

TRUST DEPARTMENT

The mission of the Trust Department is to manage trusts and our Bank role in the issuance of negotiable bonds or other securities by companies.

One of the key objectives for the creation of the Trust Department was to facilitate access to credit, adding new guarantee possibilities.

Thus, every year our Bank has developed the implementation of the collateral trust in lending, and since 2006 the Trust Department has been acting as trustee of such trusts and also as trustee of management trusts.

Additionally, since 2012 our Bank has been registered as Financial Trustee in the Equity Market Registry of the Central Bank of Uruguay.

Accordingly, our Bank currently has three basic types of trusts in its product offering authorized by the legal system of Uruguay since Law 17,703 of October 27, 2003 became effective, namely:

Guarantee Trusts

They enable a new way of establishing guarantees, consequently reducing credit risk with benefits to both the customers and the Bank.

Management Trusts

Under this arrangement, there is a possibility of transferring assets to a trustee (in this case, our Bank) for management purposes, with legal certainty for all parties because the mandate given to the trustee is implemented in relation to property or rights that have been placed under trust securing their exclusive allocation for the purposes specified in the trust agreement.

Financial Trusts

Financial trusts are a way of financing through the securitization of property or rights. Assets are transferred to a trust in order to back the issue of debt securities (fixed-income) or share certificates (variable income), that may be subject either to public or private offering.

At year-end 2015, credits guaranteed by trusts managed by the Trust Department amounted to USD 326 million, achieving a 14% increase compared to the ones at the closing of the previous year.

ISSUANCE OF NEGOTIABLE BONDS AND SHARE CERTIFICATES

The Bank offers, through its Trust Department, the services of Bondholders Representative, Registrar Agent, Paying Agent and Dealer Manager for the issue of negotiable bonds by companies, and share certificates in Financial Trusts.

During 2015, our Bank acted in the issuance of negotiable bonds by CONAPROLE, UTE and Share Certificates in the Pampa and Arias Financial Trusts.

Our Bank placed bonds issued by Conaprole, worth USD 15.7 million among its customers through applications entirely submitted via Internet (e-Brou). Meanwhile UTE issued negotiable bonds denominated in inflation-indexed units (UI) through our Bank, for a total amount equivalent to USD 100 million, acquired by corporate investors.

Rural del Prado - Montevideo

