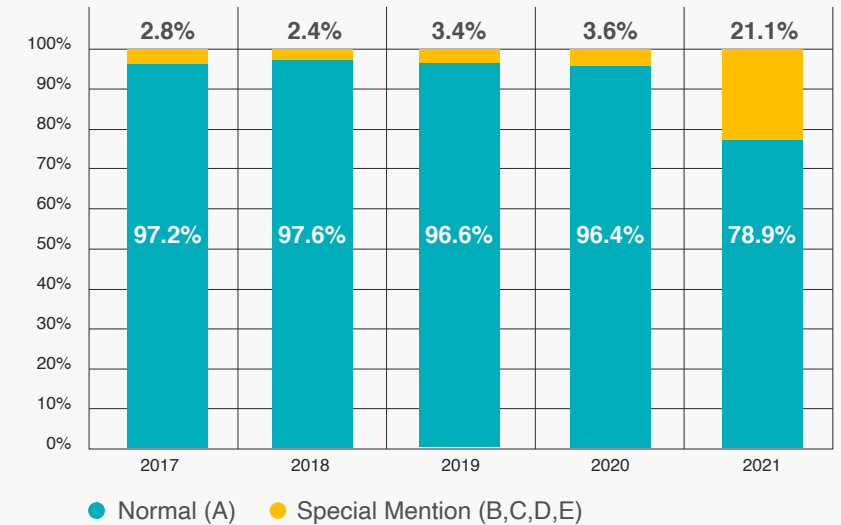
MetroBank high credit quality of total Loan Portfolio is supported by the low non-performing loans (NPLs) ratio reported on both the corporate and consumer loan portfolios when compared the National Banking System indicator.

In response to the economic and social impact caused by the COVID-19 pandemic, the Superintendence of Banks of Panama adopted temporary measures regarding to the application of Rule 4-2013, allowing banks to modify the original agreed conditions of corporate and consumer loans, in order to provide economic relief to customers whose payments capacities were affected by the current pandemic.

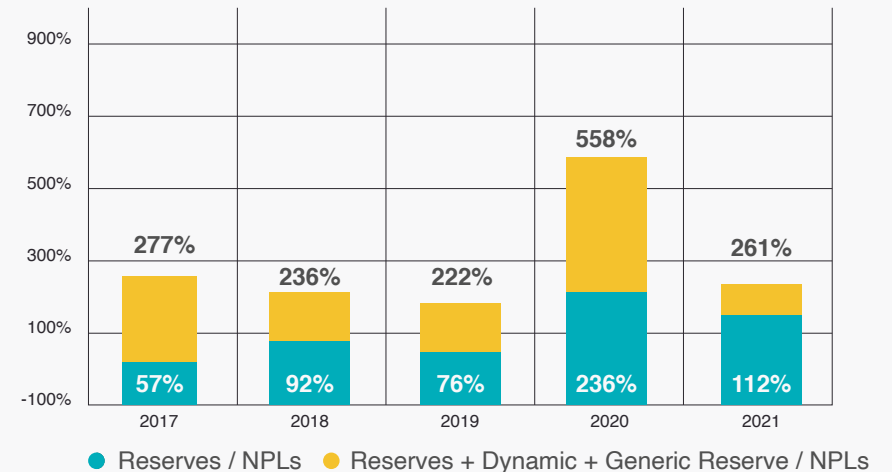
Several Rules were issued during 2020 and 2021 regarding to the treatment of these credits that are called “modified loans”. These rules established the minimum reserve level requirements, and also a new definition for the loan classification. In compliance with these new rules, the classification of debtor risk level according to Rule 4-2013 and Rule 2-2021, the percentage of total loans classified as per SBP as “Normal” decreased to 79% in 2021, when compared to 96% in 2020. This percentage is expected to shift to its normal tendency by 2022.

As of 31 December 2021, the Total Reserve Coverage over NPLs was 261%. These reserves included Regulatory Reserves called Dynamic and Generic Reserves as per Rule No. 4-2013, Rules No. 2-2020; No. 9-2020 and No. 13-2020.

