



PROGRESS REPORT PERIOD 2012

Communication on Progress – CoP

The Following Annual Report communicates the actions and progress regarding the execution of the 10 Principles contained in the United Nations' Global Compact.

Hoy es el día.



multibank

Message from the president

Isaac Btesh

Our heritage

Corporate Social Responsibility for Multibank is a permanent commitment. Despite being a bank we believe that our success as an enterprise is measured by more than just our financial objectives. For that reason since 2003, we are subscribers and active members of the United Nations Global Compact, and of its local chapter the Panama Global Compact Network. Additionally, through the Alberto and Pamela Btesh foundation, created in 1996, we have made a commitment to improve the quality of life of children, and adult men and women at a national level. We are convinced that our long term success will be measured by the company's positive contribution to bettering the quality of life of the people and communities that we serve.

We began our operations as Multi Credit Bank 22 year ago, with the vision of being a dynamic and visionary alternative to the financial needs of Panamanians. Since then, the impulse of its founder, my father Mr. Alberto S. Btesh, has imprinted on this new bank a differentiated seal, of commitment towards its clients, and a personalized service, which we have kept and will keep along the way.

The power of acting in cooperation with others

At Multibank we know that improving our world is not an individual job. That's why we act in cooperation with several non-profit and governmental organizations, which hand-in-hand generate a much greater impact.

It is through these alliances that we have helped a high number of organizations, such as the "Teleton 20-30"



Isaac Btesh
Executive Chairman / CEO.

and the "Patronato de Nutrición de Panamá". Thanks to the generous contributions and donations made by several private entities we have been able to distribute more than 123,000 articles of clothes, shoes, electric and hygiene appliances, and food.

In addition, we have achieved one of the bank's most significant goals: being accessible to a large number of micro, medium and small enterprises. Through the Microfinance Institute (IMF), in collaboration with the National Institute for the Professional Foundation and Training for Human Development (INADEH), we have been able to benefit 3,097 people during 2012 alone and a total of 21,832 people since 2006. This program is based on training and advising micro, medium and small

entrepreneurs, thus achieving the bases for their gradual and sustainable growth.

New initiatives performed during 2012

In 2012 after significant efforts we have developed a Social and Environmental policy that will be implemented through our credit lending facilities. This policy describes our commitment to the preservation of our natural resources, indigenous species, habitats, and climate. Most importantly, it states that in order for our clients to receive credit they must adhere to the policy and therefore commit to the preservation of a sustainable and healthy environment.

This implies, that in the future, clients' credit applications will be screened in order to determine if they are compliant with the before mentioned policy, making them co-responsible parties in the protection of renewable resources for existing and future generations. As a result

the follow-up and verification shall be integrated in an annual report, which will reflect the recommendations and measures to be implemented by the applicant entities.

Our commitment for the future

We are proud of the results attained in order to becoming a more responsible entity. We will continue promoting these efforts in looking for solutions that benefit the environment, our employees, and the communities we act upon.

The present Progress Report is an accountability effort to inform upon the actions we have taken, and will continue taking to support the development of the nation and its environment.



BOARD OF DIRECTORS

From left to right, forward

Raquel Btsh de Michaan – Treasurer
Alberto Btsh – President
Yvonne Btsh de Snaider – Secretary

From left to right, back

Rafael Reyes – Director
José Castañeda – Director
Steve Nahem – Director
Francisco Conto – Director
José Miguel Alemán – Director
Mario Garuz – Director
José Mann – Asesor
Jaime Mora – Vicepresidente



Executive Committee

From left to right

Rafael Sánchez Garrós
COO
Roberto Yau
CFO
Isaac Btsh
CEO

Table of Contents

MESSAGE FROM THE PRESIDENT	1
Our heritage.....	1
The power of acting in cooperation with others	1
New initiatives performed during 2012	2
Our commitment for the future	2
TABLE OF CONTENTS.....	3
COMPANY PROFILE.....	5
Vision.....	5
Mission	5
Values	5
Companies that are part of Multibank, Inc. and Subsidiaries.....	5
Our history.....	6
Meaning of the Multibank logo and colors	6
Financial figures and risk qualification.....	6
Number of Branches and Loan Centers	7
Product and services	7
Personal Banking	7
Corporate Banking.....	7
International Banking.....	7
Employees	7
Board of Directors	7
Supporting Committees	8
HUMAN RIGHTS.....	10
COMMITMENT.....	11
POLICY	11
INTERNAL ACTIONS.....	11
Mechanisms and Processes.....	11
To comply with Human Rights.....	11
To spread Human Rights across the bank.....	12
To evaluate the impact of Multibank's decisions on Human Rights	12
To improve compliance and respect of Human Rights	12
EXTERNAL ACTIONS.....	12
Micro Loans.....	12
Financial Education.....	13
Fundación Alberto y Pamela Btsh.....	14
Public Dinners	14
Donations	15
Pro-Escuelas Program.....	15
Multi-historias.....	16
Teletón 20-30	16

Patronato de Nutrición – Big Steps Program	17
Summary of our Social Investment	18
LABOR STANDARTS	19
COMMITMENT	20
POLICY	20
INTERNAL ACTIONS.....	20
Financing practices for employees.....	20
Benefits for Employees	21
Training.....	22
Internal Policies in actions.....	22
In the formation of labor unions.....	22
Policies against forced and mandatory labor	22
Mechanisms for salary verification	23
Mechanisms to comply with labor conditions.....	23
Regulations to prohibit child labor	23
Mechanisms against discrimination.....	23
Statistic by gender and age, according to hierarchical level	24
Administration of salaries, promotions and equal opportunity development	24
Our First – Program.....	24
Performance Evaluations.....	24
ACCIONES EXTERNAS.....	25
Multivoluntariado.....	25
ENVIRONMENT	26
COMMITMENT.....	27
POLICY	27
INTERNAL ACTIONS.....	27
Mechanisms for granting “environmental responsible” credit	27
Recycling.....	28
Energy Saving	29
EXTERNAL ACTIONS.....	29
Alliance – Biomuseo	29
Summary of Environmental Investment.....	30
ANTICORRUPTION	31
COMMITMENT.....	32
POLICY	32
ACTIONS	32
Personnel Assignment.....	32
Application of the “Know your Customer” Policy.....	32
Report on Suspicious Transactions.....	32
Training.....	33

Company profile

Vision

We are a solid financial group, which generates growth opportunities and innovative solutions to the integral development of our clients, following a corporate social responsibility policy.

Mission

To offer financial services, counseling and training, in an efficient and competitive manner, exceeding our clients' expectations, with a personalized approach, supported by ethical and moral principles and committed to protect the natural resources for the future generations.

Values

Our values reflect our ways and acting.



*Multibank Headquarters Branch,
located in Building Prosperidad, Via España.*

Companies that are part of Multibank, Inc. and Subsidiaries

Multibank, Inc. and Subsidiaries belong to Multifinancial Group, Inc. The companies that are part of Multibank, Inc. and Subsidiaries, which are the object of this report, are:



Our history

The Bank initiated operations as Multi Credit Bank and opened its doors to the public in 1990. Its vision was to become a dynamic and visionary alternative to serve the financial needs of Panamanians. Since then, Multibank has characterized itself for being a pioneering, versatile and continuously growing enterprise, providing a personalized, agile and very professional service.

