

**JUNE 2024**

**EARNINGS REPORT**

For the Fiscal Year ended June 30<sup>th</sup>, 2024.





## Disclaimer

Global Bank Corporation is an issuer of securities in Panama, and as such, it is required to comply with periodic reporting requirements and corporate governance practices. As a financial institution, the Bank is subject to inspection and surveillance from Panama's Superintendency of Banks.

The financial information included in this report was prepared with non-audited consolidated financial information in accordance with IFRS. However, details of the calculations and IFRS measures such as Adjusted Net Income, ROAA, ROAE, among others, are explained when required throughout the report.

Our Financial Statements are expressed in Balboas (B/.), Panama's official monetary unit. The Balboa is freely exchangeable for the U.S. dollar on a one-to-one basis. Panama does not issue paper currency; instead, it uses the U.S. dollar as its legal currency. For ease of reference, all amounts discussed herein are expressed in U.S. dollars (\$), the lawful currency of the United States of America.

This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these and other comparable words.

Actual results and events may differ materially from those anticipated herein because of general economic and business conditions, changes in interest rates, or other risk factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this report and our knowledge of them may change extensively and materially over time. Still, we expressly disclaim any obligation to review, update or correct the information provided in this report, including any forward-looking statements, and do not intend to provide any update for such material developments before our next earnings report. This document's content and the figures included herein are designed to provide a summary of the subjects discussed rather than a comprehensive description.



## Management & Financial Highlights

- **As of June 30th, 2024, Global Bank reported a net income of \$47.8 million on \$604.1 million of revenue.** The bank continues to show a positive performance year over year despite the prevailing high interest rate environment from the FED rate increases. Our results were supported by higher net fee income, which grew by +1.8%. Other income grew by +38.1% and provisions for loan losses decreased for the quarter.
- **Our financial margin closed as expected at 30.5% in Q4'24 (vs 31.1% in Q3'24). The pressure on the margin remains and is primarily related to SOFR repricings on our institutional funding.** To help mitigate this pressure, we have continued to reprice our loan portfolio. As expected rate cuts from the Fed come to fruition, we shall see an improvement in our margin and our net interest income.
- **Loan loss provision expense decreased to \$34.7 million for the year ended on June 30th, 2024, a \$14.3 million or (29.1%) decrease from the same period last year.** This decrease was part of the positive evolution of the loan portfolio's delinquency during the year.
- **As of June 30th, 2024, Global Bank's assets totaled \$8.5 billion.** Our assets have been growing steadily since June 2021 from \$8.3 billion to \$8.5 billion. This growth has been led primarily by higher loan volume where we keep focusing on the highest interest yielding products.
- **Liquidity levels remain stable.** For Q4'24, our cash and equivalents totaled \$378.2 million. Our liquidity coverage ratio (LCR) closed at 267.5% for the quarter, well above the regulatory minimum of 100.0%. Our legal liquidity ratio was 36.6%, also with a good cushion over the 30.0% regulatory minimum. Our client deposit base continues to be stable and remains primarily anchored by time deposits. Overall deposits<sup>1</sup> reached \$5.4 billion at quarter's end, an increase of 1.1% versus the same period last year. Time deposits increased by \$25.8 million for the quarter to total \$3.7 billion. Demand deposits decreased by \$1.8 million ending at \$467 million, and savings' accounts decreased by \$33.1 million to end at \$1.1 billion. Total institutional funding<sup>2</sup> remained steady with a 0.3% increase of \$7.3 million (ending at \$2.3 billion) when compared to Q3'24.

(1) Includes deposits from clients, banks and interest payable.

(2) Total Institutional funding includes repos & structured financings, bonds & commercial paper and bilateral facilities.



## Management & Financial Highlights

- **As of June 30<sup>th</sup>, 2024, gross loans decreased by 0.3% to \$6.4 billion on a quarter over quarter basis (a 1.5% increase YoY).** Our gross loans have been growing steadily since June 2021 from \$6.1 billion to \$6.4 billion in June 2024. Global Bank ranks fourth in the country in domestic credit with a market share of 9.4%<sup>3</sup>. Consumer loans decreased by 0.4% (\$14.2 million) and corporate loans increased by 3.5% (\$109.6 million) when compared to FY'23. During the quarter, consumer loans remained almost flat decreasing by 0.3% (\$8.5 million), and corporate loans also decreased 0.4% (\$11.9 million) when compared to the prior quarter.
- **Our non-performing loans decreased 8.1% from \$211.1 million in Q3'24 to \$193.9 million in Q4'24 (an 8.9% reduction YoY).** Non-performing loans were split as follows: 55.5% belonged to the corporate banking book and 44.5% were attributed to the consumer banking book. The NPL ratio decreased from 3.29% in Q3'24 to 3.03% in Q4'24.
- **Our loan loss reserves ended Q4'24 at \$225.4 million,** an increase of 0.5% versus Q3'24, resulting in an overall NPL coverage ratio of 116.2% for Q4'24.
- **Our Capital Adequacy Ratio for the quarter's end stood at 13.73%, with Common Tier 1 (CT1) being 10.58% and the remainder (3.15%) being Additional Tier I (AT1).** Our capital ratios continue to be well above the regulatory minimum for each capital category (Total: 8.0%, CT1: 4.5%, TT1: 6.0%). Our capital adequacy ratio increased from 13.12% in FY'23 to 13.73% in FY'24, with CT1 increasing 53 basis points, from 10.05% to 10.58% during the same period.