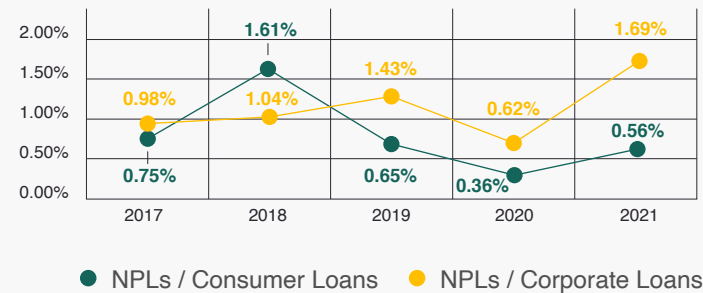
## Loan Portfolio By Risk Category



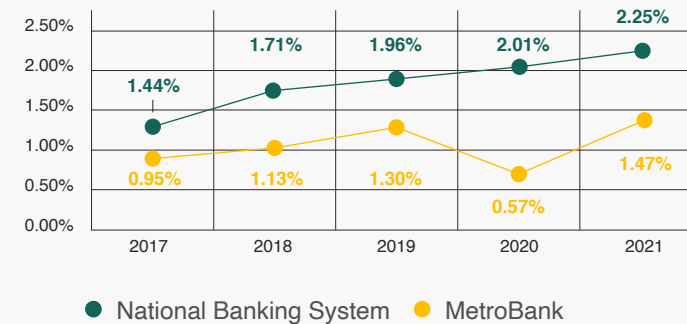
## Reserve Coverage Ratio (%)



## NPLS (90D+) By Business Line (%)



## NPLS (90D+) VS Banking System (%)



# Financial Highlights

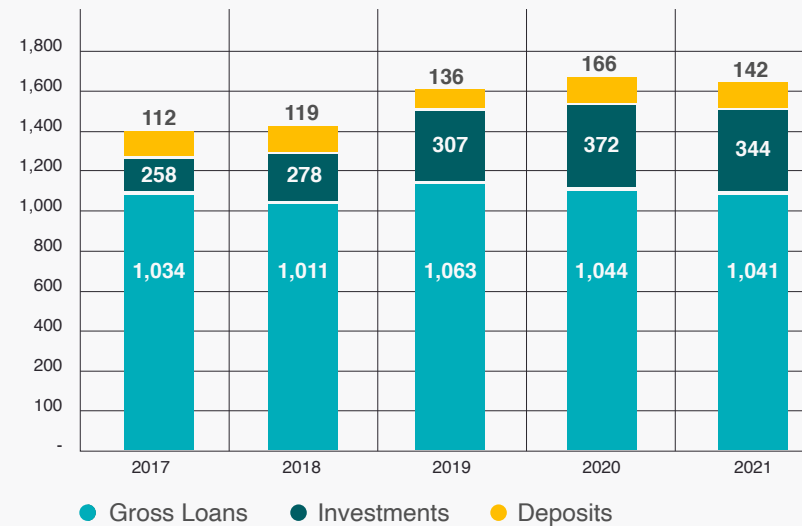




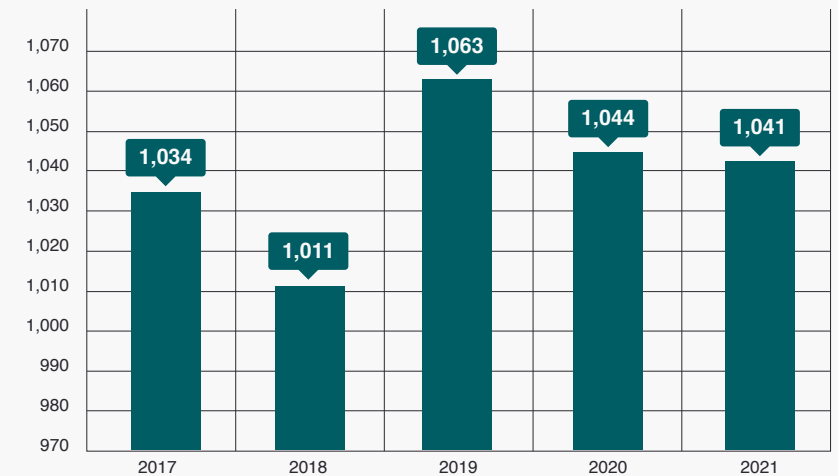
# Financial Highlights

The composition of earning assets have been consistent throughout the years. Loans to customers represented 70% and investments 21% of total earning assets on average for the last five years.

Earning Asset Composition (US\$ MM)



Gross Loan Portfolio (US\$ MM)

