

WESTERN HEMISPHERE CREDIT AND LOAN REPORTING INITIATIVE
CENTER FOR LATIN AMERICAN MONETARY STUDIES
FIRST INITIATIVE
THE WORLD BANK

CREDIT AND LOAN REPORTING SYSTEMS IN GUATEMALA



2011

**WESTERN HEMISPHERE CREDIT AND
LOAN REPORTING INITIATIVE**

WESTERN HEMISPHERE CREDIT AND
LOAN REPORTING INITIATIVE

Credit and Loan Reporting Systems
in Guatemala

2011

CENTER FOR LATIN AMERICAN MONETARY STUDIES
FIRST INITIATIVE
WORLD BANK

First English Edition

Published also in Spanish

All rights reserved

© Centro de Estudios Monetarios Latinoamericanos, 2011

Durango 54, México D. F., 06700

ISBN 978-607-7734-32-1

Printed and made in México

The opinions expressed in this paper are those of the authors and do not necessarily coincide with the position of the Center for Latin American Monetary Studies (CEMLA), FIRST Initiative or the World Bank. The authors are solely responsible for any errors of omission or commission.

Foreword

In August 2004, following a request from the central banks of Latin America and the Caribbean, the World Bank and the Centro de Estudios Monetarios Latinoamericanos (CEMLA), with the financial support of the FIRST Initiative, launched the Western Hemisphere Credit and Loan Reporting Initiative (WHCRI). The objective of the Initiative is to describe and assess the credit and loan reporting systems of the Western Hemisphere with a view to identifying possible improvements in their efficiency and integrity.

As part of the project structure, in August 2004 an International Consultative Committee (ICC) comprised of experts in various fields was established. In addition to CEMLA and the World Bank, the institutions participating in the ICC include multilateral institutions such as the Inter-American Development Bank (IADB), the International Finance Corporation (IFC) and the International Monetary Fund (IMF) and central banks such as the Bank of Canada, Banco de España and the Federal Reserve Bank of New York. To assure quality and effectiveness, the Initiative includes two important components. First, all studies are conducted with the active participation of country officials and the project builds upon the existing work undertaken in the respective country. Second, the Initiative draws upon international and national expertise on the subject, through the ICC, in order to provide guidance, advice and alternatives to current practice. The Initiative has undertaken a number of activities in response to requests by central banks from Latin America and the Caribbean. These include: the preparation of public reports containing a systematic in-depth description of each country's credit and loan reporting systems; the delivery of a confidential recommendations report to the authorities of each country; the organization of ICC meetings to review country studies and provide input for future work; the organization of workshops focusing on topics of specific interest; the creation of a web page (www.whcri.org) to present the Initiative's products and other information of interest in the field of credit reporting; and the promotion of working groups to ensure continuity in project activities.

CEMLA acts as the Technical Secretariat of the Initiative, with the main objective of making this process sustainable and extending activities to all countries within the Hemisphere. To this end, the Initiative has helped strengthen CEMLA's in-house expertise and broadened knowledge and the transfer of know-how across the Region. The efforts of the Working Groups coordinated by CEMLA shall maintain the structure created under the Initiative and will provide a permanent forum for the countries in the Region to discuss, coordinate and lend a collective impetus to work in the field of bank credit and loan reporting systems.

This report Credit and Loan Reporting Systems in Guatemala is one of the public documents in the series and it has been prepared by a multinational team in cooperation with representatives of the Superintendencia de Bancos de Guatemala and other Guatemalan institutions connected to the field of bank loans and credit report systems.

Javier Guzmán Calafell
General Director
CEMLA

Pamela Cox
Vicepresident, LAC
World Bank

Janamitra Devan
Financial and Private Sector
Vicepresident
World Bank

Acknowledgements

This report is based on the findings of a mission which visited Guatemala in February 2010. The report was prepared by the members of an international team which included Corina Arteché Serra, Jane Hwang y Fredes Montes (World Bank), Matías Gutiérrez Girault (FIRST Advisor) and Raúl Morales (CEMLA).

Contents

1	ECONOMIC AND FINANCIAL MARKETS BACKGROUND.....	1
1.1	Main Macroeconomic Aspects During Recent Years	1
1.2	Main Reforms in Recent Years	4
1.3	Banking Sector: Recent Reforms and Current Structure.....	5
1.3.1	Recent Reforms	5
1.3.2	Current Structure	6
1.4	Other Principal Credit-Granting Institutions in the Financial And Non-Financial Sector7	
1.4.1	Financial institutions	7
1.4.2	Organizaciones Privadas de Desarrollo.....	7
1.5	The Current Credit Market	8
1.5.1	Key Issues in Corporate Financing	9
1.5.2	Key Issues in Consumer Financing.....	9
1.6	Main Trends in Credit Reporting.....	10
2	INSTITUTIONAL ASPECTS.....	12
2.1	Legal Framework	12
2.1.1	Privacy	12
2.1.2	Bank Secrecy	13
2.1.3	Costumer Protection and Quality Assurance.....	13
2.2	The Role of Financial Institutions in Credit Reporting.....	14
2.2.1	Credit Reporting Agencies.....	14
2.2.2	Banking Sector	14
2.2.3	Others.....	14
2.3	The Role of the Authorities	15
2.3.1	Junta Monetaria	15
2.3.2	Banco de Guatemala.....	15
2.3.3	Superintendencia de Bancos de Guatemala	15
2.3.4	Dirección de Atención y Asistencia al Consumidor	17
3	PRIVATE CREDIT REPORTING FIRMS.....	18
3.1	Antecedents	18
3.2	Transunion	18
3.2.1	Control and Governance.....	18
3.2.2	Information Sources.....	18
3.2.3	Users	19
3.2.4	Services	19
3.2.5	Pricing Policy	20
3.2.6	Procedures and Policies to Insure Information Quality	20
3.2.7	Procedures and Policies in Risk Management.....	20
3.2.8	Rights of Individuals and Firms to Access Information and Resolve Disputes...21	

3.2.9	Information Disclosure Policies	21
3.3	Corporación de Referencias Crediticias	21
3.3.1	Control and Governance.....	21
3.3.2	Information Sources	22
3.3.3	Users	22
3.3.4	Services	22
3.3.5	Pricing Policy	23
3.3.6	Procedures and Policies to Insure Information Quality	23
3.3.7	Procedures and Policies in Risk Management.....	23
3.3.8	Rights of Individuals and Firms to Access Information and Resolve Disputes... 24	
3.4	ORBE-Asociación Bancaria de Guatemala.....	24
3.4.1	Control and Governance.....	24
3.4.2	Information Sources	24
3.4.3	Users	25
3.4.4	Services	25
3.4.5	Pricing Policy	25
3.4.6	Procedures and Policies to Insure Information Quality	25
3.4.7	Procedures and Policies in Risk Management.....	25
3.4.8	Rights of Individuals and Firms to Access Information and Resolve Disputes... 26	
3.4.9	Information Disclosure Policies	26
3.5	MICOOPE.....	26
3.5.1	Control and Governance.....	26
3.5.2	Information Sources	26
3.5.3	Users	26
3.5.4	Services	27
3.5.5	Pricing Policy	27
3.5.6	Procedures and Policies to Insure Information Quality	27
3.5.7	Procedures and Policies in Risk Management.....	27
3.5.8	Information Disclosure Policies	28
4	PUBLIC FINANCIAL INFORMATION REGISTRIES.....	29
4.1	Antecedents	29
4.2	Sistema de Información de Riesgos Crediticios	29
4.2.1	Main Objectives of the Registry	29
4.2.2	Information Sources	30
4.2.3	Users	30
4.2.4	Services	30
4.2.5	Pricing Policy	31
4.2.6	Procedures and Policies to Insure Information Quality	31
4.2.7	Procedures and Policies in Risk Management.....	31
4.2.8	Rights of Individuals and Firms to Access Information and Resolve Disputes... 32	

4.2.9 Information Disclosure Policies	32
5 INTERACTION WITH OTHER COMPONENTS OF THE FINANCIAL INFRASTRUCTURE.....	33
5.1 Payment Systems And Instruments.....	33
5.1.1 Real-Time Gross Settlement System	33
5.1.2 Cámara de Compensación Bancaria.....	34
5.1.3 Cámara de Compensación Automatizada	34
5.2 Public Registries	35
5.2.1 Registro General de la Propiedad	35
5.2.2 Registro de Garantías Mobiliarias.....	35
5.3 Other Public Registries	36
5.3.1 Registro Nacional de las Personas	36
5.3.2 Centro Nacional de Análisis y Documentación Judicial.....	37
5.3.3 Superintendencia de Administración Tributaria	37
APPENDIX: STATISTICAL TABLES	38

List of figures

Figure 1. Gross Domestic Product at Constant Prices.....	1
Figure 2. External Indicators in Guatemala.....	2
Figure 3. Evolution of Economic Activities in Guatemala	3
Figure 4. Annual Inflation.....	4
Figure 5. Composition of Assets in the Banking System	6
Figure 6. Delinquency Index and Capital Adequacy in the Banking System.....	7
Figure 7. Evolution of Credit Portfolio of Banking System	8
Figure 8. Financing to Individuals	10

List of tables

Table 1. Composition of Gross National Product by Economic Sector	3
Table 2. Macroeconomic Indicators.....	4
Table 3. Institutions Operating in the Financial System	6
Table 4. Credit Granting by Type of Economic Activity.....	9
Table 5. Forms of Corporate Financing	9
Table 6. Cheques Cleared at Cámara de Compensación Bancaria	34

1 ECONOMIC AND FINANCIAL MARKETS

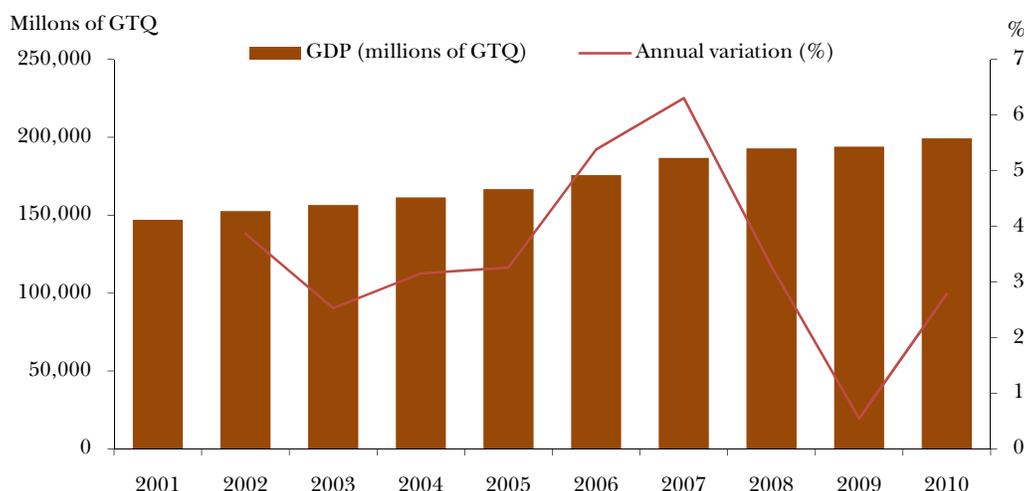
BACKGROUND

1.1 MAIN MACROECONOMIC ASPECTS DURING RECENT YEARS

After a period of acceptable GDP growth of an approximate average annual rate of 3.98% in the 2001-2008 period, the economy in Guatemala slowed its expansion rhythm to 0.54 in 2009. However, preliminary data for 2010 from Banco de Guatemala shows a stronger dynamism in the economy which is reflected in the GDP growth rate of over 2.8% as shown in figure 1. The slowdown in economic activity in 2009 was mainly the result of the adverse global environment, which affected foreign trade and, therefore, the real sector of the economy in Guatemala.