# Financial Snapshot

## Key Performance Metrics <sup>1,2,3,4</sup>

	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23
<b>Key Income Statement Highlights</b>					
Net Interest Income	153.5	116.3	77.1	38.7	172.5
Fees and commissions, net	45.1	34.2	23.3	11.7	44.3
Provision expense	(34.7)	(26.7)	(17.7)	(8.9)	(49.0)
Net Income	47.8	39.1	26.5	13.5	47.5
<b>Profitability</b>					
Net Interest Margin	2.04%	2.07%	2.06%	2.07%	2.31%
Efficiency Ratio	63.44%	61.69%	62.36%	68.66%	58.15%
ROAA	0.56%	0.62%	0.63%	0.64%	0.56%
ROAE	6.65%	7.30%	7.28%	7.28%	6.30%
<b>Loan Quality</b>					
Overdue (NPLs)/ Gross Loans	3.03%	3.29%	3.32%	3.52%	3.38%
Allowance / Overdue (NPLs)	116.23%	106.21%	106.16%	104.23%	108.19%
Allowance/ Gross Loans	3.52%	3.49%	3.52%	3.66%	3.65%
Loan to Deposit Ratio	119.72%	119.98%	118.35%	117.18%	119.21%
Loan to Deposits + Corporate Bonds Ratio	111.88%	112.13%	110.41%	109.99%	111.74%
<b>Capital Ratios</b>					
Capital Adequacy Ratio	13.73%	13.50%	13.45%	13.24%	13.12%
Tier 1 Common	10.58%	10.40%	10.31%	10.07%	10.05%
Additional Tier 1 Capital	3.15%	3.10%	3.14%	3.17%	3.07%

(1) Ratios calculated on an annualized basis.

(2) Ratio calculated using gross deposits (excludes interest payable)

(3) Ratio includes corporate bonds with a maturity over 1 year.

(4) Capital Adequacy Ratio, starting June 30th, 2023, excludes financial relief measures according to the Bank Superintendency Board of Directors General Resolutions SBP-GJD-0004-2020 and SBP-GJD-0005-2020.

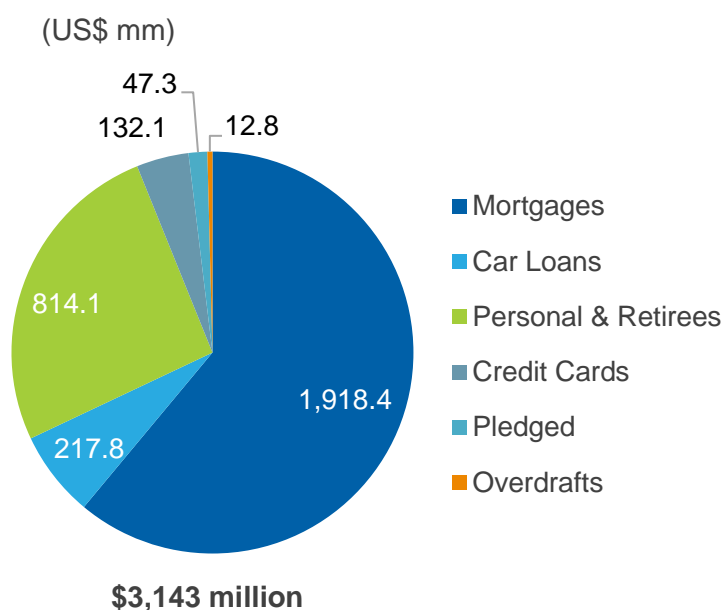


# Balance Sheet

## Loan Portfolio

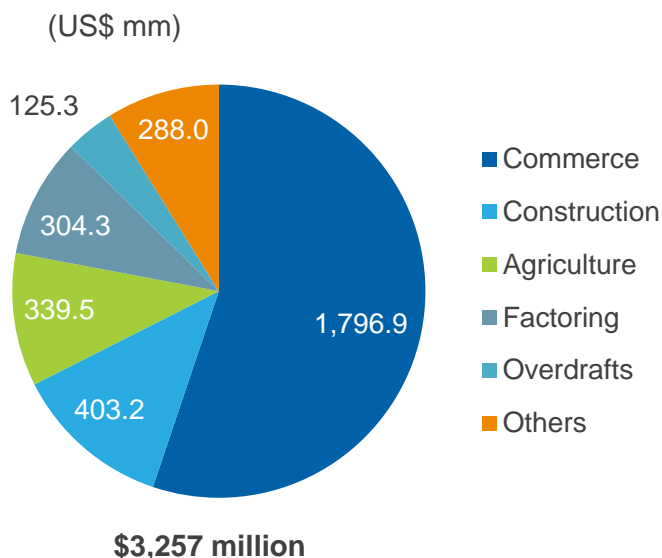
As of June 30<sup>th</sup>, 2024, Global Bank’s assets totaled \$8.5 billion. Our gross loan portfolio decreased by \$20.4 million quarter over quarter (0.3%) and \$95.4 million (1.5%) YoY to total \$6.4 billion. The bank’s loan portfolio has been growing steadily since the end of the pandemic, increasing YoY from \$6.1 billion in June 2021 to 6.4 billion in June 2024. The Bank’s portfolio mix remained almost unchanged, with the consumer portfolio accounting for 49.1% of our total gross loans and the corporate portfolio accounting for 50.9% of total gross loans. Global Bank ranks fourth in the country in domestic credit with a market share of 9.4%<sup>(1)</sup>.