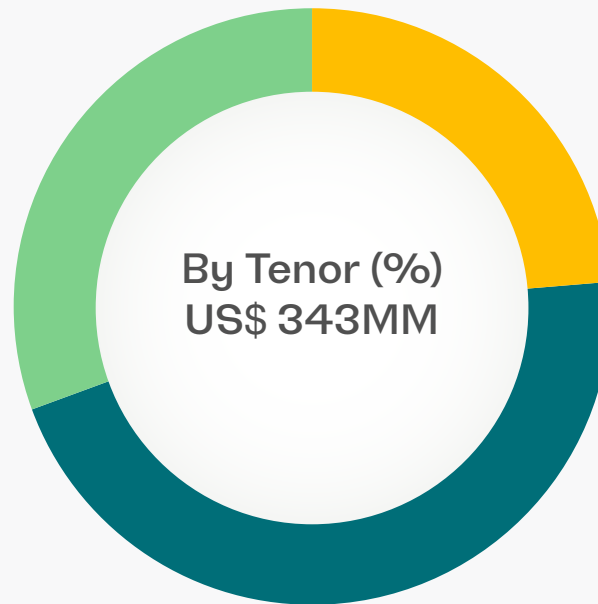




# Investment Portfolio

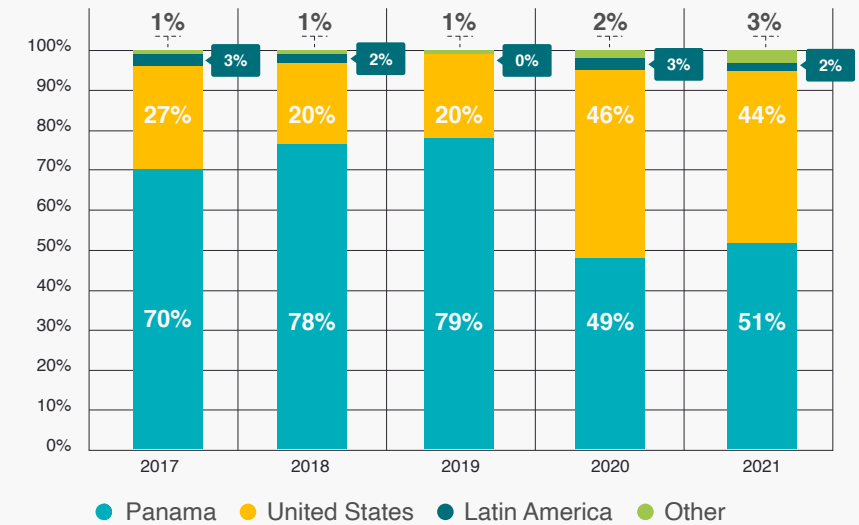
As of December 31, 2021, MetroBank holds US\$ 343MM in total investment portfolio. The bank has diversified its investment portfolio over the past three years by reducing its overall exposure to the Panamanian capital market.

As of December 31, 2021, 58% of the total outstanding investment portfolio is classified as investment grade. Debt securities in the private sector consists of a balance between local bonds from top-tier Panamanian corporate clients secured by real estate assets, and mainly U.S. Middle Market credits typically secured by total enterprise value.

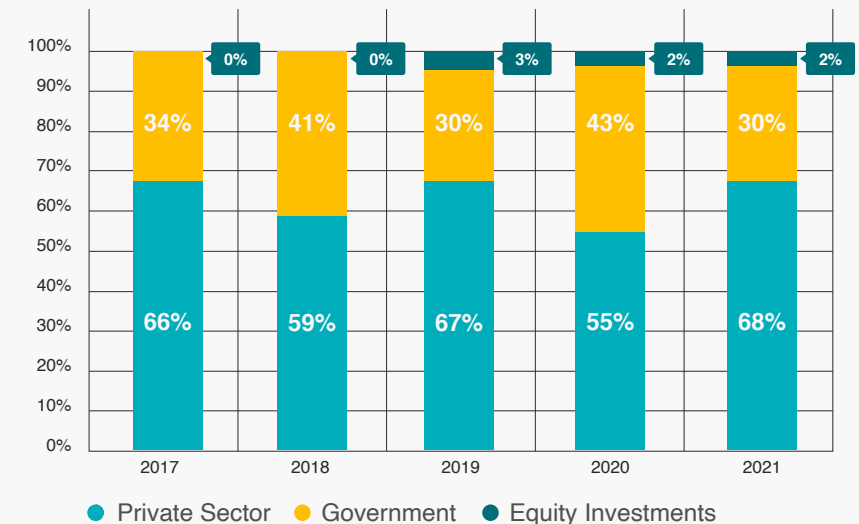


- 24% = <1 year
- 46% = Between 1-5 Years
- >5 years

## Exposure



## Distribution by Type of Security (%)

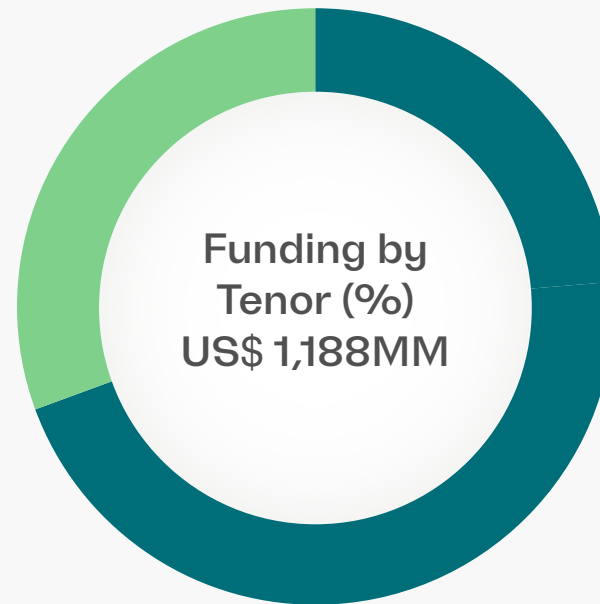


# Source of Funding

Customer deposits represents 90% of MetroBank's total source of funding, out of which 79% are term deposits.