1991 1st bank servicing Pymes	1996 Alberto and Pamela Btsh Foundation
2003 Integratcion to Global Compact	2004 Multisecurities (securities house) is born
2007 Risk qualification A-	2008 Evolution to Multibank
2010 Risk Qualification A+ y BB	2012 Risk Qualification AA- F-1+

Meaning of the Multibank logo and colors

Our logo is the “Tree of Life”. It reflects our capability for renewal, growth and the ability to adapt to various financial conditions, as well as to reflect our commitment to the environment.



- Trusty, engaged and dignify.
- Peace and ecology.
- Culture, optimism and a positive future.
- Stimulates the action, the confidence and provides a sense of protection against anxiety and fears and increases the enthusiasm.

Financial figures and risk qualification

At Multibank we aspire to achieve excellency in everything we do. One of the results we are more proud of has been the improvement of our investment qualification. In 2012, Fitch Rating improved Multibank’s international qualification long term risk up to the BB+ level, in the same manner, it improved the long term rating, at the local scale, up to the AA-(pan) level, and the short term local qualification up to the F-I+(pan) level, being the latter, the highest qualification within the Fitch Rating’s short term scale. Likewise, Equilibrium increased Multibank’s long term local risk qualification to the AA-.pa level

	INTERNATIONAL		LOCAL	
Rating company	FitchRatings			
Period	Rating	Perspective	Rating	Perspective
2008	BB-	Stable	A	Stable
2009	BB-	Stable	A	Stable
2010	BB-	Stable	A+	Stable
2011	BB-	Stable	A+	Stable
2012	BB+	Stable	AA-	Stable

	INTERNATIONAL		LOCAL	
Rating company	STANDARD & POOR'S		Equilibrium	
Period	Rating	Perspective	Rating	Perspective
2008	BB-	Stable	A	Stable
2009	BB-	Stable	A	Stable
2010	BB	Stable	A+	Stable
2011	BB	Stable	A+	Stable
2012	F-1+	Stable	AA-	Stable

Number of Branches and Loan Centers

Being close to our customers is vital for us. Presently, we have 24 branches and 3 loan centers throughout the country.

Products and services

At Multibank we offer a collection of products and services to our clients, both at personal and commercial level.

Personal Banking

Our personal banking goal is to meet our clients needs across their different stages in life, giving correct advise and offering mortgages, loans, adapted to their personal situations.

- **Deposit Account, Loans, Credit Cards, Debit Cards, Pre-paid Cards, other services.**

Corporate Banking

In corporate banking we offer a range of products and services aligned to their business needs, within an intimate environment where they are listened and offered sound financial solutions to continue growing with us.

- **Deposit Accounts, Commercial Credit, Cards, Assets Financing, Working Capital Financing, Accounts and Deposits Services, Administrative and Commercial Services, Financial Businesses, other services.**

International Banking

We offer our clients attention through International Liabilities Banking and International Business Banking. Liabilities, receives deposits outside the country, for those companies that do business with other countries, while Business is focused on providing financial solutions to the main companies of the Latin-American market.

Employees

Our employees, also known as “Multibankers”, play an important role in our success. Presently, we have more than 1.363 employees, through all Multibank’s branches and subsidiaries.

Board of Directors

Alberto S. Btesh – President

Jaime Mora – Vice-President

Yvonne Snaider – Secretary

Raquel Michaan – Treasurer

Steve Nahem – Director

José Miguel Alemán – Director

Francisco Conto – Director

José Castañeda – Director

Executive Committee

Alberto S. Btesh – Director and President

Raquel Michaan – Director

Yvonne Snaider – Director

Isaac Btesh – Director

Rafael Sánchez G. – General Manager

Roberto Yau – Financial Vice-president

Supporting Committees

The Board of Directors has Supporting Committees, formed by members and main executives of the administration.





Multibank and the 10 principles of Global Compact

To Multibank Corporate Social Responsibility is a permanent commitment. For that reason, we are subscribers and active members of the United Nations Global Compact, and of its local chapter, The Global Compact Network Panama. Additionally, through the Alberto y Pamela Btsh Foundation, created in 1996, we have made a commitment to improve the quality of life of children, and adult men and women at a national level.

As subscribers of The Global Compact, at Multibank we are committed to the fulfillment of ten key principles, based on Universal Declarations and Conventions applied in four main areas, which are: Human Rights, Environment, Labor Standards and Anticorruption. Through our policies, internal and external actions, we make sure we comply to these principles.

This Progress Report submits the actions and progress in the adequate execution of these principle.





HUMAN RIGHTS

Commitment

As subscribers of United Nations Global Compact, at Multibank we are committed to safeguard respect of the Human Rights, both at the workplace, as well as our broader sphere of influence, without distinguishing nationalities, place of residence, sex, national or ethical origin, color, religion, language or any other condition.

To support the Human Right to education, our commitment is to develop diverse education projects, which mainly consist of trainings in schools, businesses, public offices, and also, programs for increasing the teaching abilities of public school teachers.

We know that nutrition, clothing and housing are also a fundamental Human Right. For that reason, a permanent commitment for our Group is that of improving the quality of life of children, youngsters, and major adults, which through our Alberto and Pamela Btsh Foundation, we work and donate a great amount to public diners and others.

Policy

Our Ethical Code of Conduct establishes the bases of action for our community of Multibankers. Amongst this Code, we clarify the expected behavior related to: Conflict of Interests, Gifts and Gratuities, Transparency, Corporate Resources, Compliance of Laws and Policies, Other Acts Related to the Conduct, Information, Data Security, Discrimination, Private Character of the Employees' Information, Harassment, Use of Alcohol and Drugs, Violence at the Workplace, Requests from Governments.

The Conduct Committee is responsible for compliance of the Ethical Code of Conduct. When doubts appear on any particular or specific situation, it has the authority to interpret it and apply the necessary measures.

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2. Businesses should make sure that they are not complicit in human rights abuses.

Internal Actions

Mechanisms and Processes

To comply with Human Rights

- At Multibank we have an Ethical Code of Conduct that rules behavior of directors, executives and employees.
- The Vice-presidency for Human Development has the responsibility to watch over the distribution and compliance of the Ethical Code of Conduct to every employee that joins the bank.
- Managers have the responsibility to guide employees and exercise the Code of Conduct, motivating and applying disciplinary measures whenever any violation of the code is proved.
- The Code of Conduct explicitly presents individual responsibility related to employees, managers and directors taking into account 3 specific elements when taking decisions: Do not breach any law, do the right thing systematically, and reflect honesty respect and responsibility in every action.
- Employees have permanent access to the Code of Conduct through Multibank's intranet.
- Two relevant clauses within the Code of Conduct are prohibition of harassment and of violence in the workplace.
- The Bank has established a mechanism for receiving anonymous and confidential information from employees, regarding administrative or auditing irregularities, and other possible ethical and legal violations, that could go against what is established

in this Code.

degree of satisfaction of our employees towards the organization.