### Consumer Banking Composition



**Consumer loans remained almost flat and decreased by 0.3% QoQ and 0.4% YoY.** Global Bank ranks fifth in the country with a market share of 9.4% in consumer loans. We continue to maintain one of the largest mortgage loan portfolios, ranking fifth with a 10.0% market share. In car loans, the bank ranks fourth in the country with a 11.4% market share. Within the consumer loan book, our strategy aims to grow in higher interest yielding products such as personal & retirees’ loans as well as credit cards.

### Corporate Banking Composition



**Corporate loans remained steady with a slight decrease of 0.4% QoQ while increasing 3.5% YoY (\$109.6 million).** The bank holds the second largest agriculture portfolio in the market with a market share of 18.0% and continues to hold the third largest portfolio in construction and commercial loans, with a market share of 11.6% and 8.8%, respectively.

Given the high interest rate environment, we are focusing on growing high interest yielding products such as international syndicated loans and factoring.

(1) Source: Superintendency of Banks, Market Share June 2024



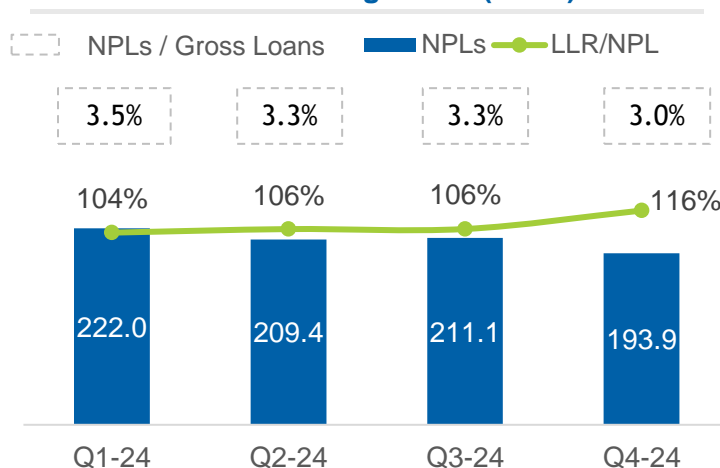
# Balance Sheet

## Loan Portfolio

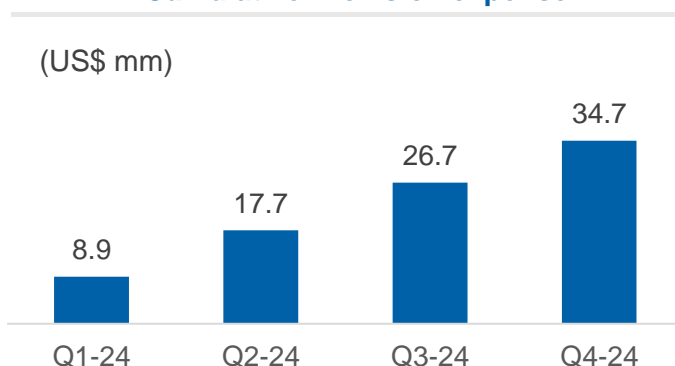
### Loan Portfolio Quality

- The Bank continued its efforts to improve its portfolio quality across sectors. Non-Performing Loans (NPLs) totaled \$193.9 million as of June 2024, a decline of 8.1% in comparison to Q3'24 and a decrease of 8.9% (\$18.8 million) YoY. NPLs represented 3.0% of gross loans, decreasing 34bps in Q4'23.
- Since June 2021, our loan provision expense decreased from \$83.5 million to \$34.7 million, a 58.4% decrease and a decrease of 29.1% YoY. Our prudent credit origination policies have been conducive to a healthier loan portfolio, where 84% of loans are more than 100% collateralized.
- Our Stage 3 loans have decreased by 5.6% in Q4'24 when compared to Q3'24 and by 8.7% YoY.
- Our loan loss reserves totaled \$225.4 million. This represented a 0.5% increase versus Q3'24 and a 2.1% decrease YoY. The LLR/NPL ratio has continued to improve year over year, increasing from 108.2% in 2023 to 116.2% in 2024.

