

# SUSTAINABILITY

REPORT | 2021



GLOBAL  
BANK

## GENERAL INDEX

<b>Introduction to the report</b>	<b>3</b>	<b>Chapter 7. Client Experience</b>	<b>64</b>
<b>Message from the President of the Board of Directors and the CEO</b>	<b>6</b>	7.1. Response to adversity	65
<b>Key highlights</b>	<b>8</b>	7.2. Added value and transparency	66
<b>Chapter 1. Profile and strategy</b>	<b>9</b>	7.3. Information security	67
1.1. Profile and context	10	<b>Chapter 8. Team</b>	<b>68</b>
1.2. Corporative strategy	16	8.1. Commitment to the team	69
<b>Chapter 2. Corporate governance</b>	<b>19</b>	8.2. Employees demographics	71
<b>Chapter 3. Ethics and compliance</b>	<b>30</b>	8.3. Training and development	74
3.1. Compliance and prevention of money laundering	32	8.4. Working environment	76
<b>Chapter 4. Risk management</b>	<b>33</b>	<b>Chapter 9. Environmental Management</b>	<b>79</b>
4.1. Principle risks	34	9.1. Energy and emissions	80
4.2. Supply chain relationships	40	9.2. Other environmental aspects	83
4.3. Climate change risks	42	<b>Chapter 10. Community</b>	<b>84</b>
<b>Chapter 5. Sustainability Strategy</b>	<b>47</b>	<b>Chapter 11. Economic performance</b>	<b>89</b>
<b>Chapter 6. Advances in Responsible Banking</b>	<b>53</b>	11.1. Relevant facts of the group	90
6.1. Introduction	54	11.2. Business results	91
6.2. Sustainable financing	57	11.3. Economic value generated and distributed	97
Implementation of ESRMS	57	<b>Appendix I. Details of ESG Management</b>	<b>99</b>
Products with a focus on society	59	1. Relationships with stakeholders	100
Products with an environmental focus	60	2. Materiality study	103
Calculation of loan portfolio emissions	61	3. Identification and sizing of the impacts	105
6.3. Financial education and assurance culture	62	4. Contribution to the SDGs	110
		<b>Appendix II. Self-assessment in the implementation of the Principles for Responsible Banking (PRB)</b>	<b>114</b>
		<b>Appendix III. Reporting Framework</b>	<b>125</b>
		1. GRI content index	125
		2. SASB metric index	128

SUSTAINABILITY REPORT 2021

# INTRODUCTION

TO THE REPORT



## INTRODUCTION TO THE REPORT

(GRI 102-32, 102-45, 102-48, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56)

At Global Bank Corp. we are committed to strengthen Responsible Banking, which guarantees the sustainability of the company, within the loyalty and trust of customers, employees, shareholders and other groups.

In this report, we will communicate the current status of Global Bank Corporation and its subsidiaries, hereinafter “Group”, expressing the search of value on behalf of our stakeholders and support our commitment to transparency.

The information presented shows the main results obtained during the fiscal year, which covers from July 1, 2020 to June 30, 2021, taking into account the financial results, as well as our environmental, social and corporate governance (ESG) performance.

In response to dual materiality; the socio-environmental is the result of our first [materiality study](#), which integrates the Group's approach to business objectives and the expectations of our stakeholders, addressing the impact of the current COVID-19 pandemic. For financial materiality, we consider the topics established by the Sustainability Accounting Standards Board (SASB) for the sectors in which we operate.

For the first time, we complied with international standards related to ESG information. We incorporate the use of the Global Reporting Initiative (GRI) Standards, in addition to the SASB Standards of our sectors.

The contents of this report have been validated in the first instance by members of the Sustainability Commission and as well as by the CEO.



## KEY METHODOLOGIES OF REPORT

- ✓ The report was developed in compliance with the Essential Standards of the **Global Reporting Initiative (GRI)**, reference methodology for the communication of extra-financial performance with a multistakeholder approach. We will be reporting using the GRI Standards related to material topics, in addition to incorporate the GRI sector supplement for financial services.
- ✓ It incorporates the **Sustainability Accounting Standards Board (SASB)**, for the sectors: Commercial Banking, Consumer Finance, Asset Management & Custody Activities, Mortgage Finance and Investment Banking & Brokerage. This methodology response to the investors requirements for information on ESG issues that affect the company's financial stability.
- ✓ We report on our contributions to the **Sustainable Development Goals (SDGs)**, proposed roadmap of the United Nations Organization (UN) to address the overarching societal challenges.
- ✓ Likewise, we respond to our commitment as signatories of the **Principles for Responsible Banking (PRB)** of the United Nations Environment Programme Finance Initiative (UNEP FI), a single framework to ensure that the strategy and the bank's practice is aligned with the Sustainable Development Goals and the Paris Climate Agreement.

### How to identify the topics being addressed:



- On the cover of each chapter: reference to the SDGs.
- At the beginning of each section: reference to the contents of the GRI standards and metrics SASB.
- Specific indices within the Annexes of the report: GRI, SASB, SDGs and PRB.

## Message from the President of the Board of Directors and the CEO

(GRI 102-7, 102-14)

### Dear readers,

Our capacity for resilience, empathy, professionalism and determination have been key factors that have allowed us to continue offering our institution's best to each interest group. As well as to face the challenges that arose during the last year, that, without a doubt, were important factors that contributed to the great achievements and knowledge that we obtained as an organization, and that are part of our growth in the Panamanian market.

As a financial institution, we have made an outstanding contribution to economic and social development, and we made ourselves available to Panamanian society to advance into a solid and sustainable recovery.

One of our focuses during this period was to continue expanding financial support, following the legal provisions, for our almost 200 thousand customers who requested such, which can be seen in our economic results along with the country's economic reactivation process. As such, we reinforced the financial solidity of the institution with the necessary provisions demonstrating that only a strong group can continue to generate value.

Like G.B. Group Corporation, at the level of the holding company, we reached US\$139.3 million in fiscal year 2020-2021, even in the face of the significant increase in provisions due to the continued concerns related to the pandemic and its possible effect on the recovery of loans and investments. Although it is lower than the previous year, it shows solidity and the path of recovery at the hand of responsible financial management. In the same way, the different subsidiaries show a reasonable evolution within the context of the country.

In the same way, we stayed attentive and available to our clients, offering products and services according to different needs at the moment, we know that personal level of treatment makes us your trustworthy advisors. We continue on our way to be more sustainable in our operation hand in hand by technology, which today is being decisive in the evolution of banking, allowing us to accelerate our digital transformation process, achieving greater operational efficiency and better knowledge of the client through access to information.

Our vision of being a solid, secure and innovative institution that promotes initiatives that stimulate economic growth, care of the environment and the social welfare of our society continues to be our priority and part of the core of our business. Under this vision, we maximize opportunities for financial inclusion, protection of the environment, promoting good environmental practices through our operations, without forgetting financial education to continue instilling better financial management skills in companies, households and citizens.

Since 2019, we have been one of the founding signatories of the Principles of Responsible Banking from UNEP-FI. As part of the required commitments, we continue to make progress in managing the social and environmental impacts of our credit portfolio, on which we prioritize goals. First, reduce emissions of greenhouse gases (GHG) financing projects and sectors that contribute to the transition of a less carbon energy-dependent economy, such as renewable energy and sustainable livestock.

On the other hand, we seek to develop products and services that promote a better quality of life in vulnerable sectors, including access to credit. To this point, we highlight the US\$90 million in financing from Citibank and the IFC (International Finance Corporation, World Bank Group) that we obtained in 2020, intended to provide residential mortgage loans to women, as well as credit for small and medium-sized businesses owned by women.

These efforts are part of our General Policy of Sustainability that details the strategic sustainability guidelines focused on Governance, Environmental Products and Services and Society, Environmental and Social Risk Management, the Relationship with Interested Parties and internal Eco-efficiency. Through these focuses, we have established a roadmap in the process of transformation towards responsible banking.

In addition, we are laying the foundations, creating the tools and identifying the necessary changes to generate efficiencies that will allow us, as an organization, to achieve carbon neutrality. This strategy is essential for the operation and sustainability of our business. For this reason, we subscribe to the program of the Ministry of Environment of Reduce your Corporate Footprint and we are part of the Declaration The 50 First Carbon Neutral Organizations of Panama. This process will continue our ongoing efforts to minimize our environmental impact, while at the same time instilling in our customers the importance that they too reduce their carbon footprint.

In the Group we have more than 1,700 employees, forming a diverse and committed team, composed of 68% women; who have contributed to the growth of this organization and as we move forward, we strive

for greater female representation in middle and senior management, which is currently 28%. We also offer our employees professional development opportunities, including various types of training. Our priority continues to be protecting their health in the face of the pandemic, with biosafety measures and specialized medical care.

The efforts made this year, even in the face of great challenges, led us to innumerable achievements in terms of social development, reaffirming Global Bank's interest in achieving sustainable development and improvement in the quality of life of Panamanians. These actions fill us with pride knowing that our motto "People First" continues to be our guide and first driver of our decisions.

We appreciate the commitment of all our employees that allow us to continue to be an institution that is at the customer's side, being innovative and thinking about tomorrow, and contributing to sustainable development. Thanks also to our customers for their indisputable trust and our providers for continuing to allow us to be highly competitive. Finally, a special thanks to our shareholders, who with their support have contributed to generate progress opportunities for Panama.

**Jorge E. Vallarino M.**  
Chief Executive Officer (CEO)

**Jorge Vallarino Strunz**  
President of the Board of Directors

## KEY HIGHLIGHTS Infrastructure Group

(GRI 102-7)

 **39**  
Branches

 **147**  
ATMs



**1,772** employees make up the Group.  
**68%** are women.

## Company Performance



**+192 thousand** Clients.



**170 clients evaluated** through ESRMS, which accounted for +US\$720 million of approved amounts.



**+29 thousand clients** with little access to financial services, benefited with our products and services targeted for them.



**+ US \$226.5 million total balances of our total portfolio of eco-efficient** projects or related environmental aspects.



**+ 27,400 hours of training** for employees in their professional development.

**+4,000 participations** in semi face-to-face and virtual interfaces, on topics related to financial knowledge.



**+ 5,000 Hours of training** in semi-face-to-face and virtual interfaces, for employees on ethics and anti-corruption topics during 2021.



**411 active suppliers** to whom we allocate 92% of total spending to local suppliers.



**US\$ 786 thousand invested** to date in the installation of solar panels.



**+ 21 thousand people benefited** through our contribution to various organizations as part of our social responsibility projects.



# 01 | PROFILE AND STRATEGY



GLOBAL  
BANK

## 1.1 Profile and context

(102-2, 102-4, 102-5, 102-6, 102-10, FS6)

We are a Panamanian capital financial group, incorporated in the form of a public limited company: Global Bank Corporation has more than 25 years of experience.

We position ourselves as the leading banking institution in the country, with a wide range of products and services focused on customer needs and close attention that makes us their reference advisors. This is possible thanks to our team of professionals, highly committed to excellence.

The Group's performance is based on **principles and values**, that which support our organizational culture and that provide confidence to our clients and other interest groups.

## MISSION

- To offer financial services characterized by their high quality, and by providing quick responses to diverse customer needs
- Offer personalized attention, exceeding customer expectations, respecting the principles of confidentiality and integrity; and guaranteeing the security and trust that customers have placed in our institution.
- Support our stakeholders in achieving their goals while also being more sustainable through our operations, products, services and relationships; the which will be based on economic, social and environmental criteria established in the business strategy.

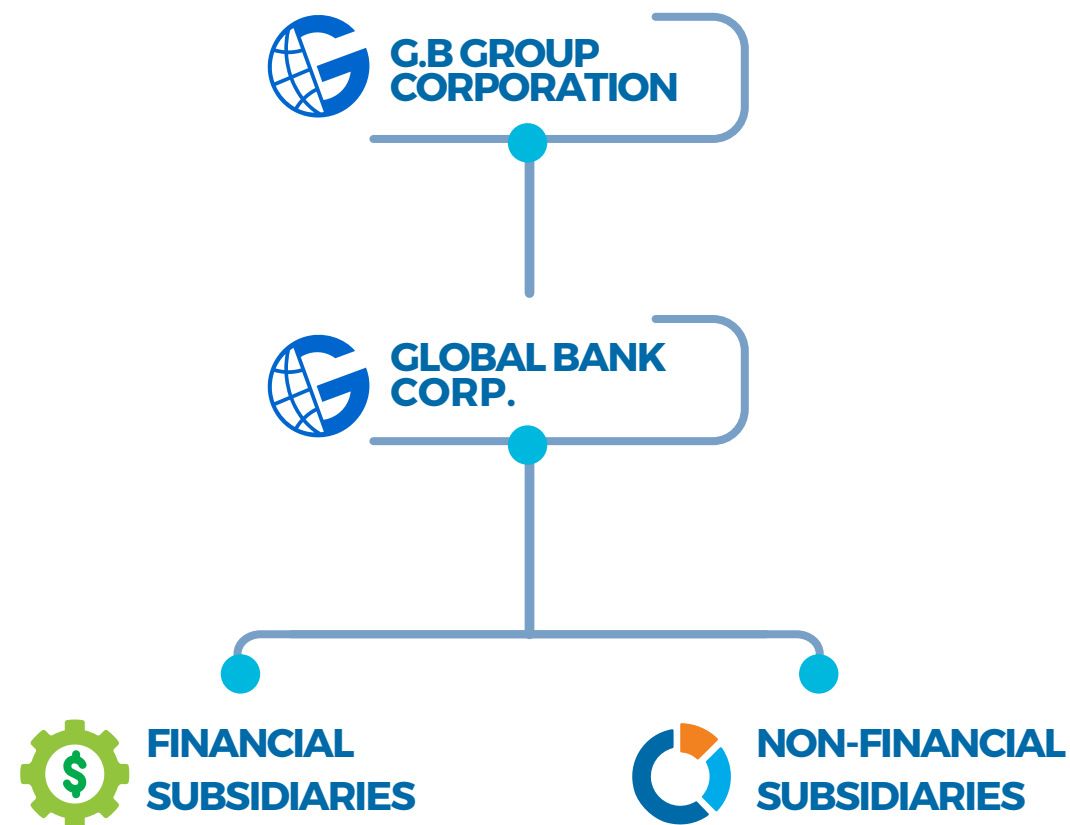


**“To be a responsible and highly regarded bank in the region, contributing to the sustainable development of society”.**

## VISSION

- To be a solid, innovative and prestigious institution, governed by the highest standards of quality and professional ethics, always maintaining great responsibility in the development of banking business.
- Offer customers tailored financial products that meet their particular needs.
- Offer its employees opportunities for personal and professional development.
- To be a responsible and highly regarded bank in the region, contributing to the sustainable development of society.

## CORPORATE STRUCTURE OF THE BANKING GROUP



We operate under an organizational structure that facilitates efficiency, with specialized teams for service and subsidiary.

## Principle financial subsidiaries:



**Global Bank Corp.:** Business Banking (includes International Banking), Personal Banking and Private Banking. The international banking credit portfolio is distributed mainly between the following countries: Guatemala, Costa Rica, Spain, Ecuador, Dominican Republic, The Salvador, Nicaragua, Honduras, Peru.



**Global Bank Overseas:** Foreign banking.



**Global Valores:** Stock exchange authorized and regulated by the Superintendence of the Stock Market of Panama; it also operates the Global Investment Fund, a closed investment company focused on a fixed income strategy.



**Global Financial Funds:** Trust products and services.



**Aseguradora Global:** different Insurance lines, primarily for Global Bank customers.



**Progreso AFPC:** Pension solutions (pension funds and post-employment benefits).

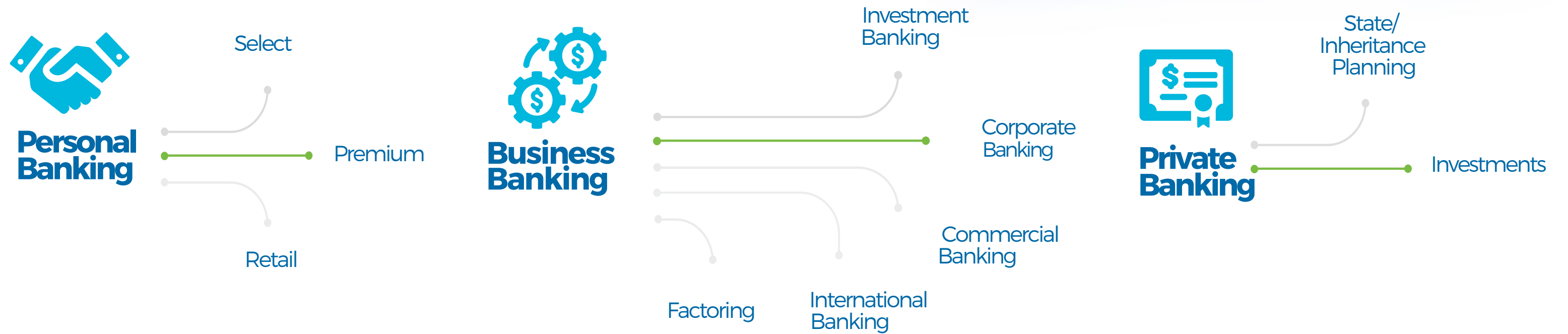
The **non-financial subsidiaries** operate the holding and administration of real estate.

## Business details:

(GRI 102-2)


As previously presented, our products and services portfolio attend to the different needs of people and companies, contributing to the personal and economic development of our clients.

Below is a detailed breakdown of products and services.



## Productos

Type of Business	Segment	Sector and Activities	Products/Services	Country
 PERSONAL BANKING	Retail Premium Select	Employed persons Non-employed persons Retirees Private Businesses Government	Current/Savings Accounts Certificates of Deposit (CDs) Personal loans Mortgages loans Auto Loans Guaranteed loans Credit Cards	Panama
 PRIVATE BANKING	Estate/inheritance planning Investments (>=\$1MM)	Individuals Retirees Institutional Clients	Investment Accounts Savings accounts Current accounts CDs Credit cards Guaranteed Loans Collateralized Loans	Panama (90%) Foreigners (10%)

Type of Business	Segment	Sector and Activities	Products/Services	Country
 <p><b>BUSINESS BANKING</b></p>	Commercial Bank (small and medium businesses)	Commercial Agricultural Industrial Construction Transport	Savings and current accounts Fixed-term deposits Lines of credit and overdraft Loans Leasing Corporate credit cards	Panama
	Corporate banking (medium and large Business)	Commercial Construction Industrial Agribusiness Telecommunications Logistics and Transportation Health Credit Organizations Energy	Savings and current accounts Fixed term deposits Cash-management Loans Lines of credit and overdraft Leasing Corporate credit cards	Panama (95%) Foreigners (5%)
	Investment Banking (>\$20MM)	Commercial Construction Industrial Agribusiness Telecommunications Logistics and Transportation Credit Organizations Energy	Structuring of loans and bonds corporate mergers and acquisitions of companies financial advice	
	International Banking	Commercial Construction Industrial Agribusiness Logistics and Transportation Credit Organizations Energy	Savings and current accounts Fixed term deposits Loans Credit lines Credit letters	
	Factoring	Construction Industrial Agricultural Services Supply of goods	Ease of discounting invoices Capital advance facility worked	Panama

Type of Business	Segment	Sector and Activities	Products/Services	Country
 INSURANCE	People insurance General securities Bail bonds	Global Bank Clients	Car Fire Fraud Personal Accidents Construction risk Collective of life and unemployment Bail bonds (various)	Panama
 PREVISION	Retirement/retirement Unemployment	Natural people Legal persons	Pension fund Contributory pensions Children's Education Fund (Junior Progress) Severance fund	Panama

Our portfolio of products and services is present through different channels, through the potential of technology. We prioritize inclusion, so that all customers can have access according to their needs, through remote and face-to-face channels.

**Remote Channels:**

**147**

Automatic Tellers (ATM)

**265,505**

Calls Received (Clients attended)

**80,100**

Online banking transactions

**25,354**

Mobile App transactions

**Presence-based modality**

**39**

Branches

## 1.2 CORPORATE STRATEGY

(GRI 102-15)

We provide service to our clients from and in Panama, thus our operation is closely related to the evolution of the country's economy and its social development. As a company, we aim to advance this evolution, with a preventive approach to protect the operation and continue delivering value to our customers and other stakeholders.

### Economic Context

Panama, during the previous five years, had been maintaining consistent growth, with an annual average increase of 4.6% of the GDP. However, due to the COVID-19 pandemic, GDP broke from its upward trend with a decrease of -17.9% during 2020. The impact on citizens has been especially significant, with a reduction in average labor income of 18% in 2020.

However, investment was maintained and social spending was expanded, despite the drop in debt collection. This has translated into an increase of the fiscal deficit, up to 10.3% of GDP in 2020, and public debt.

However, the scenario is one of recovery; The World Bank predicts real GDP growth of 9.9% at the end of 2021. Income growth is expected, thanks to trade flows and activity in the transport, logistics, mining and construction sectors, especially; and reducing spending as the public health situation subsides.

**“...Our operation is closely related to the evolution of the economy of the country and its social development.”**

### Sustainable Development

The country is characterized by enormous inequality, not remedied by the recent economic growth. Despite public investment, the rate of poverty stood at 12.1% in 2019, being 6 times higher in rural areas than in urban.

At the regional level, Panama is eleventh in terms of their degree of progress in achieving the Sustainable Development Goals (SDGs), in accordance with the [Index for Latin America and the Caribbean](#)<sup>(1)</sup>. Nevertheless, it is one of the countries that has advanced the most since the adoption of the SDGs in 2015. Although the study shows significant progress in SDG 4 (education) and SDG 1 (poverty), Panama continues to be focused on areas for improvement and priorities to attend to, while acknowledging the progress seen with the decrease, on a country-wide basis, with SDG 10 (reduced inequalities).

From the financial sector, we have the capacity to contribute to the financial inclusion in terms of our citizens and community, as well as the activity of the different sectors of the economy through credit, contributing to the employment generation.

<sup>1</sup> Cods, 2020. SDG Index 2019 for Latin America and the Caribbean. Center for the Sustainable Development Goals for Latin America and the Caribbean: Bogotá, Colombia.



The trend in SDG outreach performance for Panama is shown below.



Dashboards: ● SDG achieved ● Challenges remain ● Significant challenges remain ● Major challenges remain ● Information unavailable  
Trends: ↑ On track or maintaining SDG achievement ↗ Moderately improving → Stagnating ↓ Decreasing ● Trend Information unavailable

Status in 2021. Sustainable Development Report 2021. Bertelsmann Stiftung & SDSN.

## TRENDS IN THE FINANCIAL SECTOR

The current status of the pandemic has been accelerating digitization trends and development of new communication channels, as well as data captured and the possibility of its use for greater personalization to offer the customer.

Likewise, the financial sector has shown advances in sustainable development, evolving to a model of responsible banking, which is based on financial inclusion, education and cultural development, as well as protection of the environment both from our own activities as well as that corresponding to our business banking clients.

Below, we present the main initiatives and how we are working to include them in both operations and different subsidiaries:



## Banking Trends (GRI 203-1, 203-2)

### Strategic response of the Group

Banking Trends	Group strategic response
<b>Digitization of processes and remote client care:</b>	<p>The pandemic has sped up digitization, through our Online Banking, Mobile Banking and Telephone Banking we have been able to provide and maintain constant attention to customers, always focusing on their satisfaction.</p> <p>During the current fiscal year, we made a total investment in technology and innovation of more than USD\$ 5 million, which contributed to the transformation of the Group and the technological infrastructure of our operations.</p>
<b>Cybersecurity</b>	<p>Within the Group we have a secure structure to prevent any type of cyberattack. We have highly trained employees on the relevant topics, processes and internal prevention systems.</p>
<b>Customization based to customer data</b>	<p>Due to the growth of digital operations, the availability of data has increased, through the analysis of the data we been enabled to provide added value to customers. Always abiding by our ethical principles, we use the data in a responsible and safe manner for the client.</p>
<b>Diversification of the business portfolio</b>	<p>Our credit portfolio is diverse in terms of the sectors of economic activity that it represents, so that we can reduce possible risks associated with the evolution of any specific and unforeseeable national and international events.</p>
<b>Product development for better access to banking</b>	<p>We have products that seek to facilitate access to banking, especially for women and other vulnerable groups, such as credit, mortgages, SMEs, loans to retirees.</p>
<b>Contribution to the decarbonization of the economy</b>	<p>With the implementation of ESRMS in the credit portfolio, we evaluate the risks via environmental and social aspects so that we incorporate these aspects in the decision of whether to grant financing; thus, promoting good practices in current and potential customers. In addition, we finance renewable energy projects.</p>

02

CORPORATE  
GOVERNANCE



## 2. CORPORATE GOVERNANCE

(GRI 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28, 102-33)

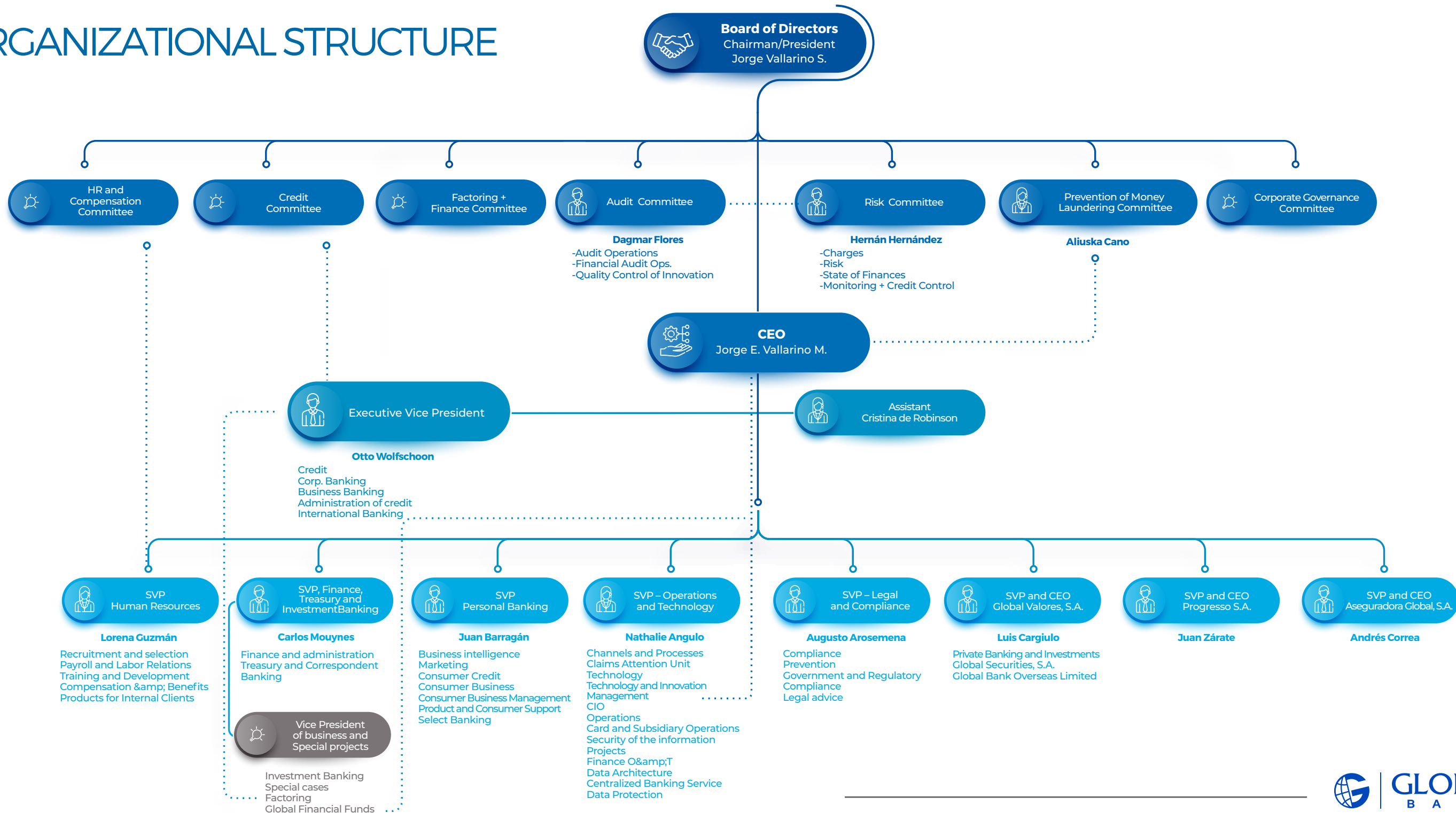
Our corporate governance is based on international best practices, regulatory requirements, and aligned to the set of values that define us as a financial group.