To spread Human Rights across the bank

- During the process of formalizing hiring, each new employee must go through an induction of the Code of Conduct, and must sign a Reading certification, that is registered and serves as a mechanism to verify compliance with this policy.
- The Vice-presidency of Human Development has the responsibility to periodically verify the handling of the rules of the Code of Conduct by the employees, through tests designed for that purp.
- The employees have permanent Access to the Code of Conduct through the intranet and, additionally, messages relating Human Rights are placed on strategic places of Multibank's offices.

To evaluate the impact of Multibank's decisions on Human Rights

- Yearly, organizational behavior surveys are conducted with the purpose of measuring the

To improve compliance and respect of Human Rights

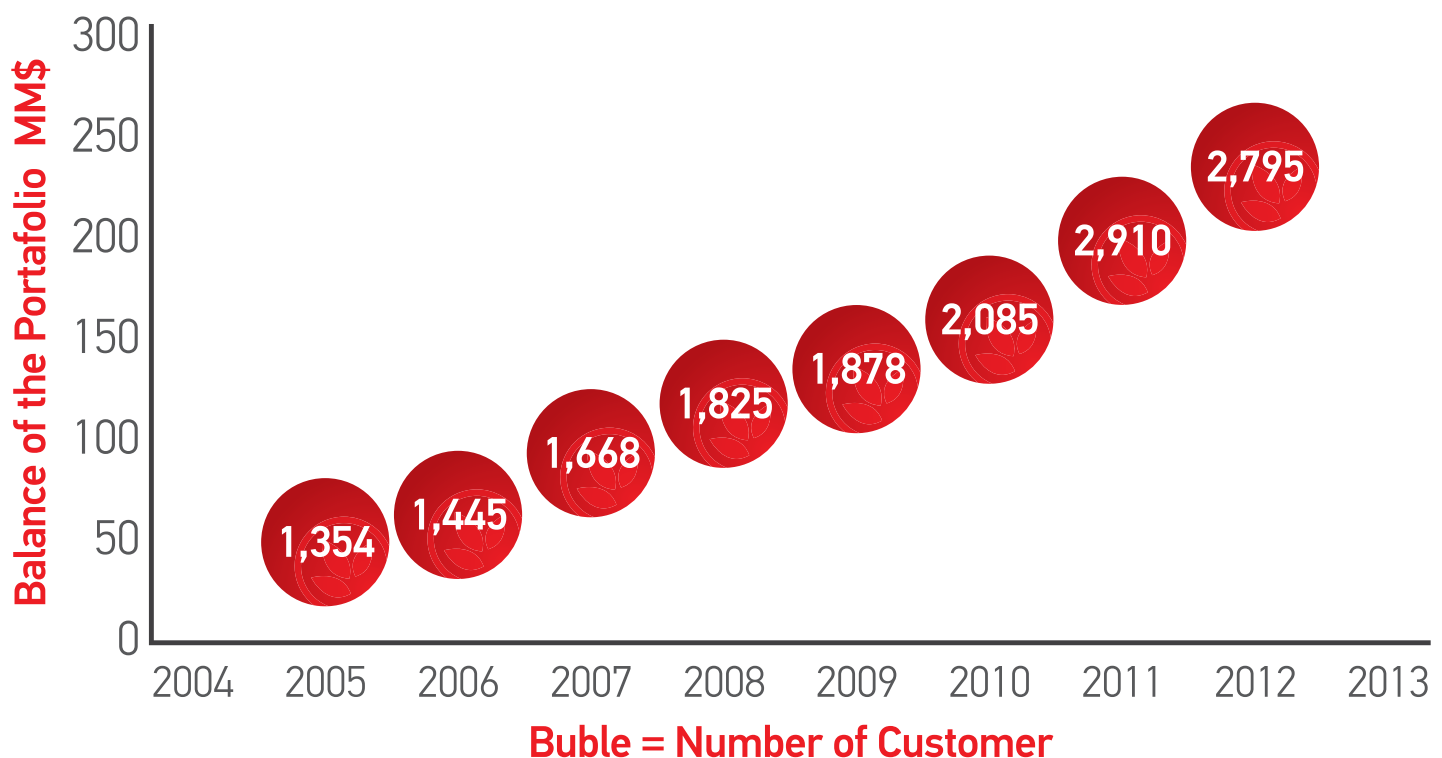
- Yearly performance evaluations are conducted based on the principles of the Code of Conduct.
- Based on the performance evaluation results, salary increases are established.

External Actions

Micro Loans:

For 16 consecutive years, Multibank has financed small and medium enterprises with the support of FMO, a business development bank that supports growth for the private sector in emerging markets.

Since 2011 a Funding Agreement is being held with the Inter-American Investment Corporation (IIC), who



will provide a total of \$ 6,000,000 to finance small and medium size Panamanian companies through leasing, factoring, working capital and housing operations. It is expected to continue until the year 2015.

As the years pass, Multibank increases the balance of its loans portfolio and the total number of clients.

Financial Education:

Since April 1998 Multibank offers training programs for businessmen, entrepreneurs, students, public officers and private company employees, to be trained as advisors in microfinance, and to improve administrative-business management. This is done through the Microfinance Institute (IMF), who, since the year 2006 received and executed the training Budget of the National Institute for the Professional Education and Training for Human Development (INADEH).

During 2012, **3,097** people benefitted from it, and until today, a total of **21,832** people have been trained.