### Non-Performing Loans (NPLs)



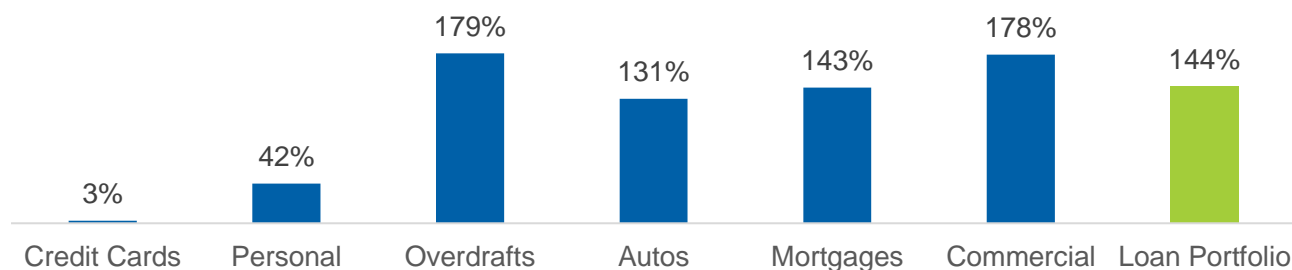
### Cumulative Provision expense



### Loan Portfolio Collateralization

As of June 2024

84% of loans are >100% collateralized





## Balance Sheet

### Deposits

As of June 30th, 2024 (Q4'24), Global Bank's total liabilities amounted to \$7.8 billion, remaining almost unchanged vs. Q3'24. Client deposits continue to be the largest component of the bank's total funding, representing 70.4% as of Q4'24. Since June 2020, our deposits have grown by approximately \$174 million going from \$5.2 billion to \$5.3 billion in Q4'24.

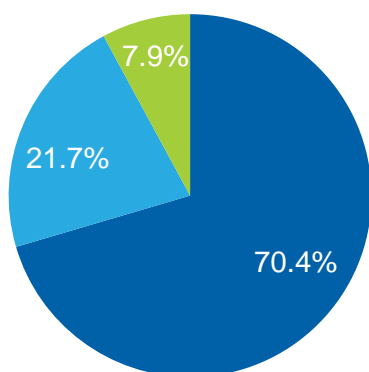
### Evolution of Total Deposits



### Stable growth of deposits

- In Q4'24, our deposits totaled \$5.3 billion, representing a slight decline of 0.1% when compared to Q3'24, and an overall increase of 1.1% when compared to Q4'23. Our deposit base ranks Global Bank as fifth in the country with a market share of 5.6%.
- Our time deposits increased by 0.7% (\$25.8 million), and our checking accounts increased by 0.4% during the quarter. Our savings' accounts slightly declined (3.0%) on a quarter over quarter basis. When compared against Q4'23, our time deposits grew by 3.6%, and our savings and checking accounts declined by 5.0% and 2.7%, respectively.
- Our deposit base continues to be very sticky and is primarily anchored by time deposits. While more expensive than regular checking and savings' accounts, time deposits give us more predictability and help mitigate liquidity risk as (per Panama's banking law) these cannot be broken or canceled prior to maturity. The Bank has close to 90% monthly retention rate on maturing TDs.

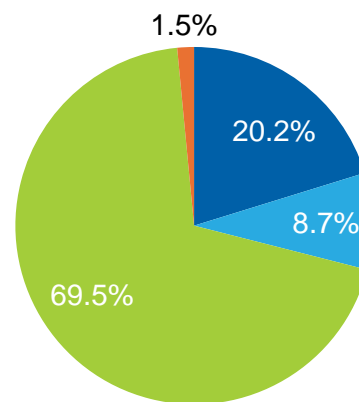
### Interest Bearing Liabilities



■ Deposits ■ Financing ■ Bonds & Repos

\$7,589 million

### Deposits Breakdown



■ Savings ■ Demand ■ Time Deposits ■ Interbank

\$5,346 million



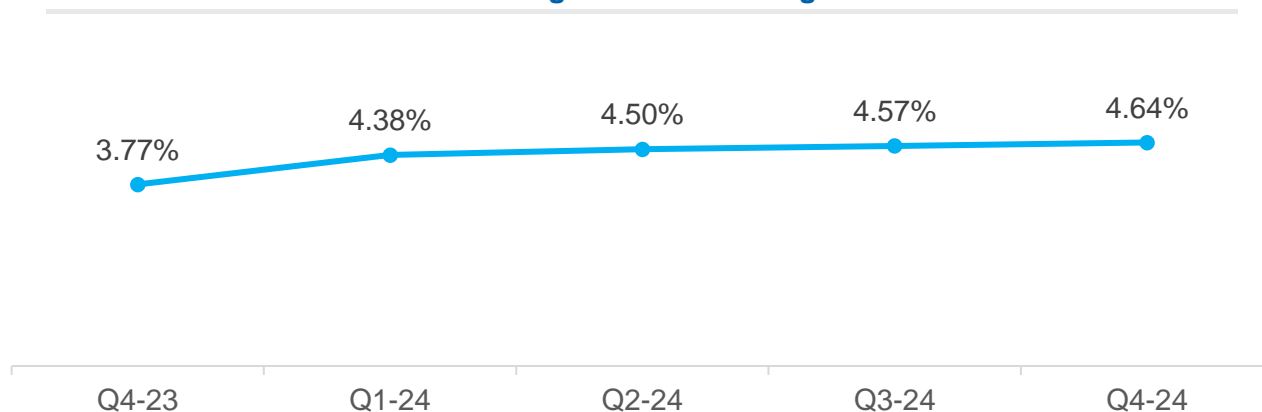


## Balance Sheet

### Financings, Bonds & Commercial Paper

During Q4'24, the Bank slightly decreased its institutional financing by \$7.3 million. This was a result of higher deposit volume during such period. In Q4'24, bonds & commercial paper increased by \$2.1 million or 0.4%, while Repos & bilateral financings grew by 0.7% or \$12.0 million. The total cost of financing liabilities increased to 4.6% in Q4'24. Access to liquidity lines and counterparties has been ample and grew (net of maturities) by approximately \$178 million in 2024.