FIGURE 1. GROSS DOMESTIC PRODUCT AT CONSTANT PRICES

2001 constant price values (left) and variations in % (right)



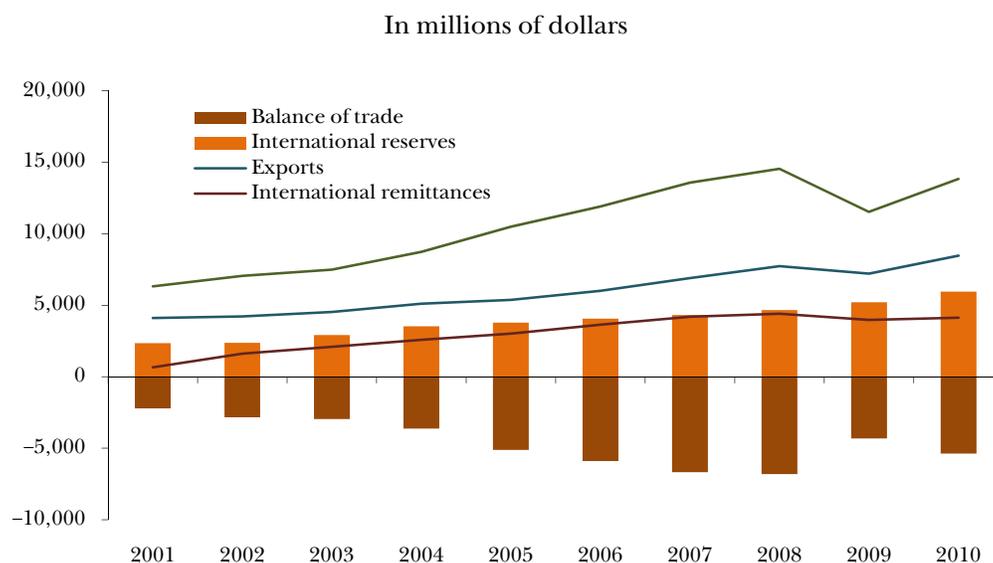
Source: Elaborated with data provided by Banco de Guatemala.

According to the Informe de Estabilidad Financiera (report on financial stability) of Superintendencia de Bancos de Guatemala (Guatemala's banks supervisor), foreign trade was mainly affected due to the downturn in United States (US) trade and other Guatemalan commercial patterns. The report notes that between 2009 and 2010, manufactured and mining exports (which represent approximately 60% of all exports) were adversely affected.

As figure 2 shows, in 2009 there were significant reductions in exports (-6.57%) and even more significant reductions in imports (-20.78%). This combination produced an adjustment in the trade balance in Guatemala, which improved from -9.7% of GDP in 2008 to -6% of GDP in 2009. On the other hand, the balance of

payment was also affected by the drop in remittances from migrant workers, which exhibited a 9.5% recession in 2009, reducing the available income of thousands of families and the national economy in general as one out of three remittances make up the main income in 20% of lower income families. International reserves remained above five billion US dollars (USD). Throughout 2010, remittance incomes and international reserves showed similar results as the year before. However, the trade balance presented a downturn as a result of the persistent drop (-25.1%) in exports and the recovery in imports (5.1%).

FIGURE 2. EXTERNAL INDICATORS IN GUATEMALA



SOURCE: Elaborated with data provided by Banco de Guatemala.

NOTE: 2010 figures correspond to May 2010 data.

Additionally, the internal market has suffered the impact of supply shocks since 2008 due to the increase in the price of fuel and other raw materials, which has directly affected internal price levels and the consumers' purchasing power.

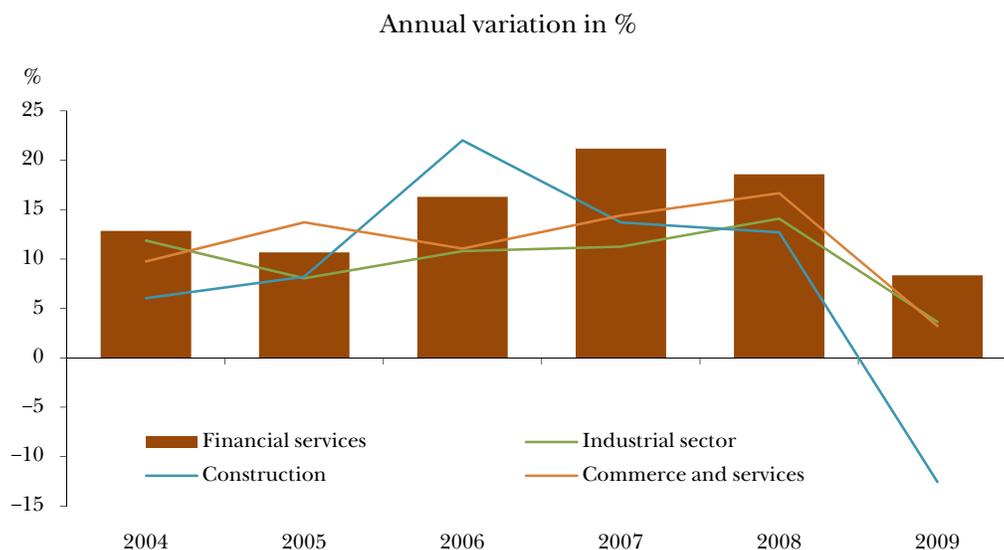
In this context, the internal market showed a negative evolution in 2009. The economic sectors which were most affected were housing and mining, which even presented negative growth rates throughout the year (-12.6% and -14.9% respectively). Similarly, gross fixed capital formation was reduced approximately 13%.

Figure 3 shows that, in spite of the adverse environment facing the economy, the financial sector maintained a growth rate above that of the GDP, reflecting the growth in assets, particularly in credit portfolios.

Regarding GDP composition, table 1 shows that the structure of economic sectors remains similar to that of past years, with the largest participation in the product by commercial and service sectors, followed by the industrial and agricultural sectors.

By contrast, the financial intermediation sector barely contributes approximately 3% of the GDP, but its growth over the past five years (2005-2009) has been 167.8%, only inferior to that of the mining sector, which allowed for the increase in GDP participation from 2.6% in 2005 to 3.3% in 2009.

FIGURE 3. EVOLUTION OF ECONOMIC ACTIVITIES IN GUATEMALA



SOURCE: Elaborated with data provided by Banco de Guatemala.

Another important aspect of the macroeconomic environment in Guatemala is monetary policy management, which was oriented toward reducing inflation rates. Figure 4 shows that the inflation rate remained within one digit throughout the past decade, even though monetary authority efforts were directed toward taking it below 5%. It is important to note that Guatemala imports fuels and that price variations in these products strongly affect the general price index.

TABLE 1. COMPOSITION OF GROSS NATIONAL PRODUCT BY ECONOMIC SECTOR

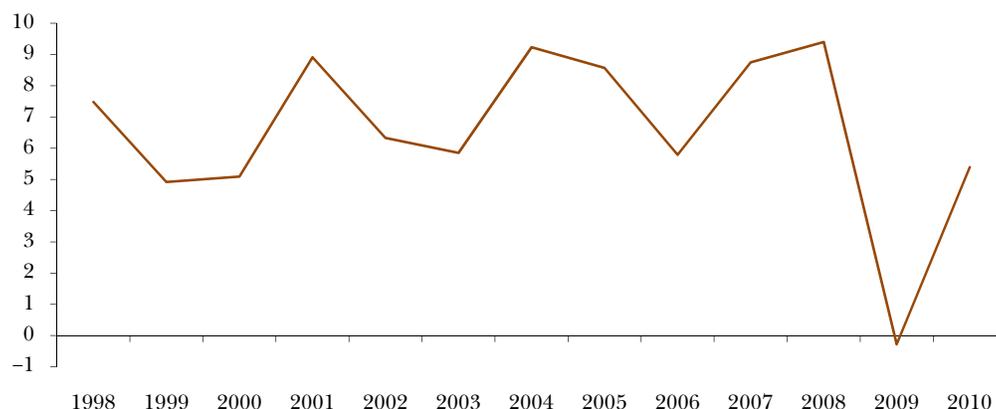
Participation of nominal GNP (%)

	2005	2006	2007	2008	2009
Agricultural sector	12.39	11.26	11.45	11.15	11.60
Mining	1.15	1.42	1.57	1.82	1.50
Industrial sector	18.70	18.73	18.29	18.46	18.59
Electricity and water	2.63	2.52	2.44	2.25	2.24
Housing	4.66	5.14	5.13	5.11	4.34
Commerce and services	30.15	30.26	30.40	31.37	31.45
Transport and communications	6.06	6.60	6.98	7.51	7.47
Financial services	2.69	2.83	3.01	3.16	3.32
Agricultural sector	21.56	21.23	20.73	19.17	19.49

SOURCE: Own elaboration with data provided by Banco de Guatemala.

FIGURE 4. ANNUAL INFLATION

Annual variation of consumer price index (December 2000=100)



SOURCE: Elaborated with data provided by Banco de Guatemala.

TABLE 2. MACROECONOMIC INDICATORS

	2005	2006	2007	2008	2009	2010
GDP (real annual growth rate)	3.26	5.38	6.30	3.30	0.54	3.12
Imports In millions of USD	10,498.8	11,914.5	13,575.7	14,546.5	11,531.3	13,837.0
Exports In millions of USD	5,380.9	6,012.8	6,897.7	7,737.4	7,213.70	8,466.3
Balance of payment (% of GDP)	4.53	5.04	5.21	4.90	-1.08	na
National consumer price index (annual growth rate)	8.57	5.79	8.75	9.4	-0.28	5.39
Interest rate (operations in GTQ)	4.60	4.80	4.90	5.50	5.60	5.30
Buying exchange rate (end of period)	7.59	7.60	7.61	7.76	8.33	8.03

SOURCE: Own elaboration with data provided by Banco de Guatemala.

NOTES: The following notation conventions are used throughout this report: na shows that data is unavailable.

1.2 MAIN REFORMS IN RECENT YEARS

Over the past few years, Guatemala has implemented important economic reforms so as to foster growth.

The body of reforms boils down to setting up a counter-cyclical tax policy in order to boost domestic demand thus minimizing its effect on private sector credit as much as possible. Additionally, tax modifications were introduced and the Superintendencia de Administración Tributaria (Guatemalan tax administration supervisor) was consolidated to prevent tax exemptions and evasion.

Regarding monetary policy, actions were implemented to foster a reduction of inflation to 4% in the medium term, while in the short term, authorities have set a 5.5% goal. In order to attain this objective, the main instrument is the interest rate, which would be adjusted until the inflation rate desired is reached.

1.3 BANKING SECTOR: RECENT REFORMS AND CURRENT STRUCTURE

1.3.1 Recent Reforms

The guidelines of the financial system reform are found in Resolución (decision) JM-235-2000 issued by the Junta Monetaria (monetary board) under the heading of the Programa de Fortalecimiento del Sistema Financiero Nacional (national financial system strengthening program). This Resolución includes a series of measures to fully reform the financial system based on a diagnostic survey which sets the ground for structural legal reform. The modernization program presented by Resolución JM-235-2000 included actions by different government agencies in the area of monetary policy, foreign exchange policy, credit policy, liberalization and diversification of banking products and services, prudential regulations and operation of financial supervision. The process of financial reform described in Resolución JM-235-2000 was based on some legal modifications started in 1993 which may be summarized as follows:

- a. Legislative Acuerdo No. 18-93, which amended the Constitution and introduced the possibility of Banco de Guatemala funding the State;
- b. Decreto (decree) 12-95, which amended the Ley Orgánica del Banco de Guatemala (Banco de Guatemala charter) to strengthen the monitoring capacity of the Superintendencia de Bancos de Guatemala;
- c. Decreto 24-95, which amended banking laws as far as capital is concerned;
- d. Decreto 29-95, which released interest rates futures contracts;
- e. Decreto 44-95, which reformed the Ley de Bancos de Ahorro y Préstamo para la Vivienda Familiar (law related to savings and home loans banks);
- f. Decreto 34-96, which created the Ley del Mercado de Valores y Mercancías (related to securities and commodities market);
- g. Decreto 5-99, which created the Ley para la Protección del Ahorro (related to savings protection), and
- h. Decreto 26-99, which amended the Ley de Bancos (banking act) and the Ley de Sociedades Financieras (financial institutions act), strengthening prudential regulations and the supervision capacity of the monitoring and inspection authority.