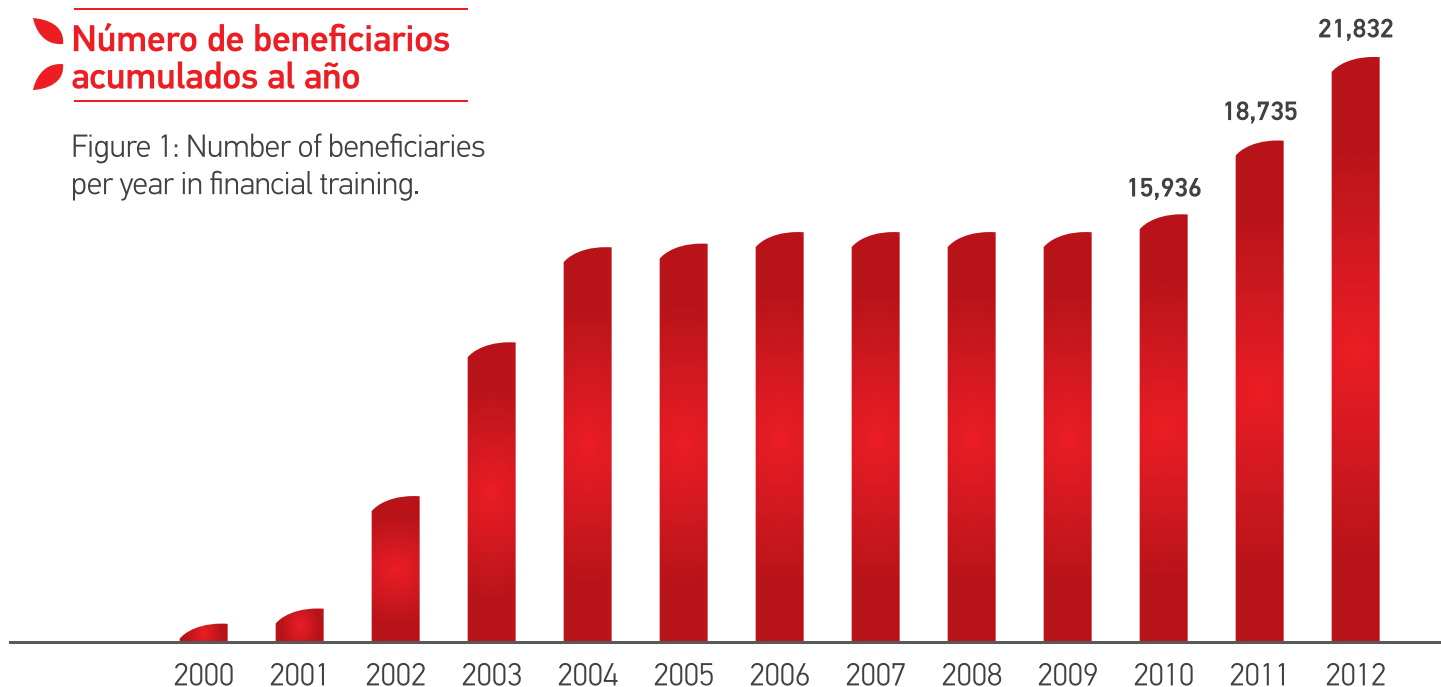


This program is dedicated to train and improve young and adult people in the areas of production and service, so that they may obtain the necessary elements of intellectual order, enriching their culture and entrepreneurial perspective, develop their vocational skills and increase their growth opportunities within their social life.

The Inter-American Corporation of investment (CII) is a multilateral institution of investment, part of the Inter-American Development Bank (IDB).

Número de beneficiarios acumulados al año

Figure 1: Number of beneficiaries per year in financial training.





FUNDACION Alberto y Pamela Btsh

Since 1996, Alberto and Pamela Btsh Foundation has provided food and donations to improve the quality of life of children, youngsters and senior citizens, as a response to the needs of thousands of Panamanians.

Public Diners

During 2005, we inaugurated the public diner “Pamela Btsh” located in San Miguelito, one of the highest density and poverty rate districts in Panama. Through 3 public diners, free meals are served to all those who need it, mostly humble families and scarce income children. Presently, circa 90% of them eat there every day.

Following, the number of meals served and the amount collected for donations in footwear and clothing, since 2008 until 2012:

	2008	2009	2010	2011	2012
Meals served (quantity)	150,000	190,782	300,000	296,000	360,000
Amounts collected for footwear and clothing (\$)		80,000	100,000	116,000	123,000





Donations: “Pro-Escuelas” Program

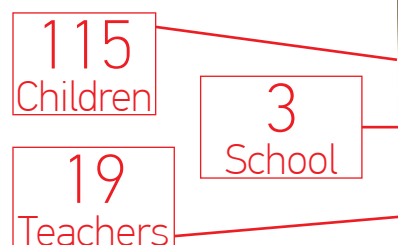
This program focuses on implementing new teaching methods amongst different public schools of the Republic of Panama. “Leading Teachers” are teachers who are trained in educational techniques, management of the classrooms, and the promotion of leadership.

After finishing monthly trainings, teachers must incorporate what they have learned and develop educational material, which together with children’s responses, is submitted in a report to the Ministry of Education.

Schools show a significant change after teachers receive the training. Teachers share the information with co-workers in order that they may also put it in practice.

Additionally, the most valuable impact is seeing that many children improve considerably their antisocial behavior. The evolution of the same child can be appreciated among visits within the same program. It is common to involve parents of the minor in meetings for analysis of collective behavior.

Multibank has donated in 2011-2012 to this program \$20,000. The bank is committed to the education of the country, promoting innovation and excellence in Public Schools across the country.



Years	Schools Benefited	Trained teachers	Periodicals
2005	3	95	6,980
2006	12	310	37,531
2007	16	415	37,910
2008	15	98	41,012
2009	6	6	3,845
2010	11	12	5,172
2011	14	15	9,017
Totals	77	951	132,450



Activities in schools godchildren.

“Multi-historias”

As part of the benefit as sponsors of the Pro School Project, we have the publications at the Aprendo Supplement of La Prensa journal, we have taken advantage of this space to tell the children stories with positive messages about savings, values and education. Along 2012 we have published 20 Multi-historias.



“Teletón 20-30”

This is a yearly activity organized by the 20-30 Club since 1981; its purpose to raise money for different philanthropic causes. This year the goal was to support people with autism and physical disabilities, and the motto “**Do not leave them alone, do not leave them behind**” was used. The event took place in Panama, from December 14 to the 15, raising a total of 4 million 216 thousand 562 dollars, surpassing the goal of 4 million 203 thousand 20 dollars that the Active 20-30 Club had set for this event. We are proud of having participated with a contribution of **\$40,000**.



Multivolunteers make a delivery of the check of sponsorship of Project Teletón 20-30.

Patronato de Nutrición – Big Steps Program

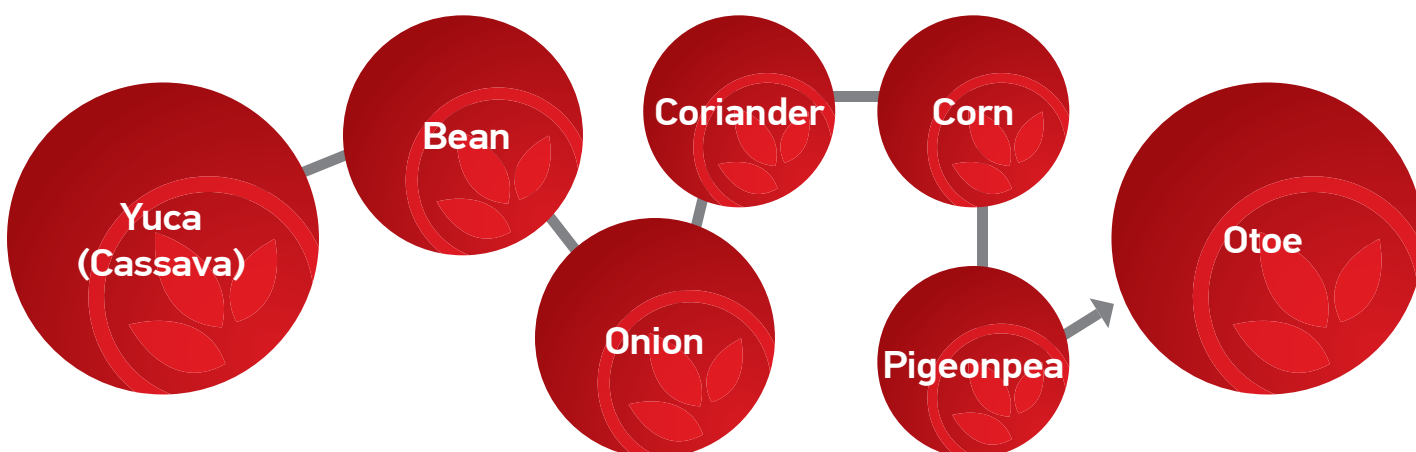
At Multibank we are sponsors of the Farm El Entradero, since 2001, a farm for self-sustainable development and production, located at San Juan de Dios, Province of Coclé.