Average Cost of Funding

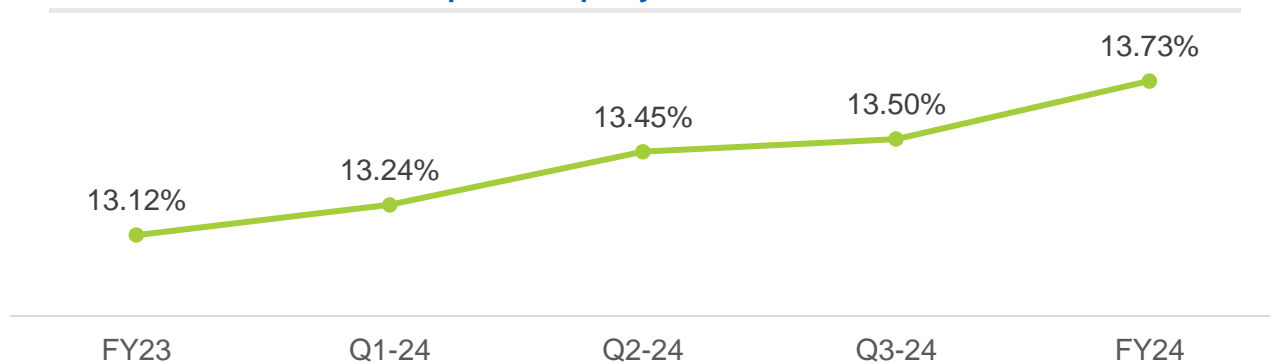


### Shareholders' Equity and Regulatory Capital

Shareholders' equity as of Q4'24 totaled \$731.4 million, a 2.8% increase when compared to Q4'23. The increase was due to: i) a positive \$7.5 million MTM effect on our AFS investment portfolio; ii) a \$7.1 million increase in retained earnings; and iii) an increase of the regulatory reserve to \$4.0 million.

Total regulatory capital reached \$777.0 million, an increase of 0.4% when compared to Q3'24. The Bank's total capital ratio has been growing consistently on a quarterly basis, increasing 61 basis points since June FY'23 to 13.73% at the end of June 2024. Our CET1 ratio increased 53 basis points, going from 10.05% to 10.58% due to retained earnings growth. AT1 contribution to TT1 has remained steady year over year.

Capital Adequacy Ratio Evolution





## Balance Sheet

### Cash and Equivalents

Total cash and equivalents increased by \$33.3 million to total \$378.2 million for Q4'24. This represents a 9.6% quarter over quarter increase. This change was primarily driven by a decrease on our total net loan portfolio of \$19.7 million during the quarter. Institutional funding (including bilateral financings + bonds) increased by \$7.3 million. We continue to focus on maximizing our cash and equivalents profitability while being vigilant on liquidity.

Our liquidity coverage ratio (LCR) was 267.5%, well above the regulatory minimum of 100.0%. Our legal liquidity ratio was 36.6%, well above the 30.0% regulatory minimum.

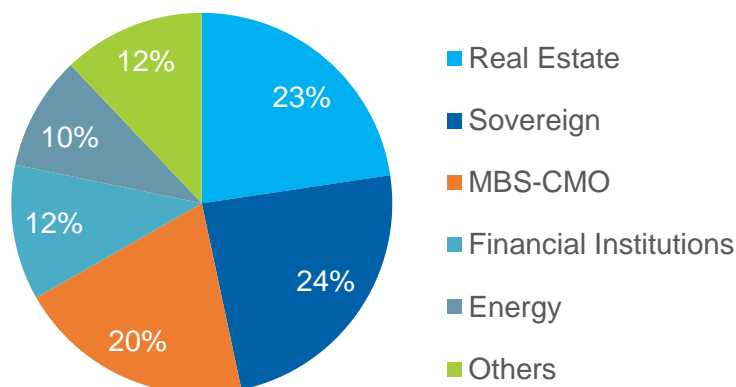
### Investment Portfolio

Our investment portfolio is primarily comprised of corporate and sovereign fixed income securities, including securities issued by U.S., Latin American, and European IG corporates and financial institutions.