These norms introduced changes in regulation and supervision of the banking sector, which means progress in risk monitoring, establishment of contingency plans, policies to secure adequate liquidity, use of credit facilities and better capital reserve management as well as adapting the regulatory framework to clearly deal with the resolution of bank failures.

1.3.2 Current Structure

The regulated financial system in Guatemala is made up of 114 institutions including banks, financial institutions, exchange houses, offshore companies and financial leasing and factoring companies among others. Table 3 shows the number of regulated institutions by type.

TABLE 3. INSTITUTIONS OPERATING IN THE FINANCIAL SYSTEM

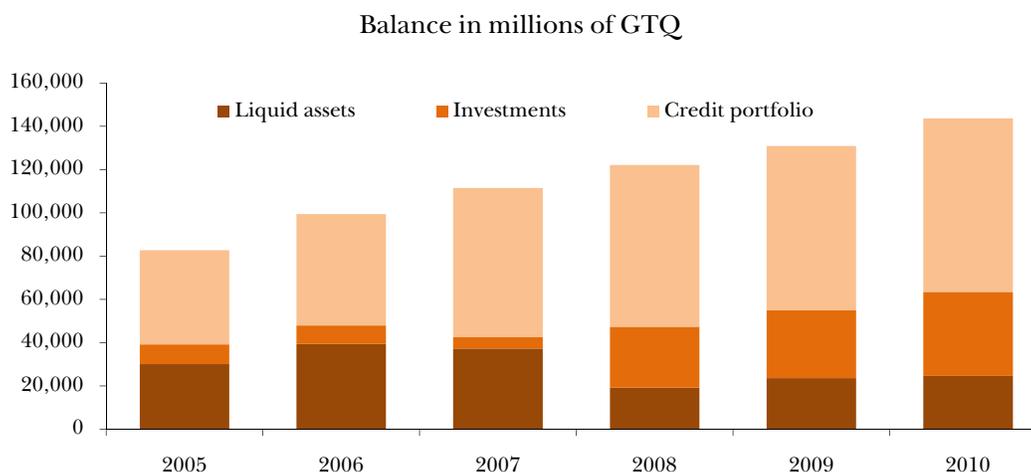
Information by December 2010

Banks	18
Financial institutions	15
Offshore companies	8
Wharehouses	15
Insurance companies	17
Bond companies	11
Exchange houses	2
Credit cards	7
Others	8
Banco de Guatemala	1
<i>Total</i>	<i>114</i>

SOURCE: Superintendencia de Bancos de Guatemala.

The main sources of credit in Guatemala are banks and financial institutions. Regarding banks, since 2006 they have undergone a consolidation process in the context of mergers and higher foreign investment. Thus, banks concentrate the largest proportion of credit granting in the market. Additionally, as shown in figure 5, the composition of assets in the banking system has changed over the past few years, mainly due to the considerable drop in liquid asset participation in relation to total assets and the increase in credit and investments.

FIGURE 5. COMPOSITION OF ASSETS IN THE BANKING SYSTEM

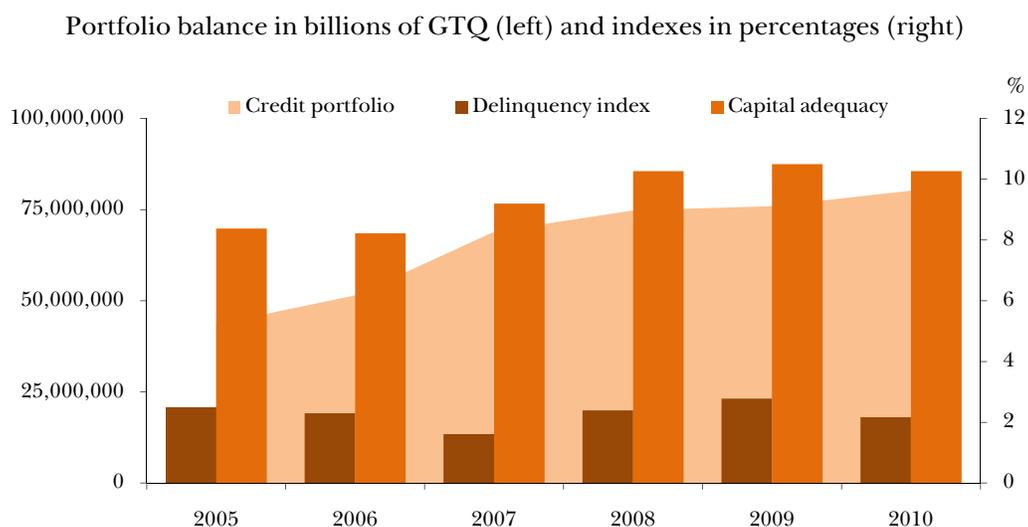


SOURCE: Elaborated with data provided by Superintendencia de Bancos de Guatemala.

The total assets of the banking system have steadily increased at annual rates close to 10% in line with an improvement in the development in the attraction of funds and capitalization levels. However, the expansion rhythm (14% annual average growth) was reduced in 2009 (7.0%) and 2010 (6.4%) as shown in figure 5.

Figure 6 shows that banking financial capacity indicators have not suffered even after the global economic crisis. On the other hand, it may be observed that overdue portfolios in relation to all credits have remained relatively stable below 2.5% on average over the past five years.

FIGURE 6. DELINQUENCY INDEX AND CAPITAL ADEQUACY IN THE BANKING SYSTEM



SOURCE: Elaborated with data provided by Superintendencia de Bancos de Guatemala.

1.4 OTHER PRINCIPAL CREDIT-GRANTING INSTITUTIONS IN THE FINANCIAL AND NON-FINANCIAL SECTOR

1.4.1 Financial institutions

There are fifteen financial institutions, some of which are part of financial groups, that also grant loans to individuals and companies in Guatemala. These institutions have a portfolio of effective loans of 1,027 million of quetzals (GTQ) and the non-performing loans level of the portfolio is 7.47% (information to June 2010).

1.4.2 Organizaciones Privadas de Desarrollo

Different non-banking institutions which are not regulated by the Superintendencia de Bancos de Guatemala are part of the group of institutions which grant credit to the private sector, particularly consumer loans. Twenty organizaciones privadas de desarrollo (OPD, private organizations of development) take part in the Red de Instituciones de Microfinanzas (microfinance institution

network), which covers a population niche different from that of commercial banks. Most credit is geared toward the rural and microcompany sector (some 68%). These institutions have approximately 150 offices and branches.

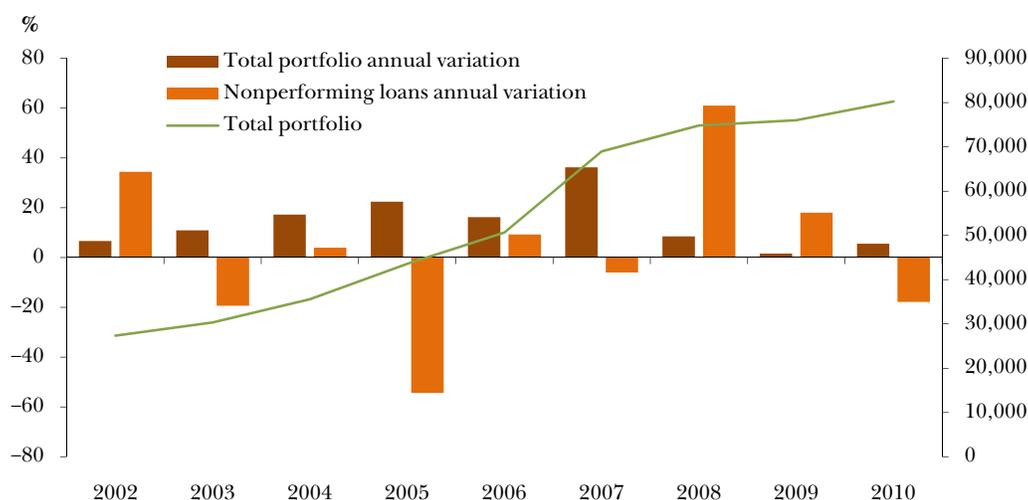
1.5 THE CURRENT CREDIT MARKET

Credit in the private sector in Guatemala is granted mostly by commercial banks, which play an important role both in consumer and in corporate sectors. In spite of this, an increase was recently noticed in the participation of non-banking financial institutions in consumer loans. These companies are generally microfinancial institutions which grant credits and loans to population niches which are not regularly helped by commercial banks or financial institutions.

It is important to note that the Guatemalan banking system has adjusted its commercial and credit-granting policies due to the economic slowdown that the country has undergone, which has fostered a lower rate of growth in credit to the private sector. The credit portfolio of the banking system steadily grew approximately 25% from 2001 to 2008. As from that year, a certain toughening in credit granting started to be observed; according to figures provided by the Superintendencia de Bancos, the 2009 growth rate was only 1.57%, and in 2010 5.58%, while the average growth between 2002 and 2010 was 13.93%. On the other hand, as shown in figure 7, in relative terms, past due loans have displayed irregular behavior over the past few years, averaging 3.24% of the total portfolio.

FIGURE 7. EVOLUTION OF CREDIT PORTFOLIO OF BANKING SYSTEM

Portfolio balance in millions of GTQ (right) and annual variation in percentages (left)



SOURCE: Elaborated with data provided by Superintendencia de Bancos de Guatemala

Even though foreign currency loans are not the main business of Guatemalan banks, they have acquired more importance due to the exchange rate volatility.

Regarding the financing sectorization to the private sector, according to official information, by 2010, 31.3 of the portfolio would correspond to consumer loans, while loans to activities such as commerce took 21.4% of the whole. Over the past five years, the most dynamic economic sector in loan-taking was the manufacturing sector, which in 2005 made up 11.9% of the portfolio and it represents some 14.5% nowadays. Construction also showed important growth in this period, increasing participation from 9.5% in 2005 to 10.5% in 2010.

TABLE 4. CREDIT GRANTING BY TYPE OF ECONOMIC ACTIVITY

Percentage of participation by economic sector

	2005	2006	2007	2008	2009	2010
General consumer loans	34.7	28.1	26.2	27.0	29.1	31.3
Agricultural	6.4	6.4	5.0	4.9	5.0	4.8
Manufacturing industry	11.9	12.3	12.3	16.9	15.7	14.5
Construction	9.5	11.6	11.9	10.3	10.5	10.5
Commerce	23.4	26.5	27.4	23.3	21.4	20.4
Financial services	4.2	4.8	6.1	4.4	2.5	4.0
Others	9.9	10.4	11.1	13.1	15.8	14.5

Source: Elaborated with data provided by Superintendencia de Bancos de Guatemala.