This farm is one benefitted by Patronato de Nutrición, which acts as a National Nutrition Board for Panama. Through the Big Steps Program, which seeks to train and organize farmers to produce in an efficient and sustainable way, they grow that guarantees them an adequate daily intake for their families.

Besides sponsoring, we conduct visits to see the evolution of their work, sharing a pleasant moment with their families. During 2012 we went to the Farm twice, and brought them some working tools (previously requested through a list of needs). This year the contribution in tools amounted \$357.50.

Finally, we contributed with the “Basket of Love”, a box that is placed in the reception desk, with a variety of snacks for sale to the public. The proceeds are donated to the Farm. Through this initiative, this year our contribution was of \$247.50.

Visit to the farm El Entradero, sharing a good time with the families.



The families items produced in the farm.



Summary of our Social Investment

To Multibank and our Multivolunteers, investing in the community is an important factor in our commitment towards them. These are the statistics of our investment in 2012:

Activity	USD
Earth's World Day	600.00
Environment Speech	500.00
Breakfast – discussion with leading teachers	600.00
Painting workshop	1,200.00
Painting competition	1,800.00
El Entradero Farm	605.00
Teletón 20-30	40,000.00
Pro-Escuelas Program	20,000.00
Public Dining	S/D
TOTAL	45,305.00

Additionally, it can be shown that the commitment to social investment increases year after year:



Social Investment in the time.

A woman with dark hair, wearing a white sleeveless dress, stands in a field of tall poppies. She is looking upwards with her arms slightly raised, and numerous orange poppy petals are floating in the air around her, creating a dreamlike atmosphere. The background is a clear, light blue sky. A red semi-circular graphic element is positioned on the left side of the image, containing the text 'LABOR STANDARTS' in white capital letters.

LABOR STANDARTS

Commitment

At Multibank we are committed to obey all the labor laws and regulations of the Republic of Panama in defense of the labor conditions and social protection.

Multibank is committed to provide a safe and healthy work environment to all its employees, service providers, clients and visitors. We are dedicated to the continuous improvement of our safety and health programs, based on a focus on reduction of risks and elimination of work related diseases and accidents.

Additionally, our commitment is to keep a pleasant labor environment for all our employees, so that they may provide their work in an efficient manner, thus achieving personal and professional success.

Policy

In order to fulfill our commitment, we have the following policies:

- **Salary increases:** Salary structure shall be subject to periodical revisions, adjustments and modifications, in order to make adjustments to the changing situations of the bank and the environment. Additionally to the minimum increase based on inflation, salary increases may be given by merit or promotion.
- **Overtime:** To ensure the respective payment for any additional work. However, our Human Resources department is dedicated to minimize all overtime, which starts presenting in a regular manner. For that reason, in case a position or area, where additional work starts becoming common, the workload is evaluated in order to look for alternative solutions.
- **Vacations:** To ensure that all our employees use their mandatory resting days as established by labor law.

- Principle 3.** Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4.** Elimination of all forms of forced and compulsory labour.
- Principle 5.** Effective abolition of child labour.
- Principle 6.** Elimination of discrimination in respect of employment and occupation.

- **Recruiting and Selection:** We do not hire personnel under 18 years of age.
- **In accordance with the Banks Regulatory Office -Superintendencia de Bancos-** labor unions are forbidden and, as every other bank in Panama, we cannot enter into collective bargaining.

Internal Actions

Financing practices for employees

At Multibank our employees are the cornerstone of our business; therefore, we make sure they have financing benefits that – in addition to their salary – improve the quality of lives of them and their families.

Benefit	Amounts provided	No. of employees
Car loans	B/. 811,140.77	46
Mortgage loans	B/. 5,250,587.04	62
Personal loans	B/. 560,696.44	59
Purchasing of computers	B/. 2,797.02	8
Car insurance policies-third party damages coverage	B/. 1,120.00	7

Amounts provided and number of Multibank's beneficiaries for internal loans in 2012

Benefits for Employees

Additionally, our employees have access to benefits in education, health, and activities outside the bank, such as sport or recreational activities. In the next chart, we show the benefits our employees have access to:



Amounts provided and number of employees with benefits additional to their salaries in 2012.

Benefit	Amounts provided (USD)	No. of employees
Collective life and health insurance policy	355,365	838
Happy Kids	53,866	60
Recreational Activities	81,607	840
First Aid Kit	1,006	875
Road Carew Suite (During Baseball Season)	120	560
Uniforms	91,182	350
Sport Activities	10,621	875

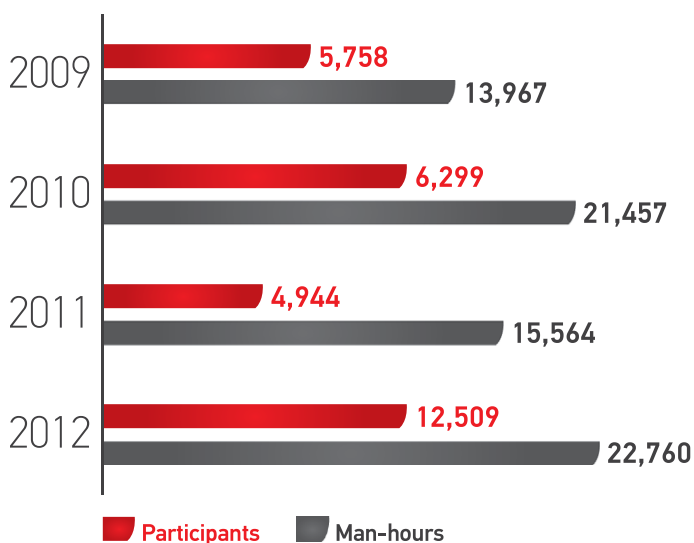
If it is to be assigned an economic value to all labor benefits that are provided to our employees above the law, their real salary would increase by: 32% for low level employees, 15% for medium level employees, and 8.5% for high level employees.

Compared to the rest of the industry, Multibank is among the 5 best Banks, because of the benefits granted to its employees.

Training

We believe part of our growth is the result of our training programs where employees strengthen their abilities and skills in different financial disciplines.

Following is the evolution of hours dedicated to training, and amount of employees participating in our courses.



Man-hours for training and number of participants to the formation programs.



Training workshops done for Multibank Personnel.