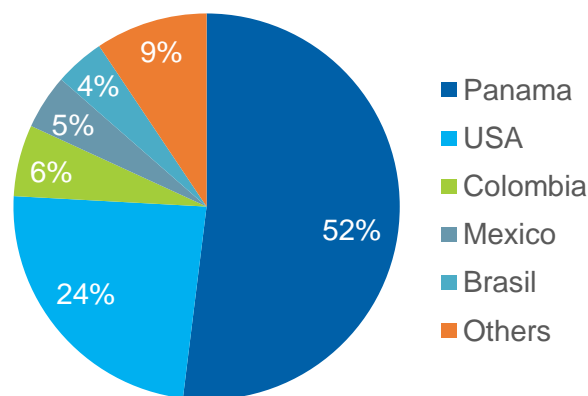
Our investment portfolio continues to be well diversified, with no single industry accounting for more than 24% of our portfolio. The Bank increased its investment portfolio during the quarter by 2.4% or \$24.6 million. We continue to invest excess liquidity mainly in Agency Paper (CMOs – Ginnie Mae), US Treasuries, and other investment-grade securities.

Of our total investment portfolio, 50.9% is comprised of investment-grade securities, 16.4% is non-investment grade, and 19.1% is local investment grade. Excluding investments in local bonds, our investment-grade securities represent 75.7% of the international portfolio. Investments in US Agency paper (CMOs) totaled US\$209.0 million as of June 30th, 2024

Composition by Industry (% / total)



Composition by Country (% / total)

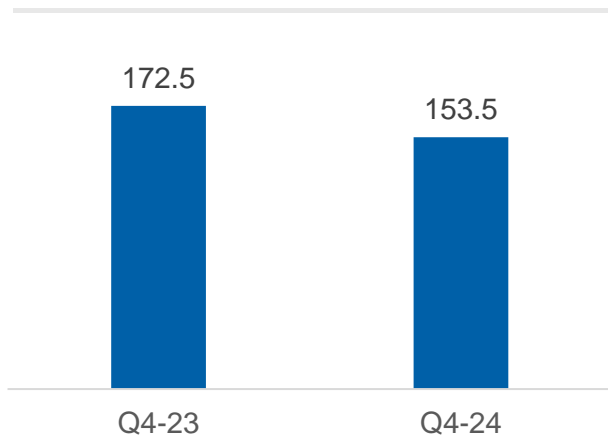




# Income Statement

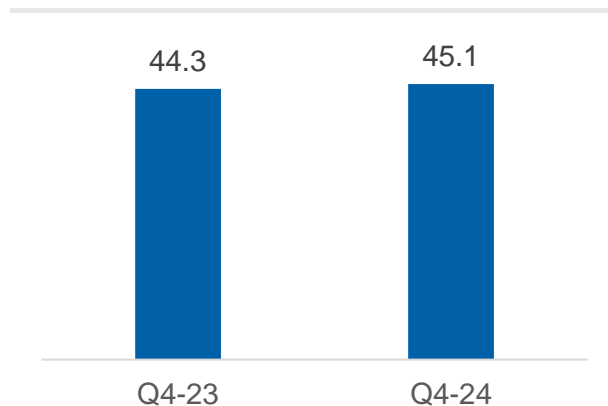
## Net Interest Income

### Net Interest Income



Net interest income for the year ending June 30th, 2024, reached \$153.5 million, with a financial margin of 30.5%. Our financial margin decreased from 38.0% in FY'23 to 30.5% in FY'24 amidst a higher inflation/higher interest rate environment. Loan portfolio repricing stabilized our financial margin towards the end of Q4'24, and we expect our margin to increase as the FED initiates lowering interest rates towards the end of this calendar year.

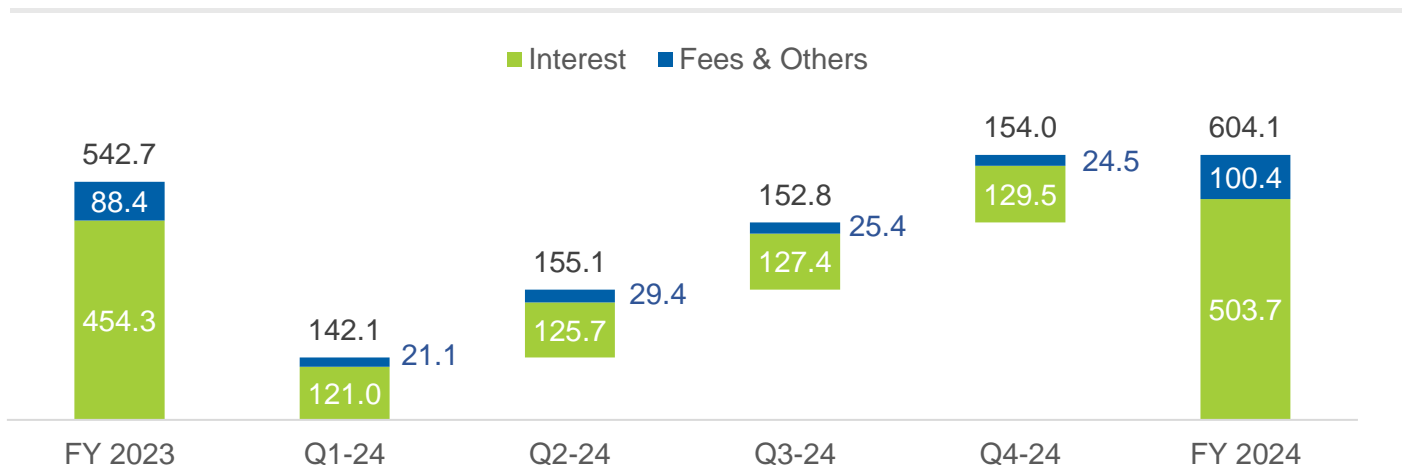
### Net Fee Income



Net fee income increased 1.8% or \$0.8 million for Q4'24 vs. Q4'23. The increase in fee income was achieved via a slightly higher loan disbursement volume, which drove an increase in commission income as well as higher fees from our merchant, factoring and investment banking businesses.