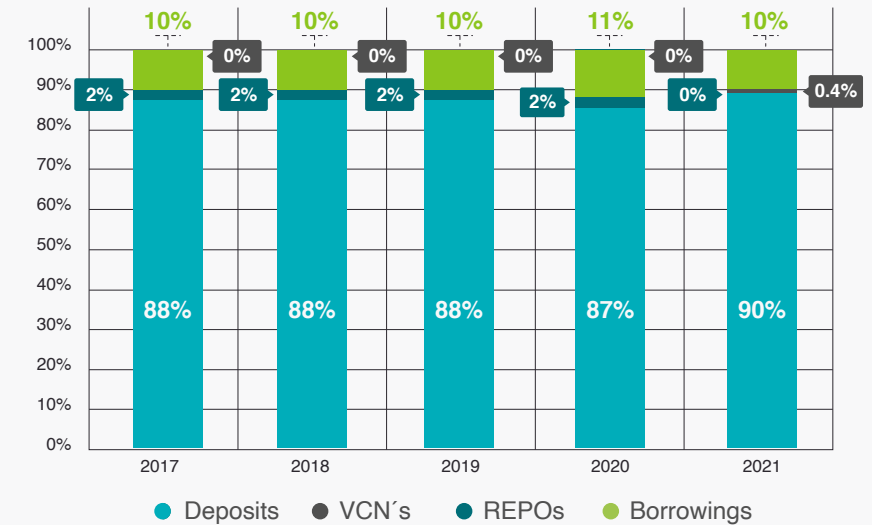
Top 20 depositors represent 22% of the total deposits base as of December 31, 2021, considering that these deposits are principally Private Banking customers.

Since 2016, MetroBank began to diversify its source of funding by acquiring new credit financing lines from reputable international and regional financial institutions, thus increasing exposure to this type of financing to 10% of its total funding base.

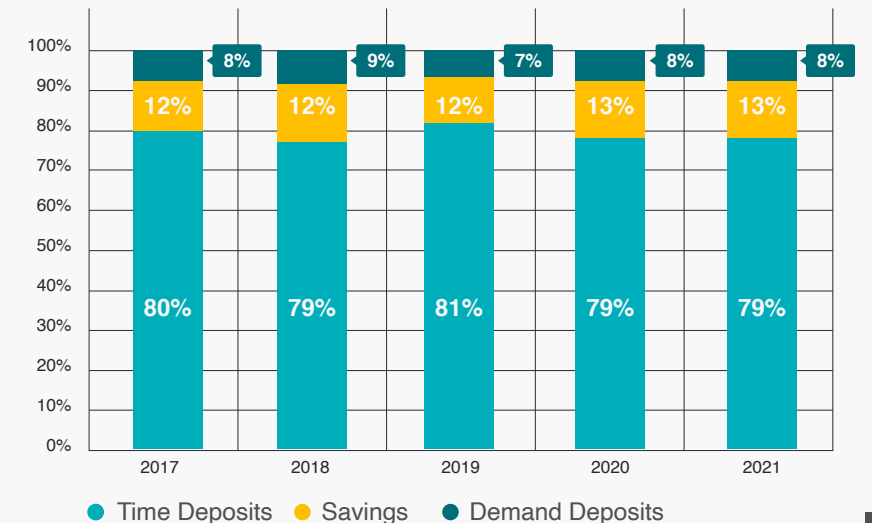


- 69% = <1 year
- 32.6% - Between 1-5 Years

## Main Funding Sources (%)



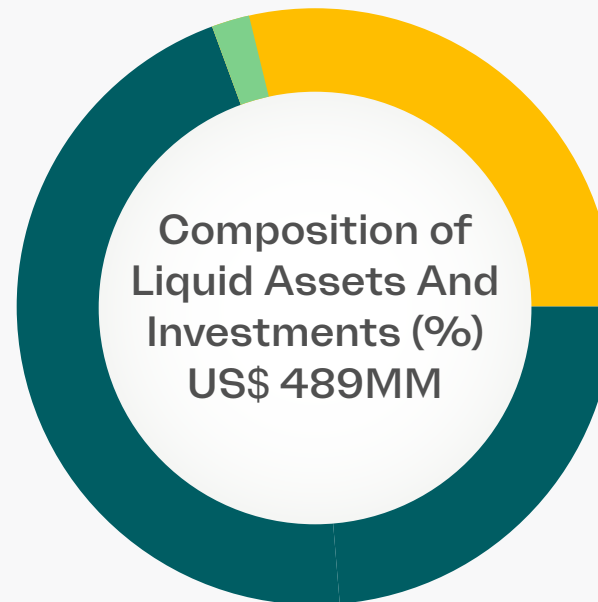
## Deposit Breakdown (%)