1.5.1 Key Issues in Corporate Financing

Corporate credit is divided by type of company and credit-granting institution. On the one hand, there are large and medium-size companies which, due to their financing needs and the guarantees they can present to collateralize loans, they regularly receive financing from large commercial banks. On the other hand, there are micro and small companies which usually receive financing through microfinancial institutions or OPDs.

Some of the sources of financing for companies (especially micro and small companies) such as factoring, leasing or mortgage loans have displayed changeable behavior over the past few years as shown in table 5.

TABLE 5. FORMS OF CORPORATE FINANCING

In millions of GTQ

	2008	2009	June, 2010
Mortgage loans	1,788,476	1,466,717	1,318,812
Factoring	107,218	111,574	110,601

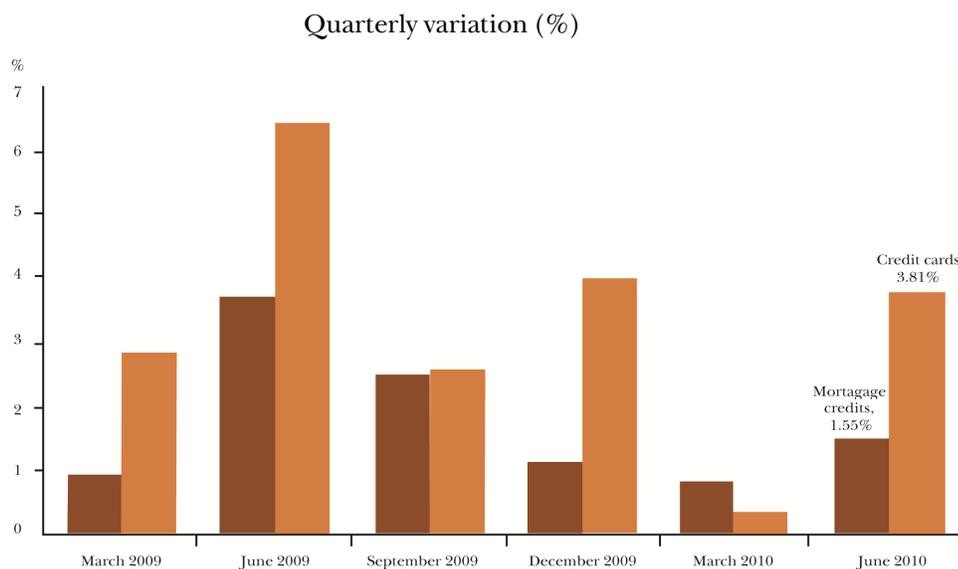
SOURCE: Elaborated with data provided by Superintendencia de Bancos de Guatemala.

1.5.2 Key Issues in Consumer Financing

Personal credit, be it direct or through credit cards, is mainly granted by banks and other financial institutions including microfinancial institutions such as OPDs. The

number of microfinancial institutions catering for this sector has significantly increased, competing with banks and financial institutions in different forms of credit-granting, not only through fiduciary loans but also through mortgages and even some which offer credit cards with a financing option.

FIGURE 8. FINANCING TO INDIVIDUALS



SOURCE: Elaborated with data provided by Superintendencia de Bancos de Guatemala.

The use of credit cards has steadily increased over the last few years worldwide, which has also been reflected in Guatemala. Banks and financial institutions have registered an increase in their participation in financing consumer loans through credit cards.

Figure 8 shows that the growth rate in credit granted through credit cards has recently experienced a slight drop (3.3 on average over the past six quarters and until June 2010 as compared to the 74.5% mark from 2005 to 2008). In spite of this drop, recent information shows a faster recovery of credit card loans than in any other type of financing such as mortgage loans.

1.6 MAIN TRENDS IN CREDIT REPORTING

The credit reporting system in Guatemala is fragmented due to the fact that credit information depends on the credit provider.

Currently, there are four private sector providers which participate in the credit reporting system: i) TransUnion, which is a private institution open to the participation of financial and non-financial institutions willing to share information, ii) Crediref, which is an independent agency dedicated to providing information to microfinancial institutions, iii) Micoope, which is a credit bureau available only to cooperatives, and iv) ORBE-Asociación Bancaria de Guatemala

(banking association of Guatemala), which centralize information for members of the Association. There is also a company called InforNet, which operates on the basis of its own information gathered from different public and private sources and which offers open services.

Regulated by the Ley de Bancos y Grupos Financieros, the Superintendencia de Bancos de Guatemala operates a public credit registry, the Sistema de Información de Riesgos Crediticios (SIRC, a system of credit risk information), with a risk information system to which all financial institutions must provide the information required by SIB.

Such public credit registry has the objective of serving as a tool for credit analysis and it may only be accessed by banks, financial groups and other financial mediation organizations which so require it to the Superintendencia de Bancos upon approval by the Junta Monetaria.

2 INSTITUTIONAL ASPECTS

2.1 LEGAL FRAMEWORK

The credit information system in Guatemala is partially regulated. Its current legal framework is found in different laws, resolutions and agreements issued by financial authorities.

Article 58 of the Ley de Bancos y Grupos Financieros (Decreto 19-2002) currently lays the legal foundation for the creation and operation of the risk information system by the SIB; the operation of independent agencies is not included in these norms. There are specific regulations issued by SIB to operate the SIRC (Acuerdo SIB 12-2004, 14-2007), while Resolución JM-93-2005 forces banks to follow guidelines in the management of credit risk. Neither of these agreements includes specific regulations as to the transparency which must prevail in registries, data access and the right to rectify or suppress incorrect information. However, the Ley de Acceso a la Información Pública was recently passed (Decreto 57-2008), which partially regulates the right to information as regards personal information included and stored in public administration registries.

Due to the fact that credit bureaus are not supervised or authorized to operate by a specific authority, the treatment of the data they collect is not regulated and there are no standard practices regarding the data supply and debtors access to that information.

2.1.1 Privacy

With the passing of the Ley de Acceso a la Información Pública (Decreto 57-2008), the level of protection of the information contained in records, registries and, generally, any public data base has increased.

Decreto 57-2008 recognizes the right to habeas data, which states that any individual has the right to find out whatever information is held about his or her person at all times, and that person may request the rectification, or suppression of personal data if applicable. Within the terms of that law, confidentiality of a certain type of information is justified in specific cases (e.g. national security). Similarly, this guarantee ensures that individuals have the right to demand the adequate protection and use of their personal information.

According to this Decreto, there are different levels of information which range between public, personal, confidential and even reserved information. In all cases, the Decreto sets the reach and limitations of the authorities in the handling of this information as well as the obligation and responsibility of those who handle those data.

In order to ensure the privacy and protection of personal information, such law requires the need for express consent, and, under no circumstances can sensitive information about individuals be revealed.

2.1.2 Bank Secrecy

Article 63 of the Ley de Bancos y Grupos Financieros (Decreto 19-2002) establishes bank secrecy and indicates clear exceptions in the sharing of credit information between information providers. This article points out the obligation of each and every SIB-supervised institution to preserve the confidentiality of debit transactions by customers so as to prevent the disclosure of the identity of depositors, financial institutions and companies of financial groups as well as information provided by individuals to SIB-regulated institutions. This includes information that the Junta Monetaria, Banco de Guatemala or the Superintendencia de Bancos deem necessary to oversee the correct activity of the financial system. Public officials who have access to this information cannot reveal it and are liable to penalties due to improper use of information.

2.1.3 Costumer Protection and Quality Assurance

In general, the Constitution of the Guatemalan Republic (article 119) acknowledges the obligation of protecting consumers, as General Assembly of United Nations Resolution 329-248 constitutes a consumer protection general framework. On a more specific scope, the Decreto 06-2003 establishes norms related to credit information management (articles 27-30), by referring to financial services such as credit and therefore involving the protection of debtors as owners of their own credit information tackled indirectly.

According to article 64 of the Ley de Acceso a la Información Pública, it is a crime to sell or distribute data pertaining to personal information of a sensitive nature without the owner's express written authorization as long as that information does not belong to public registries. Thus, credit bureaus file and sell credit information with the debtor's prior authorization. To date, there are no standards to receive the debtor's authorization and different practices respond to the particular policies of every bureau.

On the other hand, Decreto 06-2003 specifies what information must be disclosed to applicants, be them individuals or companies, before entering into a credit contract. This includes credit card information such as terms, rights and obligations of credit operations.

Finally, the Ley de Acceso a la Información Pública specifies requisites pertaining to the protection of debtors and the creation of information units dedicated to handling their claims (e.g. access issues, rectification or suppression of personal data).

2.2 THE ROLE OF FINANCIAL INSTITUTIONS IN CREDIT REPORTING

2.2.1 Credit Reporting Agencies

The service offered by credit information companies (private bureaus) is key to the appropriate operation of the credit market as they provide analysis tools to credit grantors in Guatemala. Currently, the operation of these institutions is mostly based on the use of negative information (such as unpaid debts and cancellations of appropriations among others) and the management of positive data is fairly unknown. TransUnion offers a service that, to a certain extent, includes positive data about debtors, facilitating their assessment by institutions which require that information.

As pointed out in the previous chapter, there are four private companies which offer credit reports in the country. TransUnion, which is a private institution open to the participation of financial and non-financial institutions willing to share information; CREDIREF, an independent agency dedicated to providing information to microfinancial institutions; MICOOPE, a credit bureau available only to cooperatives, and ORBE, Asociación Bancaria de Guatemala (Banking Association of Guatemala, ABG in its Spanish initials), which is a clearinghouse for members of the Association. There is also a company called InforNet, which operates on the basis of its own information gathered from different public and private sources and which offers open services.

2.2.2 Banking Sector

In the credit market in Guatemala, banking institutions play a key role in the assignment and concession of financing both to families and to companies. These institutions are subject to supervision by SIB and are regulated by means of the Ley de Bancos y Grupos Financieros. Through enforced regulation and the effective operation of SIRC, banks must send to that institution all credit information indicated in the norms and resolutions for the assessment of credit risk.

Within the credit information system, banks are the primary source of information and the main users of these services provided by credit report companies. Besides, banks are forced to inform their clients of the characteristics, prices and responsibilities of the products offered to debtors.

2.2.3 Others

Microfinancial institutions such as OPDs, financial institutions and, generally, other credit-granting institutions constitute part of the information channel sold by private agencies. This type of institutions (except for financial institutions) are not supervised by the financial authority. Besides, credit report agencies do not require

positive information exchange, which limits the capacity of developing predictive tools as a mechanism to improve credit portfolios.

Currently, due to the conditions of the credit report market, most microfinancial institutions check information offered by credit report providers such as CREDIREF, and in some cases TransUnion, because, due to the Ley de Bancos y Grupos Financieros, they do not have access to detailed information of the banking sector in order to better know their debtors or potential customers.

2.3 THE ROLE OF THE AUTHORITIES

2.3.1 Junta Monetaria

The Junta Monetaria is the highest authority in national monetary and financial management. It is organized according to principles laid out in the Constitución Política of the Guatemalan Republic. The Junta Monetaria sets monetary, exchange and credit policy in the country, and it is in charge of ensuring liquidity and solvency of the national banking system so as to guarantee stability and consolidation of domestic savings.

2.3.2 Banco de Guatemala

Banco de Guatemala (Banguat) is the central bank which depends on the Junta Monetaria. Its main objective according to its charter (Decreto 16-2002) is facilitating the development of the domestic economy through the creation and preservation of favorable conditions on a macroeconomic level. Particularly, the main purpose of Banguat is watching that monetary, exchange and credit conditions foster the stability of general price levels.

Besides fostering price stability, Banco de Guatemala is also in charge of:

- i. Issuing legal currency (quetzales),
- j. Procuring an adequate level of liquidity in the banking system,
- k. Promoting the smooth operation of payment systems,
- l. Managing international reserves, and
- m. Other compatible functions appointed by law.