Internal Policies in actions

In the formation of labor unions

- In Panama the Banks Regulatory Agency (Superintendencia de Bancos) forbids the establishment of labor unions within financial institutions.

Policies against forced and mandatory labor

- During the recruitment process, candidates are presented a job offer and a contract is signed, where the responsibilities of the position, its salary and benefits are described. Therefore, from the first moment, the employee is aware of the conditions and terms of his/her hiring, and the procedures he/her should comply with if he/her wishes to abandon his/her position.
- Overtime, employees are paid for additional work, in accordance with fix rates.
- Vacations are respected so that employees make use of the resting time they are entitled to annually.

Mechanisms for salary verification

- At Multibank, with the advice of Price Waterhouse and Coopers (PwC), salary analysis was performed using as a reference, salary positioning indexes and internal equity in the banking sector by hierarchical level. In 2012, minimum salary for the business was established over 10% above the requirements of Executive Decree 28 of December 2011.

Mechanisms to comply with labor conditions

- Multibank has a Risk Prevention Plan. It states the procedures for prevention and risk management, as well as accidents, emergencies, first aid and work related diseases. Also it establishes people in charge in respect to different situations.
- For risk evaluation, Multibank is based on the risk administration methodology defined by OHSAS 18002:2007 standards, and the Directives of the ILO.

Regulations to prohibit child labor

- The financial sector in Panama is subject to strong national and international regulations that forbid child labor, to which Multibank adheres fully. Consequently, we do not hire any person under the age of 18.

Mechanisms against discrimination

- The Code of Conduct establishes explicitly the prohibition against every type of discrimination, whether by race, breeding, origin, religion, disability, gender, sexual orientation or any other.
- Statistics by gender and age range (general average) show that at Multibank the principle of equity is obeyed:

Ranges Age:

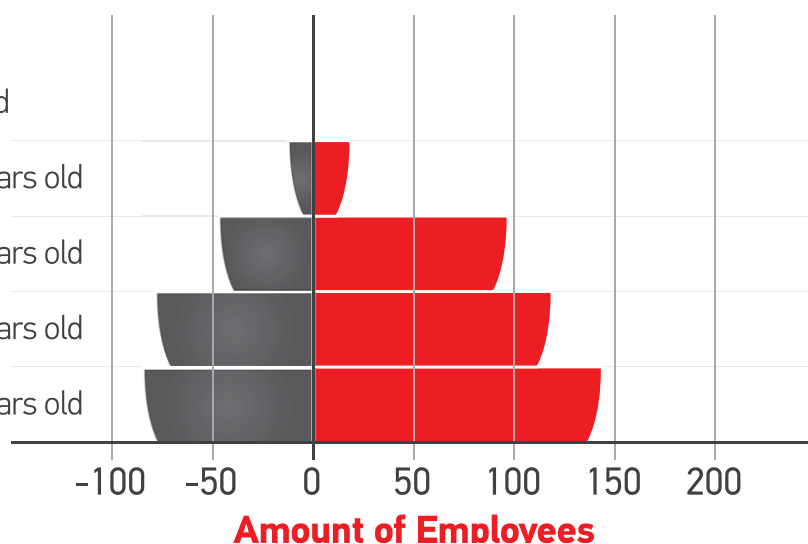
Older than 60 years old

Between 51 and 60 years old

Between 41 and 50 years old

Between 31 and 40 years old

Between 18 and 30 years old



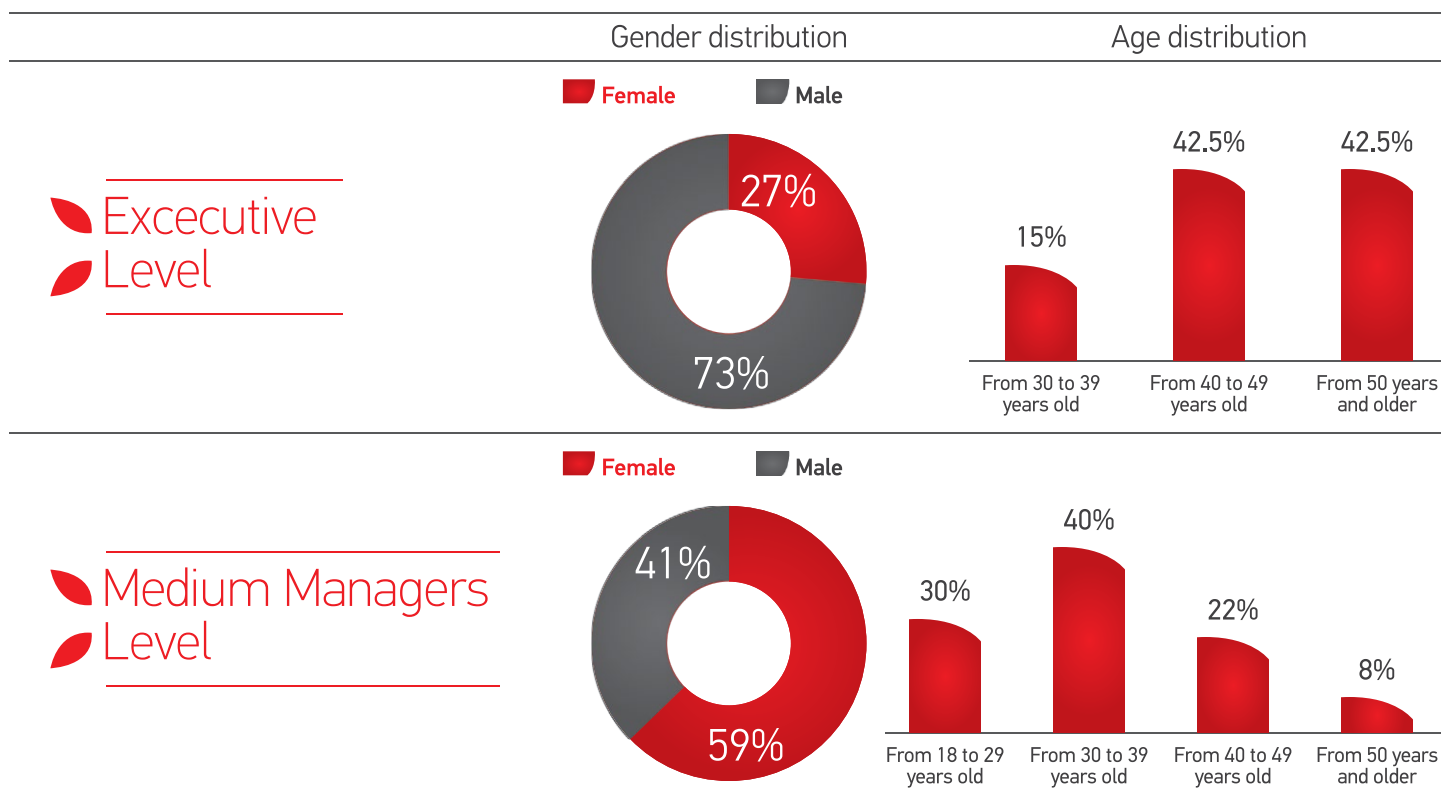
Female

Male

Amount of Employees

In average, total distribution by gender is **60%** women, and **40%** men.