The strengthening of the governance structure, and the way in which it is organized, allows us to continue building a solid and resilient institution, which maintains the trust of our shareholders and investors, while generating value for the rest of the stakeholders.

Its scope is the parent company and the subsidiary companies. It includes the set of practices and processes through which they are managed, ensuring compliance with the strategic objectives in the short, medium and long term.



# ORGANIZATIONAL STRUCTURE



The **General Meeting of Shareholders** is responsible for approving the results of the Group, as well as the appointment of members to the Board of Directors and alternates. It meets annually, with the possibility of extraordinary sessions as determined by the Board of Directors.

The **Board of Directors** is the highest administrative body of the Group. Among its functions are to establish the policies, principles, rules and procedures for the proper management of the Group, including the operation of the internal control systems. Likewise, to ensure the financial health, structure of business plans and establishment of annual budgets.

Directors must have extensive and recognized professional experience, as well as understand the operation of the financial industry, which implies staying up-to-date on topics relevant to the organization. They serve a one-year term, with the possibility of re-election. The President of the Board of Directors is elected by the members themselves.

Committed to advancing the participation of women, we have set a minimum of 30% female members, and are working to reach that commitment. We will give priority to candidates of the least gender represented group, assuming they have the same qualifications based on criteria such as professionalism, merit and experience.



**“...ensuring financial health, structure of business plans”**

The annual training plan for directors allows us to reinforce their knowledge on risk issues, money laundering, digital transformation, corporate governance, economic perspectives, as well as topics related to ESG (environmental, social and corporate governance) in which we have some impact or could impact the business.

Directors' compensation is set by the Board of Directors; they are compensated by meeting fees, on a per meeting attended basis, whether they are ordinary or extraordinary.

Performance evaluations are carried out periodically; likewise, every three years the corporate governance structure is externally evaluated by consultants.

As for the composition of the Group's Board of Directors; the average tenure of its directors is 10 years. Currently, 20% of the directors are independent; additionally, 20% are women.

The detail of the trajectory and experience of our Directors can be found in: <https://www.globalbank.com.pa/es/globalbank/junta-directiva>

BOARD OF DIRECTORS		COMMITTEES						
Nombre	Condición y Cargo	Prevención de blanqueo de capitales	Auditoría	Riesgo	Crédito	Factoring y Fianzas	RRHH y Compensaciones	Gobierno Corporativo
<b>Jorge Enrique Vallarino Strunz</b>	Owner President	President voice and vote	Invited Participant	Participant voice	President voice and vote	President voice and vote	President voice and vote	President voice and vote
<b>Félix Brandon Maduro García de Paredes</b>	Owner Vice president	Participant voice and vote			Participant voice and vote	Participant voice and vote	Participant voice and vote	
<b>Bolívar Ernesto Vallarino Strunz</b>	Owner Secretary		Participant voice and vote	Participant voice and vote				
<b>Mónica García de Paredes de Chapman</b>	Owner Under-secretary	Participant voice and vote		Participant voice and vote				Participant voice and vote/Secretary
<b>Jorge Enrique Vallarino Miranda</b>	Owner Treasurer	Participant voice and vote	Invited Participant	Participant voice	Participant voice and vote	Participant voice and vote	Participant voice and vote	Participant voice and vote
<b>Ishak Salomón Bhiku Rawat</b>	Owner Under-Treasurer	Participant voice and vote		Participant voice and vote/Secretary	Participant voice and vote	Participant voice and vote		
<b>Jack Eskenazi Cohen</b>	Owner Member	Participant voice and vote		Participant voice and vote				
<b>Alberto Raymond Dayan Btsh</b>	Owner Member		Participant voice and vote					Participant voice and vote
<b>Domingo Adolfo Díaz Strunz - Vocal</b>	Owner Member				Participant voice and vote	Participant voice and vote	Participant voice and vote	

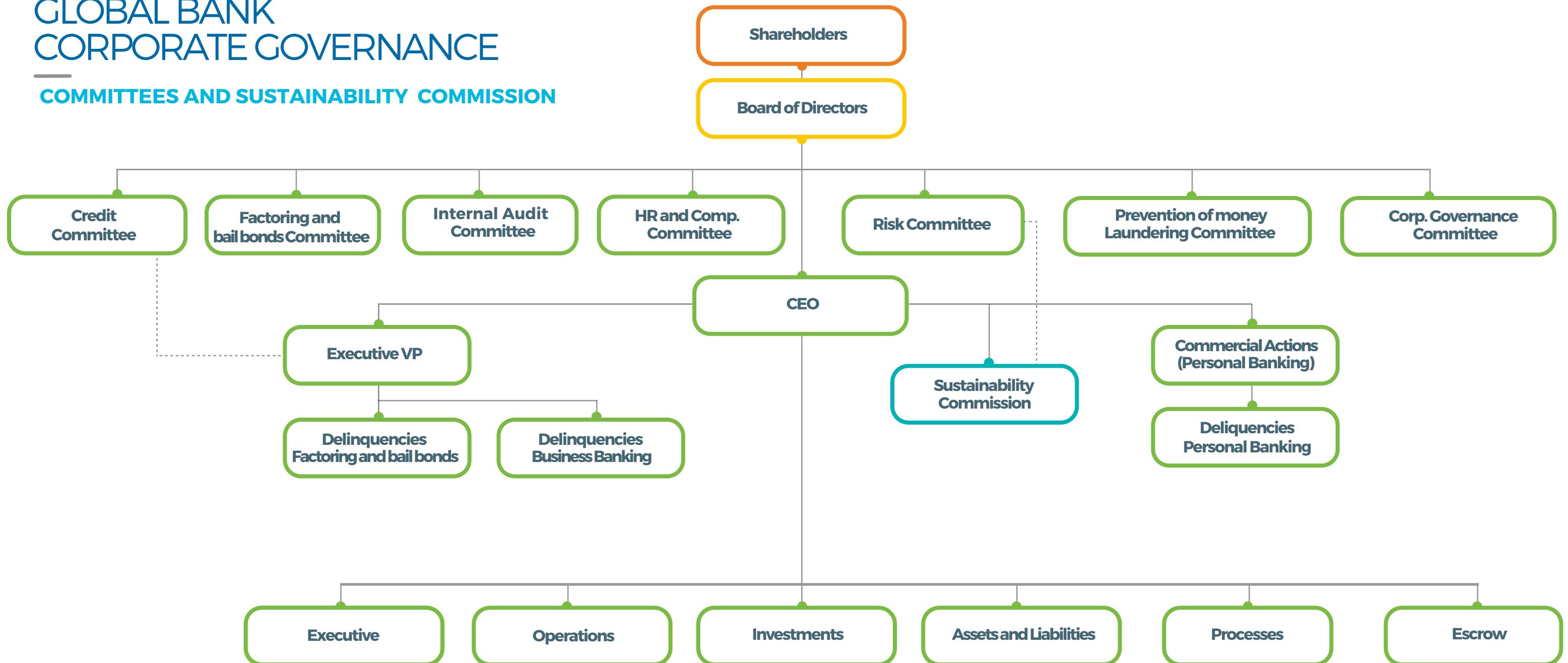
BOARD OF DIRECTORS		COMMITTEES						
Nombre	Condición y Cargo	Prevención de blanqueo de capitales	Auditoría	Riesgo	Crédito	Factoring y Fianzas	RRHH y Compensaciones	Gobierno Corporativo
Otto Oswald Wolfschoon Horna	Owner Member	Participant voice and vote	Invited Participant	Participant voice	Participant voice and vote	Participant voice and vote		
Stephen Benedicto Wong Chung	Owner Member		Participant voice and vote secretary	Participant voice				
Eddy René Pinilla	Independent Member	Participant voice and vote	Participant voice and vote	Participant voice and vote			Participant voice and vote	
Alberto Alemán Zubieta	Independent Member	Participant voice and vote		President voice and vote			Participant voice and vote	Participant voice and vote
Liliana Gómez Candanedo	Independent Member		President voice and vote		Participant voice and vote	Participant voice and vote		
Ana Cristina Rubinoff Guardia*	Independent Member							
Juan José Vansice	Owner Alternate				Participant voice and vote	Participant voice and vote	Participant voice and vote	
Larry E. Maduro	Owner Alternate			Participant voice and vote				Participant voice and vote
Benedicto Wong H.	Owner Alternate							

\*Ana Cristina Rubinoff joined the group following the first semester of 2021.



# GLOBAL BANK CORPORATE GOVERNANCE

## COMMITTEES AND SUSTAINABILITY COMMISSION



The Board of Directors is supported by a series of **Steering Committees**, with functions to support, study and propose actions. It is the Board of Directors itself that establishes the committee members according to their professional training, integrity, skills and experience.

COMMITTEES OF THE BOARD OF DIRECTORS		
Committee	Description	Detail
<b>Prevention of Money Laundering</b>	Promotes the application and implementation of policies and procedures for the Prevention of Money Laundering, the Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction. As well as related risk management.	17 members (2 independent) <b>Frequency:</b> Bimonthly
<b>Audit</b>	The committee serves to support in making decisions corresponding to the control and improvement, through the assessment of the processes related to risk management, the control environment and governance of the organization, and the supervision of the presentation of information and evaluation of the Group's internal and external audit processes. Establishes communication channels between the Board of Directors, the Administration, Internal Audit and External Auditors.	6 members (2 independent) <b>Frequency:</b> Bimonthly
<b>Risk</b>	Responsible for implementing a comprehensive risk management process that allows one to identify, evaluate, monitor and control or mitigate materially important risks.	14 members (2 independent) <b>Frequency:</b> Bimonthly
<b>Credit</b>	Its objective is to maintain the safety and solvency of the Group through proper credit management, limit the exposure to credit risk, thus maximizing the Bank's risk-adjusted rate of return.	10 members (1 independent) <b>Frequency:</b> Weekly

COMMITTEES OF THE BOARD OF DIRECTORS

Committee	Description	Detail
<p><b>HR and Compensation</b></p>	<p>Supports the Board of Directors in defining and organizing the development of talent of the Group, as well as reviewing and proposing remuneration structures for the officers of the Group and provide a succession plan for the General Manager and other members of senior management and/or key executives.</p>	<p>8 members (2 independent)  <b>Frequency:</b> 2 times a year                      (at minimum)</p>
<p><b>Corporate Governance</b></p>	<p>Its objective is to support the management of the Board of Directors in the fulfillment of the corporate and strategic objectives of the Group.</p> <p>As well as, to ensure faithful compliance and the application of good practices of Corporate Governance, ensuring that the strategic objectives and corporate values are communicated to the entire organization.</p>	<p>12 members (1 independent)  <b>Frequency:</b> Quarterly</p>
<p><b>Factoring and Bonds</b></p>	<p>Its objective is to maintain the safety and solvency of the Group through adequate administration of our products and guarantees granted under the framework of policies and procedures for monitoring and their recovery.</p>	<p>12 members (1 independent)  <b>Frequency:</b> Weekly</p>

(GRI 102-34 405-1)

The responsibilities of daily management fall to **senior management**, who must maintain fluid and frequent communication with the Board of Directors. The team is made up of executives with extensive knowledge, experience and commitment to the organization.

MEMBERS OF SENIOR MANAGEMENT

Name	Position	Main functions
Otto Wolfschoon	Executive Vice President and Deputy General Manager	Assist the CEO in the strategic management of the business. Responsible for planning, direction, coordination and supervision of the development and execution of strategies and functions related to the marketing of the Bank's product lines in order to provide high-quality products and services to customers while maintaining projected profit margins.
Carlos Mouynes	Senior Vice President of Finance, Treasury and Investment Banking	Responsible for planning, directing and supervising the areas related to management of the bank and Investment Banking, ensuring the development of financial operations and accounting and ensuring the optimal use of human, economic and technical resources.
Lorena Guzmán	Vice President of Human Resources	Being a strategic partner to the CEO; plan, direct and evaluate all established human resources programs, ensuring the improvement of labor relations and the compliance with personnel policies and procedures, in order to guarantee their proper development.
Juan Barragán	Senior Vice President of Personal Banking	Oversee the strategy of the Vice Presidency of Personal Banking, as well as its performance in the market.
Dagmar Flores	Senior Vice President of Internal Audit	Carry out managerial advisory functions and continuous monitoring of corporate governance practices.
Nathalie Angulo	Senior Vice President Operations and Technology	Oversee the planning, selection, design, management and implementation of banking operations, project management, technology systems, information security and customer service, through continued innovation of processes and services, within the best standards and in compliance with regulatory and internal standards.

(GRI 102-35)

MEMBERS OF SENIOR MANAGEMENT		
Name	Position	Main functions
<b>Juan Pablo Zárate</b>	Senior Vice President and General Manager of Progreso AFPC, S.A.	Represent the company before individuals and companies and responsibly manage the business activities in conjunction with each area such as: sales, investments, administration, operations, and accounting.
<b>Hernán Hernández</b>	Senior Vice President of Risk	Identify, measure, monitor, control and mitigate the significant risks of the Institution, through expert knowledge in the management of models and measurement by technological tools.
<b>Andrés Correa</b>	Senior Vice President and General Manager of Aseguradora Global, S.A.	Formulate the risk dispersion strategies for the collateral goods given in guarantee by the bank's clients, for use via transfer to insurance and/or reinsurance in the world market.
<b>Luis Cargiulo</b>	Senior Vice President and General Manager of Global Securities, S.A.	Plan and coordinate, together with the CEO, the businesses to be developed by the bank in order to achieve the sustained growth of the organization.
<b>Augusto Arosemena</b>	Senior Vice President of Legal and Compliance	Provide timely and factual information to Senior Management, Money Laundering Prevention Committee and the Board of Directors on the condition of Regulatory Compliance in the Institution, in order to promote the achievement of strategic objectives.

For the succession of the General Manager and direct report executives, we have a succession plan policy, which is reviewed annually by the Human Resources and Compensations Committee and then presented at the Bank's Board of Directors.

There are three main pillars which are taken into account to establish remuneration for Senior Management: 1) business results, 2) annual evaluation of each position versus the market and 3) ones' impact on the annual management of the business. It is based on the annual evaluation of performance and compliance with the established objectives, both financial and specific to the operation of the individual's specific area.

# 03 | ETHICS AND COMPLIANCE



### 3. ETHICS AND COMPLIANCE

(GRI 102-16, 102-17, 102-25, 205-1, 205-2, 205-3, 206-1, 412-2, 415-1, 416-2, 417-2, 417-3, 419-1) (SASB FN-CB-510a.1, FN-CB-510a.2, FN-CF-220a.2, FN-CF-270a.4, FN-CF-270a.5, FN-IN-270a.1, FN-MF-270a.3, FN-AC-270a.2, FN-AC-510a.1, FN-AC-510a.2, FN-IB-510a.1, FN-IB-510a.2, FN-IB-510b.4)

The adherence to ethics is part of our organizational culture, of the how we perform internally and in relationships with customers, providers and other stakeholders.

In this regard, we have established guidelines integrated into our [Code of Ethics and Conduct](#), together with additional policies that reinforce our self-regulation. It is updated regularly and is a key part of our prevention strategy, based on when and how risks, to which we are exposed evolve. Its application is mandatory for all of our employees, as well as for the members of the Board of Directors.

The aspects we most closely regulate include the prevention of conflicts of interest, the use of privileged information, transparency with the client and, in with regard to internal relations, respect for diversity and non-discrimination.

The Code of Ethics and Conduct and the prevention and compliance manuals are made available to employees at the time they join the Group, with on-going trained whenever there are updates to our policies. In addition, we launch informative capsules throughout the year on related topics.



**“...transparency with the client and internal relations...”**

#### Training on Ethics and Anti corruption 2020-21

Training	Global Bank (including subsidiaries)	
	Number of Employees Attended	Hours of training
Introduction	41	328
Money Laundering Prevention (Transparency)	923	1,203
Code of Conduct and Ethics	1739	2,160
Conflicts of Interest	1739	870
Protecting personal information	277	548
<b>TOTAL HOURS</b>		<b>5,109</b>

#### Training on Anticorruption

Training on Anticorruption	# of employees trained	2019-20		2020-21	
		Hours of training	# of employees trained	Hours of training	
Staff CEO	6	59	4	12	
Vice Presidents	16	156	22	29.5	
Senior Managers	54	318	97	100	
Middle Management	91	248	138	153.5	
Administrative and Support	226	445	292	275	
<b>Total</b>	<b>393</b>	<b>1,226</b>	<b>553</b>	<b>570</b>	

We ask our employees to report any possible non-compliance with the Code of Conduct and Ethics and other policies. To do so, we have the Global Ethics Line, which is also available to our clients as well as the public. Complaints can be made anonymously, and will be followed up upon until resolution.

☎ Telephone calls: 00800 052 1375

✉ E-mail: [etica.globalbank@resguarda.com](mailto:etica.globalbank@resguarda.com)

🌐 Website: [www.resguarda.com/globalbank](http://www.resguarda.com/globalbank)

The Ethics and Conduct Committee is the governing body responsible for following up on complaints received and applying consequences as determined in our regulations. The sanctions will be applied as established in Art. 54, Chapter XI of the Internal Work Regulations.

### 3.1 Compliance and Prevention of Money Laundering

We have a solid Compliance Program, based on three main principles:

- ✓ **Prevention activities**
- ✓ **Monitoring and control activities**
- ✓ **Continuous training program**

As part of the prevention principles, we have the Manual for the Prevention of Money Laundering and the Know Your Client Policy, both approved by the Group's Board of Directors and also submitted to the annual review of the Superintendence of Banks. Contribution by anyone in the Group or any of its subsidiaries to political parties and political representatives are strictly prohibited.

The Vice President of Compliance annually publishes the amendments made to the aforementioned manual and policy. This year we also want to highlight the publication of the Anti-Bribery and Anti-Corruption Policy.



For monitoring and control, together with attention to complaints received through of the Global Ethics Line, we proactively carry out an audit of adherence for our policies and codes. We also have tools in place that help us to manage these processes, such as the dashboard that we launched at the end of 2020; it allows us to more efficiently monitor the alerts and notifications on money laundering and related issues. We also have software that monitors and filters transfers and payments from customers, received or sent to countries or people that are on warning/observation lists.

Through the training program already detailed, we continue to strengthen the knowledge of our stakeholders on our policies and their application, especially in the monitoring of transactions, identification of suspicious operations and their process of internal escalation.

Thanks to all of these initiatives carried out during the period covered by this report, we received no sanctions in terms of corruption or money laundering. We also like to point out that our continued adherence to compliance has led to an absence of significant sanctions in other areas as well.



# 04 | RISK MANAGEMENT

<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>13</b> CLIMATE ACTION 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 
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## 4. RISK MANAGEMENT

(GRI 102-11, 102-15, 102-29, 102-30, 102-31)

### 4.1 Main risks

The activities carried out by the Group are exposed to a variety of risks, therefore which must include the analysis, evaluation, acceptance, and administration of a certain degree of risk or a combination of risks. Therefore, the goal is to achieve an appropriate balance between risk and return, and minimize potential adverse effects in the course of business.

Considering the foregoing, the Group has established guidelines to comprehensively manage risks through the Risk Governance Framework which integrates the risk type, the level of acceptable risk and its relationship with the risk capacity of the Group; and the clear identification of the responsibilities of the different functional units to deal with and manage risk.

Comprehensive risk management is supported by principles, strategies, policies, processes, methodologies, manuals, structures and information systems that guarantee the integrity and efficiency of the comprehensive risk management process.

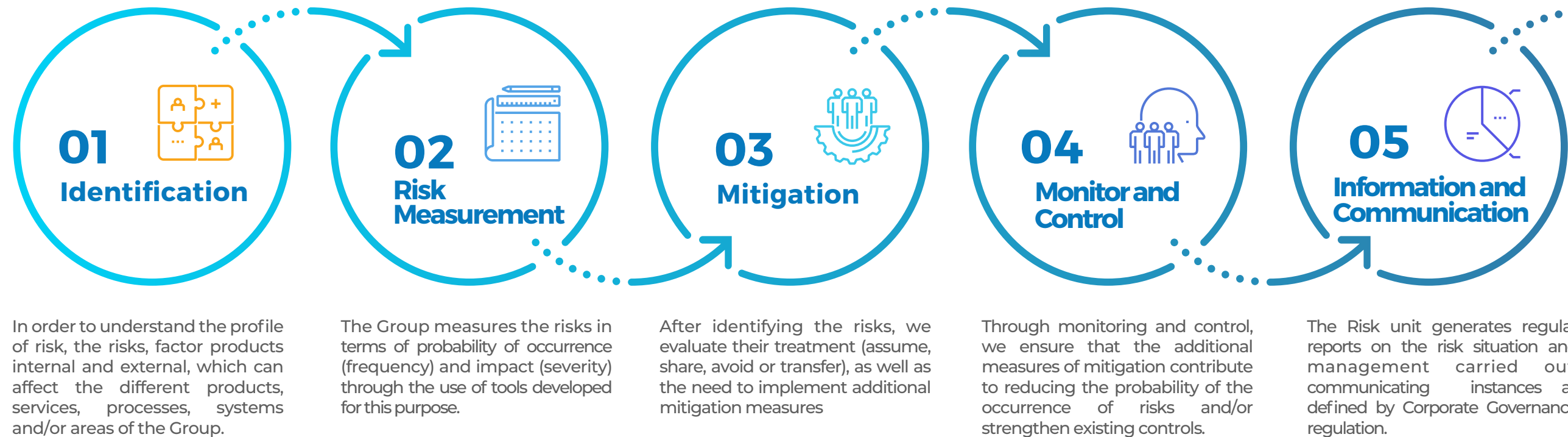
Comprehensive risk management is defined as the process by which the Group identifies, measures, monitors, controls, mitigates and reports to functional units and entities of Corporate Governance, the different types of risks to which it is exposed according to the size and complexity of operations, products and services.



**“Our risk management approach is based on prevention.”**








Below, we present the breakdown of the comprehensive risk management process:








The Group has established a decentralized management strategy based on the three (3) lines of defense. By which, all functional units are responsible for managing their risks, maintaining effective internal control and executing risk control procedures in the daily exercises of their activities.

Additionally, the specialized risk control and monitoring areas are independent of the first line of defense and their role is to monitor the effective control of risks, ensuring that they are properly managed; while, Internal Audit independently reviews the management process, objectively guaranteeing its quality and effectiveness.