# Liquidity Management

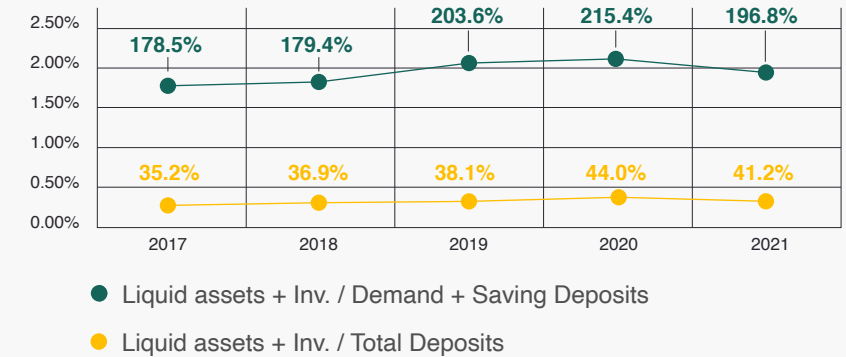
As of December 31, 2021, MetroBank's total liquid assets amount to US\$489MM, representing 32% of total assets.

MetroBank has a well managed liquidity ratio as reflected in its regulatory liquidity indicator which has trended an average of 67.8% in 2021, significantly above the minimum requirement of 30%. Additionally, the Superintendence of Banks of Panama (SBP) issued Rule No. 2-2018 based on Basel III requirements, which requires banks to maintain a Short Term Liquidity Coverage Ratio (LCR) of no less than 80% in 2021 and a progressive target to reach 100% by 2022. MetroBank has reported a LCR ratio above 100% since 2018.

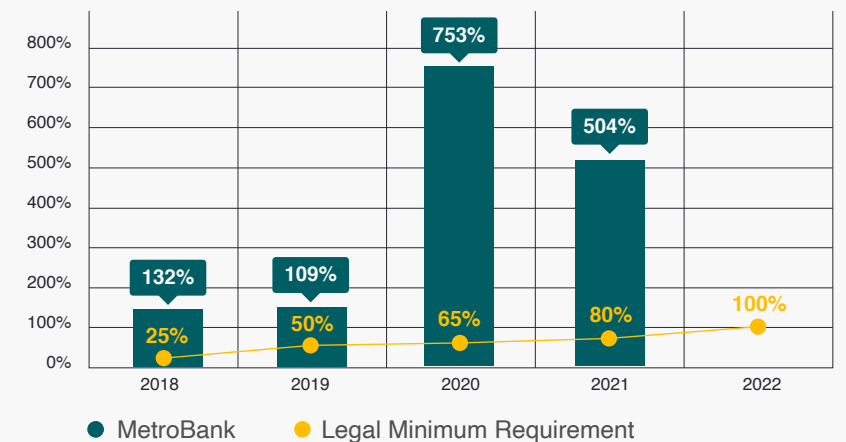


- 70% - Investments
- 29% - Deposits on Banks
- 1% - Cash

## Liquid Assets and Investments Total Deposits (%)



## Short Term Liquidity Coverage Ratio (%)

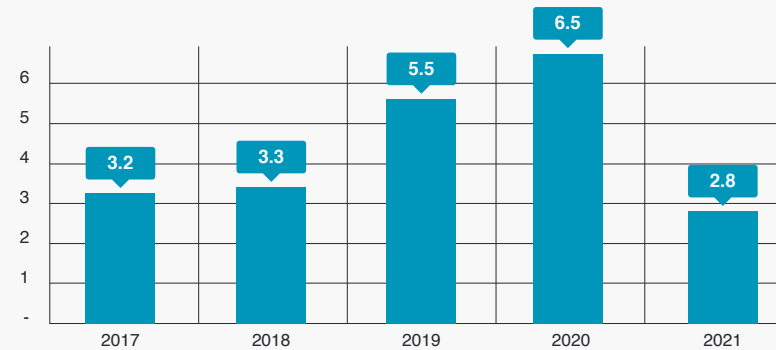


# Shareholders Equity

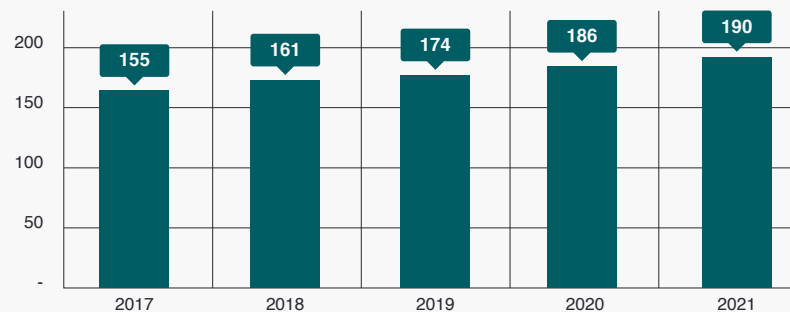
Shareholders have received dividend payments since 2011 for a total amount of US\$ 34.1MM. The dividend payout ratio for the last three years was approximately 51%.