The information gathered by SIB from financial institutions is vital for macroeconomic analyses. This information allows Banguat to watch over the behavior of the financial system and to identify potential risks or effects on a macroeconomic level.

2.3.3 Superintendencia de Bancos de Guatemala

The Superintendencia de Bancos de Guatemala (SIB) was created in 1946. According to the Ley de Supervisión Financiera (Decreto 18-2002), the SIB is the

body in charge of inspecting and monitoring banks, credit institutions and any other organization thus indicated by law. Similarly, according to article 1 of the Ley de Supervisión Financiera, SIB is a central banking organ which acts under the general direction of the Junta Monetaria and it exercises the inspection and monitoring of Banco de Guatemala and the domestic financial system.

Apart from promoting stability and trust in the supervised financial system, SIB is in charge of the following responsibilities:

- a. Ensuring the enforcement of applicable laws, regulations, bylaws and resolutions.
- b. Monitoring liquidity and solvency levels to fulfill obligations as well as supervising the better administration of coverage, distribution and risk level of investments and operations in financial institutions.
- c. Determining actions to correct irregularities in institutions and instructing the corresponding administrative penalties according to law.
- d. Monitoring and inspecting regulated institutions with broad investigative powers, including access to information systems and requesting cautionary measures to fulfill that function.
- e. Carrying out the consolidated inspection of institutions requiring the corresponding information.
- f. Offering recommendations of a prudential nature to cover possible risks,
- g. Ensuring the fulfillment of accounting operations and general regulations issued by the Junta Monetaria, including transparency with the general public.
- h. Dictating the necessary bylaws so that supervised institutions provide reports, statistics and other documents on their financial situation.
- i. Exercising other corresponding functions according to laws, regulations and other applicable norms.

Within the functions of the SIB lies the operation and management of the public credit registry called Sistema de Información de Riesgos Crediticios (SIRC, a credit risk information system). Through the operation of SIRC, the superintendency may monitor and control the credit operations of financial institutions. Similarly, through SIRC, SIB may adapt prudential regulation and banking supervision to the economic and financial environment.

As a result of the Ley de Acceso a la Información Pública (Decreto 57-2008), SIB created the Unidad de Atención al Usuario (customer service unit), through Acuerdo (agreement) 6-2009, with the intention of offering the credit information stored at SIRC to borrowers when they so require it.

2.3.4 Dirección de Atención y Asistencia al Consumidor

The Dirección de Atención y Asistencia al Consumidor (DIACO, consumer assistance and customer service direction,) is an office of the Ministerio de Economía (ministry of Economy), created in 1995 (Acuerdo 425-95) to educate and inform customers as to their rights and obligations when buying goods and services. DIACO has the responsibility of defending consumer rights. To that end, DIACO ensures that business relations between retailers, suppliers, consumers and users take place according to Ley de Protección al Consumidor y Usuario (Ley 06-2003, related to consumer and user protection). In addition to Ley 06-2003, the Reglamento de la Ley de Protección al Consumidor y Usuario (Acuerdo 777-2003) develops the provisions of the above mentioned law.

According to the Ley 06-2003, DIACO must guide consumers in issues pertaining to the quality of the goods and services they acquire. Currently, as an enforcement agency, DIACO does not have specific processes to solve complaints connected to credit report services or financial services in general. Complaints regarding those services are directed to the Unidad de Atención al Usuario of SIB.

Besides DIACO, the Procuraduría de Derechos Humanos (office of the procurator for human rights) ensures the right to privacy of the personal information of debtors of the financial system.

3 PRIVATE CREDIT REPORTING FIRMS

3.1 ANTECEDENTS

The credit information system includes participation of the public and private sectors. Regarding the latter, there are four companies which provide credit information services: *i)* TransUnion, which is a private institution open to the participation of financial and non-financial institutions willing to share information; *ii)* CREDIREF, which is an independent agency dedicated to providing information to microfinancial institutions; *iii)* MICOOPE, which is a credit bureau available only to cooperatives, and *iv)* ORBE, Asociación Bancaria de Guatemala, which is an information centralizer for members of the ABG. There is also a company called InforNet, which operates on the basis of its own information gathered from different public and private sources and which offers open services.

3.2 TRANSUNION

3.2.1 Control and Governance

TransUnion is a credit bureau established in 2001 with the objective of receiving, storing, processing and providing public information on credit and commercial data belonging to individuals and companies in Guatemala. This credit bureau is part of an international corporation that offers its credit information services in Guatemala, Honduras, Costa Rica, Dominican Republic, Nicaragua and El Salvador through TransUnion Centroamérica.

Its share capital mainly belongs to the TransUnion Centroamérica conglomerate (70%) and the remaining 30% belongs to local partners.

3.2.2 Information Sources

The main information sources of TransUnion are non-banking organizations such as microfinancial institutions, OPDs and other non-financial institutions such as retail companies, department stores, telecommunication companies and manufacturing companies; banking institutions are also a source of information. All information sources which keep a contract with the bureau must adhere to the supply conditions which establish the need to have the owner of the information authorize its use and the obligation to guarantee that all information provided is adequate, exact, truthful and current.

According to contractual aspects of the bureau, the sources provide updated information at least once a month (with a tolerance of ten-working days past the month). The rectification of information is carried out at the owner's request in a timely manner.

The number of files contained in the data base of this bureau is approximately eight million. Approximately half of them, some four million, are credit records, 90% of which belong to individuals and the rest to companies.

3.2.3 Users

At present, 80% of its users are credit-granting institutions not regulated by SIB. However, 73% of the information gathered comes from regulated institutions.

Users who request TransUnion services must unavoidably have the owner's authorization to check his/her background. According to bureau practice, the user must always exercise discretion regarding the information inquired and use it only with the purpose for which it was provided.

3.2.4 Services

TransUnion offers credit-report services and other products with information on company and individual references such as court rulings. Additionally, it offers certain products geared toward facilitating risk assessment to credit-granting institutions. Some of the products offered by the bureau are:

1. Credit history: this service offers information to assess clients and risk. It gathers positive information of debtors (collected through sources not regulated by SIB) as well as his/her negative information. The amount of positive information varies according to the market and available sources. Generally, credit records may include the following types of information:
 - Personal information of the consumer such as ID number, name and additional socio-demographic data.
 - Client's status; that is, a brief explanation of the claims that the owner of the information may have made.
 - Account history, including payment history of the debtor with the credit grantors with whom he/she keeps a business relationship.
 - Consulting track; that is, the names of affiliated companies which have inquired the credit history of the consumer.
2. Credit scoring: This is a score representing the credit quality of a debtor at a specific moment, which helps to assess risk and make better decisions. This product is based upon evaluation methods of the debtor's historic credit behavior so as to assess the chances of events in the future. One of its main goals is presenting exposure to certain risk levels.
3. Bureau score: This is a predictive score on the chances that a debtor may default for over 90 days within the following 12 months.
4. Portfolio revision: This is a tool for the credit portfolio revision of different institutions so as to identify how risk is distributed. This revision assesses the credit behavior of every client in the portfolio.

5. Tailor-made credit scoring: This is an adjustable risk model geared to supporting the approval or rejection process of credit applications and to assist in the management of defaults and of financial operation losses.

3.2.5 Pricing Policy

The credit bureau has a segmented pricing policy depending on the type of service, the number of inquiries, and the product information presented, among other factors. TransUnion regularly establishes a package for every customer.

On the other hand, the bureau offers services to the general public through its Centro de Atención y Servicio Ciudadano. These services are meant for the individual inquiries of debtors who personally attend the office to require their credit record. This information is not presented to the client on paper nor does it have any cost for the debtor.

3.2.6 Procedures and Policies to Insure Information Quality

TransUnion has a monthly policy of updating information on debtors' historical fulfillment of obligations. This update is based on information provided by the Information Sources.

In order to protect the confidentiality of personal information, the credit bureau has set up a code of conduct and different security measures. These actions include

- Restricting data access to legitimate users who have an acceptable purpose for the information.
- Suppressing names and account numbers on credit reports (periodically).

According to the TransUnion code of conduct, the quantity of information, access guarantees, ownership and permanence of information, and data safety are the fundamental pillars in order to insure that the information contained in the databases is as exact and reliable as possible.

3.2.7 Procedures and Policies in Risk Management

TransUnion has established different criteria to manage risk related to the handling of information. Some of the measures that make up its policies are:

- Using private, separate communication lines.
- Controlling the access of associates to the database through passwords, access codes and yearly agreements with the company's safety policies.
- The use of *128-encryption* and SSL (secure socket layer) protocol technology.

Generally, the maintenance of computer and administrative systems is geared toward guaranteeing the adequate development of its activities. On the other hand, TransUnion has specific criteria to guarantee secure access to information on the

part of users and debtors through adequate security measures, especially to prevent information contained in the database from being used for illegitimate purposes.

3.2.8 Rights of Individuals and Firms to Access Information and Resolve Disputes

Within the operation framework and the contract between sources, users and the information provider, it has been established that owners have the following rights over their information:

- a. To know their credit record as well as the users who have accessed their information.
- b. To lodge complaints regarding their information and demand that this procedure is respected.
- c. To request the update and rectification of information on file.
- d. To know the information provided by sources on him/herself; that is, on the information which they own.

3.2.9 Information Disclosure Policies

The legal framework does not establish norms for the supply and access to information in a private registry. Because of this situation, users provide their own information (based on the principle of reciprocity) according to bilateral agreements with the private bureau. On the basis of these agreements, credit grantors may access information through the services offered by the bureau.

The credit bureau has procedures to share the information in its database. On the one hand, in order to share the credit history of debtors, it is necessary that each debtor presents an application in writing to know his/her report. On the other hand, in the case of debtors such as companies, only the legal representative or company owner may have access to the owner's information.

3.3 CORPORACIÓN DE REFERENCIAS CREDITICIAS

3.3.1 Control and Governance

Corporación de Referencias Crediticias (CREDIREF) was established in 2002, with Banco de Desarrollo Rural (Banrural), Banco del Café, and Red de Instituciones de Microfinanzas de Guatemala (REDIMIF, a microfinance institutions network) as founding members, and with the subsequent addition of Confederación Guatemalteca de Federaciones de Cooperativas (CONFECOOP, a cooperatives confederation). CREDIREF was formally registered as a credit bureau at the Registro Mercantil (commercial registry) in 2002; its founding members are currently shareholders which own the bureau.

3.3.2 Information Sources

CREDIREF is specialized in microfinance, representing financial operators from different sectors of the economy such as OPDs, financial institutions and institutions from the banking and the cooperative sectors in Guatemala.

As it is a credit bureau geared to microfinancial institutions, its Information Sources are non-regulated institutions, mainly microfinancial institutions, OPDs and business companies among others.

The number of files included in the corporation is 1,087,361 debtors and 605,725 co-debtors. The CREDIREF database has increased at a 22.2% annual growth rate since 2006, which has, in turn, increased coverage of the microfinancial sector debtors.

3.3.3 Users

The service offered by CREDIREF is based on the principle of reciprocity, so credit grantors, the source of information of the bureau, are also the users of the information contained in its database. Currently, 67% of the institutions offer their full information to the bureau.

According to the composition of the bureau, the national-level users are mostly microfinancial institutions, OPDs, some banks and cooperatives.

Most users come from the microfinancial institution network called REDIMIF. By December 2009, the CREDIREF portfolio was made up of 30 members, 13% of which were banking institutions, 20% institutions from the cooperative sector, and the rest were microfinancial institutions.