Below is a breakdown of the main risks we manage:

Risk	Description	Keys of management
 <b>Credit</b>	Possibility of incurring losses and decrease in value of the Group's assets, as a result of its debtors failure to comply in a timely manner or to comply incompletely to the terms agreed upon in the credit agreements.	<ul style="list-style-type: none"> <li>• Definition of target markets.</li> <li>• Establishment of credit terms and conditions for each segment/type of credit.</li> <li>• Granting of credit based on payment capacity (individuals) and generation of cash flows (companies).</li> <li>• Credit process based on the segregation of functions.</li> <li>• Matrices of faculties and instances for credit approval.</li> <li>• Guarantee policies.</li> <li>• Risk transfer through insurance coverage.</li> <li>• Concentration and exposure limits.</li> <li>• Monitoring of the behavior and evolution of portfolio indicators.</li> <li>• Portfolio coverage reserves goals.</li> </ul>
 <b>Concentration</b>	High level of exposure that could cause losses in the Group, which could affect the solvency or ability to maintain operations. Risk concentrations can arise in assets, liabilities or off-balance sheet transactions.	<ul style="list-style-type: none"> <li>• Policies, processes, manuals and tools that guarantee the integrity and effectiveness of management.</li> <li>• Monthly monitoring of indicators related to concentration risk and their respective regulatory limits, internal limits and covenants.</li> </ul>
 <b>Country</b>	Possibility of incurring losses caused by adverse economic effects, social, political environment or natural disasters in countries where the Group or its customers do business. Country risks includes transfer risk, political risk, and sovereign risk, among others.	<ul style="list-style-type: none"> <li>• Definition of target countries</li> <li>• Policies for country risk management</li> <li>• Approval limits per instance, exposure limits</li> <li>• Permanent monitoring of sovereign ratings</li> <li>• Establishment of reserves for country risk</li> <li>• Reports and communication on exposure to country risk. Stress tests</li> </ul>
 <b>Capital</b>	Possibility that the Group or any of its related companies, has insufficient quantity and/or quality of capital to meet the minimum regulatory requirements established, respond to the expectations of the market in relation to its credit solvency and support the growth of possible business strategies that arise according to financial planning.	<ul style="list-style-type: none"> <li>• Policies, processes, manuals and tools that guarantee the integrity and effectiveness of management</li> <li>• Monthly monitoring of indicators related to capital adequacy and its respective regulation limits, internal limits and covenants.</li> <li>• Stress test</li> <li>• Sensitivity analysis</li> </ul>
 <b>Liquidity</b>	Possibility of an economic loss of the Group due to the difficulty in liquidating assets or obtaining financial resources under normal conditions.	<ul style="list-style-type: none"> <li>• Set of policies, strategies, limits and levels of acceptance and procedures</li> <li>• Evaluation of the funding structure, maturity structure, concentration</li> <li>• Wide availability in financing lines and access to the local and international capital market</li> <li>• Monitoring and control of limits and internal alerts for liquidity indicators</li> <li>• Stress tests</li> <li>• Contingent financing plan</li> </ul>




Risk	Description	Keys of management
 <b>Market</b>	<p>Market Possibility of losses derived from adverse movements in the prices of the products in the financial markets where they are positioned, in relation to the operations of the trading portfolio. This mainly includes the risk of price, interest rate change and exchange rate risk.</p>	<ul style="list-style-type: none"> <li>• Set of policies, strategies, limits and levels of acceptable risk, procedures and other mechanisms of action in situations of adverse market risk</li> <li>• Conservative approach regarding the organization's own investment portfolio</li> <li>• Vigilant monitoring of the price evolution of the investment portfolio</li> <li>• Risk hedging strategy</li> </ul>
 <b>Operational</b>	<p>Possibility of losses due to deficiencies, failures or human resources inadequacies, processes, technology, infrastructure, management information, models in use, or by the occurrence of external events. This definition includes the legal risk associated with such factors; but excludes losses from lost profits, reputational risk and strategic risk.</p>	<ul style="list-style-type: none"> <li>• Control systems comprised of formally established policies, processes, procedures and control levels</li> <li>• Assignment of Risk Managers in the different functional units, responsible for applying risk management tools and who report results to the Risk Management Unit</li> <li>• Continued education and training</li> <li>• Risk limits</li> <li>• Monitoring results of measurement tools</li> <li>• Risk transfer through insurance coverage</li> <li>• Business continuity planning</li> </ul>
 <b>Legal</b>	<p>Possibility of incurring losses as a result of the non-compliance with rules, laws, regulations or procedures with possible legal consequences, as well as instructions from an acknowledged authority; from judicial resolutions or adverse administrative actions, among others.</p>	<ul style="list-style-type: none"> <li>• Policies, processes, manuals and tools that guarantee the integrity and effectiveness of management</li> <li>• Lawsuit prevention and mitigation processes</li> <li>• Review of contracts by Legal team</li> <li>• Regulatory compliance management</li> </ul>
 <b>Money laundering and Financing of terrorism</b>	<p>Possibility of incurring risks derived from the use of the Group's products and services for Money Laundering and Financing of Terrorism (ML/TF).</p>	<ul style="list-style-type: none"> <li>• Policies, processes, manuals and tools that guarantee ML/TF Prevention management</li> <li>• Compliance Program (due diligence process, Know Your Customer policies, monitoring tools, list of sanctions, regulatory reports, processes and internal projects of the department)</li> <li>• ML/TF Risk Matrices</li> <li>• Annual ML/TF Risk assessment process</li> <li>• Independent ML/TF Risk Assessments</li> </ul>
 <b>Environmental and social</b>	<p>Possibility that the Group incurs losses from the negative impacts of environmental and/or social factors caused by credits granted for the financing of projects; as well as by environmental activities that can develop, significantly affecting the economic system.</p>	<ul style="list-style-type: none"> <li>• Implementation of the Environmental and Social Risk Management System (ESRMS).</li> <li>• Policies and procedures to identify and manage the environmental and social risks of activities financed</li> <li>• Controls to verify compliance with the conditions and environmental and social mitigation measures by the clients</li> <li>• Monitoring visits for applicable cases.</li> <li>• Monitoring of indicators.</li> <li>• Socio-Environmental Risk Reports.</li> </ul>



## Emerging Risks

Within the financial and non-financial risks, there are a series of factors that are gaining special relevance due to the evolution of our organization as a financial group.

Our robust risk management structure is dynamic, in order to address the evolution of these risks, in such a way as to prevent the potential negative effects to the business and relationships with different stakeholders.

We present these factors below, and throughout the report regarding our management of them.

Factor	Impacts	Management of Risk by Bank	More information
 <b>Cybersecurity</b>	<ul style="list-style-type: none"> <li>• Blocking remote channels</li> <li>• Customer data theft</li> <li>• Impersonation of clients and/or employees.</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Information Security Policies and Processes</li> <li>• Information Security Government Framework</li> <li>• Information Security Incident Management</li> <li>• State-of-the-art technology, subjected to internal and external testing</li> <li>• Risk management awareness and training for technological agents, managers or personnel on the functional areas of the first line of defense</li> </ul>	<a href="#">Customer Experience: Security and use of information</a>
 <b>Protection of personal information</b>	<ul style="list-style-type: none"> <li>• Violations of privacy affecting the integrity and customer safety</li> <li>• Use given by third parties that may have client information</li> </ul>	<ul style="list-style-type: none"> <li>• Information Security Policies and Processes</li> <li>• Information Security Incident Management</li> <li>• Information Security Government Framework</li> <li>• State-of-the-art technology, subjected to internal and external testing</li> </ul>	<a href="#">Customer Experience: Security and use of information</a>
 <b>Over-indebtedness</b>	<ul style="list-style-type: none"> <li>• Decrease in the financial health of families</li> <li>• Debtors subject to loss of equity</li> <li>• Difficulty in recovering the loan portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Education Program aimed at teaching good management of personal finances</li> <li>• Business practices with the aim of providing clients the best advice to meet their financial needs</li> <li>• Credit policies designed and aligned with the condition of the customers</li> </ul>	<a href="#">Customer Experience: Added value and transparency</a>

Factor	Impacts	Management of Risk by Bank	More information
<p> <b>Climate change</b></p>	<ul style="list-style-type: none"> <li>• Difficulty in recovering commercial credit</li> <li>• Loss of value of assets in which we have invested</li> <li>• Difficulty in meeting the requirements of institutions and international funding agencies on: sectors excluded, portfolio decarbonization, etc.</li> <li>• Compliance with regulatory provisions on placement of credit and investment due to aspects of climate change</li> <li>• Direct emission thresholds for Group operations that require investment in more efficient and cleaner technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the Environmental and Social Risk Management System (ESRMS)</li> <li>• Financing of renewable energy projects</li> <li>• Piloting the measurement of credit portfolio emissions, compliance with PCAF</li> <li>• Use of renewable sources for energy consumption</li> <li>• Measurement of the inventory greenhouse gas emissions (GHG)</li> </ul>	<p><a href="#">Sustainable financing</a>  <a href="#">Sustainable investment</a>  <a href="#">Environmental management: introduction</a>  <a href="#">Energy and emissions</a></p>
<p> <b>Corruption and fraud</b></p>	<ul style="list-style-type: none"> <li>• Increased incidences of fraud in the use of electronic channels</li> <li>• Increase in the perception of acts of corruption in the country</li> </ul>	<ul style="list-style-type: none"> <li>• Fraud prevention system.</li> <li>• Corporate and Organizational Governance Structure for monitoring and surveillance</li> <li>• Compliance Program (due diligence process, Know-Your-Customer policies, monitoring tools, sanctions list).</li> <li>• Code of Ethics and Conduct.</li> <li>• Training on the subject for the Group's employees.</li> </ul>	<p><a href="#">Ethics and compliance</a>  <a href="#">Security and use of information</a></p>

## 4.2 RELATIONSHIP WITH THE SUPPLY CHAIN

(GRI 102-9, 204-1, 205-1)

Our suppliers are key to the development of the business model and activities, including strategic and operational aspects.

We assess suppliers under the Know Your Suppliers Policy, which includes aspects of ethical management and anti-bribery. The process currently considers three stages: 1) Initial evaluation, with the identification of the possible risks (prevention of money laundering, economic implications, operational risk and information security risk); 2) Approval of the contract by the Legal group; 3) Evaluation of the service provided, by area of who requested it. We are working to integrate the process to include evaluation of social and environmental performance as well.



% of contracts reviewed by risk level

High	Medium	Low
3.46%	21.9%	74.5%





## Description of the supply chain

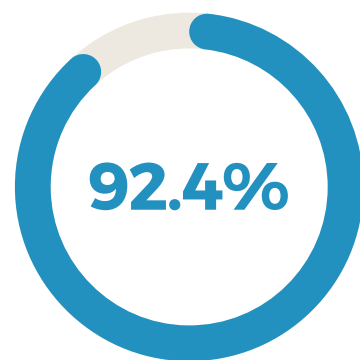
(GRI 102-15)

We allocated US\$41,328,975 in the last fiscal year, to an estimated 411 active suppliers between national and international companies; 92.4% of the expenditure was allocated to national suppliers.

The diversity of our supply chain is wide, highlighted by our technology suppliers, which represent 24% in total, considering the development of remote channels and the process of digital transformation that we are immersed in; such as corporate services where they are working on administrative activities and facility services.

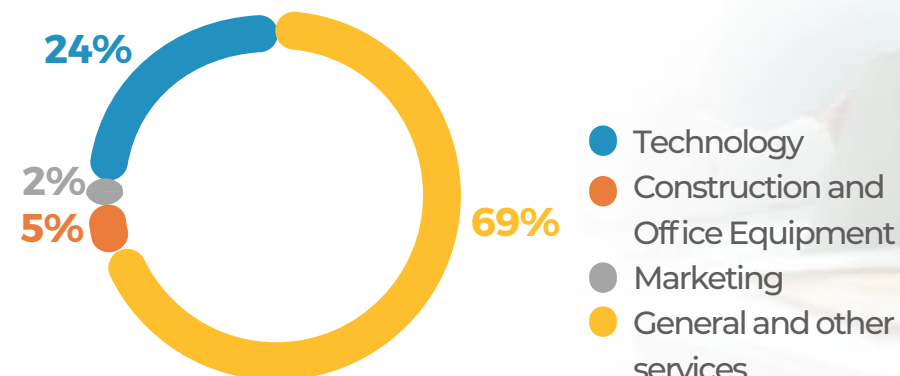
### Relevant figures related to the value chain

Allocated **+US\$41 millions** | Suppliers **411**



National Suppliers

### Suppliers by type of service 2020-21



- Technology
- Construction and Office Equipment
- Marketing
- General and other services

## 4.3 CLIMATE CHANGE RISKS

(GRI 201-2)

As part of the financial sector, we are directly exposed to risks and opportunities related to climate change, through our operations and the use of natural, and indirect resources, through financial intermediation activities with borrowers, clients and counterparties.

Below, we list our principal risks, presented in accordance with the recommended recourse by the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#).

### Transition Risks

The transition to a low-carbon economy may entail major political, legal, technological and market changes to address the mitigation and adaptation requirements related to climate change. Depending on the nature, speed and approach of these changes, the transition risks can pose financial and reputational risks at different levels for the organizations.

### Physical Risks

Physical risks from climate change can trigger (acute) events or long-term (chronic) changes in weather patterns. can lead to financial implications for organizations, such as direct damage to the assets or indirect impacts caused by production. interruptions in the supply chain.



TRANSITION RISKS – FINANCIAL GROUP

Risk subtype	Risk associated with climate change	Description
<b>Legal and Regulatory</b>	Pricing of GHG emissions.	Financial risk for Global Bank's industrial clients, which would directly affect their liquidity due to having to invest in acquiring emission rights if they exceed the established limits; in a cap & trade system.
	Improvement in obligations of monitoring and control of emissions.	Increase trained personnel in the environmental area and economic resources allocated to the study and follow-up of the bank's clients regarding their level of compliance with environmental requirements.
	Risk of lawsuits against third parties.	Lawsuits for environmental crimes aimed at GlobalBank customers, who will bear litigation costs.
	Portfolio investment requirements.	Establishment of limitations on the placement of the Group's capital, either through credit or investments, in sectors with greater exposure to climate change and/or greater contribution to it (for GHG emissions).
<b>Technology</b>	Replacement of existing products and services low emissions conceptions.	Global Bank clients who are positioned in sectors that are outperformed by clean technologies and low emissions could lose competitiveness, affecting their financial projections.  An example can be reflected in the low demand for products, new laws that affect the company (new taxes); affects credit repayment, in portfolio sectors such as paper products.
	Costs for the transition to technology of low emissions.	Investment in the remodeling and adaptation of the Global Bank buildings, including cleaner and more innovative technology. Necessary investment by Global Bank clients to improve their efficiency and reduce their environmental impact, through the implementation of cleaner technologies.  For example: Customers with car and transportation financing, need to replace the vehicles for those with low emissions and could lead to the resale of the current vehicle at a lower price than the value of the debt. It implies a longer period of recovery of debt or bad debt. (Amortization and early retirement of existing assets).



TRANSITION RISKS – FINANCIAL GROUP

Risk subtype	Risk associated with climate change	Description
Market	<p>Changes in (market) trends, in the preferences of financial agents and of consumers.</p> <hr/> <p>Increased cost of raw materials.</p>	<p>Increasing evolution of ESG requirements by capital providers, such as the multilateral banking and institutional investors.</p> <p>Sudden changes in the price of raw materials that affect the productivity and liquidity of client companies. Whether due to low demand for products or increased prices of end products for customers that could decrease demand and increase production cost in the following sectors:</p> <ul style="list-style-type: none"> <li>- Construction</li> <li>- Food and beverage / Cement manufacturing</li> <li>- Real estate</li> </ul>
Reputation	Change in customer preferences.	Demand from customers to limit the direct social and environmental impacts of our activity. As well as those related to the reputation of our clients, it can mean additional costs related to reducing portfolio exposure in sectors such as transportation which uses fuels from fossil sources.

PHYSICAL RISKS – FINANCIAL GROUP

Risk subtype	Risk associated with climate change	Description
<p><b>Acute Risks</b></p>	<p>Increased weather phenomena: extreme meteorological events such as cyclones and floods.</p>	<p>Reduction of economic income and damage to infrastructure for customers due to these phenomena. Direct losses due to damage to assets (Global Bank and clients), affecting the repayment of debt and decrease in the value of guarantees of affected loans. Increase in the cost of insurance.</p> <p>It mainly impacts the following sectors of our portfolio:</p> <ul style="list-style-type: none"> <li>✓ Agriculture (loss of crops and plantings).</li> <li>✓ Cattle raising (loss of animals).</li> <li>✓ Tourism (low demand in the affected regions, damage to infrastructure such as hotels).</li> <li>✓ Housing (home losses) and infrastructure (damage to buildings, damage to roads and bridges).</li> </ul>
<p><b>Chronic Risks</b></p>	<p>Changes in precipitation patterns and extreme variability in climatic patterns.</p> <hr/> <p>Increase in average temperature.</p> <hr/> <p>Rising sea levels.</p>	<p>Loss of value of customer assets (guarantees) due to being located in areas with problems of water supply (desertification). Increases in customers' operating costs (investments in agriculture). Lower production of renewables (hydro and wind).</p> <p>Mainly impacting the following sectors:</p> <ul style="list-style-type: none"> <li>✓ Agriculture (loss of crops and suitable land).</li> <li>✓ Cattle raising (death of animals or underweight, does not cover demand for animals).</li> <li>✓ Hydroelectric power generation (cannot meet generation demand due to lack of water, low income).</li> <li>✓ Housing and infrastructure (loss or devaluation of the asset).</li> </ul> <hr/> <p>Population movements that can lead to depression in certain areas accompanied by loss of business.</p> <hr/> <p>Threats to client assets that can lead to loss of profits and solvency.</p>

Likewise, we have identified those areas of opportunity in the matter:

OPPORTUNITIES – FINANCIAL GROUP		
Opportunities	Opportunity associated with climate change	Description
 <p><b>Energy Sources</b></p>	<p>Finance installation and renewable energy (solar, wind, hydro, biomass). For example, financing solar panels.</p>	<p>Less exposure to transition risks, reputational benefits, increased availability of capital, clients with better capacity and financial health; since they (customers) can reduce costs of operation, reduce the probability of price increases or imposition of taxes, among others.</p>
 <p><b>Products and Services</b></p>	<p>Develop products to finance activities that use new technologies or methods to reduce GHG emissions. Offer advice to clients such as: sustainable farming / cattle raising, sustainable construction, energy efficiency.</p>	<p>Less exposure to transition risks, reputational benefits, increased availability of capital, clients with better capacity and financial health; since they (customers) can reduce costs of operation, reduce the probability of price increases or imposition of taxes, among others.</p>

To maintain our effort on this analysis, we will expand it to include the management of these risks, measurement indicators and objectives. At the same time, we have begun a consultancy to identify green financial products that are aligned with the NDC of Panama in its contribution to the Paris Climate Agreement.

# 05 | SUSTAINABILITY STRATEGY



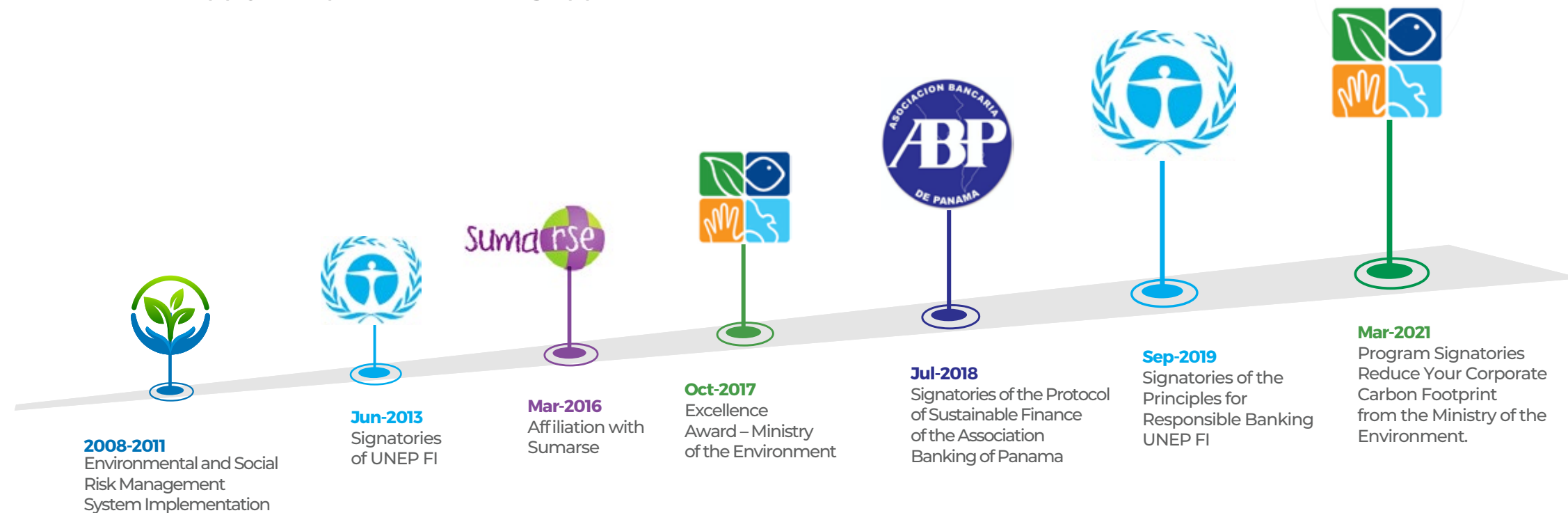
## 5. SUSTAINABILITY STRATEGY

(GRI 102-12, 102-13, 102-20)

At Global Bank we are strongly committed to sustainability, which we understand is integral to the business. Through the provision of financial products and services, we seek to contribute economic and social development, protecting the environment and applying high standards of corporate governance and ethics.

To this end, we also apply a responsible banking approach.

Since 2008 we have made efforts and strategic alliances to be able to direct our business to a more sustainable route. We are advancing and aligned with the best practices, subscribing to the highest principles of our sector. In 2018 we signed the **Protocol of Sustainable Finance of the Banking Association of Panama**, and in 2019 the **Principles for Responsible Banking promoted by UNEP-FI**.





To do this, we built a roadmap of initiatives based on the diagnosis of our current standing. We organize our **Sustainable Business Strategy** into 5 pillars, divided into operational and transversal. Their implementation is broadly administered in our different areas and subsidiaries, guided by the **General Sustainability Policy**.

**Operational Plans:**

-  Eco-Efficiency
-  Environmental and Social Risk Management
-  Environmental and Social Products and services

**Transversal Plans:**

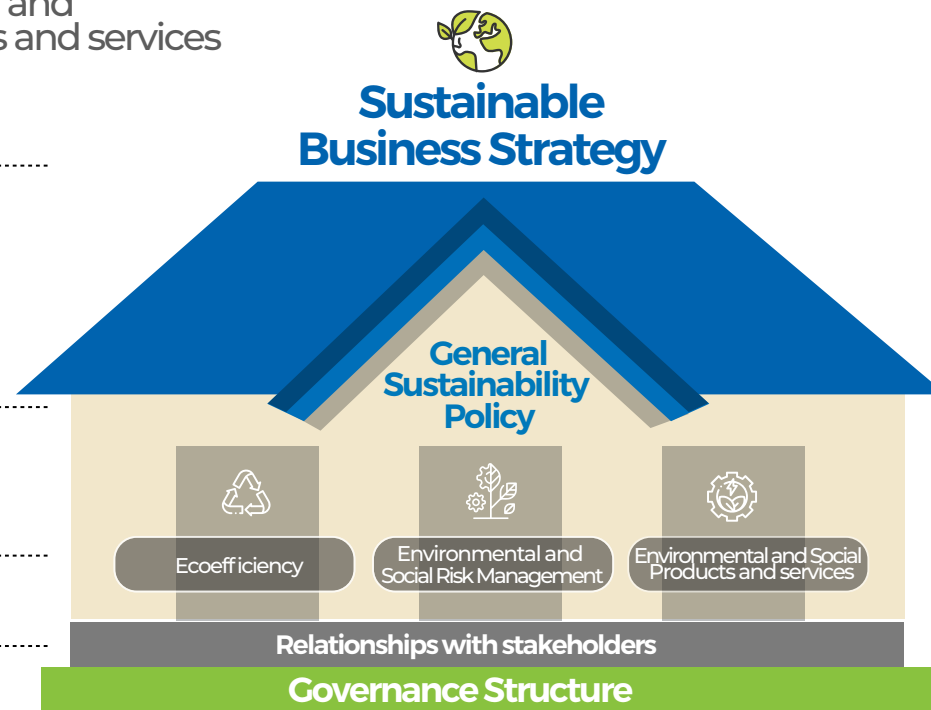
-  Governance
-  Relationships with Stakeholders

Institutional objectives and goals

Operational Framework principles and guidelines

Operational Pillars

Transversal Pillars



## General objectives of the General Sustainability Policy

- I. Gradually incorporate sustainability into day-to-day business and activities of all areas of the bank.
- II. Align the activities and initiatives of the bank in a structured way, to the sustainability goals.
- III. Establish a structured framework that allows us to strengthen all of our objectives from the bank's strategy.
- IV. Develop and promote products and services that support our customers in the transition to sustainable business models.
- V. Support our stakeholders to achieve their goals of sustainability.
- VI. Support vulnerable groups who have fewer opportunities.
- VII. Guarantee the responsible use of natural resources through better practices and eco-efficiency initiative.
- VIII. Inform, raise awareness, sensitize and train employees in matters of sustainability.
- IX. Ensuring transparency and informing management on the sustainability of the bank.



Additionally, in 2021 we carried out our first **materiality analysis**. Through it, we were able to identify the main environmental, social and governance (ESG) aspects that impacted a selection of interest groups, as well as those that our senior management considered key for the development of the business model and the achievement of our corporate goals.

→ More information in the [Materiality Study Appendix](#).

Through the analysis, we identified the need to continue advancing in raising awareness of sustainability among our employees and the rest of the interest groups with whom we maintain relationships. The progress we have been making is in line with the expectations of leadership as well as in the financial sector for benchmarking in responsible banking.

Through all these efforts, we also contribute to the **Sustainable Development Goals (SDGs)**, a roadmap established by the United Nations to address the major problems of our society.

More information in the Appendix on [Contribution to the SDGs](#).

For the management of the Sustainability Strategy, we have the Sustainability Commission, which leads the efforts and promotes the corresponding actions for each team. It is composed of a president, who is a member of the Board of Directors, a lead commissioner represented by a member of the Senior Management, a coordinator and several members representing the different areas of the Group forming the work and support groups. The Commission reports to the CEO and the Risk Steering Committee, and this in turn to the Board of Directors.

To facilitate regular operation and monitoring frequency, we set up a subcommittee made up of up to 5 members from the following areas: Credit Management (Environmental), Marketing, Human Resources, Administration, Projects and Processes, Risk, and the business areas.

Throughout the report we give an account of the progress, although below we list the main goals and the initiatives for the following years.



**“We also contribute to the Sustainable Development Goals (SDGs), from the United Nations to address the major problems of our society”.**

## 5. Sustainability Strategy

○○○○○ To start

●●●●● Complete

STRATEGIC PILAR	Actions	Progress	PBR
GOVERNANCE	Continuity in the implementation of the Sustainability Strategy from the business, with the development of products and services for responsible banking.	●●●●●	1
	Continuity in the use and review of impact identification with the UNEP-FI Portfolio Impact Analysis Tool.	●●●●●	2
	Establishment of SMART objectives, based on the impact analysis of the portfolio and with quantitative goals.	●●●●●	2
	Employee training in sustainability and raising awareness (newsletters).	●●●●●	6
	Development of materiality analysis, along with consultation with stakeholders, to understand critical environmental, social and governance (ESG) issues in the different roles of the institution (employer, client, etc.).	●●●●●	4
	Incorporation in the sustainability report of the GRI and SASB Standards as international references.	●●●●●	6
E&S PRODUCTS AND SERVICES	Placement of residential mortgage credit for women; also credit for SMEs led by women.	●●●●○	2,3
	Credit granting for renewable energy projects.	●●●●○	3
	Mapping of current clients with the potential to acquire sustainable agricultural loans (livestock or agriculture), that use sustainable production methods and efficient equipment; as well as awareness of these in sustainable practices.	●●●●●	3
	Measurement of GHG emissions from the loan portfolio for individuals and companies.	●●●○○	3
E&S RISK MANAGEMENT	Continuity in the application of ESRMS, continually identifying possible improvements	●●●●●	3
ECOEFICIENCY	Continuity of the Action Plan for the digital transformation project.	●●●○○	5
	Addition of solar panels to new branches and expanding the program for use of clean energy.	●●●○○	5
	Expanding the eco-efficiency and waste management program to other branches (promoting recycling culture).	●●●○○	5
	Carbon footprint measurement	●●●●●	2

○○○○○ To start

●●●●● Complete

STRATEGIC PILAR	Actions	Progress	PBR
RELATIONSHIP WITH STAKEHOLDERS	Development of the materiality analysis, which included consultation with a selection of stakeholders.	●●●●●	4
	Continuity of the financial education program.	●●●○○	3
	Reinforcement of the ethical evaluation of suppliers, applying the Know Your Supplier Policy and contracts.	●●●○○	4
	Installation of chargers for electric cars in branches.	●●●●●	3,4

The roadmap we have established extends through 2024, below we present the main initiatives to be added in the following fiscal year (2022-2023):

STRATEGIC PILAR	Actions	PBR
GOVERNANCE	Identify initiatives that promote leadership in women (collaborators).	4,5
	Establish performance management structures and sustainability objectives at the different levels of the organization.	5,6
	Define the methodology and include impact indicators in the strategy	5,6
E&S PRODUCTS & SERVICES	Design loan products that include energy efficiency components for homes.	3
	Grant sustainable agricultural loans (livestock or agriculture), that use sustainable production methods.	3
	Provide products and services that benefit women: Women's Project. Include educational insurance to guarantee future education.	3
	Expand the financing of projects with positive environmental impacts, to those that promote sustainable infrastructure (e.g. certified housing, efficient use of water, circular economy).	3
	Expand the scope for financial inclusion, considering other vulnerable groups	3,4
ECOEFFICIENCY	Set eco-efficiency goals for each branch: energy, water, paper savings, recycling, etc.	5
RELATIONSHIP WITH STAKEHOLDERS	Develop a methodology for studies/satisfaction surveys for supplier, to subsequently include the results in the materiality analysis.	3

# 06 | ADVANCES IN RESPONSIBLE BANKING



## 6. ADVANCES IN RESPONSIBLE BANKING

### 6.1 Introduction

(FS15)

Our trajectory goes hand in hand with the value proposition for our clients, as their trusted advisors. We understand this role, with: 1) the offering of products and services relevant to their needs, 2) the increased **capacity of our clients to be more sustainable**, will help to advance in world-class social and environmental practices. Here lies our potential to catalyze everyone's contribution to **sustainable development**.