MetroBank's capital adequacy ratio (CAR) has consistently been above the minimum requirement and as of December 31, 2021, the CAR of 14.9% was almost double the minimum requirement of 8%.

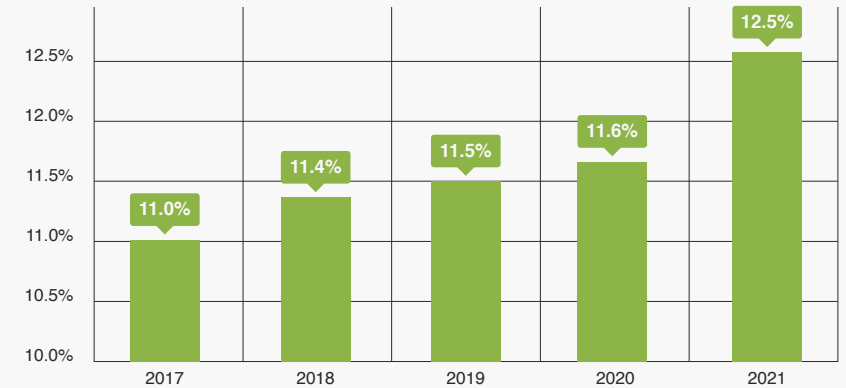
■ Dividends Paid (US\$ MM)



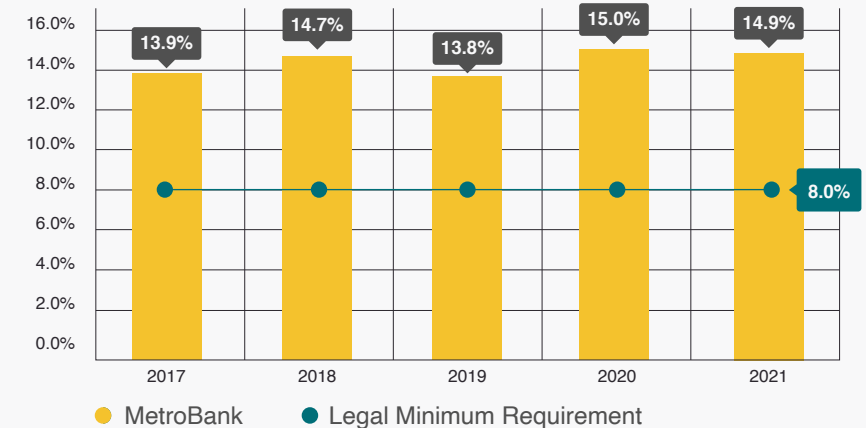
■ Total Equity (US\$ MM)



■ Total Equity / Total Assets (%)



■ Capital Adequacy Ratio (%)