3.3.4 Services

The main goal of CREDIREF is offering credit information to microfinancial institutions, so its database focuses on owners and heads of micro-, small- and medium-sized companies. CREDIREF has an agreement with a service provider as regards gathering and later using the information from court proceeds.

The credit bureau mainly offers services online via its database which is permanently updated by its members. CREDIREF offers credit information services to users which are members of Corporación de Referencias Crediticias so as to reduce their exposure to credit risk and uncertainty and to improve the process of granting new credits.

Its database is mostly made up of micro- and small-company registries, with a high percentage of loans in the rural sector (approximately 75%) and loans to women (some 60%).

The main credit reference product is the credit report, which has an interpretation mechanism based on guidelines provided to the client. Another service which is offered is the non-binding credit history.

The credit report offered also offers information on trials and court processes of the debtors (individuals or companies) and is a reference for the analysis of the consumer's ability to pay.

Another service provided by CREDIREF is the development of a credit scoring model which is essentially generated by the indebtedness level of debtors, and identifies the individual credit capacity, even though it is less used than the credit report.

None of the services provided by the bureau includes a creditors' report or a report of the institutions which have inquired about the debtor.

3.3.5 Pricing Policy

CREDIREF maintains a pricing scheme that depends on the type of institution to which it is offering its services. Because of the corporate structure of the bureau (microfinancial institutions, OPDs, etc.), prices are preferential in accordance with its main goal of providing tools to improve the credit analysis capacity of these financial mediation institutions.

On the other hand, the pricing policy varies depending on the type of product and the update of information.

3.3.6 Procedures and Policies to Insure Information Quality

The corporation maintains a contract relationship with every user which establishes the confidentiality in the handling, offering, using and updating of the information provided to the bureau.

CREDIREF's data quality policy is based on the timely delivery of records by member institutions on a monthly basis, with a tolerance of five working days after the due date. Through this mechanism, CREDIREF keeps an updated debtor and co-debtor database to guarantee the quality of the information.

There is also a validation and verification process of every item of information which identifies inconsistencies in the database at the moment of the periodic update process at CREDIREF. In this regard, inconsistencies are informed by the institution which runs the database and then a revision of the inexact information is requested.

3.3.7 Procedures and Policies in Risk Management

The handling of the credit bureau database as well as its monitoring and risk control is backed up by a service contract with a company which specializes on

information services, so technical and operating features which insure the adequate management of potential risks are part of the contract between the bureau and the agency which provides the database computer management service.

3.3.8 Rights of Individuals and Firms to Access Information and Resolve Disputes

Improper record rectification or suppression is carried out at the request of the owner of the information, and it is regularly performed if the debtor is an active customer of the financial institution which provided that information.

The bureau has a policy which fosters data correction, but due to the current legal framework, it is not possible to do it mandatorily, and it is performed as an internal policy of record owners.

3.4 ORBE-ASOCIACIÓN BANCARIA DE GUATEMALA

3.4.1 Control and Governance

ORBE was established in 1998 as a credit information system exclusive to banking institutions belonging to Asociación Bancaria de Guatemala. Its main objective is acting as an credit information inquiry tool for banks.

Its control is exercised by ABG, the operating institution which is property of Guatemalan banks as a whole. ABG is presided by a Consejo Directivo (board of directors) chosen by owner banks and made up of officials from these banks. This Board defines policies and procedures applicable to the services they offer.

Currently, not all institutions report to ORBE. Only certain banking institutions do; that is why ORBE does not contain all the information of the banking system. However, because of all the historic information it contains, it is useful for banks which report their information and carry out inquiries.

3.4.2 Information Sources

The members of the ABG are the main providers of information on a closed reciprocity basis; each member provides its own information to the system voluntarily. The platform has undergone various function and operation changes, which has made it necessary to develop a new system called ORBE III. The list of banking institutions that make up the current system is conformed as follows:

- Crédito Hipotecario Nacional
- Banco Americano
- Banco Inmobiliario
- Banco Promérica

-
- Banco de los Trabajadores
 - Banco Industrial
 - Banco de Desarrollo Rural
 - Banco Internacional
 - Banco Reformador
 - Citi Bank Sucursal Guatemala
 - Vivibanco
 - Banco de Antigua
 - Banco de América Central
 - Banco Citibank de Guatemala
 - Banco Agromercantil de Guatemala
 - Banco G&T Continental
 - Banco de Crédito
 - Banco Azteca de Guatemala

3.4.3 Users

ABG members which are information providers to ORBE are also, as a majority, users of the information centralized by the bureau.

3.4.4 Services

ORBE services consist mainly of providing credit references presented as a group or individually by client. Reports produced by ORBE include personal information, credit information, historical fulfillment of obligations, level of debt and type of currency used in operations.

3.4.5 Pricing Policy

The fees for services is established by the ORBE's Board. Those fees are established in the contract signed by every member banking institution, and any change is fixed by mutual agreement of the parties.

3.4.6 Procedures and Policies to Insure Information Quality

Within the system regulations, it has been established that an internal control department in every member banking institutions be set up in order to revise and verify the information their institution sends and, as a system user, to avouch that it has done so. Additionally, there are various regulations which are mandatorily effective on the part of user banking institutions which govern the verification process of the internal control department.

3.4.7 Procedures and Policies in Risk Management

The operating institution is responsible for ensuring the correct operation of the ORBE computer system. To that end, contingent schemes have been implemented which, for example, allow for the management of the continuity of the business. Regarding the management of information, every institution defines its usage schemes so as to manage their own risks.

3.4.8 Rights of Individuals and Firms to Access Information and Resolve Disputes

According to applicable regulations, only those banks which have hired the service with the bureau may have access to the credit information provided by the ORBE system.

Information belonging to bank clients which is stored in the ORBE system is handled with full confidentiality, so third parties may not have access to the individuals' credit records: only the owner of the information and enquiring banks may only do that for credit assessment purposes.

Regarding disputes and discrepancies in the information, all conflicts are handled directly by the client with his/her bank. As the bureau manager, ABG has set up mechanisms which permit guiding the client to solve his/her concerns.

3.4.9 Information Disclosure Policies

Only banking institutions and the owners of the information can have access to the clients' credit information.

3.5 MICOOPE

3.5.1 Control and Governance

MICOOPE is a clearinghouse which only provides recent information on the loans a debtor has with some associated cooperative.

This clearinghouse is run by Sistema Cooperativo Federado de Ahorro y Crédito de Guatemala (FENACOAC, a federated cooperative system of savings and loans). Currently, this credit bureau does not have a corporate government scheme which defines its composition and company management.

3.5.2 Information Sources

MICOOPE is mainly made up of the databases of cooperatives associated to FENACOAC. As it is a central information deposit, MICOOPE consolidates members' information periodically and has first-hand access to the source of information.

3.5.3 Users

Its users are all cooperatives associated to its federated system and, at present, they are the only ones which enjoy access to the information provided by MICOOPE.

3.5.4 Services

MICOOPE basically offers credit reference services to its members. These reports offer financial information of their clients or some other debtor of the cooperative system, especially active loans or penalized loans with other cooperatives, which permits the analysis of the level of debt of the person whose information is consulted.

Generally, the report produced in each inquiry provided a balance and the period in which the debt is outstanding, but it does not contain additional assessment tools (e.g. scoring). As is it a reporting service of exclusive use to cooperatives, most records included in the database are outstanding and due loans at the cooperative of which they are members, which reduces MICOOPE's field of action to this sector.

3.5.5 Pricing Policy

The service offered by MICOOPE is free of charge regardless of the number of inquiries made or the massive use of information.

3.5.6 Procedures and Policies to Insure Information Quality

Every reporting institution is in charge of managing its own information. Even though MICOOPE does not have a procedures manual to validate the quality of the information that every institution sends to it, it has set up a number of procedures to analyze the quality and truthfulness of the information gathered.

Quality control checks of the information entered are complemented with the responsibility of the members to adequately provide their credit portfolio information. Additionally, cooperative databases are online and they are provided to the servers run by their Federation (FENACOAC) in real time. As the Federation is the bureau operator, it may set up internal controls and search mechanisms with the information included in its servers.

3.5.7 Procedures and Policies in Risk Management

MICOOPE carries out an analysis of the quality of information and of the informations storage internal security measures as well as of the mechanisms and technology to access information both in the cooperatives and in their own platform.

Additionally, the bureau manager performs certain revisions when routine evaluations of the credit quality based on the credit history of every client are carried out. However, these procedures are carried out on a sample and not on the whole of the MICOOPE records. In this case, as the source of information is the very databases of every cooperative which is linked to FENACOAC in real time, the quality of the information is directly connected to the data with which the institutions work on a daily basis. As a result of the procedures set up by their

Federation, the cooperatives have to have internal control schemes to insure the safety and reliability of the information.

3.5.8 Information Disclosure Policies

MICOOPE does not grant access to their information to any institution or individual unless it is a member of FENACOAC.

4 PUBLIC FINANCIAL INFORMATION REGISTRIES

4.1 ANTECEDENTS

As the authority to ensure the stability of the financial system, the Superintendencia de Bancos de Guatemala is in charge of monitoring and inspecting the financial institutions that the law so indicates. SIB runs the Sistema de Información de Riesgos Crediticios (public credit registry, SIRC) which was created in 2004.

The legal framework for the operation of SIRC may be basically summarized in article 58 of the Ley de Bancos y Grupos Financieros (Decreto 19-2002), which states that SIB shall implement a risk information system, to which end every financial institution regulated by law is forced to provide the necessary information so that the superintendency performs this function. Due to the characteristics of credit information, the institutions which may have access to SIRC are banks, financial institutions, institutions which are part of financial groups and other financial mediation organizations approved by the Junta Monetaria at the request of SIB and other institutions specified by law. Similarly, Acuerdo 5-2011 (Disposiciones Relativas a la Utilización del Sistema de Información de Riesgos Crediticios por parte de las Entidades Usuarías) lays out the SIRC operating and legal guidelines.

4.2 SISTEMA DE INFORMACIÓN DE RIESGOS CREDITICIOS

4.2.1 Main Objectives of the Registry

This is a system implemented by the SIB which gathers all credit information belonging to natural and legal persons that have credits at the supervised institutions (banks, financial institutions and companies belonging to financial groups which offer financing).

The main goal of the SIRC database is contributing to bank supervision in-situ and off-site. The information on debtors of the financial system systematically gathered through SIRC facilitates credit risk management practices (Resolución JM 93-2005) at regulated institutions. Through the analysis of the information gathered, SIB monitors the loan portfolio credit risk or reporting institutions through early warning indicators, related data discovery and exposure estimation among others. On the other hand, SIRC has the objective of supporting institutions in their credit assessment process by providing level of debt and historical fulfillment of obligations.

SIRC offers broad coverage. It currently holds approximately 3.5 million records (individuals and companies which have carried out some transaction with a credit granting institution). Reporting institutions inform the whole of their loan portfolios, including individuals and companies. At the same time, there are different classes of debtors, according to direct debt, indirect debt, and guarantors. This information is reported monthly and every loan is reported independently of their initial amount, including microloans. Additionally, SIRC has an individual reporting system which permits the monitoring of debtors dynamically.

4.2.2 Information Sources

According to Acuerdo 12-2004, banks, financial institutions and companies belonging to a financial group which are credit grantors must report the information of their credit portfolios. SIRC currently receives reports from 52 financial institutions: 18 banks, 14 financial institutions, 7 off-shore institutions, 7 credit card companies (belonging to supervised financial groups) and 6 other institutions including a trust fund whose underlying claims were separated from a wound-up bank.

The registry that SIB manages does not include the information from non-regulated institutions such as savings and loans cooperatives, microfinancial institutions, OPDs, retail stores and other credit providers.