We are strongly committed to **responsible banking**, which materializes that understanding of power of change from the business, contributing to economic and social development, safeguarding the environment. In 2019, we subscribed to the **Principles for Responsible Banking (PRB)** of United Nations Environment Programme Finance Initiative (UNEP-FI), which has served to promote the previous trajectory that we are already in. This commitment belongs to the Group as a whole, along with our various subsidiaries.

More information on what the Principles for Responsible Banking can be located in About the Principles – United Nations Environment – Finance Initiative (unepfi.org)

<https://www.unepfi.org/banking/bankingprinciples/more-about-the-principles/>



**“advance in world class social and environmental practices**

We advance in the Principles of Responsible Banking by our own Strategy of Sustainability, as shown in the previous chapter.

Among the efforts, we highlight the **identification of the impacts on our credit portfolio in Personal Banking and Business Banking**, to maximize the positives and reduce or eliminate the negatives. To do this, we use the Impact Analysis Tool, developed by UNEP-FI, previous works such as the analysis of the credit portfolio for the design of the Environmental and Social Risk Management System (ESRMS), and the analysis of Panama's climate change framework (including the report on the [National Determined Contribution \(NDC\)](#) of Panama, updated Dec-2020).

Details of the process and results of the identification and sizing of portfolio impacts. They are found in [Appendix I point 3](#).

As a result of the analysis, we set ourselves the following two targets, with quantitative goals.

Commitments Targets	SDG	Goals Quantitative	Type of credit	KPI to measure
Reduction of greenhouse gas (GHG), through the financing of projects and sectors that contribute to the transition on an economy less reliant on carbon.	7, 12, 13	Place USD\$10 million in renewable energy during the fiscal year 2021-2022	Credit for renewable energies (hydroelectric, solar, wind, biomass)	Number of projects financed. Loan amount granted. Awarded amount. Portfolio percent increase
Develop products and services that promote a better quality of life in vulnerable sectors, especially in matters of health, education quality and gender equality	1, 5, 10	Place USD\$90 million in financing to women between March 2020 and June 2022.	Residential Mortgage credit for women (IFC) SME credit to women (IFC)	Number of Women benefited. Loan Amount granted. Awarded amount.



In this same chapter we present the progress made, but below we give an account of the most outstanding initiatives:

## Target 1:



- ✓ Continuity of the application of the Environmental and Social Risk Management System(ESRMS) for the evaluation of credits.
- ✓ As part of the carbon footprint measurement, we calculated for the first time, the issuances of some financed sectors of the credit portfolio: residential housing, private car, construction, livestock, agriculture, food manufacturing, transportation, energy.
- ✓ We provided financing to promote renewable energies.
- ✓ We started the sustainable livestock and agriculture technical assistance program for our clients with the aim of advising and supporting them to be more productive and sustainable. We train clients from these sectors, also providing them with farm improvement plans.
- ✓ We started a consultancy to identify green financial products.

## Target 2:



- ✓ Granting of mortgage credit to women and credit for women led SMEs, as part of the agreement with IFC.
- ✓ We started a program to assess the needs of the women of our country and design products and services focused on this niche. This was following a market study and diagnosis carried out by the organization.



## 6.2 Sustainable Financing

### Implementation of ESRMS

(FS1, FS2, FS3, FS4, FS5, FS9, FS10, FS11) (SASB FN-CB-410a.2)

It allows us to identify, evaluate and manage possible environmental and social risks of the activities financed by the bank. From the inception of its development we have had the support of the Inter-American Development Bank (IDB). We are working on improving to include compliance with the IFC Performance Standards in the policies and ESRMS tools, which will be implemented in the last quarter of 2021.

It applies to Business Banking loans (commercial, construction, agricultural, industrial, energy) pre-classified with medium and high risks, to loans with guarantees of real estate whose values are equal to or greater than USD\$1 million, and those destined to finance activities that require an environmental impact study. It is integrated within the standard process of approval/granting of credits (Pre-Categorization and categorization).

Our application goes beyond an administrative process, and can exclude credit applicants. We have a list of activities that we finance because it results in significant and irreversible negative impacts environment and/or

people's health, or that are illegal or not allowed according to national and international regulations. However, those applicants with a high or medium risk are supported by the bank to improve their performance, by monitoring a plan of action with mitigation measures that have to show us their compliance. This approach is supported by the ESRMS Policy.

#### Classification of environmental and social risks:

**High:** Activities, works or projects with indirect negative socio-environmental impacts (that are likely to affect third parties such as: community local, adjacent owners), cumulative and/or synergistic with significant quantitative and/or qualitative effects and that can also be diverse and irreversible.

**Medium:** Activities, works or projects with adverse socio-environmental impacts, limited and reversible, through easily applicable mitigation measures.

**Low:** Activities, works or projects that pose risks and/or impacts minimal or no adverse environmental and social.



In the fiscal year (2020-2021), we carried out 170 reviews, which amounted to more than USD\$4 million of the average credit evaluated. Previously, since 2011, we had reached 2,783 revisions, with an accumulated credit value of USD\$6,227 million. Due to our portfolio profile, by sector, construction and commercial stand out.

	Fiscal Year (2018-2019)	Fiscal Year (2019-2020)	Fiscal Year (2020-2021)
<b>Number of clients evaluated for ESRMS</b>	278	179	170
<b>Total value of credit corresponding to clients reviewed (Act. evaluated for ESRMS)</b>	1,272,141,922.81	687,486,444.83	720,749,005.21
<b>Average credit value evaluated</b>	4,527,195.45	3,386,632.73	4,649,993.58

Cases Revised	Number	2011-2020		Number	2020-2021	
		Percent (%)	Acumulated Value (USD)		Percent (%)	Acumulated Value (USD)
<b>Agriculture</b>	1,052	38%	257,219,431	27	16%	9,750,643
<b>Commercial</b>	833	30%	1,236,220,794	59	35%	160,565,766
<b>Construction</b>	777	28%	4,108,318,864	69	41%	347,684,396
<b>Industrial</b>	121	4%	624,816,546	15	9%	202,748,200
<b>TOTAL</b>	<b>2,783</b>	<b>100%</b>	<b>6,226,575,635</b>	<b>170</b>	<b>100%</b>	<b>720,749,005</b>

As a product of the COVID-19 pandemic, in the last two fiscal years (2019-2020 and 2020-2021) there was a decrease in reviewed cases and technical visits carried out by the bank as part of the monitoring. It was not until 2021 that we gradually resumed carrying out technical visits.



## Products with a social focus

(FS1, FS7, FS13, FS14) (SASB FN-CB-240a.1)



Through our products and services we encourage access to financing, with a special focus on women, which is why it stands to reason that +50% of accounts in the Personal Banking portfolio are made up of women. And 47.6% of the total balance of the loan portfolio of Personal Banking is represented by women.

In 2020, we received \$90 million in financing from Citi and the IFC (Corporate International Finance, World Bank Group), to grant housing mortgage credit for women who are heads of households, as well as commercial credit for SMEs owned by women. It is complemented by the joint work since then with IFC to develop products that facilitate the financial inclusion of women. Commercial stand out.

FINANCIAL INCLUSION OF WOMEN				
Type of Loan/Credit	Indicator	Mar-Jun 2020	Jul20-Jun21	TOTAL
Mortgage Loan to Women (IFC)	Number of Loans	61	297	358
	Number of women beneficiaries	61	297	358
	Amount of Loans granted USD\$	\$5,283,534	\$26,278,291	\$31,561,825
Commercial Credit PYME (IFC)	Number of Loans	22	194	216
	Number of women beneficiaries	15	92	103
	Amount of Loans granted USD\$	\$1,508,428,55	\$12,622,412.20	\$14,130,840.75

It should be noted that of the credits granted within the sustainable agricultural sector, with the support of the Eco.Business Fund; 9 of the loans financed had women beneficiaries, with a disbursed amount of more of USD\$1.8 million.

Additionally, we have other products that benefit groups with difficulties:

PRODUCT	Characteristics	Number of Clients	Closing Amount
 <p><b>Retiree Loans</b></p>	Intended for Retirees and Pensioners of the Caja de Social Security, amounts between \$2,000 and \$80,000; income from \$175.	<b>21,258</b>	<b>390,765,677</b>
 <p><b>Preferential Mortgage Loans</b></p>	Mortgage loan that allows you to purchase a home at a lower rate than the market, for the first years of the loan. We finance up to 100% for houses and/or apartments priced at sale of \$50,001 up to \$120,000, up to 30 years term.	<b>16,508</b>	<b>1,124,311,202</b>

## Products with an environmental focus

(FS1, FS8) (FN-IN-410b.1, FN-IN-410b.2)

Currently we still do not have specific products focused on the environment; however, we are working on the development of these, through a consultancy to establish financial products. In green areas and assess their feasibility and development. However, we have identified these eco-efficient projects or with representative environmental aspects of our total portfolio.



### Sustainable cattle raising:

With the support of the eco-business Fund, since 2017 we executed a fund that made it possible to deliver credit along with professional advice, including good environmental practices.



**Renewable energy projects:** Highlighting the growth of the financing of hydroelectric power projects.



FISCAL YEAR		2019-2020		2020-2021	
Business Line	KPI (2021)	Original Amount	Total \$ Value (Total at close)	Original Amount	Total \$ Value (Total at close)
Sustainable Cattle Raising	78 loans granted 38 producers who benefited	13,386,387.28	11,599,098.14	8,429,097.88	6,604,757.97
Solar Energy	2,711 solar panels 4 leasing 2 loans	128,555.00	74,098.86	1,562,968.26	1,437,191.26
Hydroelectric Energy	12 hydroelectric 7 loans 3 bonds	164,211,577.39	148,428,260.75	202,527,269.84	189,838,051.13
Biomass	1 loans 1 projects	30,202,790.03	19,157,456.75	30,202,790.03	18,933,233.45
Wind	86 wind turbines 1 STB	9,710,866.00	9,710,866.00	9,710,866.00	9,710,866.00

## Calculation of loan portfolio emissions

As part of the commitment to advance in the reduction of emissions of GHG through financing, we calculated emissions of our credit portfolio for the first time. Specifically, included in the scope are the following:

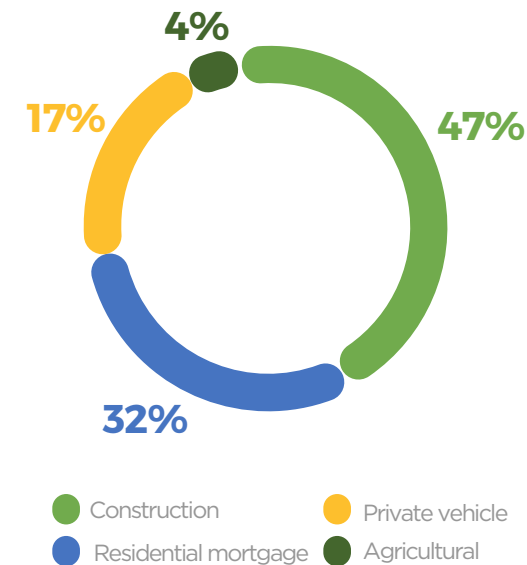
1) Personal Banking: private vehicle credit and residential mortgage credit;  
2) Business Banking: credit for construction, agricultural, commercial (real estate, transport and tourism) and industrial (cement, energy, others) sectors. For the inventory of generation of emissions, we used the methodology of Partnership for Carbon Accounting Financials (PCAF) applying the Standard Corporate Agreement of the Greenhouse Gas Protocol (GHG Protocol Corporate Standard) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). PCAF consists of the harmonized measurement and disclosure of financed GHG emissions (associated with loans and investments) and meets the established requirements in the Corporate Value Chain Accounting and Reporting Standard (Scope 3), for Category 15 investment activities of the GHG Protocol.

It should be noted that for the calculation of emissions, certain factors were determined, that take into account the National Strategy Situation Report of Electric Mobility of Panama and the National Emissions Report of Panama; and estimates of emissions financed from the first biennial update report of Panama before the UNFCCC 2017.

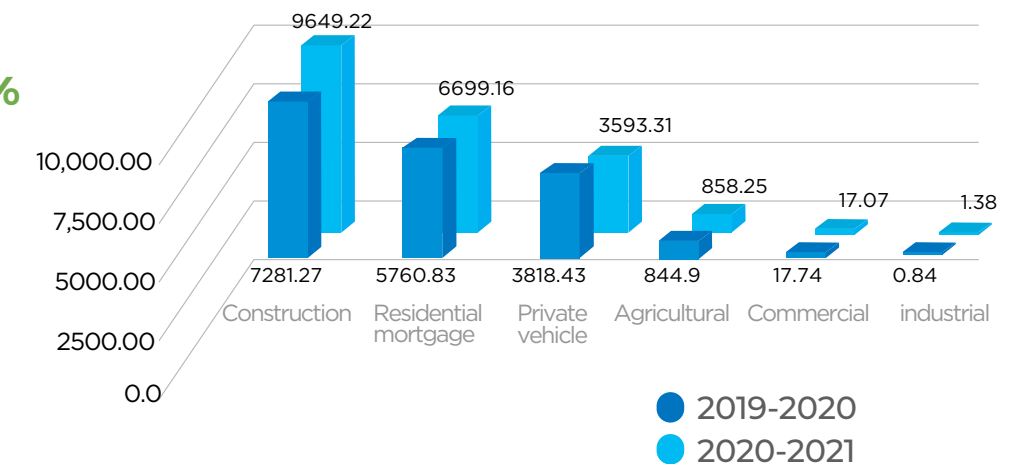
We calculate emissions for fiscal years 2019-2020 and 2020-2021, as a way to be able to evaluate the evolution of our portfolio. The total impact for the finance portfolio, for the types of credits indicated was 17,723.34 tCO<sub>2</sub>e at the end of the fiscal year in 2020 and 20,819.07 tCO<sub>2</sub>e for closure in 2021; the increases correspond to the growth of the portfolio placed on the market.

### BREAKDOWN OF EMISSIONS OF THE CREDIT PORTFOLIO IN 2020-2021

Participation by sector for credit portfolio



### BREAKDOWN OF EMISSIONS OF CREDIT PORTFOLIO PER FISCAL YEAR IN TON CO<sub>2</sub>EQ



Our objective with these calculations is to be able to distinguish the contribution by type of credit, including sector of economic activity, and thus prioritize the development of initiatives to promote clients transition to models with fewer emitters, hand in hand with energy efficiency through technology, incorporation of renewable energy sources, respectful practices with biodiversity, awareness of carbon in the environment, among others

## 6.3 Financial education and assurance culture

(FS16) (SASB FN-CB-240a.4)

Financial Consulting is a service provided by an advisor to guide people to make decisions regarding personal finances, with the aim that they can make their economic resources profitable. For that purpose, we have a financial education program available to, not only our clients, but also the Group's own employees as well as society at large.

During the year, we carry out online seminars, with the aim of reaching a wide **public audience**; reaching 940 participants spread over 4 seminars.

With external specialists, we have addressed strategies such as: saving, managing credit cards, managing personal finances and how to lead the current changes.

In addition, on our website, we have a financial advice section with different training contents:

<https://www.globalbank.com.pa/es/asesoria-financiera>.

We complement it with strategic alliances with different media communication to disseminate financial educational messages on radio, TV and the press online.



Online seminars

**940 participants in  
4 seminars**



Before the pandemic, we participated in the Financial Education Program in Schools, organized by the Banking Association of Panama; we reaffirm our commitment to continue contributing as soon as the program is resumed.

For our **employees**, we have **virtual courses** in personal finance, such as creating a personal budget and managing finances in difficult times; for this series we had 4,704 participants. We complemented it with more **specialized workshops**, where a total of 704 participants attended.

We carried out a series of 8 webinars for our business partners, specifically for the promoters of loans (personal, automotive and real estate); in which a total of 360 people participated in, addressing topics such as: properly manage debts, financial advice and emotional intelligence.

Along with efforts to raise awareness of the importance of finance, we actively promote the development of insurance awareness and security, especially among Global Bank clients whom we serve from Global Insurance.



### Financial education to schools



Virtual courses in finance for employees  
**4,704 participants**



Specialized workshops  
**704 participants**



8 webinars for promoters  
**360 participants**



07

Client  
**EXPERIENCE**





## 7. CLIENT EXPERIENCE

### 7.1 Response to adversity

Given the impact generated by the pandemic, since its onset in 2020, we have maintained a strong commitment to our customers and their welfare. Along with rapid advances in promoting and facilitating the use of digital channels, we guarantee the security in our branches that were reopened

as ordered by the authorities.

On the other hand, also in-line with the measures established by the government, we offered payment moratoriums and other measures in relation to financial products and services.

We present below the main measures developed:



#### Biosecurity

- We prepared the branches and took the preventive measures necessary to ensure the safety of in face-to-face customer service with our partners. We also enabled the ability to comply with physical distancing.
- For the reopening of the branches, we carried out exhaustive evaluations, using decisive biosafety criteria, optimizing the operations based on protocols given by the authorities.
- We continue to promote the use of our digital platforms, which offered uninterrupted service. We reinforced high quality customer experience, enabling the IVR system (Interactive Voice Response) to provide automate answers and provide greater coverage.



#### Financial Relief

- **Extension of payments** established at a national level by the government, and that we automatically granted to all customers in the first period, and by request in the following periods. In any event, interest and other charges accrued during the extension period were distributed in terms between 24 to 48 months, depending on the product, without generating additional interest.
- **Partial letters** solution where customers could pay between 50% and 80% of their dues, were applied between January and June 2021.
- **Restructuring** with different modalities: postponement of capital payment for 6 to 12 months, interest rate reduction, term extension and/or letter adjustment for the life of the loan.



#### Credit cards

- Intrafinancing of the balance (Global Flex), in which a reduced rate was applied (10%) with an extended payment term (96 to 108 months).

## 7.2 Added Value and Transparency

(GRI 416-1, 417-1) (SASB FN-CF-270a.4, FN-IN-270a.2, FN-IN-270a.4, FN-AC-270a.3)

Our greatest defining difference as financial advisers to the client is the specialized personal attention. We go further, from the design of products and services, to meeting the needs that we identify in our clients, thanks to our data analytics. We want to offer solutions that contribute to development and growth.

From the brokerage business, we offer a value proposition which consists of integrated asset management, providing solutions tailored to the needs of customers.

In accordance with our Code of Ethics and the marketing guidelines, we offer clear information on the terms and conditions of the products and services provided, so that customers can make the right decision for their circumstances.

We have the Credit Manual and the Product Services Agreement, along with the letter of terms and conditions, which our employees are required to delivery to clients. We also provide, at your disposal, the advice of our executives, either in person or online.

We seek to avoid over-indebtedness, along with a responsible marketing, all of which contribute to establishing long-term relationships with clients.

Complaints filed with the office for the protection of financial users - 2020-2021

Number of complaints filed			Number of complaints resolved					Number of procedures that remain open
Number submitted by clients	Number presented by other agents, organizations, etc.	Number of complaints investigated by the institution	Number cases with no monetary sanction	Value of the sanctions monetary (USD)	Number cases with sanction monetary	Of the procedures resolved, number of them contested	Number of procedures resolved in favor	
36	0	36	1	\$60	1	1	6	27

### 7.3 Information Security and Fraud

(GRI 418-1) (SASB FN-CB-230a.1, FN-CB-230a.2, FN-CF-220a.2, FN-CF-230a.1; FN-CF-230a.2, FN-CF-230a.3)

We are committed to maintaining customer confidence and safeguarding your information and personal data, We have a set of Information Security policies, rules and standards. The Information Security Governance Framework, whose objective is to identify and manage risks, and at the same time, comply with the different related regulations.

It is also key to have trained personnel in charge of the teams, as well as ensuring that our employees are aware and perform in accordance with the established protocols. Similarly, having cutting-edge technology, subjected to internal and external tests is integral to our plan.

The continuity of our systems in the face of possible attacks is also a pillar of the Business Continuity Plan (BCP). We are dedicated to maintaining a strong team and business systems.

In the fiscal year covered by this report, we had no cybersecurity incidents with information leaks, nor violations of the privacy of customer information by our employees.

Likewise, we ensure the security of the client from fraud, to which they may be exposed, through mechanisms for dealing with incidents reported by clients, as well as the evaluation and proper treatment of cases.



Type of fraud	Number of cases	Total monetary losses USD
Fraud losses related to cards with no card	34	\$3,369
Fraud losses related to cards with card presence and others types of fraud	18	\$66,978
TOTAL	52	\$70,347

# 08 | TEAM

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
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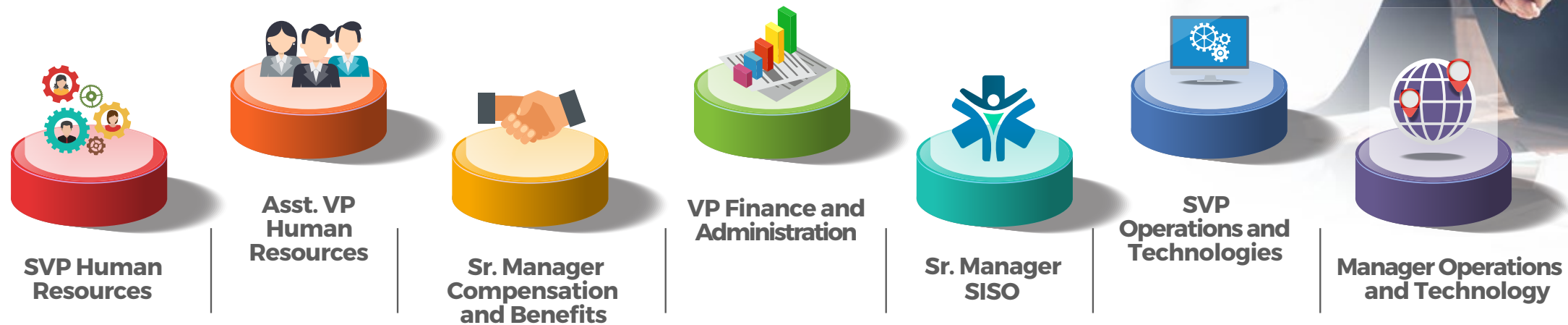
## 8. TEAM

### 8.1. Commitment to our Team

The team that makes up the Global Group is a fundamental pillar which aids us to achieve the scope of the goals and objectives of the business, allowing us to maintain the highest quality in the products and services we offer.

This is why we are aware of the importance of maintaining the well-being, health and safety of employees, in addition to contributing to their personal and professional development within the Group.

In response to COVID-19, we created the Health Commission and Industrial Security for addressing the pandemic, made up of:



Under the Industrial Health and Safety Commission we have taken a series of measures that protect our employees and ensure a safe environment for the continuation of its activities:

## Biosecurity measures (Branches and Corporate Offices)

- We reduced the number of employees in the branches to meet with the recommended distance and space needs.
- We reallocated the employees of the critical areas of the bank in different buildings to mitigate the risk of contagion and ensure business continuity.
- We enacted new protocols to promote Remote Work and Flexible Hours to minimize contagion.
- We implemented the deep cleaning program in all facilities using approved products for disinfection of areas as well as fogging in buildings and branches on a biweekly basis.

## Training and awareness in the Topic

- We continue to carry out ongoing communication campaigns to raise awareness among employees about hygiene and health measures.
- We carried out the development of Coexistence Guidelines based on decrees issued by the Ministry of Health.
- We developed e-learning training on Health Measures for COVID-19, the Rules of Coexistence and Teleworking Guidelines.
- Pro-Vaccination Campaign with 10 short awareness videos and banner “I already got vaccinated”.

## Specialized Health Attention

- The log of our employees' health conditions was initially reviewed to determine the population at risk and take appropriate action.
- Employees over 60 years of age, with chronic diseases and/or pregnant were sent home on vacation and/or telecommuting.
- A vacation advance program was implemented in order to maintain the greatest number of employees possible without exposure to contagion.
- We kept employees returning from abroad in isolation, as well as also those who had contact with a family member who was outside the country and live under the same roof.
- To keep a continuous control of possible contagions, we implemented an emergency line and an email box so that employees can get advice and/or report any symptoms related to COVID-19 led by the Occupational Health area.
- We apply the pneumococcal and influenza vaccine free of charge to our employees.
- We implemented a psychological assistance line for employees through an external provider.
- We enable the Telemedicine service to attend to Health and/or COVID-19 situations providing support with medical care, providing a kit that includes an oximeter and medications for immediate care of positive cases.
- Private laboratories were selected to perform COVID-19 tests on employees with more affordable prices.

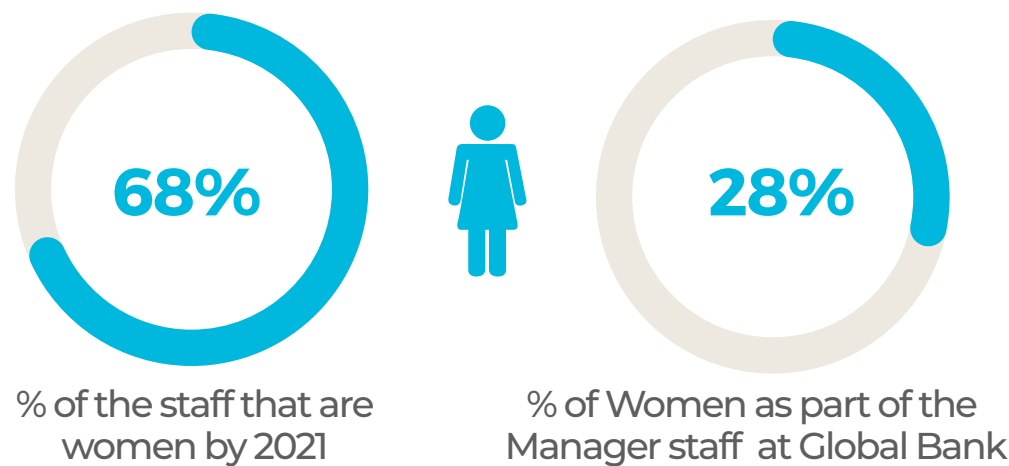
## 8.2. Employee Demographics

(GRI 102-8, 102-41, 401-1, 405-1) (SASB FN-AC-330a.1, FN-IB-330a.1)

At the end of fiscal year 2020-21, our human capital was made up of a total of 1,772 employees. Keeping our commitment to maintain jobs even in adverse circumstances as has the current pandemic.