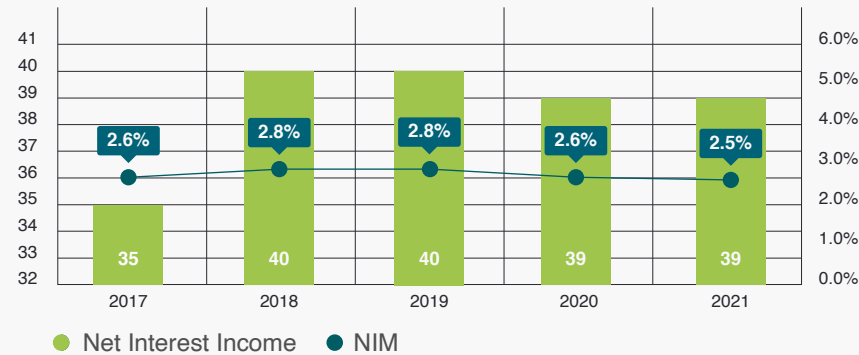




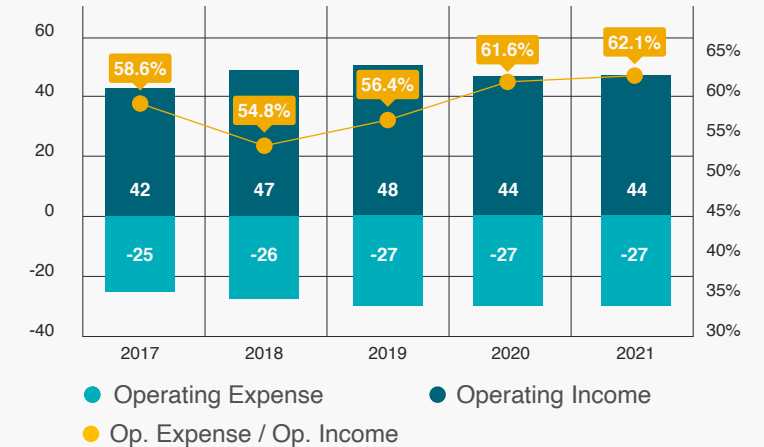
# Financial Indicators

MetroBank showed consistent performance throughout the years, with an average Return on Equity (ROE) of over 8.5% from 2017-2019 (as shown in the graph) and an average net interest margin (NIM) of 2.7%. Despite the negative impact caused by the Pandemic COVID-19 in the world's economy, MetroBank has maintained a stable income stream and strong liquidity and capital ratio, as a result of a prudent and strategic management. Financial Results in 2021 showed a significant improvement in comparison to 2020, with a net profit of US\$9MM.

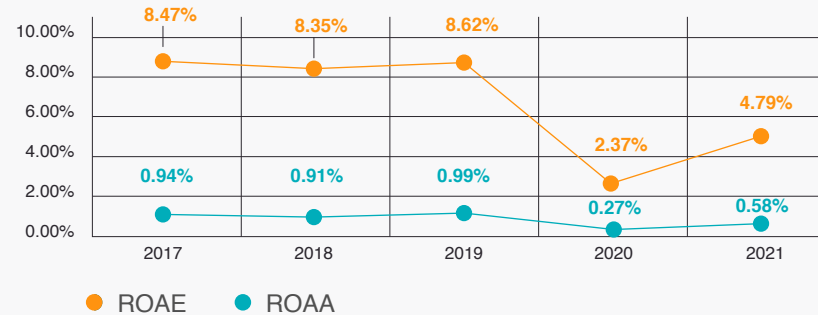
## Net Interest Income (US\$ MM)



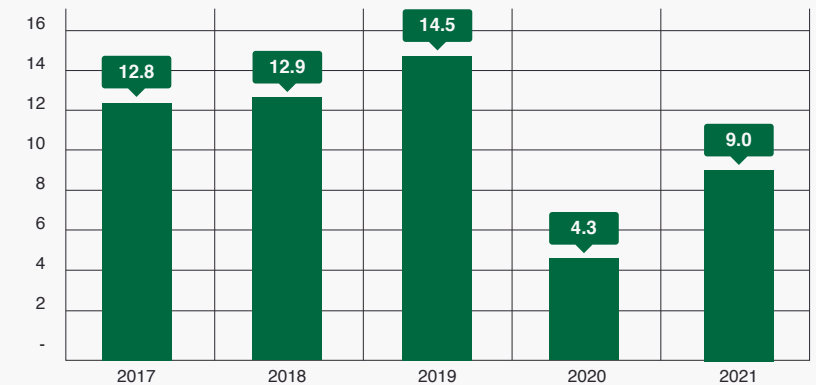
## Efficiency Ratio (%)