4.2.3 Users

There are two types of users of the information gathered by SIRC, internal and external users. Internal users belong to the SIRC departments which use credit information for banking monitoring or economic analysis purposes, or to monitor the enforcement of court orders or to track suspicious or illicit activities (e.g. money laundering identification tasks).

External users are financial institutions which may have access to the system information such as banks, financial institutions and institutions which are part of financial groups, as well as other financial mediation institutions which request inquiries of information, although the latter must be authorized by the Junta Monetaria.

4.2.4 Services

The inquiry service permits access to available information on: personal ID data, type of credit, currency, date of expiration of contract, etc. In general terms, the information provided enables the identification of the level of indebtedness of individuals and companies to the financial institutions which offer the information and not to all creditors that a debtor may have as a result of his/her financial or commercial operations.

On the other hand, as a result of the passing of the Ley de Acceso a la Información Pública (Decreto 57-2008), an organ was set up, the Unidad de Atención al Usuario, devoted to providing access to information to those debtors, individual or companies, that desire to check information about themselves, and to answering questions that users may have on other banking products.

4.2.5 Pricing Policy

No service provided by SIB corresponding to SIRC management has any cost for users, be them reporting institutions or debtors who go to the Unidad de Atención al Usuario.

4.2.6 Procedures and Policies to Insure Information Quality

According to article 3 of Acuerdo 12-2004 (Disposiciones Relativas a la Utilización del Sistema de Información de Riesgos Crediticios), every reporting institution is responsible for the quality of the information submitted to the system.

SIRC receives detailed information on debtors of the system with an full identity verification mechanism which includes full name, date of birth, address, taxpayer's identification number (NIT, in its Spanish initials), taxpayer's identification code (CUI, in its Spanish initials) and ID number to certify that the information received is reliable and that it does not contain wrong records.

In addition to the various procedures performed by SIB for authentication, upon reception, the information provided by reporting institutions, the Departamento de Supervisión de Riesgos Integrales (integral risk supervision department) carries out revisions of the quality of information which may call for corrections of the information which was faulty on the part of the institutions.

With the creation of the Unidad de Atención al Usuario, SIB adds a channel for the improvement of the quality of the information contained in the registry through the revision of their own information on the part of debtors.

4.2.7 Procedures and Policies in Risk Management

According to article 3 of the Acuerdo 12-2004, the Superintendencia de Bancos de Guatemala shall promote the adequate implementation of the registry and ensure the safety of the information contained in their databases, to which end it will set up the necessary controls and registries. SIB establishes different security mechanisms for the management of SIRC. One of them is related to the access to the IT platform of the registry, which forces users to produce their inquiries from identified terminals authenticated by SIB. Similarly, the SIB has an access system with a password and user ID, which permits the monitoring of all access to SIRC for debt analysis, for control of the system use and for management inquiries.

SIB keeps the SIRC access and inquiry log, which facilitates the control of the correct use of the registry on the part of users. However, as indicated by article 9 of Acuerdo 5-2011, users are responsible for the correct employment of information inquired at SIRC.

4.2.8 Rights of Individuals and Firms to Access Information and Resolve Disputes

Besides the reporting institutions, that is regulated financial institutions, debtors, be them people or companies, may individually inquire about their data at SIRC. In April 2009, as a result of the Ley de Acceso a la Información Pública (Decreto 57-2008), SIB ordered by Acuerdo 6-2009 the creation of the Unidad de Atención al Usuario, which works as an administrative office which facilitates the access of people and companies to the information that SIRC keeps on their credit situation. Among other functions, this office is in charge of offering a report containing the debtor's credit information which is recorded in the database. Debtors receive their information prior its request in the form of a hard copy when they attend the Unit.

Every debtor who appears at SIRC and who wishes to question the information contained in the database may do so by a rectification or suppression request to the institution which reported the information. It is the responsibility of reporting institutions (e.g. banks) to rectify erroneous information and send it to the Superintendencia de Bancos de Guatemala for its correction.

4.2.9 Information Disclosure Policies

According to article 58 of the Ley de Bancos y Grupos Financieros (Decreto 19-2002), only banks, financial groups and other financial mediation institutions (the latter with the prior authorization of the Junta Monetaria) shall have access to SIRC, and they shall do it with the sole purpose of credit analysis.

5 INTERACTION WITH OTHER COMPONENTS OF THE FINANCIAL INFRASTRUCTURE

5.1 PAYMENT SYSTEMS AND INSTRUMENTS

The information which is systematically gathered in the national payment system of Guatemala is of great use for the credit information system because data on the transactions of individuals and companies which make use of payment instruments other than cash contribute to the analysis of the ability to pay and fulfillment of obligations of individuals and companies.

Banco de Guatemala started a modernization process of the payment system in 2000 with the approval of a program to strengthen the financial system. Four years later, the bank elaborated a proposal based on a general evaluation of the state of affairs of its payment system and developed an integral strategy of modernization. Through Resolución JM-140-2004, the matrix of the modernization program was approved and the implementation of a system which will have the technological resources to respond to international standards and to the needs of the economic agents of the country started.

In this process, it was authorized that Cámara de Compensación Bancaria (CCB, a banking clearinghouse) would be managed by Asociación Bancaria de Guatemala particularly regarding issues of check processing. Finally, through Resolución JM-166-2005 a real-time gross settlement (RTGS) system was implemented. With these changes, the safety and efficiency of financial operations between participants was strengthened, facilitating electronically processes of gross settlements in real time, both in quetzales and in american dollars.

5.1.1 Real-Time Gross Settlement System

The RTGS system is the main platform for clearing and settlement of operations of systemic importance of the national payment system. In this respect, the function of RTGS is to process in central bank accounts the financial transactions of participants in real time, individually and continuously. Therefore, the main task of RTGS at Banco de Guatemala is to support the settlement of operations in the interbank market. These operations are regularly of high value and they may affect the liquidity of the financial system.

In the RTGS system at Banguat, which started operations in 2006, the participants are not only banking institutions but also public institutions and other institutions which have deposit accounts at Banguat and which are expressly authorized by law.

Currently, RTGS constitutes the main subsystem in the payment infrastructure of Guatemala. Its platform has safety measures established by Banco de Guatemala to

guarantee the efficient operation of the money and capital market, thus preserving an adequate and continuous operation. Thanks to this subsystem, financial operations overseas, capital market operations and financial system operations have notably improved in terms of robustness, safety and efficiency over the past few years.

5.1.2 Cámara de Compensación Bancaria

The operation of Cámara de Compensación Bancaria (CCB) was transferred to a private institution, the Asociación Bancaria de Guatemala in 2005. It is currently run by Banguat even though it is managed by ABG. Its operation is governed by Resolución JM-51-2003 (CCB guidelines). The main function of CCB is the automated cheque clearing process.

The information on cheque transactions that are cleared at CCB is important for the credit information system as it allows the assessment of monetary flow used by a potential client or debtor. When credit bureaus use this information, especially information on bad cheques, they may increase the references on the debtor's ability to pay. Information currently gathered in Guatemala on bad cheques is not added to databases at bureaus, nor is it required by credit granting institutions.

TABLE 6. CHEQUES CLEARED AT CÁMARA DE COMPENSACIÓN BANCARIA

Volume (thousands) and value (millions of GTQ) of cheques

<i>Year</i>	<i>Volume of cheques issued in GTQ</i>	<i>Value of cheques issued in GTQ</i>	<i>Volume of cheques issued in USD</i>	<i>Value of cheques issued in USD</i>
2006	29,905	440,643	335.7	4,292
2007	29,455	436,190	438.7	6,545
2008	27,812	434,603	573.4	8,839
2009	25,549	474,768	580.7	9,796

SOURCE: Banco de Guatemala

From late 2005 to 2009, a drop in the volume of cheques cleared by CCB has been observed, while the monetary value of these operations (both in GTQ and USD) has increased, particularly since the start of operations of the automated clearinghouse. As seen in table 6, the volume of cheques in domestic currency remains the main component processed at CCB. On the other hand, the volume of cheques processed in foreign currency grew 72% and the value of these operations more than doubled (228%) between 2006 and 2009.

5.1.3 Cámara de Compensación Automatizada

As part of the modernization process of the payment system in Guatemala, by the appointment of Banguat, ABG runs the Cámara de Compensación Automatizada (CCA) –an automated clearinghouse (ACH)– for the clearing and settlement of interbank operations derived from low-value operations. By this infrastructure,

financial institutions were able to connect their systems for transaction linked to payment instruments such as credit cards, debit cards and ATM machines among others to clear them through the CCA. Since its creation in 2006, the CCA has allowed the improvement of low-value operations. Currently, financial institution clients may carry out retail operations and payment services broadly, especially through the use of global networks such as ATM and EFTPOS. Finally, with the creation of the CCA, the safety and efficiency of operations carried out in this subsystem have increased.

The CCA is characterized by carrying out operations in domestic currency and clearing them on the same day. Operations cleared at the CCA are mainly debits to current and savings accounts, credits to current accounts, loans and credit card operations.

The information on electronic payment operations is an important source of reference on the ability to pay and payment compliance of debtors with financial obligations. The credit information system in Guatemala currently uses credit card information as some credit card companies share information with SIRC, but the use of other payment instruments processed by CCA is not used for credit reports.

5.2 PUBLIC REGISTRIES

5.2.1 Registro General de la Propiedad

The Registro General de la Propiedad (RGP) was established in 1877. It is supervised by Registrador General de la Propiedad and Comisión Nacional Registral. Offices in the different regions in Guatemala are interconnected, so users may carry out inquiries on the real estate registry in the central database.

The registry also permits online inquiries on property. In order to do that, it is necessary to have detailed information of the registry which the user wants to inquire in; that is, the identifying code of the book, the property registry number, etc.). For example, it is not possible to carry out inquiries on individuals and companies as the registry is based on the electronic book, but an identifier provided by RGP is required. Ownership certificates issued by RGP may be requested online, but they are not issued electronically but on paper. Additionally, it is not possible to register documents or transactions online, even though it is possible to trace the path of documents on the RGP web site.

5.2.2 Registro de Garantías Mobiliarias

Registro de Garantías Mobiliarias (RGM) started operations in 2009 under the Ministry of Economy. The legal framework which establishes the execution and registry of guarantees on personal property, the creation of RGM and the general guidelines were set up by the Ley de Garantías Mobiliarias (Decreto 51-2007), which was amended by Decreto 46-2008 and in the RGM regulations. The main

objective of RGM is the registry, constitution and execution of movables guarantees.

According to its guidelines, and by the amendment to the Ley de Garantías Mobiliarias, RGM allows companies to produce guarantees on different personal property such as machinery, vehicles, stocks, occasionally intangible properties (receivables, patents, securities) and any other good registered at Registro General de la Propiedad.

The operation of RGM allows micro and small companies to have access to loans, as the constitution of movables guarantees provide the legal certainty that financial obligations will be fulfilled. In early 2010, there were some 750 guarantees registered with a value of 2,558 million of GTQ, 40% of which corresponded to ownership certificates, slightly over 20% to vehicles, between 10% and 15% to intangible properties and less than 10% to crops mainly.

5.3 OTHER PUBLIC REGISTRIES

5.3.1 Registro Nacional de las Personas

The Registro Nacional de las Personas (RENAP) is a public institution in charge of running the national civil registry and of recording actions pertaining to marital status and other identification data. Similarly, RENAP is in charge of issuing the identification document. RENAP was created by Decreto 90-2005. Other objectives of the Registry include:

- The development of regulations for the registration of individuals in Guatemala.
- Maintaining the necessary infrastructure to issue the Documento Personal de Identificación (DPI).
- Developing digital mechanisms to run the civil registry and municipal registries in the country.
- Replacing the old ID cards (cédulas de vecindad).
- Integrating information from national registries, SAT, Dirección General de Migración, Departamento de Tránsito, Instituto Guatemalteco de Seguridad Social, Registro de la Propiedad and Registro Mercantil, and of all other institutions which may have reference information on the identity of individuals.