We kept 100% of our employees full-time and with an indefinite contract, reaffirming the commitment to our people.

Committed to equity and equal opportunities, 68% of the workforce is made up of women where we are working hard to keep opening opportunities and development in leadership positions.



EMPLOYMENT DEMOGRAPHICS BY SEX, AGE AND POSITION

Professional category*	Under 30 years old		Between 30 and 50 years		Over 50 years old	
	Women	Men	Women	Men	Women	Men
Management Staff, CEO	0	0	3	4	1	6
Vice Presidents	0	0	24	17	8	9
Managers	0	5	113	38	22	9
Middle management	48	32	411	182	28	25
Operational and Administrative	248	109	296	112	11	11
<b>Total</b>	<b>296</b>	<b>146</b>	<b>847</b>	<b>353</b>	<b>70</b>	<b>60</b>



**\*Professional category profiles:**

- **Management Staff, CEO:** CEO and Senior Vice Presidents.
- **Vice Presidents:** Vice Presidents and Deputy Vice Presidents.
- **Managers:** Managers and Senior Managers.
- **Middle management:** Coordinators, Supervisors, Senior Officer, Officer, Junior Officer, Deputy Manager, Trader.
- **Operational and administrative:** Receptionist, Security Guard, Messenger, Cashier, Assistants, Analysts, Advisors, Clerks, Collection Managers.



## EMPLOYEES BY SUBSIDIARY



Subsidiaries	Women	Men
Global Bank Corp.	1,089	526
Global Valores	13	9
Global Financial Funds	23	2
Aseguradora Global	40	13
Progreso	48	9

In terms of new hires and turnover rate, we were able to maintain a positive trend, that demonstrates the good working conditions and job stability, despite the complex situations that arose. We continue betting on local talent and our contribution to the economic development of the areas where we have a presence.

### Breakdown of Hires, departures and turnover

	2019-2020	2020-2021
Hires	179	47
Voluntary and involuntary terminations	164	117
Turnover rate	0.81	-4

**Note:**

The turnover rate is calculated as:  $(\text{hires} - \text{terminations}) * 100 / \text{initial workforce}$  (which corresponds to the closing of the preceding year)

### VOLUNTARY AND INVOLUNTARY TURNOVER RATE BY GENDER

Turnover Rate	2019-2020		2020-2021	
	Total	Women	Total	Men
Voluntary	5.89	3.51	3.06	2.34
Involuntary	2.97	1.62	3.45	2.17
<b>Total</b>	<b>8.86</b>	<b>5.13</b>	<b>6.51</b>	<b>4.51</b>

\* Turnover formula:  $(\text{Total Departures} / \text{Average Employees per month}) * 100$

## 8.3. Training and Career Development

(GRI 404-1, 404-2, 404-3)

The Group is committed to the growth of our employees, through the development of training programs that extend technical knowledge as well as soft skills.

During the current fiscal year we offered online training, with an average of 1,023 employees participating and 88% of the participants completing them. This translates to an average of 620 man-hours taught in the virtual modality.

To establish the annual training program, we carried out the Diagnosis of Training Needs (DNC) which we carry out annually with the purpose of identifying the main thematic needs that strengthen the knowledge, skills and abilities of the employees, while maintaining the vision that contributes to the business objectives of the fiscal year.



**The topics of the training plan are developed based on the following training categories:**

- Socio-environmental and Responsible Banking.
- Information security and data protection.
- Business, sales and services.
- Professional development.
- Integral and personal development.
- Legal framework, ethics and compliance.
- Leadership and organizational culture.
- Technology and digital transformation.

## Training by Professional Category 2020-2021

	Number of Employees		Total number of Hours	
	2019-2020	2020-2021	2019-2020	2020-2021
Management Staff, CEO	15	15	142	267
Vice Presidents	56	57	1,112	1,290
Managers	196	187	4,813	4,677
Middle management	482	459	7,933	8,782
Operational and Administrative	1,094	1,054	13,766	12,409
<b>Total</b>	<b>1,843</b>	<b>1,772</b>	<b>27,766</b>	<b>27,425</b>

In addition to the annual training, the organization granted an incentive in educational benefit to 45 employees during fiscal year 2020-2021, for the continuity of their university studies: bachelor's, postgraduate and master's degrees, related to the area in which they work.

## Performance evaluation

Every year we carry out 90° performance evaluations for all eligible Global Bank employees. The evaluation process takes into account two aspects: competences and objectives, defined for the fiscal period being evaluated and includes the participation of the evaluator (supervisor) and evaluated (employee). For the CEO the performance evaluation is carried out by the Board of Directors of the Organization.

Professional Category	Number of Employees	% of Employees Evaluated 2020-2021
CEO	1	100.0%
Vice Presidents	69	100.0%
Managers	184	96.2%
Middle management	685	95.3%
Operational and Administrative	706	98.0%
<b>TOTAL</b>	<b>1,645</b>	<b>96.8%</b>

## 8.4. Working Environment

### Equal opportunities

(GRI 102-36, 102-37, 401-2, 406-1)

As part of our commitment to the protection of the Human Rights, at Global Bank we are committed to equal opportunities and non-discrimination.

We seek to have a workforce without discrimination, eliminating any bias that may exist in the processes of hiring, remuneration, promotion and performance evaluation. Since these processes are based on the competencies of the employees, their skills and knowledge regardless race, gender, sexual orientation, among others.

That said, during the current fiscal year we had no cases of discrimination reported among our employees.

## Security and Health

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

As a Group, we remain concerned about the health and safety of our employees. Therefore, each year we carry out an evaluation on health and safety issues, through an occupational risk assessment methodology. Thus, we were able to determine the Highest risk positions:

- Farmers, for their constant transit to areas that are difficult to access.
- Messengers, for their constant use of vehicles.
- Branch operations, for handling of bags of coins.
- Other positions such as: Project Inspectors, Environmental Analysts, Coordinators, Maintenance and Business Banking Officers.

In the same way, we provide training and education for our employees mainly focused on:

- Defensive driving.
- Active breaks.
- Ergonomic tips for staff working in telework.
- Fall protection.
- Emergency brigades.
- SISO induction to new hires.
- Safe work analysis for contractors and custodians

Complementing the annual evaluation we have various processes that help safeguard the health and safety of our partners:

- Identification of occupational risks.
- Occupational accidents and illnesses.
- Surveillance of the health of workers.
- Management of first aid kits.
- Management of vehicular accidents.
- Conservation of permissible levels and risk factors.
- Fire control system maintenance.
- Emergency plans.
- Safe work analysis.
- Choice and use of personal protective equipment.
- Office ergonomics.
- Work done in elevated temperatures.
- Blocking and labeling.

During fiscal year 2020-2021 we had no illnesses and no reported fatalities, however, there were absences due to disabilities resulting from accidents within the company, as shown in the following table:

	2019-2020	2020-2021
Number of accidents	9	6
Absent days reported	25	22

## Working Environment

(GRI 401-2, 201-3)

We strive to be one of the best places to work, fostering a work environment that promotes the quality of life of employees inside and outside of their work activities.

We offer benefits that go beyond that required by the law, seeking well-being, employee satisfaction and commitment to the Group.

Likewise, we have a Management Contributory Retirement Plan, that which Global Bank contributes between 1% and 3% of the employee's salary, as long as when the employee makes an individual contribution of at least 1% of his monthly salary.



**USD\$ 190,000.00**  
contributed by Global Bank to  
Retirement Plans during 2021



09

ENVIRONMENTAL  
MANAGEMENT

7 AFFORDABLE AND  
CLEAN ENERGY



13 CLIMATE  
ACTION



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## 9. ENVIRONMENTAL MANAGEMENT

We are committed to operating responsibly with regard to the environment, through our Sustainability Strategy. Together with the efforts to promote good environmental practices in clients, we continually work on the eco-efficiency of our branches. Through different initiatives, we seek to reduce the consumption of energy and increase use from renewable sources, in an effort to reduce the generation of greenhouse gas emissions (GHG). In addition, we address other environmental aspects such as water consumption and waste generation.

### 9.1. Energy and emissions

(GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5)

In relation to energy, our goal is twofold: reduce consumption with respect to the operation (measured in terms of intensity), and increase the use of renewable sources, including self-generation by our solar panels.

It should also be noted that our corporate tower in Santa María is LEED Gold certified, which indicates high environmental standards; two of our branches are also located in certified buildings: Centennial branch at LEED Platinum and Chiriqui Global Plaza at LEED Silver.

The efforts indicated complement the granting of credit to renewable energy projects, where we are especially focused, contributing to the country's energy transition.

#### Reducing Consumption

- Replacement and installation of lighting with LED technology.
- Same process for air conditioning equipment, incorporating eco-efficient models.
- Standardization of schedule for turning on and off lighting and air conditioning equipment.
- Awareness campaign for our employees, to promote savings in our offices, and also in their homes.

#### Promoting the use of Renewable Energy

- Solar panels in part of our centers: 2 administrative buildings and 6 branches. To date we have invested US\$786 thousand.
- Pioneers in the installation of charging stations for electric cars in branches and the corporate tower. By which, we seek to promote the use of electric mobility for our employees and clients.
- Regarding the acquisition of renewable energy from third parties, we are studying the feasibility among two direct suppliers.

Renewable Energy Auto-generation/consumption	June 2020	June 2021
Number of branches with solar panels	7	8
Number of solar panels installed	1,371	1,511
Total Annual kWh generated	520,125	572,171
\$ Amount saved	\$78,659.80	\$86,530.87
% Saved	15%	16%
Reduction in CO2 Eq emissions (Kg)	348,579	383,469



ENERGY CONSUMPTION (GJ)				
Type of Combustible energy		2018-19	2019-20	2020-21
<b>Combustible</b>	Diesel for Vehicles	1,933	1,801	988
	Diesel for Generators		231	249
	Gasoline for Vehicles	6,166	4,989	4,025
<b>Electricity</b>		27,339	28,005	23,066
<b>TOTAL</b>		<b>35,438</b>	<b>35,026</b>	<b>28,328</b>

Note: Gasoline 91 and 95 octane

ELECTRICITY CONSUMPTION (KWH)			
2018-19	2019-20	2020-21	
7,594,063	7,779,063	5,834,297	

INTENSITY OF ENERGY CONSUMPTION		
Units	2019-20	2020-21
Per/employee	18.97	15.98



At Global Bank we are part of the group of the first 50 companies participating in the National Program - Reduce Your Footprint, committing to be carbon neutral by 2050 in our direct operations.

Taking to heart the criterion "What is not measured, cannot be improved", in 2021 we begin to calculate our carbon footprint, based on the methodology of the GHG Protocol, recognized internationally. Through this action we can establish the corresponding action plan.

Emissions Scope 1 (tonCO2eq)				
Sources	Description	2019-20	2020-21	Δ20-19
Fixed Sources	Use of emergency generators for electricity generation	18.05	29.29	11.16
Mobile Sources	Use of company-owned cars, fuel stipends (delivery and collection of cards)	493.02	366.12	-126.90
External Sources	Recharging of refrigerants in air conditioning systems	285.72	361.77	76.05
<b>TOTAL</b>		<b>796.79</b>	<b>757.18</b>	<b>-39.61</b>

Note: gasoline 91 and 95 octane

Emissions Scope 2 (tonCo2eq)			
Units	2019-20	2020-21	Δ20-19
Electrical Network	1,746.88	902.49	-844.40



Emissions Scope 3 (tonCO2eq)			
Source	2019-20	2020-21	Δ20-19
Purchased goods and services	75.9	37.6	-38.3
Waste generated in operations	12.7	12.63	-0.07
Posting of employees	42.8	23.2	-19.6
Outsourced fleet	186.06	306.09	120.03
<b>TOTAL</b>	<b>317.46</b>	<b>379.52</b>	<b>62.06</b>

Similarly, we calculate the intensity of emissions by integrating the Scope 1 and 2; Scope 3 is left out because in terms of comparability the accuracy to which it can be obtained varies each fiscal year.

Intensity of emissions GEI - Scopes 1 and 2			
Units	2019-20	2020-21	Δ20-19
tonCO2eq/employee	1.22	0.73	-0.49

## 9.2. Other Environmental Aspects

Our commitment to the environment extends to efficiency in the collection of water, as well as reducing waste generation and maximizing the practice of reuse and/or recycling.

- ✓ To **save water**, we have allocated US\$6,000 to the installation of flowmeters and water saving taps in the bathrooms of different branches

The project is expected to be completed in the last week of February in 2022.

- ✓ We have a Waste Management Plan, with which we seek to maximize reuse and recycling, based on differentiated collection.
- ✓ Additionally, accompanied by the digitization of processes, we are reducing our paper consumption



# 10 | COMMUNITY



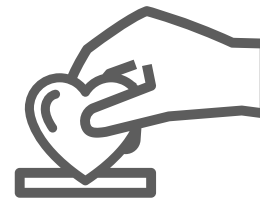
## 10. COMMUNITY

(102-12)

### Social Investment

At Global Bank we are committed to our country, working to reduce some of the main problems associated with the inequality through social investment, including donations and volunteering. In this manner, we also increase active involvement of our employees.

We support various non-profit organizations that work directly with communities, in programs that address education, health and/or other social issues. We take great responsibilities for the funds donated through our organization and have a Donations Policy at the Group level, guaranteeing the transparency and use of resources.



**During fiscal year 2020-21, our contribution was US\$ 832,209.49, benefiting +21,000 people**



Main Foundations



EDUCATION	
Foundation/OSC	Description
Fundación Pro niños del Darién	Its objective is to reduce childhood malnutrition through activities interrelated with the programs of nutrition, health, education, production and community development.
Enseña por Panamá	Educational leadership program that supports schools located in areas of low income, through teacher training and professionals who contribute in teaching children.
Asociación Pro Niñez	Program "A Computer for each Child" seeks to support the continuity of studies using technology tools, such as computers. This program that has been very relevant during the time of the pandemic.
Fundación Casa Esperanza	Offers development opportunities to children and adolescents living in conditions of poverty, especially those identified as victims of child labor.
Faydola	Its objective is to contribute to the development and improvement of education and quality of life of Panamanian youth through disciplines such as sports and music.

HEALTH	
Foundation/OSC	Description
Fundación Psoriasis	Promotes social sensitivity to the Panamanian population for Psoriasis and Psoriatic Arthritis, through informative awareness campaigns.
FANLYC	Provides various services to children with the diagnosis of cancer in Panama with medication, transportation, psycho-social support, healthy eating, education, and more.
Fundacáncer	Provides assistance to cancer patients in Panama, particularly those most in need.
Olimpiadas especiales	The Olympics Health Program Special, aims to ensure that people with intellectual disabilities have every opportunity to be healthy.

COMMUNITY (social issues)	
Foundation/OSC	Descripción
Fundación Teen Challenge	Rehabilitation center for people with drug addictions.
Nutre Hogar	Implement recovery programs and malnutritional prevention in young children five years, in communities living in poverty and extreme poverty.
Fundación Luz de la Aurora	It seeks to promote the development of children and adolescents in vulnerable situations and with few resources in the municipality of El Peñón and the Barahona Region.
Club Kiwanis	Create opportunities for children to be healthy, curious and be safe, without regard for which community they live in.
Club Rotario de David	Projects are carried out for the benefit of the community.
Comité de Ayuda Social	It aims to provide social assistance to those most in need.



**Volunteer 2020-21**  
**Number of employees 177**  
**Beneficiaries 1,995**

Likewise, we continue to support the All Panama Movement, that through the Chamber of Commerce, Industries and Agriculture of Panama, provides housing assistance to people affected by COVID-19; and whose objectives are to reduce the number of positive cases that reach hospitalization, and the saturation of hospitals and medical centers.

Further, we have our volunteer program, in which our employees participate in different activities carried out by the non-profit organizations with which we work. Additionally, the Group we carries out other activities to complement special dates such as the day of good deeds, beach cleaning, among others.

During fiscal year 2020-21 the activities carried out were limited due to the global health situation.

Below are the organizations supported through volunteerism during fiscal year 2020-21

Donation	Collaborating Organizations	Number of employee participants	Number of beneficiaries
1. Food 2. Personal hygiene items	Good Samaritan Home	30	15 young men and women residents of the shelter
1. Food 2. Personal hygiene items	Virgen del Carmen Dining Room	30	150 older adults, youth, children and people with disabilities from the community of Juan Díaz, Panama City.
1. Food 2. Personal hygiene items	San José Madre Teresa de Calcuta Home	30	80 people (babies, children and older adults suffering from some disability residing in the home).
1. Donation of school supplies	FADEPA Foundation	9	-Primary school children: 121 -University: 53 -Secondary youth: 33 -Adults: 1,444"
1. Donation of personal hygiene items	Bolívar Home	22	80 older adults
1. Clothes donation 2. Dry food and milk 3. A bed	Low-income families in El Cocal de Las Tablas	10	Low-income family of 5 members
1. Clothes donation 2. Dry food and milk 3. A bed	Family of 6 in Parita	11	Low-income family of 6 members
1. Basket with donations for newmothers	Nicolás Solano Hospital	17	Hospital maternity area - 8 baskets
1. Delivery of supplies	San Francisco de Asís Foundation	18	10 pets (animals)



# 11 | ECONOMIC PERFORMANCE



## 11. ECONOMIC PERFORMANCE

(102-12)

### 11.1 Relevant Group data

In a year where the Panamanian economy was dragged down from the impact of the outbreak of the pandemic, the results as a Group were outstanding. We arrived at this end by adequate management of provisions, the credit strategy and investment, as well as the recovery experienced by the country.

Table of main financial and operational indicators at the GB level.

FINANCIAL INDICATORS		
	2019-2020	2020-2021
Net assets	\$ 8,516,126,730	\$ 8,323,543,893
Loan portfolio (net)	\$6,282,866,175	\$6,007,976,619
Deposits	\$5,208,930,341	\$5,275,151,088
Assets	\$ 781,976,671	\$ 789,718,580
ROE	5.36%	3.39%
Capital Adequacy Ratio	14.58%	15.97%
Delinquency rate	0.80%	1.11%



## 11.2. Results by business

(FS6) (SASB FN-CB-000.A, FN-CB-000.B, FN-CB-410a.1, FN-IN-000.A, FN-IN-410a.1)

One of our strengths as a Group is being able to offer a wide range of financial products and services, through different businesses that we articulate through our subsidiaries.

Below, we present the main financial and operating indicators by business line:

### GLOBAL BANK

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Number of current and savings accounts (number)</b>			
Business Banking	29,274	28,623	27,561
Corporate Banking	1,746	1,751	1,680
Personal Banking	136,584	138,052	136,555
Private Banking	3,870	4,057	4,191
<b>Balance of the current and savings accounts at year end (USD)</b>			
Business Banking	447,657,563	456,584,471	567,644,889
Corporate Banking	62,628,020	69,088,018	87,013,193
Personal Banking	408,079,467	454,945,249	546,078,754
Private Banking	332,739,960	360,524,952	385,523,406

### GLOBAL BANK

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Loans and Credit (number)</b>			
Personal Banking	130,432	133,995	124,842
Business Banking	14,623	13,322	11,064
Corporate Banking	2,138	2,042	1,964
<b>Loans and Credit (Value issued) (USD)</b>			
Personal Banking	3,555,583,238	3,677,037,815	3,647,875,921
Business Banking	2,616,479,240	2,366,352,346	2,190,804,835
Corporate Banking	1,956,402,963	2,060,229,870	1,909,696,604
<b>Loan Portfolio Balance (USD)</b>			
Personal Banking	2,897,989,914	2,943,946,298	2,905,098,255
Business Banking	2,016,116,938	1,826,245,877	1,675,669,765
Corporate Banking	1,487,678,512	1,565,930,035	1,478,059,550

### Balance by sector of economic activity (top 10)

(SASB FN-CB-410a.1; FS6)

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Highlights by sector (USD)</b>			
Real Estate	3.05%	3.30%	4.14%
Construction -Apartment buildings	4.58%	4.33%	3.87%
Home building	3.39%	3.30%	3.11%
Commercial Construction	2.91%	2.80%	2.63%
Rental of Commercial Premises	2.35%	2.47%	2.55%
Cattle Production	2.55%	2.36%	2.15%
Central Government	1.63%	1.91%	1.97%
Purchase and sale of goods	1.35%	1.36%	1.63%
Local Commercial Mortgages - Land	1.02%	1.46%	1.54%
Mortgage Hotels	1.52%	1.89%	1.47%

### Personal Banking:

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Credit and Debit Cards</b>			
Number of debit cards	34,831	37,108	38,851
Number of credit cards	43,939	49,077	42,597
Number of clients - debit cards	24,305	29,488	37,136
Number of clients - credit cards	39,467	43,665	37,865

### Mortgages: (SASB FN-MF-000.A)

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Number of mortgages (#)</b>			
Residential	29,261	29,793	29,951
Commercial	10,295	8,853	7,818
<b>Number of mortgages (\$USD)</b>			
Residential	2,151,731,378	2,231,424,563	2,272,093,300
Commercial	3,368,294,169	3,217,525,137	2,968,878,864
<b>Number of mortgages (year-end balance \$USD)</b>			
Residential	1,895,299,889	1,941,820,079	1,955,686,020
Commercial	2,607,290,702	2,450,195,524	2,248,421,192



### PROGRESO AFPC (SASB FN-AC-000.B)

FISCAL YEAR	2018-19	2019-20	2020-21
Number of managed accounts - severance	1,337	1,312	1,285
Number of managed accounts - retirements	23,054	22,567	21,318
% corporate	5%	5%	6%
% individual subscription	95%	95%	94%
Number of managed trusts	1,082	1,058	1,031
Value of managed assets - unemployment (USD)	273,382,734	287,721,156	305,339,517
Value of Managed Assets - Retirements (USD)	225,535,102	222,974,022	232,707,588
% corporate	55%	56%	57%
% individual subscription	45%	44%	43%
Value of managed trusts (USD)	1,316,943,574	1,491,447,919	1,575,488,803

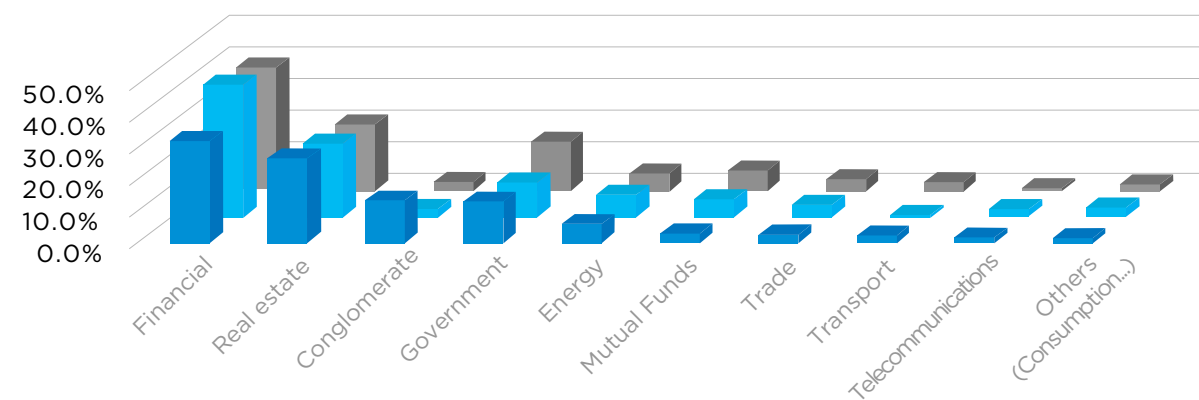
### GLOBAL VALORES (SASB FN-IB-000.A, FN-IB-000.B, FN-IB-000.C)

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Transactions (number)</b>			
Subscription	478	473	240
Securitization	3,593	3,124	2,301
<b>Transactions (\$USD)</b>			
Subscription	11,005,237	11,005,237	27,149,043
Securitization	1,149,748,483	1,149,748,483	911,729,051
<b>Transactions - Highlights (%)</b>			
Fixed rent	40.7%	38.0%	48.9%
Actions	42.6%	40.6%	32.4%
Foreign exchange	0.2%	0.4%	0.0%
Mutual Funds	15.8%	19.7%	15.3%
Others	0.7%	1.3%	3.4%

Highlights by type and sector, presented below

**BREAKDOWN OF INVESTMENTS BY TYPE OF SECTOR**

■ 2018-19 ■ 2019-20 ■ 2020-21



**GLOBAL VALORES - INVESTMENTS BY SECTOR (%) (SASB FN-AC-000.B)**

FISCAL YEAR	2018-19	2019-20	2020-21
Financial	31.7%	41.6%	38.9%
Real estate	26.3%	22.9%	21.2%
Conglomerate	13.2%	2.5%	2.7%
Government	12.8%	10.8%	15.3%
Energy	5.8%	6.8%	5.5%
Mutual Funds	2.8%	5.6%	6.3%
Trade	2.5%	3.8%	3.6%
Transport	2.1%	0.7%	2.7%
Telecommunications	1.6%	2.3%	1.1%
Others (Consumption, Construction, Technology, Health, Hotels)	1.3%	2.9%	2.7%

**GLOBAL FINANCIAL FUNDS CORPORATION (SASB FN-AC-000.B)**

FISCAL YEAR	2018-19	2019-20	2020-21
<b>Number of accounts and/or managed trusts</b>			
Escrow deposits	2	2	2
Beneficiaries	1	1	1
Warranties	25,655	24,640	23,065
Pension	1	1	1
Securitization	0	0	0
Administration	66	59	55
Investment	38	37	35
<b>Value of accounts and/or managed trusts (USD)</b>			
Escrow deposits	2,611,046	574,021	583,308
Beneficiaries	549,634	574,761	595,902
Warranties	2,935,977,206	2,703,811,959	2,510,666,115
Pension	3,170,374	2,934,612	2,666,938
Securitization	-	-	-
Administration	55,065,616	56,077,437	143,130,285
Investment	103,442,637	104,038,791	141,791,159

More information on the nature of each product at: <https://www.globalfinancialfunds.com.pa/#>

**ASEGURADORA GLOBAL – WRITTEN PREMIUM**

(SASB FN-IN-000.A)

FISCAL YEAR	2018-19	2019-20	2020-21
Number of Policies (current at closing) - Total	50,413	55,356	53,840
<b>Breakdown by segment/product (number)</b>			
Car	13,416	15,356	14,778
Fire	24,171	24,752	24,973
Personal Accidents	4,187	4,984	5,241
Lifetime	7,696	9,534	8,143
Fraud	1	1	1
Various Risks	7	6	9
Construction risks	104	96	102
Collective of life and unemployment	3	3	3
Bail bonds	828	624	590
Value of the issued premium (at closing) Total (USD)	30,265,500	32,813,415	32,156,700

<b>Breakdown by segment/product (\$USD)</b>			
Car	7,356,839	7,899,456	7,717,369
Fire	2,968,592	3,024,754	2,946,238
Personal Accidents	676,545	92,781	127,946
Lifetime	732,391	592,842	278,594
Fraud	1,415,640	1,616,594	1,497,015
Various Risks	456,619	600,465	674,637
Construction risks	1,777,768	648,000	932,484
Collective of life and unemployment	13,614,222	17,246,812	17,128,844
Bail bonds	1,266,884	1,091,711	853,573

More details of the different types of insurance at: <https://www.aseguradoraglobal.com.pa/>

### ASEGURADORA GLOBAL - INVESTMENTS (SASB FN-IN-410a.1)

FISCAL YEAR	2018-19	2019-20	2020-21
Investment (insurer specific) (total portfolio value) (USD)	14,076,026	16,287,908	25,363,486
<b>Breakdown by asset type (%)</b>			
Actions	0.1%	0.1%	0.1%
Government Bonds	0.0%	2.5%	2.8%
Private Bonds	40.5%	42.7%	30.3%
Global Bank Corp Bonds	59.4%	54.7%	66.9%
<b>Breakdown by sector type (%)</b>			
Industry: electricity production and generation	14.8%	23.4%	5.8%
Financial sector: banks	30.4%	26.1%	50.8%
Financial sector: financial companies	15.7%	13.1%	15.6%
Services: Communications	18.0%	15.3%	4.1%
Services: others	21.0%	17.5%	10.9%
Central Government	0.0%	4.5%	4.5%
Industry: other manufacturing industries	0.0%	0.0%	8.3%

More details of the different types of insurance at: <https://www.aseguradoraglobal.com.pa/>





## 11.3 Economic Value Generated and Distributed

(GRI 201-1, 201-4)

At Global Bank, as a financial group, we seek to create value for all of our stakeholders, through the solidity of the operation, the financial management, and the trust instilled by each.