Total Other Income increased by 38.1%, or \$8.4 million for Q4'24 vs. Q4'23 due to (i) corporate bond repurchases; (ii) dividends received, and (iii) higher insurance premiums.

### Total Income





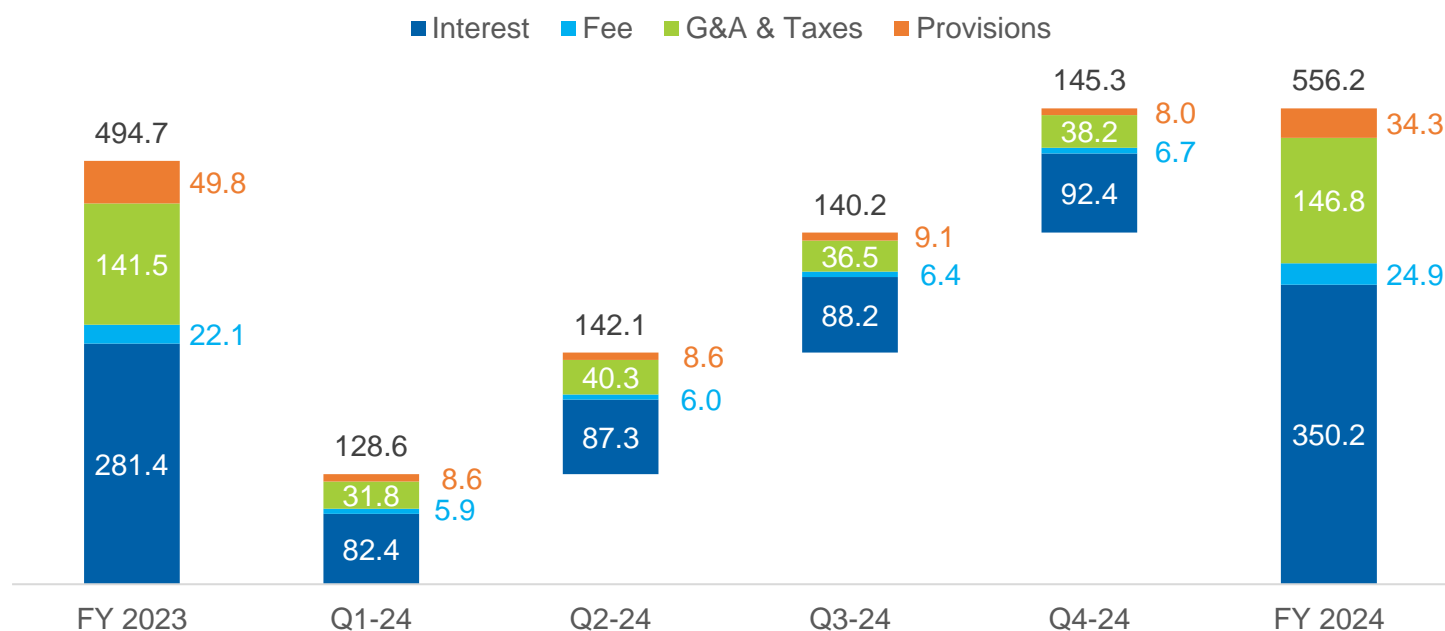
# Income Statement

## Expenses

Cumulative General & Administrative Expense (G&A) totaled \$145.6 million in FY'24, representing a \$7.7 million increase or 5.5% over the same period last year. Rental, maintenance, professional fees, payroll, and tax costs were the largest contributors to our G&A.

Our operating efficiency ratio<sup>5</sup> for the quarter ending June 30th, 2024, was 63.4% vs. 58.2% in Q3'24.

### Total Expenses



<sup>5</sup>Efficiency ratio: Total G&A expenses, excluding loan loss provision divided by total net revenue



## Annex

### *About Global Bank*

Global Bank Corporation was founded in 1994 under a general banking license in the Republic of Panama. G.B. Group, our holding company, owns 100% of Global Bank, while Global Bank Corporation owns 100% of its subsidiaries. G.B. Group is listed on the local stock exchange under the ticker GBGR.

As one of the leading franchises in the local market, Global Bank operates under a universal banking business model offering multiple services to its customers, such as Corporate Banking, Investment Banking, Factoring, Wealth Management, Consumer Banking, Trust Services, Pension Funds, and Insurance Services, amongst others.

With a loan book of over \$6.4 billion as of June 2024, Global Bank has shown consistent growth over the past 30 years. We initially accessed the international capital markets in 2012 with our first -and only- covered bond under 144Reg S. and have issued more than \$1.0 billion of bonds ever since. On the M&A front, our recent purchase of Banvivienda in 2018 helped us gain relevant market share while positioning us for continuous and sustained growth thru such transaction's synergies. From inception, and with a sound business and financial strategy, we have continuously added value to our shareholders while serving the needs of our clients and remaining close to our stakeholders. As of June 2024, Global Bank had 29 branches and over 155 ATMs nationwide. The bank is rated BBB- and BB by S&P and Fitch, respectively, with a stable outlook.