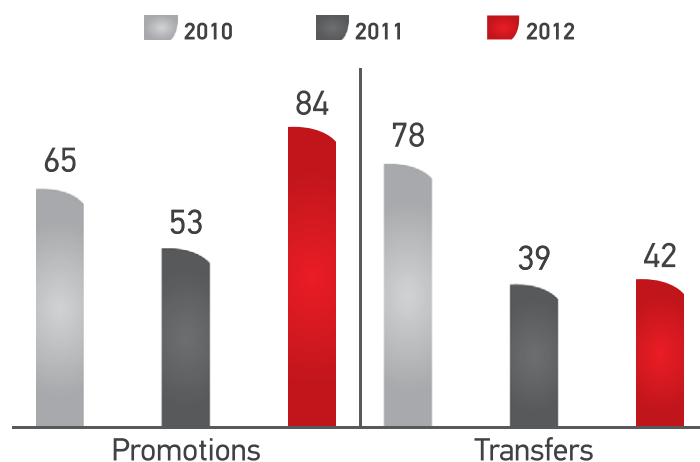
Statistics by gender and age, according to hierarchical level



Administration of salaries, promotions and equal opportunity development

–Ours First– Program

This is a program focused on providing growth and development opportunities to Multibank's personnel. Vacancies are offered first to the Bank's employees, before publishing them externally. Starting in 2010, the following promotions and transfers have been executed.



Performance Evaluations

Annually, goals are established for the development of each one of Multibank's employees; integrating personal and professional objectives. Evaluations are performed with a qualitative-quantitative format, based on results attained, career plans, personal development, and salary increases, among others.

External Actions

Our “Multi-voluntariado”

Is the corporate program for voluntary type of work given by our employees. It has been created with two main purposes:

1. To promote a culture of collaboration and to make more citizens sensitive to our social needs.
2. To help guide and direct our personnel efforts to real social needs where Multibank impacts directly or indirectly, aligned with the United Nations Global Compact principles.

To Multibank it is a high priority that our employees have the opportunity to get involved in real social work. This represents an integrated development for the person. Our volunteering work is an opportunity to present to our employees Multibank’s commitment to its community, which we believe also contributes to increasing loyalty to the institution.



Volunteering activities are done in working hours and Directors participate actively. This year, Multibank volunteers did the following activities:

Activity	Number of volunteers	Hours dedicated	Amount of beneficiaries
Earth’s World Day	15	60	55 adults
Speech on the Environment	15	45	52 children
Leading Teachers Breakfast Discussion	5	20	37 people
Painting Workshop	20	240	100 children
Painting Contest	11	220	34 children
Visit to the El Entradero Farm	10	70	13 people
Total	60	585 hours	278 people

These activities had **66** participant volunteers, involving the dedication of man-hours during working hours, benefitting over **278** people.

ENVIRONMENT



Commitment

Multibank has a strong commitment to protect our resources for future generations and to encourage through our clients the growth of socio-environmental products. We are committed to guarantee compliance with credit policies and environmental regulations, through the projects we finance.

Policy

Very recently in 2012, we have created a policy to support and preserve the environment, which conditions our funding to certain environmental and social practices. This states that Multibank, Inc. and Subsidiaries policy:

1. Shall support only those clients who contribute to preserve a clean and healthy environment.
2. Before providing credit support for a special Project, shall take into account the environmental impact of the proposal presented, and shall watch that its execution is done within socially responsible and environmental regulations.
3. Shall encourage compliance to environmental and social practices, in order to attain funding or evaluate projects.
4. The result of the follow-up and verification efforts shall be integrated in a yearly report that shall establish the bases for the Environmental Balance of Credit Operations, thus reflecting the environmental policy of our institution. This report shall mention the companies to which recommendations have been made, and shall mention the measures implemented by the company.
5. Shall promote the responsible use of natural resources, recycling of materials and good use of energy.

- Principle 7.** Support a precautionary approach to environmental challenges.
- Principle 8.** Undertake initiatives to promote greater environmental responsibility.
- Principle 9.** Encourage the development and diffusion of environmentally friendly technologies.

Internal Actions

Mechanisms for granting “environmental responsible” credit

1. Multibank has an Environmental Responsible Committee, which has as its objective to coordinate the Environmental Management strategy of Multibank Inc. and Subsidiaries.
2. Social and Environmental Administration Management is the platform responsible for coordinating the environmental administration of Multibank Inc. and Subsidiaries, and is the entity that coordinates the environmental administration plan and provides management reports in accordance with the regulations of the Sustainable Management System.





Recycling

We encourage our employees to recycle and separate waste, by putting them in special containers for each type of waste, located at the Head Office.

Since 2009 we promote recycling initiatives, through internal campaigns and training to employees. In the last three years, we have increased the number of recycled pounds in different items, such as aluminum cans, plastic containers, cardboard and newspapers, increasing the amounts collected for the sale of these materials, which went from **\$100** in 2010 to **\$212** in the year 2012.

Notas

Hoy es el día en que reciclamos todas esas revistas, botellas y envases que no necesitamos.

Reciclamos para transformar nuestra calidad de vida, pequeñas acciones pueden tener grandes impactos, podemos iniciar separando los residuos para destinarlos al reciclaje.

El separar la basura que producimos, no sólo es bueno para cuidar nuestro planeta. También ayuda a generar desarrollo y oportunidades en la sociedad, por ello, adopta el hábito de separar los residuos y ayuda a construir un lugar mejor para todos.

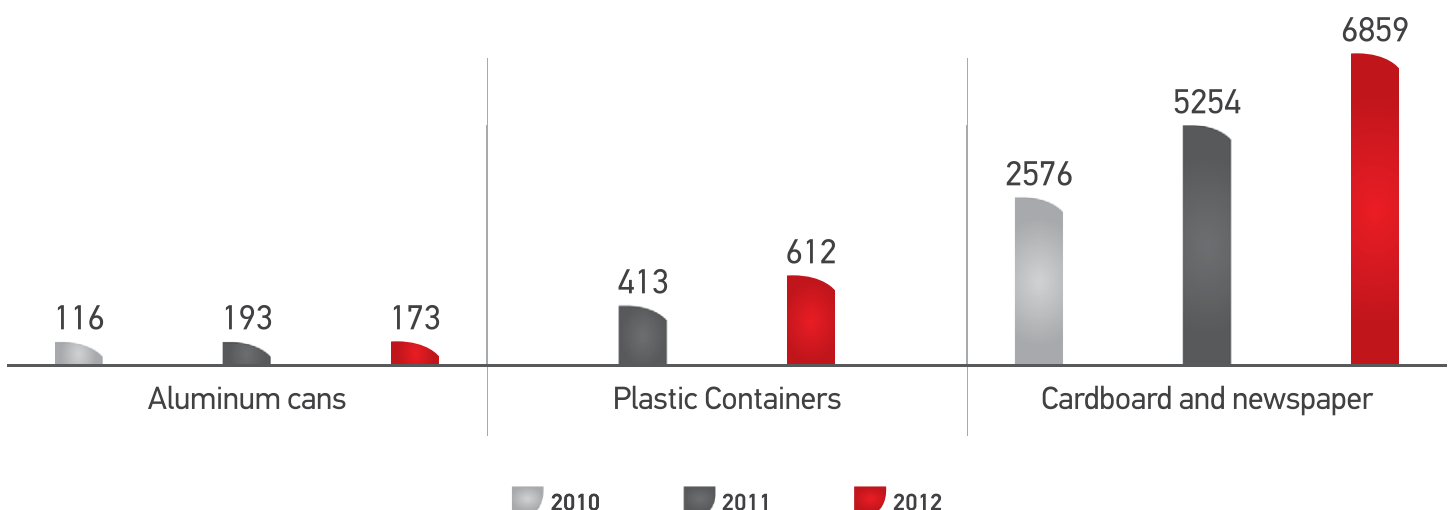
Podemos ser agentes de transformación social y ambiental, pero para eso necesitamos tomar la decisión de cambiar nuestros hábitos de consumo.