Income was distributed between different areas, which include: employee salaries and benefits, taxes, investment in infrastructure that benefits clients, and social investment programs.

The resulting retained economic value allows us necessary capital to continue growing, always complying with our strict controls of risk and the commitment to the financial stability of the institution.

### ECONOMIC VALUE GENERATED (GRI 201-1, 201-4)

FISCAL YEAR	2018-19	2019-20	2020-21
Income (Economic Value Generated, EVG)	182,656.4	168,771.0	147,092.5
Breakdown by type of asset (%)	136,668.6	126,468.8	120,499.3
Operating expenses	31,812.9	45,935.8	44,561.3
Salaries and benefits (for employees)	57,575.0	58,321.2	57,113.7
Payments to the government (taxes and contributions)	7,211.0	1,273.7	3,284.2
Acquisitions	22,279.2	-	-
Investment in infrastructure	17,213.7	20,152.0	21,305.4
Donations (community)	576.8	786.1	803.1
Withheld (EVG-EVD)	<b>45,987.8</b>	<b>42,302.2</b>	<b>26,593.2</b>

### Notes:

- Due to the effects of the pandemic, income from portfolio volume decreased from 2020.
- Additionally, there was a need to increase provisions for non-performing loans, thus increasing the value of operating expenses.
- The increase in operating expenses is due to the acquisition of Banvivienda on November 30, 2018, so the year 2018-2019 closed with only 7 months of incremental expenses for this newly acquired banking entity. If contrast to the 2019-2020 period, where the results reflected the full 12 months of the costs related to this acquired entity.
- The extraordinary entry for acquisitions in 2018 corresponds to the purchase of Banvivienda.
- In the relationship to the government, regarding taxation and according to established laws, we received a series of deductions and interest subsidies for the preferential mortgage portfolio and commercial agriculture.
- In the particular case of the 2020-2021 pandemic period, it was necessary to generate historical levels of loan loss provision expense, which caused a (negative) deferred tax credit to originate, causing the total tax expense, that includes the income tax + the deferred income tax, to close negative for that period.
- The continuous increase in investment in infrastructure stands out, as part of the commitment to technological transformation and the best experience client, both in virtual and physical channels.
- Due to the circumstances of the pandemic, since 2020 support of the institution has increased to different organizations and groups, in the form of donations.

A breakdown regarding social investment is presented according to purpose:

SOCIAL INVESTMENT

FISCAL YEAR	2018-19	2019-20	2020-21
Community Investment	74%	95%	95%
Commercial Investment	26%	5%	5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note:

Within the heading of commercial initiatives, is included the contribution to the Biomuseo de Panamá, given that its scope is broader than the actual community and also benefits other interest groups.



# 12 | APPENDIX

## APPENDIX I: ESG MANAGEMENT DETAILS

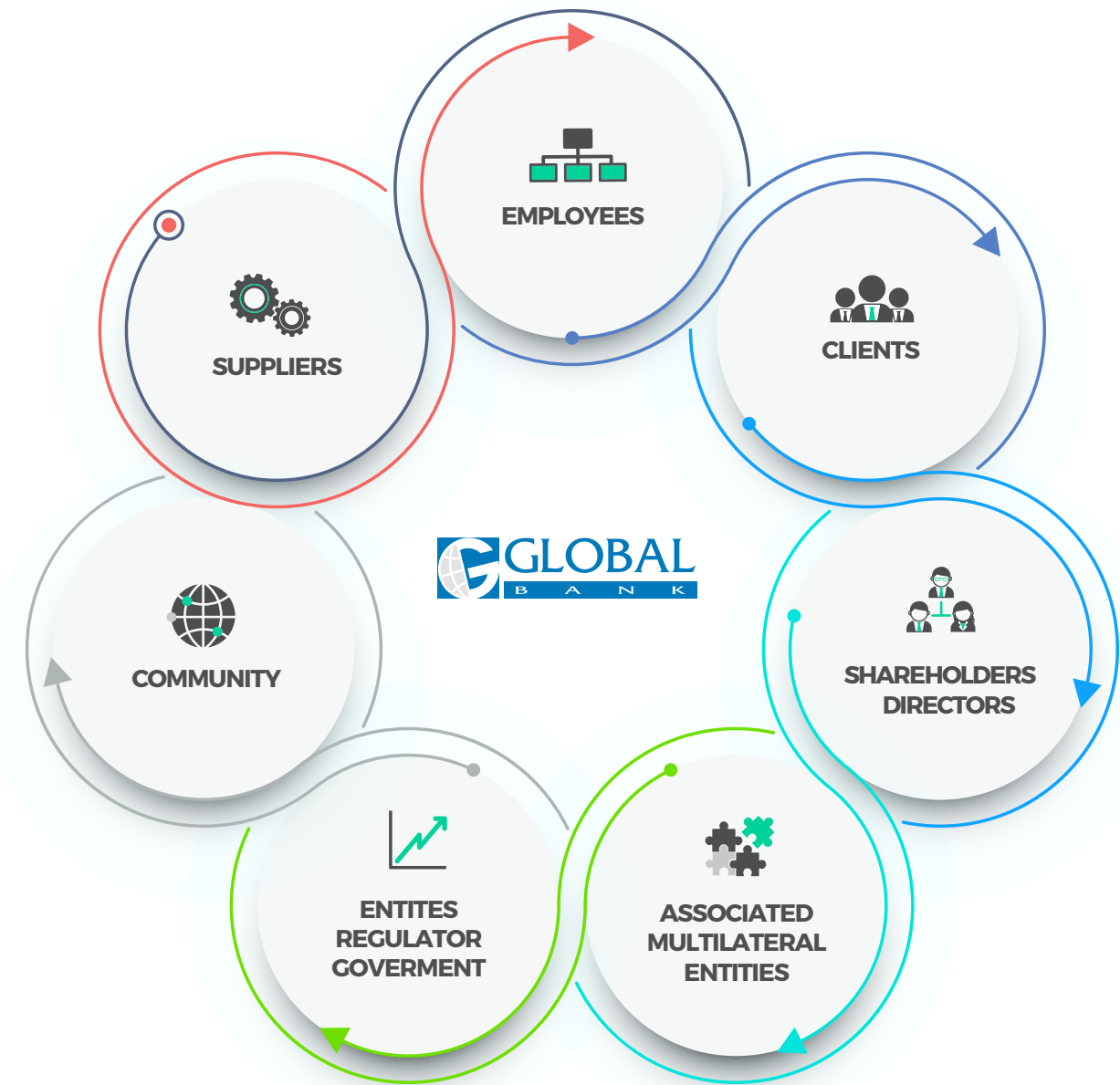
### 1. Relationship with stakeholders

(GRI 102-21, 102-40, 102-42, 102-43, 102-44)

The Group's operations are directly impacted by the relationship we have with our stakeholders and the continued approach for increased value on their behalf.

We foster long-term relationships through open dialogue with our internal stakeholders (employees), as well as external groups (customers, shareholders, suppliers, government, etc.). We are always guided by internal regulations, our Code of Ethics and Conduct, the values that distinguish us as an organization and national legislation as applicable.

We understand, as stakeholders, all those whom we affect in the exercise of our activity and/or that influence our performance, including the financial objectives and ESG matters (environmental, social and governance). We have numerous channels of dialogue, which allow a close bond and strengthened trust between all parties.



GLOBAL BANK CHANNELS AND STAKEHOLDERS			
Stakeholders	Value proposal	Channels	Relevant topics by Stakeholder
<b>Shareholders &amp; Directors</b>	We ensure your investment, through the constant growth of the business. In the same way, we promote transparency in the making of decisions and the financial results of the company.	<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Annual Shareholder meeting</li> <li>• Annual report (financial and non-financial)</li> <li>• Quarterly financial information</li> <li>• Web page</li> <li>• Daily updates</li> <li>• Files maintained for Directors (drive)</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Cybersecurity</li> <li>• Product innovation</li> <li>• Digital transformation</li> <li>• Employee training and development</li> </ul>
<b>Suppliers</b>	We guarantee to award contracts in accordance with our compliance standards. We carry out transparent and fair acquisitions, which contribute to the development of both parties, generating sustainable relationships over time.	<ul style="list-style-type: none"> <li>• Email</li> <li>• Performance reviews and acquisition</li> <li>• Purchasing/Administration Area</li> <li>• Web page</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible supply chain</li> <li>• Ethics and anti-corruption</li> <li>• Customer experience</li> </ul>
<b>Collaborators</b>	We generate a culture of trust and respect, aligned to our principles and values. We develop skills and foster professional and personal growth of each one of our collaborators. Likewise, we ensure your well-being, health and safety.	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Emails</li> <li>• Signs in common areas</li> <li>• Global Ethics Line</li> <li>• In person and online training</li> <li>• Performance evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Cybersecurity</li> <li>• Occupational health and safety</li> <li>• Customer service</li> <li>• Brand positioning</li> </ul>
<b>Clients</b>	We offer quality products and services that provide financial solutions and quick responses to your needs, based on transparent conditions for decision making. We are your financial advisers, with personalized attention. We incorporate technology, facilitating communication and services on the digital platforms available in the different subsidiaries of the Group. We responsibly manage your data and in all At the moment we adhere to the current legislation.	<ul style="list-style-type: none"> <li>• Branch offices</li> <li>• Online Banking / App</li> <li>• Web page</li> <li>• Emails</li> <li>• Social media</li> <li>• Satisfaction surveys</li> <li>• Brand health survey</li> <li>• Online meetings</li> <li>• On-site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Ethics and anti-corruption</li> <li>• Cybersecurity</li> <li>• Customer service</li> <li>• Corporate governance</li> </ul>

GLOBAL BANK CHANNELS AND STAKEHOLDERS

Stakeholders	Value proposal	Channels	Relevant topics by Stakeholder
<p><b>Community</b></p>	<p>We contribute to social development, through the promotion of inclusion and financial education, as well as through social investment initiatives (donations, volunteering, etc.).</p>	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Web page</li> <li>• Volunteering and donations</li> <li>• NGO Participation</li> </ul>	<ul style="list-style-type: none"> <li>• Socio-economic development of communities</li> </ul>
<p><b>Regulatory entities and government</b></p>	<p>We comply with the applicable legislation, safeguarding the rights of our clients and other groups of interest</p>	<ul style="list-style-type: none"> <li>• Communications and Reports of results</li> <li>• Public alliances</li> <li>• Open dialogue</li> <li>• Web page</li> </ul>	<ul style="list-style-type: none"> <li>• Eco-operational efficiency</li> <li>• Climate change risks</li> <li>• Investor Relations</li> <li>• Corporate governance</li> <li>• Ethics and anti-corruption</li> </ul>
<p><b>Entities multilateral associations</b></p>	<p>We advance hand in hand with your requirements, promoting the management of environmental aspects, social and governance (ESG). Your support is key in the consolidation of efforts in the company.</p>	<ul style="list-style-type: none"> <li>• Communications and Reports of results</li> <li>• Participation in specialized forums</li> <li>• Credit subscription processes and/or technical advice</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Ethics and anti-corruption</li> <li>• Financial education</li> <li>• Climate change risks</li> <li>• Diversity</li> <li>• Financing and investment with ESG criteria</li> <li>• Financial inclusion</li> <li>• Products and services with environmental benefits</li> </ul>

## 2. Materiality Study

(GRI 102-46, 102-47, 102-49)

During the year, we carried out our first materiality analysis, identifying the critical environmental, social and corporate governance issues for the Group. For this, we considered the perspectives of the stakeholders and the vision of the business strategy.

We incorporated aspects of how the company is responding to trends in the financial sector, such as the digitization of operations and client experience, the influence with context to Panama, and the impact that COVID-19 had had on customer expectations, employee priorities, and other interest groups.

The exercise was carried out at a company-wide level. To include the perspective of stakeholders, we consulted directly with more than 850 employees; in the case of authorities and clients, the teams in charge of the relationships with said groups participated; finally, to know the priority of the shareholders, we involve the Board of Directors. The strategic approach of the company was examined with the Senior Management, in an exhaustive exercise.

We present the details of the process followed:

### 1. ID/Revision

Identification/Review  
Identification of potential relevant topics, as well as documented reviews

### 2. Prioritization

Prioritization of topics based on the opinion and perspective of different stakeholders relevant to Global Bank

### 3. Validation

Matrix Construction and validation of relevant issues.

Preparation of the list of potential relevant topics, referencing related stakeholder group:

#### Sector Priorities:

**Context of activity:** trends in management business, risks and opportunities.

**COVID context:** includes business management trends and risks resulting from COVID-19.

**Investors:** Documents from rating agencies and standards requested by investors.

**Stakeholder priority:** Incorporated the perspective of employees, clients, authorities and shareholders.

**Company Strategic Priority:** Inquiries to the Senior Management team.

Preparation of the **materiality matrix**.  
Determination of the set of **topics materials and correlation with SDGs**.  
**Validation** session with Senior Management.

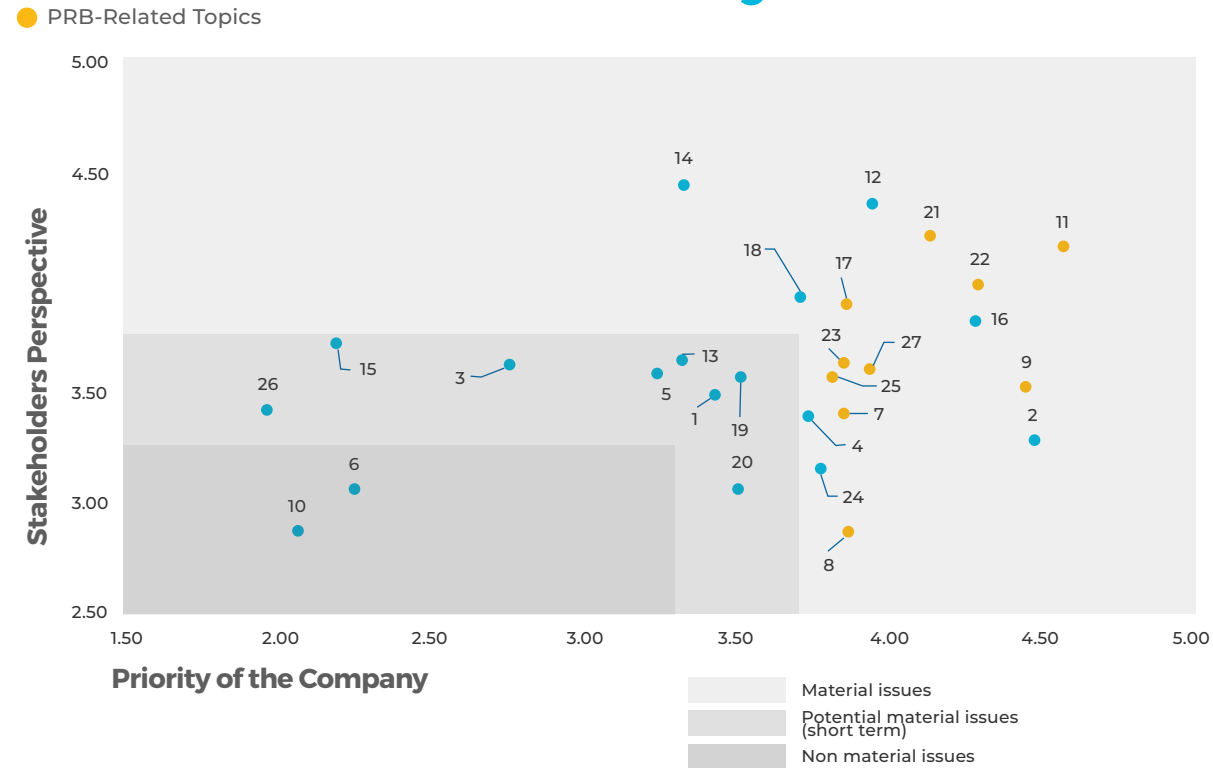
Next, we present the materiality matrix, where the topics are displayed divided into three categories:

**Material issues:** those that are especially critical at the present time, both for stakeholders and for the company. They serve as the basis for ESG strategic initiatives and determine the contents of the present report.

**Emerging issues:** those that we will pay attention to because they can become material in the short term, derived from a significant change in our situation and/or in our operation.

**Non-material issues:** those of low significance, which do not require special action on our part.

## Global Bank materiality matrix



### List of material issues 17

No.	TOPICS
11	Customer service
21	Ethics and anti-corruption
12	Digital transformation
22	Corporate governance
16	Economic performance
9	ESG Financing and Investment
17	Regulatory compliance
14	Cybersecurity
2	Employee attraction and retention
18	Customer privacy
27	Eco-operational efficiency
23	Disclosure and transparency of ESG information
25	Products and services with environmental benefit
7	Financial education
4	Occupational health and safety
24	Investor Relations
8	Financial inclusion

### Potentially material short-term issues 8

19	Brand positioning
13	Product innovation
1	Employee training and development
5	Working environment
20	Relationship with authorities
3	Diversity and equal opportunities
15	Sales Practices
26	Climate change risk

### Material issues 2

6	Socio-economic development of communities
10	Responsible supply chain

The detail of our contribution to the SDGs is detailed in point 4 of this appendix.



### 3. Identification and Sizing of the Impacts

(GRI 102-12)

The commitment we took on with UNEP FI drives us to continue advancing in the model of responsible banking, and it was key in identifying the impacts of our credit portfolio, to maximize the positives and reduce or eliminate the negatives.

We use the UNEP FI “Portfolio Impact Analysis Tool”, which consists of a data input-output workflow, that helps determine the impact areas most significant of the entity. These areas correspond to a previous classification of UNEP FI, created to transfer and translate the set of possible impacts to a system of categories common to all financial institutions.

Next, we present the process we followed and the description of the areas of impact that were relevant for our institution.

#### Identification and sizing of impacts: Analysis Details



**Organizational scope:** the activity of the bank; in this exercise the financial subsidiaries of the Bank (insurance, pensions, etc.); will be incorporated in the update that we carry out with the progress of the Sustainable Business Strategy.



**Geographic scope:** only in Panama, which represents 95.12% of credit. Credits from the international portfolio are not included as they represent a low percentage of the total credit. For Personal Banking 100% of loans at the local level (Panama) and for Business Banking 91% of the credits.



**Types of business:** Consideration of Personal Banking (Consumer) (assumes 48% of credit and 57.7% of the gross income) and Business Banking (Commercial / Corporate) (assumes 52% of credit and 42.3% of the gross income), which are the main lines of business.



**Exposure scale:** We work in the sectors and industries that we finance in the case of Business Banking; in the future, when we expand our impact analysis, we can do it using specific technologies at a more granular level. In the case of Personal Banking, we work with the categories including socioeconomic characteristics of the clients, and the products of credit and deposits (assets and liabilities).



**Context and relevance:** Once the economic, social and environmental issues are determined we look at the impact of our portfolio, we also critically analyze the country of these topics. With the balance of both aspects, we determine the final main issues/impact areas. Those to address with greatest priority were established with the senior business management based on the planned business strategy.

## Identification and sizing of impacts: Results

Here we present the updated scope, resulting from the analysis exercise carried out on June 30, 2021, which succeeds the prior finding from of June 31, December 2020. The continuity of the identified impacts maintains The Sustainable Business Strategy is in force.

### Business banking:

The loan portfolio is broken down as follows:

#### GLOBAL BANK

CLIENT INDUSTRY	% of Credit Portfolio Business Banking
Construction	24
Real Estate	12
Animal Production	9
Retail	5
Generation, Distribution and Transmission of Electric Energy	4
Agriculture	4

**Main positive impacts:** Employment, Food, Housing and Mobility.

**Main negative impacts:** Climate, Resource efficiency/security, Soil, Waste, Biodiversity and ecosystems.



In Business Banking, 24% of the portfolio is to finance construction projects, 12% for real estate activities, 9% for animal production, 4% for agriculture, among other activities. These activities have a positive impact through the generation of jobs; animal production and agriculture contribute to the production and cultivation of food, and the construction of housing and residential buildings promote housing solutions for Panamanian families.

However, we recognize that construction generates large amounts of waste; and that agricultural activity has a negative impact on the environment such as: the generation of greenhouse gases, the degradation of soil, and the loss of ecosystems and biodiversity.

We have outlined a list of actions through 2024, to create products and services that help in mitigating the negative impacts and reinforce the positives with regard to environmental and social issues.

## Personal Banking:

Types of products considered:

**Loans:** consumer, Home/mortgages and car loans.

**Deposits:** Savings accounts, current accounts and time deposits.

41% of clients have consumer loans, 14% have home/mortgage loans and 12% for cars.

**Main positive impacts:** Employment, Inclusive and Healthy Economies, Housing, Mobility

**Main negative impacts:** Climate, Resource efficiency/security, Inclusive and Healthy Economies

Consumer loans, in all forms, make it possible to develop professional and personal projects, including self-employment and/or the generation of enterprises that incorporate personnel. The access to credit of this nature is also inclusive. There is also the positive impact from the acquisition of housing and the mobility of people.

If financial education is not strengthened and the correct use of marketing is not overseen, over-indebtedness can undermine progress this inclusion. Similarly, given that that portfolio of vehicles in Panama is primary fossil fueled, it can be harming the climate; The same is true if the dwellings we finance do not have eco-efficient systems.

**The objectives established in response to such impacts, together with the measurement indicators for the 2030 Agenda (in the form of the Sustainable Development Goals - SDG), are presented in the chapter on Advances in Responsible Banking.**

ISSUES OF IMPACT	Area of Sustainable Development	Related SDG
<b>Food:</b> Accessibility to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.	Society	2
<b>Housing:</b> Accessibility to adequate, safe and affordable housing to live in safety, peace and dignity.	Society	3 y 11
<b>Biodiversity and ecosystems:</b> Variety of living organisms from all sources, including terrestrial, marine and aquatic ecosystems, and the ecosystems of which they are part.	Environmental	4 y 16
<b>Climate:</b> The composition of the global atmosphere and its exposure to greenhouse gases (GHGs) is a factor that directly contributes to climate change.	Environmental	13
<b>Inclusive and healthy economies:</b> Development and creation of sustainable, diverse and innovative markets that add value to society and the economy, including vulnerable social groups, labor markets, finance and business. Likewise, access to affordable, insurance for both individuals and micro, small and medium enterprises.	Economic	8 y 9
<b>Resource efficiency/security:</b> Efficient use of non-renewable and renewable natural resources in the production and consumption process.	Environmental	6, 12, 13, 14 y 15
<b>Employment:</b> Accessibility of the population to full and productive employment and decent work, which generates fair income, security in the workplace, social protection for families, personal development and integration, freedom to express concerns, and equality of opportunity and treatment.	Society	8
<b>Mobility:</b> Accessibility of the population to safe, affordable, inclusive, efficient and sustainable mobility and transport systems and infrastructure.	Society	9 y 11
<b>Waste:</b> Ability to manage and reduce waste	Environmental	6, 12, 14, 15
<b>Soil Quality:</b> soil composition and ability to produce food, regulate gases, water and nutrients. Likewise, exposure to contaminants that interfere with this ability.	Environmental	3 y 15



## The classification of topics corresponds to the UNEP FI Impact Radar initiative

\* In the context of the Principles for Responsible Banking, impact means (in line with the GRI definition) the effect that a bank has on people/society, the economy and the environment and ultimately in sustainable development. The impacts can be positive or negative, direct or indirect, actual or potential, intentional or unintentional, short or long term.

The concept of significant impact is used to ensure that banks focus where their actions/businesses may be more important to people, the economy and the environment and to provide a reasonable and practical threshold on what issues should be considered/included.