### Business Structure

Global Bank's main subsidiaries of Global Bank Corporation are Global Valores, which runs the Wealth Management business and the securities brokerage house; Global Financial Funds, who offers Trust Services; Progreso, which is our Pension funds' business and Aseguradora Global, our insurance services company.

All the businesses that belong to the group are supervised by the Board of Directors of GB Group which is comprised of 14 directors with 3 independent directors who actively participate on all the bank's six directives' committees (Risk, HR, Audit, Compliance, Credit and Corporate Governance).



## Annex

### Balance Sheet Summary

Global Bank Corporation and Subsidiaries - Balance Sheet				
(Data in US\$ thousands)	Q4 '24	Q3 '24	Δ Q4 '24/ Q3 '24	
			\$	%
<b>Assets</b>				
Cash and deposits	227,575	235,082	(7,507)	(3.2%)
Interbank Deposits	150,084	109,481	40,604	37.1%
Interest Receivable	540	365	175	47.9%
Total Cash and deposits	378,199	344,928	33,271	9.6%
Gross loans	6,399,635	6,420,052	(20,417)	(0.3%)
Interest Receivable	161,177	158,567	2,609	1.6%
Allowance for loan losses	(225,427)	(224,234)	(1,193)	0.5%
Unearned Interest & Commissions	(19,675)	(18,935)	(740)	3.9%
Total Net Loans	6,315,710	6,335,450	(19,741)	(0.3%)
Investments	1,043,735	1,019,479	24,256	2.4%
Interest Receivable	10,548	10,215	333	3.3%
Total Investments	1,054,283	1,029,694	24,589	2.4%
Other assets	772,091	802,530	(30,439)	(3.8%)
<b>Total assets</b>	<b>8,520,283</b>	<b>8,512,602</b>	<b>7,681</b>	<b>0.1%</b>
<b>Liabilities &amp; Shareholder's Equity</b>				
Demand	467,235	465,455	1,780	0.4%
Savings	1,081,312	1,114,440	(33,128)	(3.0%)
Time Deposits	3,716,087	3,690,325	25,762	0.7%
Interbank Deposits	80,816	80,749	67	0.1%
Interest Payable	36,197	35,234	963	2.7%
Total Deposits	5,381,647	5,386,202	(4,555)	(0.1%)
Repos & financings	1,690,593	1,678,616	11,977	0.7%
Bonds and commercial paper	554,457	552,392	2,065	0.4%
Interest Payable	25,872	32,626	(6,753)	(20.7%)
Total Financing	2,270,923	2,263,634	7,289	0.3%
Other liabilities	136,337	136,360	(23)	(0.0%)
<b>Total liabilities</b>	<b>7,788,907</b>	<b>7,786,196</b>	<b>2,710</b>	<b>0.0%</b>
<b>Shareholder's equity</b>	<b>731,376</b>	<b>726,405</b>	<b>4,970</b>	<b>0.7%</b>



## Annex

### Income Statement Summary

Global Bank Corporation and Subsidiaries - Income Statement				
(Data in US\$ thousands)	FY 24	FY 23	Δ FY 24/FY 23	
			\$	%
Loans	450,192	407,349	42,844	10.5%
Deposits	12,927	7,633	5,293	69.3%
Investments	40,548	39,352	1,196	3.0%
<b>Total Interest income</b>	<b>503,667</b>	<b>454,334</b>	<b>49,333</b>	<b>10.9%</b>
Deposits	(205,830)	(168,072)	(37,758)	22.5%
Financing	(111,415)	(79,822)	(31,593)	39.6%
Bonds & Commercial Paper	(32,938)	(33,943)	1,005	(3.0%)
<b>Total Interest expense</b>	<b>(350,182)</b>	<b>(281,836)</b>	<b>(68,346)</b>	<b>24.3%</b>
<b>Net interest income</b>	<b>153,484</b>	<b>172,498</b>	<b>(19,013)</b>	<b>(11.0%)</b>
<b>Margin</b>	<b>30.5%</b>	<b>38.0%</b>		
Net fee income	45,073	44,255	818	1.8%
Other income	30,401	22,012	8,390	38.1%
General and administrative expenses	(145,650)	(137,998)	(7,652)	5.5%
<b>Net income before Loan loss allowance</b>	<b>83,309</b>	<b>100,767</b>	<b>(17,458)</b>	<b>(17.3%)</b>
<b>Margin</b>	<b>16.5%</b>	<b>22.2%</b>		
Loan loss allowance	(34,309)	(49,796)	15,487	(31.1%)
<b>Profit before income tax</b>	<b>49,000</b>	<b>50,971</b>	<b>(1,971)</b>	<b>(3.9%)</b>
Income tax	(1,167)	(3,465)	2,298	(66.3%)
<b>Net income</b>	<b>47,833</b>	<b>47,506</b>	<b>327</b>	<b>0.7%</b>