Deposita en los contenedores el material indicado, en el caso de revistas, si no sabes qué hacer con ellas se pueden reutilizar de diversas maneras, ya sean como accesorios, porta vasos, carteras y muchas ideas más que puedes desarrollar.

La solución está en nuestras manos, podemos elegir...

Hoy es el día.

Pounds of recycled material and amounts collected (USD). 2010 – 2012



Energy Saving

Multibank promotes saving of natural resources and energy, through the following actions:

1. Diverse educational activities on handling and caring for the environment.
2. Consumption of energy and resources is constantly being monitored.
3. The security personnel of the Protection and Prevention Management office takes care of inspections to ensure compliance and reporting failures.
4. Every electric or electronic equipment of Multibank shall be "Energy Saving."
5. Lamps and signs shall work with fluorescent lights and electronic transformers.

External Actions

Alliance – Biomuseum

This consists of the support given by Multibank to the Biodiversity Museum, through the donation of USD 50,000, for the construction of the Panamarama gallery room. This gallery contains a surrounding theater, with multiple screens that shall surround the visitor, and will project an audiovisual tour of the diverse marine and terrestrial natural habitats of Panama.

The Biodiversity Museum was designed by the famous architect Frank O. Gehry, being the first building designed by this artist for Latin America

Usa todos los sentidos y toma conciencia con tu planeta.



Usar elevadores consume muchísima energía lo cual daña nuestro ambiente.



Para ejercitarnos un poco en el trabajo y no solo apretar botones para movernos...



¡Usemos las escaleras!
Protejamos nuestro ambiente ahorrando energía.



Hoy es el día.


HOY ES EL DÍA

...de cooperar con el Ahorro energético

Es importante poder contar con tú apoyo al utilizar los salones de capacitaciones y reuniones, mostrando que **e•r•e•s** consciente con el ahorro energético y así contribuyes con la preservación del medio ambiente.

Multibanquero, sigue las siguientes indicaciones:



Está prohibido el uso de celulares.



Apague las luces al terminar.



Apague el aire acondicionado al terminar.



Presione **POWER** para encender.
Presione **POWER** dos veces para apagar.

Hoy es el día para que tomes conciencia con acciones que reafirmen tu compromiso en que **Juntos Hacemos Multibank.**



Our commitment is to help the growth and formation of the people of all ages, providing services from community aid, whether financial, training and social assistance, always respecting the differences and the dignity of the people

Summary of Environmental Investment

Environmental activities in 2012, show the following investment statistics:

Journeys and Sensitisation	No. of participating people	Investment (\$)
Training	240	500
Internal campaigns	18	900
External Campaigns (campaigns)*	3*	6,000
Sowing of samplings	200	300
Celebration of the Earth's world day	432	657
AlianzAlliance with the Biomuseum	500	2,000
Total	1.390	10,357



ANTICORRUPTION

Commitment

Multibank, reaffirms its ethical commitment, that of its shareholders, board of directors, its high management level and all employees, to avoid that our platform is used for illicit activities by criminal organizations to obtain funds in an illegitimate manner, or else, destine funds to causes that are against peace, as is the financing of terrorism.

We are aware and responsible as a financial institution and as part of the Panamanian banking community, for maintaining the necessary controls to avoid that the operations of Multibank and Hemisphere Bank, are used for Money Laundering and Financing Terrorism, (ML/FT).

We fully comply with the laws of the Republic of Panama, Agreements and Notices from the Banking Authorities (Superintendencia de Bancos), as well as follow the 48 recommendations of GAFI5, to apply the best banking practices. The institution always bears in mind the principle of keeping a high morale in the workplace, based on the ethical, honest and integral acting of all its personnel.

Policy

Our policy “Know your Customer” and “Due Diligence” controls are established in the Manual for the Prevention of Money Laundering and Financing of Terrorism, constantly updated. This manual covers several subjects, among them the following: 1) Knowing the identity and activity of the client; 2) Obtaining from the client, sufficient information and evidence that allows us to know and understand his/her activities; 3) Preventing, detecting and reporting suspicious activities.

Principio 10. Businesses should work against corruption in all its forms, including extortion and bribery.

Actions

Personnel Assignment

According to the rules issued by the Panama Banking Regulatory Agency (Superintendencia de Bancos) and the provisions of Corporate Governance, the Compliance Committee was created by a team with vast experience on the subject.

Application of the “Know your Customer” Policy

With the purpose of complying with the above mentioned commitment, we have developed a manual for the Prevention of Money Laundering and Financing of Terrorism, as a tool to reinforce the controls of the “Know your Customer” policy, “Enhanced Due Diligence” and “Origin of Funds”. Enhanced Due Diligence is applied to potential clients with high-risk products or activities. To apply this practice we count on external suppliers who perform the investigations at the clients’ country of origin.

Report on Suspicious Transactions

In accordance with the provisions of the laws and the international standards, we count with monitoring and special report tool, for the daily analysis of our clients operations, in order to detect unusual operations, investigate and determine whether are suspicious



activities, and proceed with the pertaining report to the Financial Analysis Unit. We collaborate by providing all the information requested to the Financial Analysis Unit, the Prosecutions Office and the Bank Regulatory Office (Superintendencia de Bancos), as is requested by law.

Training

Committed on keeping our employees updated in the matter of Money Laundering and Financing of Terrorism, and seeking that they handle the matter with expertise, we have implemented the risk classification in accordance with their functions, orienting the capabilities to the controls they must know.

- Each employee acknowledges receipt of the Code, as evidence of his/her adherence to the corresponding rules.
- Knowledge and handling by employees is yearly verified through tests designed for that purpose.
- Training and campaigns are provided for employees.

Trainings to prevent corruption acts	Investment (\$)
Internal Trainings	69,800
External Trainings	79,513
TOTAL	149,313