## Contribution to the Sustainable Development Goals (SDG)

(GRI 102-12)

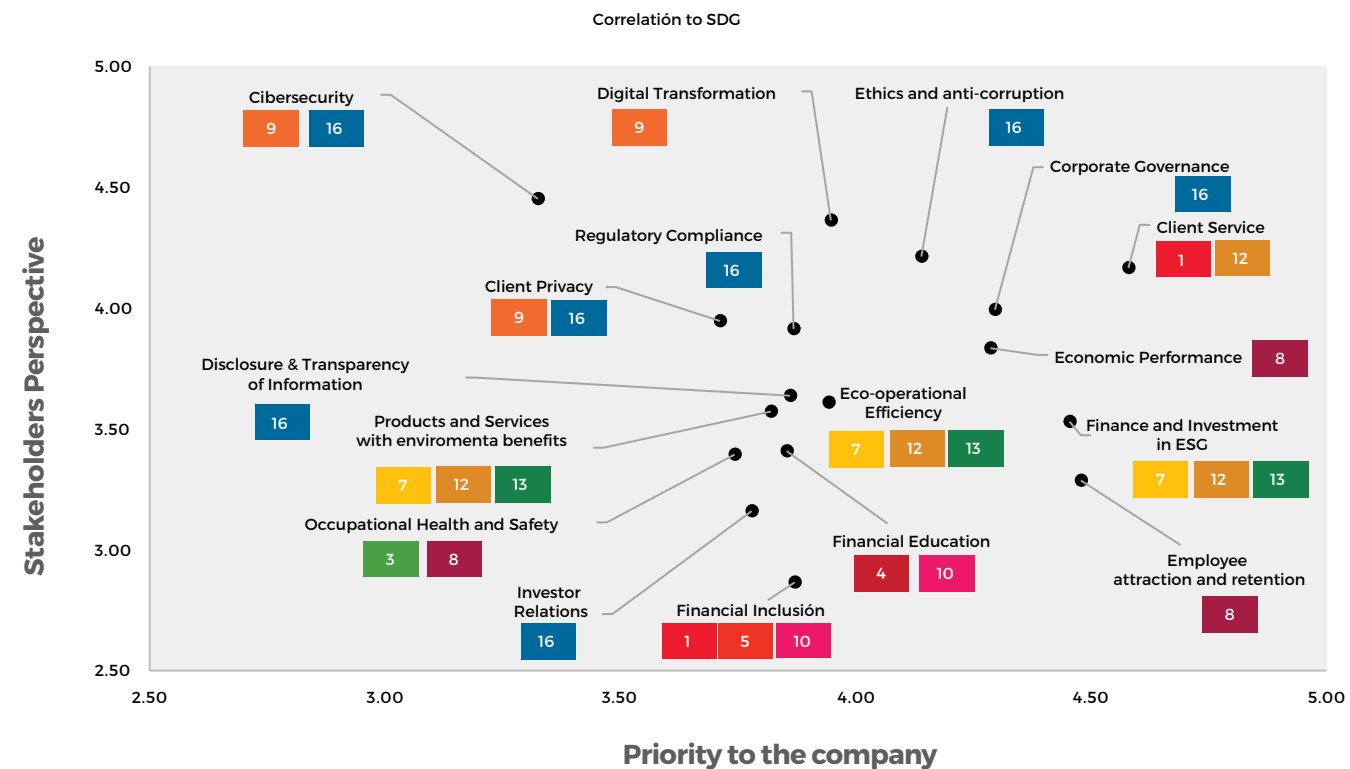
Through our business and operation model, that was developed with a focus on sustainability and value creation, we want to contribute to solving the big problems we face as a society.

We seek to maximize our contribution to the Sustainable Development Goals (SDG), established by the UN.

We place special emphasis on those SDGs where we can contribute through our line of business, operation and the public we serve; Therefore, the Senior Management and the Board of Directors approved the continuation of the six main SDGs (3, 4, 5, 7, 12 and 13), and added five additional SDGs, as a result of the correlations of topics we found to be material, which has allowed us to generate the basis of our sustainability and responsible banking strategy.

Next, we address our contributions to the SDG, which is presented in more detail throughout the report.

## Materiality – correlation with SDG



## RELATIONSHIP WITH THE SDGs



CONTRIBUTION TO THE SDGs				
SDG	Material Issues	Contribution	Measures	Page #
1   End to Poverty	<ul style="list-style-type: none"> <li>Financial inclusion</li> <li>Customer service</li> </ul>	We support business development through financing for those with the greatest needs and difficulty in access, highlights the impact on SMEs and the agricultural sector as a whole.	US\$ 90 million received for focused financing. US\$311 million balance of credit to the agricultural sector (subsidized) and US\$ 46 million unsubsidized.	<a href="#">9, 53</a>
3   Health and Wellbeing	<ul style="list-style-type: none"> <li>Health and Job Security</li> </ul>	We focus on maintaining and preserving the health and quality of life of our partners. As a result of the pandemic, we have strengthened our health and security measures. We provide psychological support, biosecurity supplies, PCR tests, among others. Training our employees in Industrial Safety and Occupational Health (SISO), promoting prevention.	<p>205 calls for psychological care.                      US\$115,400.20 invested in biosafety supplies.                      744 employees trained in SISO:</p> <ul style="list-style-type: none"> <li>Emergency Brigade: 472</li> <li>ATS: 51</li> <li>Cutting and Welding: 29</li> <li>Lockout Tagout 14</li> <li>Ergonomic tips: 178</li> </ul> <p>In addition, E-learning for all staff: A New COVID-19 Lifestyle and Changes towards the new normal with COVID-19</p>	<a href="#">68</a>
4   Quality Education	<ul style="list-style-type: none"> <li>Financial education</li> </ul>	We develop webinars for training in different aspects of finance, which are complemented by online material: <a href="https://www.globalbank.com.pa/es/asesoria-financiera">https://www.globalbank.com.pa/es/asesoria-financiera</a> . We train our employees in the same way, so that they are an example. We also collaborate with different media, and we involve our business allies (promoters).	940 participants in finance webinars. 4,704 participants in financial education training for employees.	<a href="#">47, 53, 84</a>
5   Gender Equality	<ul style="list-style-type: none"> <li>Financial inclusion</li> </ul>	We develop products that help reduce the gaps in gender equality, through specialized loans for women. (complementary to SDG 1)	50.7% of the accounts in the Personal Banking portfolio are held by women. And 47.6% of the total balance of the Personal Banking loan portfolio is represented by women.	<a href="#">47, 53</a>

CONTRIBUTION TO THE SDGS

SDG	Material Issues	Contribution	Measures	Page #
7   Accessible Energy and No. Contamination	Efficiency eco-operational	We work on the use of renewable energy in our offices and branches. We also provide financing to projects for the generation of renewable energies.	8 branches with solar panels as an energy. US\$786 thousand invested in transition to renewable energy. US\$234.3 million in financing for renewable energy construction projects (customers).	<a href="#">47, 53, 79</a>
8   Decent Jobs and Economic Growth	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Attraction and retention of employees</li> </ul>	<p>We favor stable employment and access to different benefits that contribute to wellbeing.</p> <p>We provide technical training, which allows us to have the best talent and competitive employees.</p>	<p>1,772 employees.</p> <p>100% of employees with a permanent contract.</p> <p>620 average hours of training / employee.</p>	<a href="#">68, 89</a>
9   Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> <li>Cybersecurity</li> <li>Client privacy</li> <li>Digital transformation</li> </ul>	<p>We provide training in cybersecurity, privacy of data and constant management of information to our work team.</p> <p>We have state-of-the-art systems, regularly subjected to monitoring and vulnerability testing.</p>	<p>1,548 hours of personal data protection training to (employees).</p> <p>Absence of cybersecurity incidents with theft of data.</p>	<a href="#">33, 64</a>
10   Reduction of the inequalities	<ul style="list-style-type: none"> <li>Financial inclusion</li> <li>Financial education</li> </ul>	We have pointed out how we facilitate access to financing to most vulnerable groups, such as women entrepreneurs and the SME entrepreneurship. (complementary to SDG 1 and 5)	(see SDG 1 and 5)	<a href="#">53, 84</a>



CONTRIBUTION TO THE SDGS

SDG	Material Issues	Contribution	Measures	Page #
12   Responsible Production and Consumption	<ul style="list-style-type: none"> <li>• Products and services with environmental benefits</li> <li>• Financing and investment ESG</li> <li>• Customer service</li> </ul>	<p>We evaluate the social and environmental risks of the credit delivered to companies and projects we finance (SARAS). In this way, through financing, we promote good practices in our customers.</p> <p>We started a consultancy to identify financial products that also contribute to achieving the country's goals in conjunction with the Paris Agreement.</p> <p>Technical assistance to our customers is in progress ranchers and coffee growers with the aim of providing them with Productive improvement using sustainable methods and tools, through introduction of these clients who are in livestock and sustainable coffee farming.</p>	<p>170 clients evaluated by ESRMS (2021). \$40 million of credits reviewed (ESRMS, 2021).</p> <p>90 agricultural clients participated in introduction of sustainable production practices.</p>	<p><a href="#">9, 33, 47, 53, 64, 79</a></p>
13   Climate Action	<ul style="list-style-type: none"> <li>• Products and services with environmental benefit</li> <li>• Eco-operational efficiency</li> </ul>	<p>We provide financing for renewable energy projects. In addition, we promote good environmental practices through ESRMS, evaluating clients prior to the delivery of financing.</p> <p>Likewise, we provide training to our collaborators in topics related to the analysis of environmental and social risks, environmental indicators, sustainable finance, among others in the field of sustainable banking.</p> <p>We subscribe, as founding signatories, to the initiative of the program "Reduce your Corporate-Carbon Footprint" founded by the Ministry of the Environment, to reduce greenhouse gas emissions to achieve carbon neutrality by 2050</p>	<p>24 training sessions related to sustainability and SDGs. (see SDG 7)</p> <p>Carbon footprint results</p>	<p><a href="#">33, 47, 53, 79</a></p>
16   Peace, Justice and Solid Institutions	<ul style="list-style-type: none"> <li>• Ethics and anti-corruption</li> <li>• Regulatory compliance</li> <li>• Corporate governance</li> <li>• cybersecurity</li> <li>• customer privacy</li> <li>• Disclosure and transparency of ESG information</li> <li>• Investor Relations</li> </ul>	<p>Our Code of Ethics and Conduct, together with the rest of the policies that expand the themes, serve as self-regulation for our collaborators. We require your compliance.</p> <p>We provide training, in order to prevent possible risks and strengthen the organizational culture of ethics.</p>	<p>+ 5,000 hours of training in ethics and anti-corruption.</p> <p>+500 collaborators specifically trained in anti-corruption.</p>	<p><a href="#">9, 19, 30, 33, 47, 64</a></p>

## APPENDIX II - SELF-ASSESSMENT OF THE IMPLEMENTATION OF THE PRINCIPLES FOR RESPONSIBLE BANKING (PRB) (GRI 102-12)

As part of our commitment to generating value from the business, for the different stakeholders, we subscribe to the Responsible Banking Principles for UNEP-FI.

Throughout the report, we give an account of our progress in its implementation, summarized in the following self-assessment form.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to the needs of individuals and the goals of society, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1. <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, the types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Global Bank is a banking institution with multiple locations that operates in Panama; the bulk of banking activity is concentrated within the country, complemented by international banking.</p> <p>Through our different subsidiaries, we provide a wide range of of financial products and services while providing advice on the most appropriate option, and always characterized by a close relationship with the client.</p> <p>Financial products and services include the areas of Business Banking Personal Banking, and Private Banking.</p> <p>For Personal Banking, our products include personal loans, mortgages, auto loans and credit cards.</p> <p>In Business Banking we have a variety of products, such as: lines of credit and overdrafts, short and long-term loans, leasing, factoring, corporate credit cards, syndicated loans, among others.</p> <p>The main sectors we serve are: commercial, construction, agricultural, industrial, energy and transportation.</p> <p>We design specific strategies for asset management to preserve and increase the assets of our clients.</p> <p>In addition, our clients can count on deposit products such as current accounts, savings accounts, cash management and fixed-term deposits.</p> <p>As a financial group, we have subsidiaries specializing in deposits for severance and/or retirement (Progreso) and insurance provision(Aseguradora Global).</p>	<p>Profile and strategy <a href="#">Page 9</a></p> <p><a href="https://www.globalbank.com.pa/es/globalbank/nosotros">https://www.globalbank.com.pa/es/globalbank/nosotros</a></p> <p><a href="https://www.globalbank.com.pa/es/globalbank/subsidiarias">https://www.globalbank.com.pa/es/globalbank/subsidiarias</a></p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to the needs of individuals and the goals of society, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to the objectives of society, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>We have a Sustainability Strategy, built from:</p> <ol style="list-style-type: none"> <li>1. a business vision that contributes to sustainable development;</li> <li>2. gap analysis and diagnosis of bank practices in conflict with the Principles of Responsible Banking;</li> <li>3. the ESG commitments (environmental, social and governance) that we are committed to nationally and internationally;</li> <li>4. results of the impact analysis of the bank's portfolio carried out in 2020 and updated in 2021;</li> <li>5. the material issues resulting from the materiality analysis carried out in 2021.</li> </ol> <p>It is a dynamic strategy, which has evolved accordingly with the maturity our management and to meet the needs of the circumstances in which we operate. It integrates, in part, the actions for responsible banking: with products and services aimed at financial inclusion and protection of the environment, financial education an insured population.</p> <p>We therefore contribute strategically to a selection of the SDGs, and we monitor our contribution through specific indicators.</p> <p>See more detail within this report in the chapters on Sustainability Strategy, Advances in Banking Responsible and Contribution Appendix to the SDGs.</p> <p>Our commercial strategy is also aligned with the country's agenda for compliance with the Paris Agreement. To accomplish this, we reviewed the document of Nationally Determined Contribution (NDC), among other instruments and relevant frameworks, to integrate our commercial strategy in line with the national strategy, and thus contribute to the mitigation and adaptation to change climate. We find that the areas in which we can contribute through our products, services and operations are: energy (renewable and sustainable mobility), sustainable agriculture/livestock, sustainable infrastructure and circular economy.</p>	<p>Sustainability Strategy <a href="#">Page 47</a></p> <p>Advances in Responsible Banking <a href="#">Page 53</a></p> <p>Contribution to the SDGs <a href="#">Page 110</a></p> <p><a href="https://www.globalbank.com.pa/es/sostenibilidad">https://www.globalbank.com.pa/es/sostenibilidad</a></p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 2: Impact and target setting</b>                      We will continue to increase our positive impacts while reducing negative impacts and manage risks to people and the environment resulting from our activities, products and services. To that end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>1. Impact analysis:                      Show that your bank has identified the areas in which it has its most significant positive and (potential), negative impacts through an impact analysis that meets with the following elements:</p> <p><b>a. Scope:</b> The main business areas, products/-bank services in the main geographies in which the bank operates, as described in point 1.1., have been considered in the scope of the analysis.</p> <p><b>b. Exposure scale:</b> al identificar sus áreas de impacto más significativo, el banco ha considerado dónde está su negocio principal / sus actividades principales en términos de industrias, tecnologías y geografías.</p> <p><b>c. Context and relevance:</b> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which you operate.</p>	<p>To identify the impacts resulting from our product portfolio, especially credit, we combined the results of several exercises:</p> <ul style="list-style-type: none"> <li>- Previous analysis of the credit portfolio for the design of the Administration of the of the Environmental and Social Risks Management System (ESRMS).</li> <li>- Sensitivity analysis of the Group's performance and its social and environmental impacts; of both the operations and the loan portfolio.</li> <li>- Application of the Portfolio Impact Analysis Tool developed by UNEP-FI, in its second version. We applied it to Personal Banking (consumer) and Business Banking (commercial and corporate).</li> <li>- We have analyzed the National Contribution Determination document (NCD) of Panama (updated in Dec-2020) that establishes the country's commitments before the Paris Agreement, structured in 10 sectors. The sectors in which we think the bank can contribute are:                             <ul style="list-style-type: none"> <li>• Energy (includes distributed generation, electric mobility, among others),</li> <li>• Sustainable Agriculture, Livestock and Aquaculture,</li> <li>• Sustainable Infrastructure and</li> <li>• Circular Economy</li> </ul> </li> </ul> <p><a href="https://cdn1.miambiente.gob.pa/informe/">https://cdn1.miambiente.gob.pa/informe/</a></p> <p>Additionally, the following documents have been reviewed</p> <ul style="list-style-type: none"> <li>• National Energy Plan 2015 – 2050.</li> <li>• National Energy Transition Agenda 2020-2030.</li> <li>• Draft - National Strategy for Climate Change.</li> </ul>	<p>Sustainability Strategy  <a href="#">Page 47</a></p> <p>Advances in Responsible Banking  <a href="#">Page 53</a></p> <p>Contribution to the SDGs  <a href="#">Page 110</a></p> <p><a href="https://www.globalbank.com.pa/es/sostenibilidad">https://www.globalbank.com.pa/es/sostenibilidad</a></p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 2: Impact and target setting</b> We will continue to increase our positive impacts while reducing negative impacts and manage risks to people and the environment resulting from our activities, products and services. To that end, we will set and publish targets where we can have the most significant impacts.</p>		
<p><b>d. Scale and intensity / salience of impact:</b> Identification of their most significant impact areas, the bank has considered the scale and intensity / importance of the (potential) social and economic results from the activities of the bank and the provision of products and services. [your bank should have gained commitment from the relevant stakeholders to help inform its analysis on the included elements c) and d)]</p> <p><b>Show that, based on this analysis, the bank:</b> Identified and disclosed their areas of positive impact and most significant (potential) negative impacts. Identified strategic business opportunities in relation to the increase in positive impacts / reduction of negative impacts.</p>	<p>During the second semester of 2021, we have continued with the prioritization of the impacts and confirming the strategic objectives through:</p> <ul style="list-style-type: none"> <li>- Awareness of agricultural clients (119) at the national level, and identification of specific needs for sustainable practices.</li> <li>- Workshop with the Bank's Business team on risk appetite in different green financial products (GFP) and knowledge of the Panamanian market with regard to where they could be useful.</li> <li>- Benchmarking of green financial products in the region and opportunities for financing in the country.</li> <li>- GAP Analysis – Environmental and Social Legislation of Panama.</li> <li>- Qualitative analysis of 10 potential GFPs.</li> <li>- Market study and focus groups concentrating on women in the financial markets.</li> <li>- Analysis of the bank's portfolio of products for women.</li> <li>- Measurement of emissions of some sectors of the credit portfolio (according to results of the impact analysis, specifically those that negatively affect the climate) using the GHG Protocol methodology through PCAF</li> </ul> <p>In this way, we ensure coverage of our entire portfolio of products.</p> <p>In the section on identification and sizing of portfolio impacts (of Appendix I), we detail the characteristics (scope, exposure, scale, context and relevance, and the scale and intensity/magnitude of the impacts) and the results of the Impact Analysis of the Portfolio for Business Banking and Personal Banking determined with information as of June 30, 2021.</p>	<p>Sustainability Strategy <a href="#">Page 47</a></p> <p>Advances in Responsible Banking <a href="#">Page 53</a></p> <p>Contribution to the SDGs <a href="#">page 110</a></p> <p><a href="https://www.globalbank.com.pa/es/sostenibilidad">https://www.globalbank.com.pa/es/sostenibilidad</a></p> <p>Identification and sizing of portfolio impacts (from Appendix I) <a href="#">Page 105</a></p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

The bank carried out different exercises, among them, the analysis of the impacts of the Personal Banking portfolio and the Business Banking credit portfolio; so that we could identify the main areas of impact for both positive and negative contributions. In addition, we have implemented several initiatives and studies to confirm that the objectives are aligned with the results and prioritization of the impacts found. The next steps, to improve the impact analysis of the portfolio, we plan to: perform analysis by geographical sector of the country, improve data quality of customer demographic data and identify the technologies financed by the banking core.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 2: Impact and target setting</b> We will continue to increase our positive impacts while reducing negative impacts and manage risks to people and the environment resulting from our activities, products and services. To that end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.2. Target Setting</p> <p>Show that the bank has established and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant</b> and <b>Time-bound (SMART)</b> targets, which address at least two of the “most significant impact areas” identified, resulting from the activities of the bank and the provision of products and services.</p> <p>Show that these goals are linked and drive alignment and greater contribution to the appropriate Sustainable Development Goals, the objectives of the of Paris Agreement and other international, national or relevant regions. The bank should have identified a baseline (assessed for a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analyzed and recognized significant (potential) negative impacts of stated goals in other dimensions of the SDGs/climate change/goals of the company and that it has established relevant actions to mitigate them as far as possible to maximize the net result of the positive impact of the fixed objectives.</p>	<p>Based on the impacts identified, we set ourselves two strategic objectives further broken down into specific SMART objectives and different milestones.</p> <p><b>Strategic target 1:</b> Reduction of greenhouse gas (GHG) emissions, through financing of projects and sectors that contribute to the transition to a less carbon intensive economy; setting annual placement goals.</p> <ul style="list-style-type: none"> <li>• Sectors to impact: renewable energy, sustainable mobility, energy efficiency, sustainable agriculture, sustainable infrastructure, circular economy.</li> <li>• One of the specific goals is to place USD\$10 million in financing for renewable energy, during fiscal year 2021-2022.</li> <li>• Indicators to measure: number of sustainable projects financed, number of loans granted, amount granted, percentage increase.</li> <li>• In addition to contributing to the Paris Agreement, some of the SDGs actions will impact: SDG 7 - Affordable and clean energy, SDG 12 - Responsible production and consumption, and SDG 13 - Climate action.</li> </ul> <p><b>Strategic target 2:</b> Develop products and services that promote a better quality of life in vulnerable sectors, especially in matters of health, quality education and gender equality.</p> <ul style="list-style-type: none"> <li>• One of the specific goals is the following: Allocate \$90 million to finance homes and SMEs owned by women by 2022 (from March 2020).</li> <li>• Indicators to measure: number of women benefited, amount granted for each product, number of loans granted.</li> <li>• SDGs impacted: SDG 3 - Health and wellbeing, SDG 4 - Quality education and SDG 5 - Gender Equality</li> </ul> <p>In the chapter on <b>Advances in Responsible Banking</b>, we detail our objectives, the quantitative goals that we set for ourselves and the initiatives implemented and/or planned.</p>	<p>Advances in Responsible Banking <a href="#">Page 53</a></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>The targets have been constructed to address the main impacts, both positive and negative, as identified in our Personal and Business Banking areas. We set two targets, for which we have an established relationship with the SDGs; in particular, the first contributes to our commitment to the fulfillment of the Paris Agreement. First objective: "Reduction of GHG emissions through the financing of projects and sectors that contribute an economy less dependent on fossil fuels." For each objective we have established indicators, determined its baseline for the fiscal years 2019-20 and 2020-21 (two years due to the exceptional nature of both due to the pandemic) and set goals for both the short-term (annual) and medium-term (for fiscal year 2024-25).</p>		

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 2: Impact and target setting</b>                      We will continue to increase our positive impacts while reducing negative impacts and manage risks to people and the environment resulting from our activities, products and services. To that end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.3. Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the established objectives.</p> <p>Show that your bank has implemented the means to measure and monitor progress against established goals. The definitions of the key indicators of performance, any changes to these definitions and any changes to baselines must be transparent.</p>	<p>The commitments assumed in Responsible Banking, based on the map of impact, have been provided with indicators, goals and the baselines established.</p> <p>The initiatives that will allow its achievement are part of the Sustainable Business Strategy and the advances can be found in the chapter on <b>Advances in Responsible Banking</b>.</p>	<p>Sustainability Strategy  <a href="#">Page 47</a></p> <p>Advances in Responsible Banking  <a href="#">Page 53</a></p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding the Plans for Target Implementation and Monitoring.

For each objective, we have set a roadmap of actions. In addition, the set of indicators defined for each objective is monitored annually to assess compliance with both the annual goals and progress against the medium-term goals.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 2: Impact and target setting</b> We will continue to increase our positive impacts while reducing negative impacts and manage risks to people and the environment resulting from our activities, products and services. To that end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.4. Progress on Implementing Targets</p> <p><b>For each target separately:</b> Show that your bank has implemented the actions that you had previously defined to meet the established objectives.</p> <p>Or explain why the actions could not be implemented / needed to change, and how your bank is adapting your plan to meet your stated goal.</p> <p>Report on the progress of your bank during the last 12 months (up to 18 months on your first report after becoming a signatory) towards the achievement of each of the goals set and the impact their progress had (where feasible and appropriate, banks should include quantitative disclosures).</p>	<p>The Sustainability Commission is responsible for monitoring the progress of the Sustainable Business Strategy and assessing its compliance. As an institution, we report annually on our progress in the sustainability report.</p> <p>Together with the objectives and quantitative goals, in the chapter on <b>Advances in Responsible Banking</b> we present the main initiatives.</p> <p>During the second half of 2021 we continued to make progress in the achievement of our goals:</p> <p><b>Target 1:</b> more than \$10 million in funding has been approved for distribution to solar energy projects, which are undergoing the documentation processes and formalization.</p> <p><b>Target 2:</b> Disbursements of preferential mortgages have been made to women (319 loans, amount granted: +UDS\$28 millions).</p>	<p>Sustainability Strategy <a href="#">Page 47</a></p> <p>Advances in Responsible Banking <a href="#">Page 53</a></p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.

We have reinforced our sustainability report, so that it serves as a fundamental reference on the progress in the implementation of the SDGs, including the objectives that we set for ourselves and our goals. Additionally, we have the responses to this questionnaire as a complementary reference to facilitate the understanding of our performance to all stakeholders.



REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 3: Clients and Customers</b> We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1. Provide an overview of policies and practices that your bank has implemented and/or plans to implement to promote responsible relationships with its customers and users. This should include high-level information about the programs and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>We encourage clients to adhere to the best environmental and social practices, especially through credit we offer.</p> <ul style="list-style-type: none"> <li>• Application of the <a href="#">Environmental and Social Risk Management System (ESRMS)</a>.</li> <li>• Development of credits specifically linked to social and/or environmental goals.</li> <li>• Due diligence regarding governance and ethics of clients, through the application of the Know Your Client Policy, with which we use to prevent funds from being used for illegal activities.</li> <li>• Accompaniment and awareness for our clients in the application of sustainable practices.</li> </ul> <p>These commitments are part of the <a href="#">Sustainability Policy</a>. Through these, we look to reinforce the contribution to the SDGs and the Paris Agreement, as well as from the activities of our clients. We would also like to point out that the relationship of our employees with customers, through the different communication channels, is also guided by the Code of Ethics.</p>	<p><a href="#">Advances in Responsible Banking Page 53</a></p>
<p>3.2. Describe how your bank has worked and/or plans to work with its customers and users to promote sustainable practices and enable sustainable economic activities.</p> <p>This should include information on planned actions/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Following the action items indicated above, we present the description of how they took shape. The results are presented as part of the report.</p> <p><b>ESRMS:</b> Customers evaluated through this system have made environmental and social commitments, whose compliance with which is incorporated as an Appendix to the credit contracts and is monitored by the bank.</p> <p><b>Credit for environmental purposes:</b> includes the financing provided by the bank for projects of renewable energy, also for livestock and sustainable agriculture.</p> <p><b>Loans with a social purpose:</b> which include loans for women in the agricultural sector, and mortgage and commercial loans (SME) for women.</p> <p>Additionally, through our <a href="#">financial education</a> activities, we train clients (and other stakeholders) in the management of their finances which is complemented with the close advice we provide of the choice and use of financial products.</p>	<p><a href="#">Advances in Responsible Banking Page 53</a></p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, participate and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, committed, collaborated or associated with for the purpose of implementing these Principles and improving the impacts of your bank. This should include a high-level overview of how your bank has identified the relevant stakeholders and what problems were addressed/ results achieved.</p>	<p>As part of our operation, we actively involve stakeholders through different channels; whose participation is necessary for the Company's activities. The specialization of our teams allows a direct and efficient relationship, based on transparency and the creation of value for both parties.</p> <p>As part of the impact analysis of our products, we consulted different business areas, to gauge the associated customer profiles for size and magnitude, and with it, the possible impacts.</p> <p>Additionally, to understand our impacts in relation with other stakeholders, we carried out our first materiality analysis. From this, we were able to understand the critical issues in other areas from the financial products and services we provide, or in the case of the institution as employer, client, etc.</p> <p>As part of this process, we consulted employees, clients, authorities and shareholders, either directly or through the employees who have relationships with them.</p>	<p><a href="#">Appendix I: Relationship with stakeholders page 100</a></p> <p><a href="#">Appendix I: Materiality study Page 103</a></p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
<p><b>Principle 5: Governance and Culture</b> We will implement our commitment to these Principles through responsible banking culture and governance.</p>		
<p>5.1. Describe governance structures, policies and procedures that your bank has implemented or plans to implement to manage significant positive and (potential) negative impacts and support the effective implementation of the Principles.</p> <hr/> <p>5.2. Describe the initiatives and measures that your bank has implemented or has planned to implement to foster a culture of responsible banking among your employees. This should include a high-level overview of the development, inclusion in remuneration structures and performance management and leadership communication, among others.</p> <hr/> <p>5.3. Governance structure for the implementation of the Principles Show that your bank has a governance structure for the PRB implementation, including: a. establishment of objectives and actions to achieve targets set. b. remedial actions in case objectives or milestones are not achieved or unexpected negative impacts are detected.</p>	<p>The <a href="#">Sustainability Commission</a> is the body in charge of monitoring the Sustainable Business Strategy, including initiatives to achieve responsible banking commitments.</p> <p>To ensure that management is aware of the progress, the Commission reports to the General Management and the Risk Committee, and this in turn to the Board of Directors.</p> <p>The composition of the group is available in the report.</p> <p>We have a <a href="#">General Sustainability Policy</a> and a <a href="#">Regulation for the Commission of Sustainability</a> that can be found on our website.</p> <hr/> <p>Our employees have been an active part of defining the Sustainable Business Strategy . In addition, we have developed a training program at all levels, in relation to different environmental, social and governance (ESG) aspects.</p> <p>The training began with the introduction to the concepts, and is available to all employees who want to join. It is complemented with more specific training at the director and managerial level and for areas that are responsible for detecting risk and those in the commercial group: ESRMS, new environmental and/or social products, etc.</p> <p>On a regular basis, we add awareness campaigns on sustainability.</p> <ul style="list-style-type: none"> <li>• More than 10 training sessions on sustainability issues.</li> <li>• Published 6 sustainability bulletins to all staff during the second semester of 2021.</li> </ul> <p>Our employees are proud participants of the way the institution works on responsible banking.</p> <hr/> <p>The monitoring of the progress of the indicators with respect to the objectives, based on in the impacts of the portfolio (positive and negative impacts), and in relation to the other goals and milestones established to jointly implement the six Principles of Responsible Banking, corresponds to the Sustainability Commission (see point 5.1), with the support of the different areas of the bank.</p>	<p>Advances in Responsible Banking <a href="#">Page 53</a></p> <hr/> <p>Advances in Responsible Banking <a href="#">Page 53</a></p> <hr/> <p>Advances in Responsible Banking <a href="#">Page 53</a></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>We have fulfilled part of the requirements through a double effort: 1) assigning responsibilities to the leaders of the areas that have initiatives for those objectives (such as the measurement of GHG emissions in the portfolio) and equipping the Sustainability Commission with the analysis and reporting responsibilities to the Board of Directors. We also, 2) provide development of our internal culture with training and awareness for the employees. We will work on reinforcing internal capacities in the different teams, creating a specific area to coordinate the Sustainability Strategy and Responsible Banking commitments, as well as incorporating variable remuneration.</p>		

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO BANK'S FULL RESPONSE/RELEVANT INFORMATION
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**Principle 6: Transparency and Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent and accountable for our positive and negative impacts and contributions to the goals of society.

6.1. Progress on Implementing the Principles

Show that your bank has made progress in implementing the six Principles in the last 12 months (up to 18 months in your first report after becoming a signatory), in addition to the establishment and implementation of objectives in two areas as a minimum (see 2.1-2.4).

Show that your bank has considered the international/regional existing and emerging good practices relevant to the implementation of the six Principles of Responsible Banking. Based on this, it has defined priorities and ambitions to align with best practices.

Show that your bank has implemented/is working on the implementation of changes to existing practices to reflect and be in line with international/regional existing and emerging good practices and has made progress in implementing these Principles.

We have made progress in implementing the principles, as indicated in this Appendix and in the sustainability report itself.

Highlighting the effectiveness of the impact analysis of the portfolio, the establishment of commitments and the setting of objectives were integrated into the Sustainable Business Plan.

Additionally, we evaluated the country's Determined Contribution Document for the Paris Agreement, as well as different national frameworks and regulations (such as the national energy and climate change strategy) to ensure that our objectives also passively impact the priorities of the country and its needs.

To continue aligning our strategy and implementing best practices among international organizations, we are carrying out a study to implement green financial products (GFP).

We continue to train our collaborators on issues of sustainability and in different sustainable technologies such as renewable energies and energy efficiency, sustainable agricultural practices, among others.

We also raised awareness among more than 100 agricultural clients in sustainable practices.

For the first time we measured our carbon footprint and developed a plan to be carbon neutral by 2050 in our operations. In addition, we measured the emissions of the sectors that have the most negative impact on the climate, to subsequently develop a plan to reduce emissions related to the credit portfolio.

For the first time, we used international reference standards. Given that we seek to involve the broadest set of our stakeholders, we combined the use of the Global Reporting Initiative (GRI) Standards and those of the Sustainability Accounting Standards Board (SASB).

We therefore use the two sets of standards as support for the report on sustainability, which also accounts for the advances in the Responsible Banking Principles.

Message from the President of the Board of Directors and the CEO  
[page 6](#)

Sustainability Strategy  
[Page 47](#)

Advances in Responsible Banking  
[Page 53](#)

Appendix I: Identification and sizing of portfolio impacts  
[Page 105](#)

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on implementing the Principles for Responsible Banking.

Since our commitment to the process, we have completed the milestones in 2020 of the portfolio impact analysis and the establishment of a roadmap (Sustainable Business Strategy) with commitments and objectives related to responsible banking. We also made progress in the governance of ESG issues, including responsible banking, raising awareness and internal training, and customer involvement through products and training. In this report we give an account of the set of initiatives related to the six principles. Two management and transparency efforts should be highlighted: 1) development of the materiality analysis, which reinforces the Sustainable Business Strategy, with the possibility of incorporating additional initiatives in the areas with the greatest opportunities; 2) incorporation of the GRI and SASB Standards in the preparation of the annual sustainability report, deepening the transparency of ESG characteristics, as well as progress in Responsible Banking.



# APPENDIX III - REPORTING FRAMEWORK 1. GRI content index (GRI 102-55)

## GRI 102: GENERAL DISCLOSURES 2016

## GRI 102: GENERAL DISCLOSURES 2016

Section	GRI Content	Page	SDG Y Goals
Organization Profile	102-1	<a href="#">4</a>	
	102-2	<a href="#">10, 12</a>	3.6, 9.3
	102-3	<a href="#">134</a>	
	102-4	<a href="#">10</a>	3.6, 3.13, 9.3
	102-5	<a href="#">10</a>	
	102-6	<a href="#">10</a>	8.5, 10.3
	102-7	<a href="#">6, 8</a>	
	102-8	<a href="#">71</a>	8.2, 8.5, 10.3
	102-9	<a href="#">40</a>	8.2
	102-10	<a href="#">10</a>	8.10
	102-11	<a href="#">34</a>	
	102-12	<a href="#">48, 80, 85</a>	
	102-13	<a href="#">48</a>	
Strategy	102-14	<a href="#">6</a>	
	102-15	<a href="#">16, 34, 41</a>	8.10
Ethics and Integrity	102-16	<a href="#">31</a>	16.3
	102-17	<a href="#">31</a>	16.3
Governance	102-18	<a href="#">20</a>	
	102-19	<a href="#">20</a>	
	102-20	<a href="#">20, 48, 80</a>	
	102-21	<a href="#">100</a>	16.7
	102-22	<a href="#">20</a>	5.5, 16.7
	102-23	<a href="#">20</a>	16.6
	102-24	<a href="#">20</a>	5.5, 16.7
	102-25	<a href="#">31</a>	16.6
	102-26	<a href="#">20</a>	
	102-27	<a href="#">20</a>	
	102-28	<a href="#">20</a>	

Section	GRI Content	Page	SDG Y Goals	
Governance	102-29	<a href="#">34</a>	16.7	
	102-30	<a href="#">34</a>		
	102-31	<a href="#">34</a>		
	102-32	<a href="#">4</a>		
	102-33	<a href="#">20</a>		
	102-34	<a href="#">28</a>		
	102-35	<a href="#">29</a>		
	102-36	<a href="#">76</a>		
	102-37	<a href="#">76</a>	16.7	
	Stakeholder Participation	102-40	<a href="#">100</a>	
		102-41	<a href="#">71</a>	8.8
102-42		<a href="#">100</a>		
102-43		<a href="#">100</a>		
102-44		<a href="#">100</a>		
102-45		<a href="#">4</a>		
102-46		<a href="#">103</a>		
Reporting Practices	102-47	<a href="#">103</a>		
	102-48	<a href="#">4</a>		
	102-49	<a href="#">103</a>		
	102-50	<a href="#">4</a>		
	102-51	<a href="#">4</a>		
	102-52	<a href="#">4</a>		
	102-53	<a href="#">4</a>		
	102-54	<a href="#">4</a>		
	102-55	<a href="#">125</a>		
	102-56	<a href="#">4</a>		



#### CONTENTS BY MATERIAL ISSUE

Material Issue	GRI Standard	GRI Content	Page	SDG y Goals
ECONOMIC PERFORMANCE	GRI 103: Economic performance 2016	103-1		
		103-2		
		103-3		
	GRI 201: Economic performance 2016	201-1	<a href="#">97</a>	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
		201-2	<a href="#">42</a>	8.2, 8.5
		201-3	<a href="#">78</a>	5.1, 8.5, 10.3
		201-4	<a href="#">97</a>	5.1, 8.5, 8.6, 10.3
	GRI 203: Indirect Economic Impacts 2016	203-1:	<a href="#">18</a>	8.1, 8.2, 9.1, 9.4, 9.5
		203-2	<a href="#">18</a>	13.1
	CORPORATE GOVERNANCE	GRI 103: Management Approach 2016	103-1	
103-2				
103-3				
GRI 205: Anti-corruption 2016		205-1	<a href="#">31</a>	16.5
GRI 405: Diversity and Equal opportunities 2016	405-1	<a href="#">28</a>	5.1, 5.5, 8.5, 10.4	
SHAREHOLDER RELATIONS	GRI 103: Management Approach 2016	103-1	<a href="#">100</a>	
		103-2	<a href="#">100</a>	
		103-3	<a href="#">100</a>	
ETHICS AND ANTI-CORRUPTION	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
	GRI 204: Acquisition Practices 2016	204-1	<a href="#">40</a>	8.3
		205-1	<a href="#">40</a>	16.5
	GRI 205: Anti-corruption 2016	205-2	<a href="#">31</a>	9.1, 9.4
		205-3	<a href="#">31</a>	1.2, 1.4, 8.1, 8.3, 8.5
	GRI 206: Unfair Competition	206-1	<a href="#">31</a>	16.3, 16.10
GRI 415: Public Policy 2016	415-1	<a href="#">31</a>	10.b, 17.17	

#### CONTENTS BY MATERIAL ISSUE

Material Issue	GRI Standard	GRI Content	Page	SDG y Goals
ECO-OPERATIONAL EFFICIENCY	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
	GRI 302: Energy 2016	302-1	<a href="#">80</a>	7.2, 7.3, 8.4, 12.2, 13.1
		302-3	<a href="#">80</a>	7.3, 8.4, 12.2, 13.1
		302-4	<a href="#">80</a>	7.3, 8.4, 12.2, 13.1
		305-1	<a href="#">80</a>	3.9, 12.4, 13.1, 14.3, 15.2
	GRI 305: Emissions 2016	305-2	<a href="#">80</a>	3.9, 12.4, 13.1, 14.3, 15.2
		305-3	<a href="#">80</a>	3.9, 12.4, 13.1, 14.3, 15.2
		305-4	<a href="#">80</a>	13.1, 14.3, 15.2
305-5		<a href="#">80</a>	13.1, 14.3, 15.2	
EMPLOYEE ATTRACTION AND RETENTION		GRI 103: Management Approach 2016	103-1	
	103-2			
	103-3			
	GRI 401: Employment 2016	401-1	<a href="#">71</a>	5.1, 8.5, 8.6, 10.3
		401-2	<a href="#">76</a>	3.2, 5.4, 8.5
	GRI 404: Training and Teaching 2016	404-1	<a href="#">74</a>	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
		404-2	<a href="#">74</a>	8.2, 8.5
		404-3	<a href="#">74</a>	5.1, 8.5, 10.3
	GRI 405: Diversity and Equality of Opportunities 2016	405-1	<a href="#">71</a>	5.1, 5.5, 8.5
	GRI 406: Non discrimination	406-1	<a href="#">76</a>	5.1, 8.5, 10.3
GRI 412: Evaluation of Human rights	412-2	<a href="#">31</a>	10.3, 8.8, 8.10	



#### CONTENTS BY MATERIAL ISSUE

Material Issue	GRI Standard	GRI Content	Page	SDG y Goals
HEALTH AND WORK SAFETY	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
	GRI 403: Health and Work Safety 2018	403-1	<a href="#">77</a>	8.8
		403-2	<a href="#">77</a>	3.3, 3.9, 8.8
		403-3	<a href="#">77</a>	3.3, 3.9, 8.8
		403-4	<a href="#">77</a>	3.3, 3.9, 8.8
		403-5	<a href="#">77</a>	3.3, 3.9, 8.8
		403-6	<a href="#">77</a>	3.3, 3.9, 8.8
		403-7	<a href="#">77</a>	8.8
403-8	<a href="#">77</a>	8.8		
403-9	<a href="#">77</a>	3.6, 3.9, 8.8, 16.1		
403-10	<a href="#">77</a>	3.3, 3.4, 3.9, 8.8, 16.1		
CUSTOMER SERVICE	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
GRI 416: Health and Safety of Clients 2016	416-1	<a href="#">66</a>	16.3	
	416-2	<a href="#">31</a>	16.3	
CUSTOMER PRIVACY	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
GRI 418: Customer Privacy 2016	418-1	<a href="#">67</a>	16.3, 16.10	
CYBERSECURITY	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
GRI 418: Customer Privacy 2016	418-1	<a href="#">6</a>	16.3, 16.10	
DIGITAL TRANSFORMATION	GRI 103: Management Approach 2016	103-1	<a href="#">18</a>	
		103-2	<a href="#">18</a>	
		103-3	<a href="#">18</a>	

Material Issue	GRI Standard	GRI Content	Page	SDG y Goals
DISCLOSURE AND TRANSPARENCY OF ESG INFORMATION	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
	GRI 417: Marketing and Advertising 2016	417-1	<a href="#">66</a>	12.8
		417-2	<a href="#">31</a>	16.3
417-3		<a href="#">31</a>	16.3	
REGULATORY COMPLIANCE	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
GRI 419: Socioeconomic Compliance 2016	419-1	<a href="#">31</a>	16.3	
	GRI SECTOR	FS9	<a href="#">57</a>	8.8, 10.3, 11.4, 15.5
FINANCING AND ESG INVESTMENT	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
	Portfolio products and services	FS1	<a href="#">57</a>	10.c, 13.1, 13.2
		FS2	<a href="#">57</a>	10.3
		FS3	<a href="#">57</a>	10.3
		FS4	<a href="#">57</a>	12.8
		FS5	<a href="#">57</a>	10.3
		FS6	<a href="#">10</a>	1.4, 10.5
		FS7	<a href="#">59</a>	1.4, 5.5, 5a, 10.2, 10.3, 10.5, 10.c
FS8	<a href="#">60</a>	1.4, 7.2, 12.2, 12.6, 13.1, 13.2		
PRODUCTS AND SERVICES WITH ENVIRONMENTAL BENEFIT	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
GRI Sector	FS10	<a href="#">57</a>	8.10, 1.4	
	FS11	<a href="#">57</a>	8.10, 1.4	
FINANCIAL INCLUSION	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
	GRI Sector	FS15	<a href="#">54</a>	1.4, 8.10, 10.2
		FS13	<a href="#">59</a>	1.4, 8.10, 10.2
FS14		<a href="#">59</a>	1.4, 8.10, 10.2	
FINANCIAL EDUCATION	GRI 103: Management Approach 2016	103-1		
		103-2		
		103-3		
GRI Sector	FS16	<a href="#">62</a>	4.4, 8.10.	

2. SASB Metric Index

SASB STANDARD: COMMERCIAL BANKS 2018

SASB Topic	Code	Description of Topic	Omissions and/or modifications	Pages
Activity Metric	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business		<a href="#">91</a>
Activity Metric	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small businesses, and (c) corporate		<a href="#">91</a>
Data Security	FN-CB-230a.1	1.1 Number of data breaches and description of the approach to identify and address risks to data security		<a href="#">67</a>
	FN-CB-230a.2	Description of the approach to identify and address data security risks		<a href="#">67</a>
Generation of inclusion and financial education	FN-CB-240a.1	1.1 Number of outstanding loans qualified for programs designed to promote small business and development of the community		<a href="#">59</a>
	FN-CB-240a.3	Number of free retail checking accounts provided to previously unbanked or underbanked customers	Information not available	
	FN-CB-240a.4	Number of participants in financial education initiatives for unbanked, underbanked or underserved customers		<a href="#">62</a>
Incorporation of environmental, social factors and management credit analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by sector		<a href="#">91</a>
	FN-CB-410a.2	Description of the approach for the incorporation of environmental and social factors, and corporate governance (ESG) in credit analysis		<a href="#">57</a>
Business ethics	FN-CB-510a.1	Total amount of monetary losses as a result of the legal proceedings related to fraud, use of inside information, antitrust, unfair competition, market manipulation, malpractice or other laws or related financial industry regulations		<a href="#">31</a>
	FN-CB-510a.2	Description of the policies and procedures for reporting irregularities		<a href="#">31</a>



SASB STANDARD: CONSUMER FINANCIAL 2018

SASB Topic	Code	Description of Topic	Omissions and/or modifications	Pages
Activity metric	FN-CF-000.A	Number of unique consumers with an active account (1) from credit card and (2) prepaid debit card		<a href="#">92</a>
	FN-CF-000.B	Number of (1) credit card accounts and (2) bank accounts, prepaid debit cards		<a href="#">92</a>
Activity metric	FN-CF-220a.2	Total amount of monetary losses as a result of the legal proceedings related to customer privacy		<a href="#">31</a>
	FN-CF-230a.1	1.1 Number of data breaches		<a href="#">67</a>
Data Security	FN-CF-230a.2	1.1 Fraud losses related to missing cards 1.2 Fraud losses related to cards (card present) and other types of fraud		<a href="#">67</a> <a href="#">67</a>
	FN-CF-230a.3	Description of the approach to identify and address risks for data security		<a href="#">67</a>
	FN-CF-270a.1	Percentage of Total Compensation of Covered Employees that is variable and linked to the number of products and services sold		<a href="#">31</a>
Sales Practices	FN-CF-270a.4	1.1 Number of complaints filed with the Consumer Finance Protection Office (CFPO) 1.2 Percentage of them with monetary or non-monetary compensation 1.3 Percentage of them challenged by the consumer 1.4 Percentage of them that ended in an investigation by the CFPB		<a href="#">31</a>
	FN-CF-270a.5	Total amount of monetary losses as a result of the legal proceedings related to the sale and maintenance of products		<a href="#">31</a>

SASB STANDARD: INSURANCE 2018

SASB Topic	Code	Description of Topic	Omissions and/or modifications	Pages
<b>Activity metric</b>	<b>FN-IN-000.A</b>	Number of current policies, by segment: (1) property and accident, (2) life, (3) reinsurance assumed		<a href="#">95</a>
<b>Transparent Information and advice for customers</b>	<b>FN-IN-270a.1</b>	Total amount of monetary losses as a result of the legal proceedings related to marketing and communication of information related to products of insurance to new and old customers		<a href="#">31</a>
	<b>FN-IN-270a.2</b>	Relationship between complaints and claims		<a href="#">66</a>
	<b>FN-IN-270a.4</b>	Description of the approach to informing clients about the Products 1.2 Fraud losses related to cards (card presence) and other types of fraud		<a href="#">66</a>
<b>Incorporation of environmental and social factors, and Management of investments</b>	<b>FN-IN-410a.1</b>	Total assets invested, by sector and asset class		<a href="#">91</a>
	<b>FN-IN-410a.2</b>	Description of the approach for the incorporation of environmental and social factors, and corporate management (ESG) in the processes and strategies of investment management		<a href="#">96</a>
<b>Policies designed to encourage the responsible conduct</b>	<b>FN-IN-410b.1</b>	Net written premiums related to energy efficiency and low carbon technology	We are still developing specific products for this type of project	
	<b>FN-IN-410b.2</b>	Analysis of products or product characteristics that incentivize health, safety, or environmentally related actions or responsible behaviors.		<a href="#">60</a>

SASB STANDARD: ASSET MANAGEMENT AND CUSTODY ACTIVITIES 2018

SASB Topic	Code	Description of Topic	Omissions and/or modifications	Pages
<b>Activity Metric of investments</b>	<b>FN-AC-000.B</b>	Total assets under custody and supervision		<a href="#">93</a>
<b>Transparent information and fair advice for clients</b>	<b>FN-AC-270a.2</b>	Total amount of monetary losses as a result of legal proceedings related to marketing and communication of information related to products and financial services to new and old clients		<a href="#">31</a>
	<b>FN-AC-270a.3</b>	Description of the approach to informing clients about the products and services		<a href="#">66</a>
<b>Diversity and inclusion of employees</b>	<b>FN-AC-330a.1</b>	1.1 Percent of gender and racial /ethnic groups represented in the executive group		<a href="#">71</a>
		1.2 Percent of gender and racial /ethnic groups represented among non-executives		
		1.3 Percent of gender, racial /ethnic groups represented among professionals		
		1.4 Percent of gender and racial /ethnic groups represented in all other levels of employment		
<b>Incorporation of environmental and social factors in corporate management and advisory management</b>	<b>FN-AC-410a.1</b>	1.4 Percent of gender and racial /ethnic groups represented among all employees	Information not available	
		1.2 Amount of assets under management, by asset class, that employ (2) thematic investment in sustainability		
	<b>FN-AC-410a.2</b>	1.3 Amount of assets under management, by asset class, that employ (3) screening	Information not available	
<b>Business ethics</b>	<b>FN-AC-510a.1</b>	Total amount of monetary losses as a result of the legal proceedings related to fraud, use of information, insider trading, antitrust, unfair competition, market manipulation, malpractice or other related industry laws or regulations.		<a href="#">31</a>
	<b>FN-AC-510a.2</b>	Description of the policies and procedures for reporting irregularities		<a href="#">31</a>

SASB STANDARD: INVESTMENT BANKING AND BROKERAGE 2018

SASB Topic	Code	Description of Topic	Omissions and/or modifications	Pages
Activity Metric	FN-IB-000.A	(1) Number and (2) value of (a) subscription transactions, (b) advice and (c) securitization		<a href="#">93</a>
Activity Metric	FN-IB-000.B	(1) Number and (2) value of investments and loans of ownership by sector		<a href="#">93</a>
Activity Metric	FN-IB-000.C	(1) Number and (2) value of market creation transactions in (a) fixed income, (b) equities, (c) currencies, (d) derivatives, and (e) commodities		<a href="#">93</a>
Diversity and inclusion of the employees	FN-IB-330a.1	1.1 Percent of gender and racial/ethnic groups / represented in the executive group		<a href="#">71</a>
		1.2 Percent of gender and racial / ethnic represented in the non-executive group		
		1.3 Percent of gender and racial/ethnic groups represented among professionals		
		1.4 Percent of gender and racial /ethnic groups represented in all other employees		
Incorporation of environmental and social factors in corporate management and advisory management	FN-IB-410a.2	(1) Number and (2) total value of investments and loans that incorporate the integration of environmental, social and corporate management factors (ESG), by industry	Currently we do not have any products with specific environmental focus; Nevertheless, we are working on the development of these.	<a href="#">60</a>
	FN-IB-410a.3	Description of the approach for the incorporation of environmental and social factors, and corporate governance (ESG) in banking, investment activities and brokerage		
Business ethics	FN-IB-510a.1	Total amount of monetary losses as a result of the legal proceedings related to fraud, use of information, insider trading, antitrust, unfair competition, market manipulation, malpractice or other related industry laws or regulations		<a href="#">31</a>
	FN-IB-510a.2	Description of the policies and procedures for reporting irregularities		<a href="#">31</a>
	FN-IB-510b.4	Description of the policies and procedures for reporting irregularities Description of the approach to ensure professional integrity, including duty of care		<a href="#">31</a>

SASB STANDARD: MORTGAGE FINANCING 2018

SASB Topic	Code	Description of Topic	Omissions and/or modifications	Pages
<b>Activity Metric</b>	<b>FN-MF-000.A</b>	(1) Number and (2) value of open mortgages by category: (a) residential and (b) commercial		<a href="#">92</a>
<b>Activity Metric</b>	<b>FN-MF-000.B</b>	(1) Number and (2) value of mortgages acquired by category: (a) residential and (b) commercial		<a href="#">92</a>
<b>Lending Practices</b>	<b>FN-MF-270a.3</b>	Total amount of monetary losses resulting from the legal proceedings related to communications to customers or the remuneration of the originators of the loans		<a href="#">31</a>
	<b>FN-MF-270a.4</b>	Description of the loan remuneration structure of loan originators	Information not available	
<b>Discriminatory Loans</b>	<b>FN-MF-270b.2</b>	Total amount of monetary losses as a result of the legal proceedings related to discriminatory mortgage loans	Information not available	
	<b>FN-MF-270b.3</b>	Description of the policies and procedures to ensure the opening of mortgages without discrimination related to discriminatory mortgage lending	Information not available	
<b>Environmental risk of mortgaged properties</b>	<b>FN-MF-450a.3</b>	Description of how climate change and other environmental risks are incorporated in the opening and subscription of mortgages	Information not available	

# SUSTAINABILITY REPORT 2021



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