## ROAE / ROAA (%)



## Net Income (US\$ MM)





# Corporate Governance





# Corporate Governance

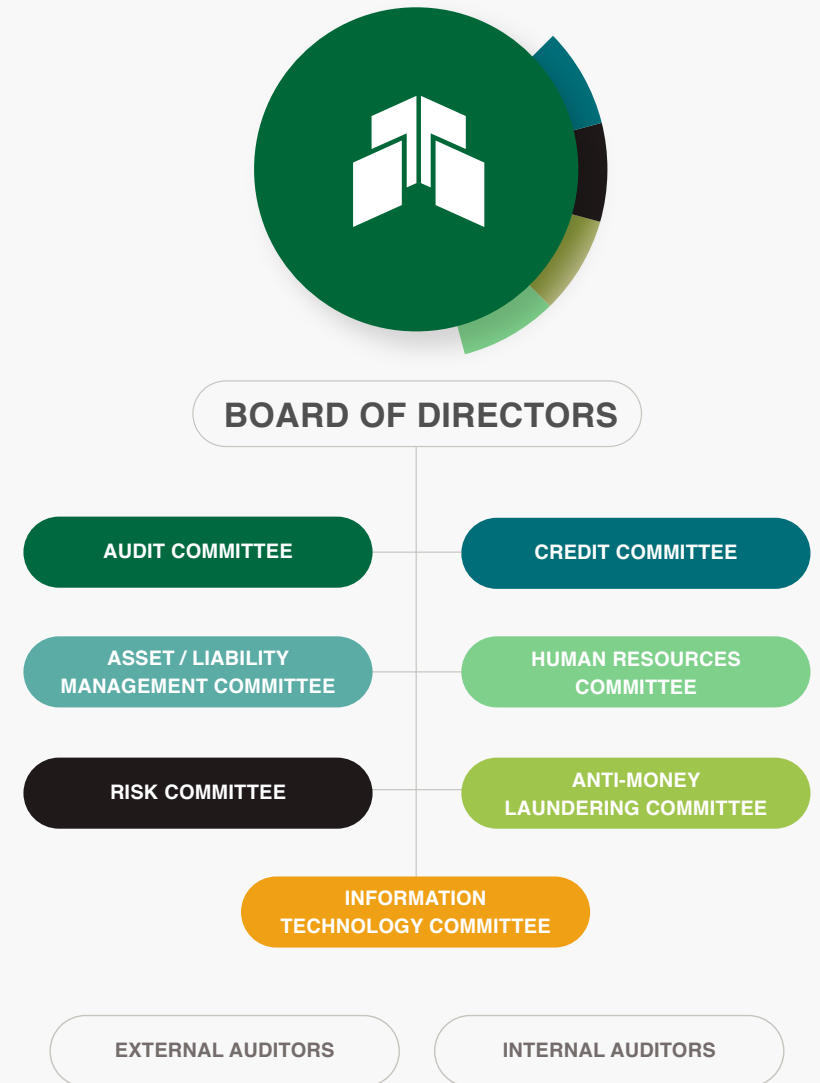
The Board of Directors has a total of nine (9) members, plus two (2) additional independent members.

The board of directors meets at least once a month and a minimum of three members participate in each mandatory committee.

MetroBank has a highly experienced management team and a committed Board of Directors composed of top professionals with extensive experience in different industries that have created tremendous value for the group.

Internal audit reports directly to the Board of Directors.

External audit is conducted by KPMG.



## Board of Directors

Eric Cohen Solís	Chairman
Abraham Assis	Vice President
Juan Pablo Fábrega Polleri	Secretary
Eduardo Orillac Motta	Treasurer
Oscar López Arosemena	Deputy Secretary
Ernesto A. Boyd Sasso	Deputy Treasurer
Ricardo Delvalle Paredes	Director
Murad Harari Dabah	Director
Juan Endara Martínez	Director
Robert J. Boyd Burgos	Independent Director
Nathalia Quirós Gomez	Independent Director

## Management Team

Ernesto Boyd	CEO
Helmy Chamorro	Head of Private Banking
Gustavo García de Paredes	Chief Technology Officer
Lina De La Guardia	Head of Retail Banking
Lai Chan	Chief Financial Officer
Emanuel Bósquez	Head of Treasury and Investments
Marisol Sierra	Head of Corporate Governance and Compliance
Carlos Barrios	Chief Operations Officer
María Teresa Jaramillo	Head of Human Resources and Corporate Affairs



# Integrated Risk Management Framework

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## 01 Risk Governance

Management framework in which the Board of Directors and the Risk Committee make decisions on integrated risk management.

## 02 Defense Line

1st Line: Business units and Support areas.

2nd Line: Compliance and Risk applies controls according to the approved limits.

3rd Line: Audit ensuring the effectiveness of the implementation.

## 03 Risk Principles

Risk management rests on the following pillars: Risk Culture, Risk Profile, Risk-taking capacity, and Risk Limit.

## 04 Risk Matrix

Risk appetite statement according to the bank risks.

## 05 Risk Assessment

Identifying internal or external risk, monitoring, mitigating, controlling, and communicating.

# Compliance

Based on Law No. 23 of 2016, MetroBank's Money Laundering Prevention Manual includes a list of warning signals when opening new accounts or monitoring existing ones, in addition to defining Know Your Customer, Know Your Supplier, and Know Your Employee policies.

MetroBank assigns a risk category to each client, duly supported by the individual analysis of the risk profile based on multiple criteria, both for legal entities and individuals.

In this sense, the bank has incorporated an anti-money laundering management based on risk where the executives have the responsibility to design methodologies, models and indicators to ensure compliance with said policies.

## Foreign Account Tax Compliance Act (FATCA)

MetroBank complies with FATCA and has outsourced a FATCA and Common Reporting Standard (CRS) specialist.

## MetroBank uses the following monitoring tools:

**(ECS) Enhanced Compliance System:** Analyze accounts behavior patterns that help detect suspicious activities to prevent money laundering operations by generating early warnings.

**PREVENT:** Is a risk rating tool that assesses client risk in three categories: Low, Moderate and High.

**RETINA:** Provides an automated means to monitor transactions such as SWIFT and ACH on a real-time basis prior to their release, thereby protecting against fraudulent activities or high-risk country transactions.





**MetroBank**  
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