RENAP is in charge of issuing the DPI card. Its creation springs from the need to have regulations pertaining to personal identification which mitigates identity theft and fraud. Before DPI identity was proved with the *cédula de vecindad*, but after years of operation it no longer underwent issuing controls. RENAP has the goal of preserving the national civil registry of individuals replacing the *cédula de vecindad* by the DPI.

RENAP offers validation services for financial mediators, which is a key aspect to improve the quality of the information available in the credit information system. Such process includes a data crosscheck which consists of comparing information submitted by the financial institution and that stored at RENAP.

5.3.2 Centro Nacional de Análisis y Documentación Judicial

The Centro Nacional de Análisis y Documentación Judicial (CENADOJ) was created by Acuerdo 37-2002. CENADOJ is the body in charge of publishing and communicating legal and legislative information and court rulings in Guatemala.

Currently, the Center systematizes digitally court statistics and different query services on court information. Some of the online inquiries which may be carried out at CENADOJ are court rulings made by the Supreme Court and by Appeals Courts. Inquiries may be requested by identifying the parties involved in the court proceedings. These query services are carried out through the Sistema de Información y Consulta de Expedientes Judiciales (case file information and inquiry system), which allows to get information on court processes. Credit bureaus may include court information by using the CENADOJ platform.

5.3.3 Superintendencia de Administración Tributaria

The Superintendencia de Administración Tributaria (SAT) is the tax revenue body created by Decreto 01-1998. Among its main functions is issuing the número de identificación tributaria (taxpayer's identification number, NIT), which is the taxpayer's code for individuals and companies.

Since 2006, regulations were passed to strengthen the tax revenue body: Ley Antievasión (Decreto 20-2006, to prevent tax evasion), which amends the Código Tributario (Decreto 6-1991, tax code) making the Superintendency publish court rulings related to delinquent taxpayers in different media and in SAT media, including no less than the taxpayer's name, NIT and court ruling.

APPENDIX: STATISTICAL TABLES

The first series of charts (A) offers information about credit reports in Guatemala. These charts have been prepared following the standard methodology for country charts developed by the main team of the Initiative. This methodology is available at the WHCRI web page, www.whcri.org.

The second series (B) provides general statistical information on the financial system and the credit market.

Serie A

Credit report stats

Table A1. Basic Statistical Facts.....	39
Table A2. Bank Credits and Loans Reporting Institutions and other Databases Relevant to the Credit Industry	39
Table A3. SIRC Reporting Institutions.....	40
Table A4. Individuals, Companies and Transactions Registered at SIRC	40
Table A5. Applied and Granted Loan Reports by SIRC.....	40

Serie B

General statistics of the financial system and the credit market

Table B1. Banking institutions and non-banking financial institutions.....	41
Table B2. Credit granted by financial sector institutions.....	41
Table B3. Credit granted by financial sector institutions.....	41
Table B4. Quality indicators of credit granted by financial sector institutions	42

TABLE A1. BASIC STATISTICAL FACTS

	2006	2007	2008	2009	2010
Population	13.0	13.4	13.7	14.0	14.4 ^{pj}
GDP (USD Millions)	30.2	34.3	38.0	36.4	40.8 ^{pj}
Per capita GDP (USD)	2,323	2,560	2,774	2,600	2,833 ^{pj}
Currency exchange v. USD					
<i>End of year (December)</i>	7.59	7.63	7.78	8.35	8.01
<i>Average</i>	na	na	na	na	na

SOURCE: *Superintendencia de Bancos, Banco de Guatemala.*

NOTE: *pj stands for projected figure.*

TABLE A2. BANK CREDITS AND LOANS REPORTING INSTITUTIONS AND OTHER DATABASES RELEVANT TO THE CREDIT INDUSTRY

To October 2010

	Name	General description
Private bureaus	TransUnion	International bureau with open service membership
	CREDIRREF	Microfinance bureau, property of non-banking financial institutions
	Asociación Bancaria de Guatemala	Credit bureau for the exclusive use of Association members.
Risk agencies	Sistema de Información de Riesgos Crediticios (SIRC)	System run by Superintendencia de Bancos de Guatemala, which gathers information provided by the institutions it monitors and inspects, which have access for inquiries.
	MICOOPE	Information agency which gathers data from member cooperatives. The information gathered is mainly outstanding and due loans by debtor.
Other databases		
Civil Registry	RENAP	RENAP is a public institution in charge of running the national civil registry and of recording actions pertaining to marital status and other identification data.
Court information	CENADOJ	It depends on the Judicial Body and it is in charge of information on court rulings.
Security Registry	Registro de Garantías Mobiliarias	Body in charge of securities guarantees
Real Property Registry	Registro General de la Propiedad	Public body in charge of registering real estate property.
Others	Infornet	Court, business and individual information service provider.

SOURCE: *Own elaboration*

TABLE A3. SIRC REPORTING INSTITUTIONS

	2006	2007	2008	2009	2010 ^a
Financial Sector					
Banks	23	21	19	18	18
Other financial institutions	38	38	36	35	34
Non-financial sector					
Total	61	59	55	53	52

SOURCE: *Superintendencia de Bancos de Guatemala.*

NOTE: ^a Information to August 31, 2010.

TABLE A4. INDIVIDUALS, COMPANIES AND TRANSACTIONS REGISTERED AT SIRC

	2006	2007	2008	2009	2010 ^a
Number of individuals	1,504,676	1,220,740	1,315,467	1,315,367	1,574,584
Number of companies	15,764	9,333	9,616	9,607	11,565
Total	1,520,440	1,230,073	1,325,083	1,324,974	1,586,149
Number of individual records	2,463,056	3,463,082	3,752,944	3,495,962	3,482,124
Number of company records	28,651	33,714	33,716	33,955	31,809
Total	2,491,707	3,496,796	3,786,660	3,529,917	3,513,933

SOURCE: *Superintendencia de Bancos de Guatemala.*

NOTE: ^a Information to August 31, 2010.

TABLE A5. APPLIED AND GRANTED LOAN REPORTS BY SIRC

By type of applying institution

	2006	2007	2008	2009	2010 ^a
Financial sector					
Institutions subject to SIB monitoring and inspection	1,355,961	1,290,060	1,030,807	978,789	1,676,705
Individuals or companies applying for their own credit report	na	na	na	na	na
Total	1,355,961	1,290,060	1,030,807	978,789	1,676,705

SOURCE: *Superintendencia de Bancos de Guatemala.*

NOTE: ^a Information to August 31, 2010.

TABLE B1. BANKING INSTITUTIONS AND NON-BANKING FINANCIAL INSTITUTIONS

	2006	2007	2008	2009	2010 ^a
Banks	23	21	19	18	18
Financial institutions	17	16	16	15	15
Non-banking financial intermediaries					
Leasing companies	1	1	1	2	2
Factoring companies	4	4	4	5	5
Insurance companies	18	17	17	17	17
Exchange houses	4	1	1	1	2
Others	16	17	14	14	14
Total	83	77	72	72	73

SOURCE: *Superintendencia de Bancos de Guatemala.*

NOTE: ^a Information to August 31, 2010.

TABLE B2. CREDIT GRANTED BY FINANCIAL SECTOR INSTITUTIONS

By type of institution, in millions of USD

	2006	2007	2008	2009	2010 ^b
Private banks	6,572.04	7,405.32	8,548.65	5,085.54	3,766.74
Public banks	38.11	51.98	71.75	42.94	43.37
Development banks	827.67	1,440.97	930.98	910.03	815.31
Financial institutions	107.59	83.53	159.13	90.79	50.37
Leasing companies	na	na	14.53	17.93	na
Factoring companies	364.68	389.51	312.72	586.29	332.16
Others ^a	1,405.47	952.83	1,230.53	763.58	1,045.41
Total	9,315.56	10,324.15	11,268.30	7,479.18	6,053.36

SOURCE: *Superintendencia de Bancos de Guatemala.*

NOTE: ^a Information of offshore institutions. ^b Information to August 31, 2010.

TABLE B3. CREDIT GRANTED BY FINANCIAL SECTOR INSTITUTIONS

By type of credit, in millions of USD

	2006	2007	2008	2009	2010 ^a
Large company	4,504	5,618	5,666	3,958	3,166
Small company	1,704	1,520	1,650	882	746
Consumer	2,439	2,329	3,322	2,205	1,815
Microcredit	302	314	233	182	135
Mortgage home loan	366	545	398	251	193
Total	9,316	10,324	11,268	7,479	6,053

SOURCE: *Superintendencia de Bancos de Guatemala.*

NOTE: ^a Information to August 31, 2010.

TABLE B4. QUALITY INDICATORS OF CREDIT GRANTED BY FINANCIAL SECTOR INSTITUTIONS

In millions of USD

	2006	2007	2008	2009	2010 ^a
Oustanding	8,909.43	11,355.06	12,002.28	11,132.65	11,281.49
Due, in extension process	12.01	29.56	33.22	37.86	35.90
Due, in recovery process	46.06	39.49	147.63	151.57	148.81
Due, judicial collection	129.61	112.62	127.59	126.65	146.48
Total ^a	9,097.09	11,536.74	12,310.72	11,448.72	11,612.68
Risk category ^b					
A	8,743.91	11,005.86	11,602.06	10,556.45	10,737.66
B	119.82	170.07	282.95	393.42	396.62
C	77.37	98.15	120.05	167.65	117.02
D	60.50	111.98	137.13	135.40	99.24
E	95.50	150.69	168.53	195.80	262.14
Total ^a	9,097.09	11,536.74	12,310.72	11,448.72	11,612.68

SOURCE: Superintendencia de Bancos de Guatemala.

NOTES: ^a Credit balance by December 31 of every year. ^b Information regarding credit valuation by June 30, 2010.

LIST OF ABBREVIATIONS

ABG	Asociación Bancaria de Guatemala
ATM	Automated teller machine
Banguat	Banco de Guatemala
Banrural	Banco de Desarrollo Rural
CCA	Cámara de Compensación Automatizada
CCB	Cámara de Compensación Bancaria
CEMLA	Center for Latin American Monetary Studies
CENADOJ	Centro Nacional de Análisis y Documentación Judicial
CONFECOOP	Confederación Guatemalteca de Federaciones de Cooperativas
CPI	Consumer price index
CUI	Código único de identificación
DIACO	Dirección de Atención y Asistencia al Consumidor
DPI	Documento personal de identificación
EFTPOS	Electronic funds transfer at the point of sale
FENACOAC	Sistema Cooperativo Federado de Ahorro y Crédito de Guatemala
FIRST Initiative	Financial Sector Reform and Strengthening Initiative
GDP	Gross domestic product
GTQ	Quetzales
JM	Junta Monetaria

LAC	Latin America and the Caribbean
NIT	Número de identificación tributaria
OPD	Organizaciones privadas de desarrollo
REDIMIF	Red de Instituciones de Microfinanzas
RENAP	Registro Nacional de las Personas
RGM	Registro de Garantías Mobiliarias
RGP	Registro General de la Propiedad
RTGS	Real-time gross settlement
SAT	Superintendencia de Administración Tributaria
SIB	Superintendencia de Bancos de Guatemala
SIRC	Sistema de Información de Riesgos Crediticios
USD	American dollars
WHCRI	Western Hemisphere Credit & Loan Reporting Initiative

www.whcri.org

ISBN: 978-607-7734-32-1



9 786077 734321