

# SEPTEMBER 2024

## EARNINGS REPORT

For the first three months ended September  
30<sup>th</sup>, 2024 of Fiscal Year 2025





## 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 September 30<sup>th</sup>, 2024, Global Bank reported a net income of \$13.9 million on \$157.5 million of revenue** which represents a YoY increase of 3.2% and 10.8%, respectively. This was mainly driven by higher loan interest rates resulting in an increase of 9.9% in interest income, other income increase of +87.6% coupled with flat provisions for loan losses.
- **Our financial margin increased quarter-to-quarter to 29.6% in Q1'25 (vs 28.7% in Q4'24). The start of the easing cycle by the FED has lowered the cost of our institutional, bilateral and structured financings.** As the FED is likely to continue reducing rates, we expect our financial margin will continue to improve during the following quarters.
- **Loan loss provision expense was \$8.9 million for the quarter ended on September 30<sup>th</sup>, 2024, remaining flat when compared to the same period last year.**
- **As of September 30<sup>th</sup>, 2024, Global Bank's assets totaled \$8.6 billion,** increasing by 0.8% compared to Q4'24, and increasing by 1.7% when compared to the same period last year. This growth has been led primarily by higher volume in our loan and investment portfolio.
- **Liquidity levels remain stable.** For Q1'25, our cash and equivalents totaled \$345.4 million, maintaining our liquidity coverage ratio (LCR) of 223.8%, well above the regulatory minimum of 100.0%. Our legal liquidity ratio was 35.7%, well above the 30.0% regulatory minimum. Our client deposit base continues to be stable and remains primarily anchored by time deposits. Total deposits reached \$5.5 billion, an increase of 2.0% versus Q4'24, and an increase of 1.2% versus the same period last year. Time deposits increased by \$112.0 million versus Q4'24. Demand deposits decreased by \$1.8 million ending at \$465.5 million, and savings increased by \$12.1 million vs. Q4'24, ending at \$1,093.4 million. Total institutional funding decreased \$76.5 million (ending at \$2.2 billion), a 3.4% reduction when compared to Q4'24.

(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 September 30<sup>th</sup>, 2024, gross loans increased by 0.2% to \$6.4 billion on a quarter-over-quarter basis representing a 1.6% increase YoY.** Our gross loans have been growing steadily since September 2021 from \$6.1 billion to \$6.4 billion in September 2024. Global Bank ranks fourth in the country in local loans with a market share of 9.4%<sup>(3)</sup>. Consumer loans decreased by 1.0% (\$31.4 million) and corporate loans increased by 4.2% (\$132.5 million) when compared to the same period last year. During the quarter, consumer loans remained almost flat decreasing by a slight 0.4% (\$12.7 million), while corporate loans increased 0.9% (\$28.2 million) when compared against the prior quarter.
- **Our non-performing loans decreased 1.1% from \$193.9 million in Q4'24 to \$191.9 million in Q1'25 and decreased 13.6% YoY.** Non-performing loans were split by 52.8% in corporate banking and 47.2% in consumer banking. The NPL ratio decreased from 3.03% in Q4'24 to 2.99% in Q1'25.
- **Our loan loss reserves ended the quarter at \$219.8 million,** a decrease of 2.5% versus Q4'24, resulting in an overall NPL coverage ratio of 114.6% for Q1'25.
- **Our Capital Adequacy Ratio was 13.90%, Common Tier 1 (CT1) 10.78%, Total Tier 1 (TT1) 13.90%.** 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 CT1 ratio has increased 71 basis points since September 2023, from 10.07% to 10.78%, and our overall capital adequacy ratio has been growing consistently on a quarterly basis, increasing 66 basis points from 13.24% in Q1'24 to 13.90% in Q1'25.

(3) Source: Superintendent of Banks, Market Share August 2024.



# Financial Snapshot

## Key Performance Metrics <sup>4,5,6,7</sup>

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
<b>Key Income Statement Highlights</b>					
Net Interest Income	39.3	153.5	116.3	77.1	38.7
Fees and commissions, net	11.3	45.1	34.2	23.3	11.7
Provision expense	(8.9)	(34.7)	(26.7)	(17.7)	(8.9)
Net Income	13.9	47.8	39.1	26.5	13.5
<b>Profitability</b>					
Net Interest Margin	2.04%	2.04%	2.09%	2.15%	2.22%
Efficiency Ratio	62.77%	63.44%	61.97%	60.62%	60.49%
ROAA	0.57%	0.56%	0.52%	0.56%	0.57%
ROAE	6.61%	6.65%	6.21%	6.53%	6.47%
<b>Loan Quality</b>					
Overdue (NPLs)/ Gross Loans	2.99%	3.03%	3.29%	3.32%	3.52%
Allowance / Overdue (NPLs)	114.58%	116.23%	106.21%	106.16%	104.23%
Allowance/ Gross Loans	3.43%	3.52%	3.49%	3.52%	3.66%
Loan to Deposit Ratio	117.60%	119.72%	119.98%	118.35%	117.18%
Loan to Deposits + Corporate Bonds Ratio	110.05%	111.88%	112.13%	110.41%	109.99%
<b>Capital Ratios</b>					
Capital Adequacy Ratio	13.90%	13.73%	13.50%	13.45%	13.24%
Tier 1 Common	10.78%	10.58%	10.40%	10.31%	10.07%
Additional Tier 1 Capital	3.12%	3.15%	3.10%	3.14%	3.17%

(4) Ratios calculated on an LTM basis.

(5) Ratios calculated using gross deposits (excludes interest payable)

(6) Loan to Deposits + Corporate Bonds Ratio includes corporate bonds with a maturity over 1 year.

(7) 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.



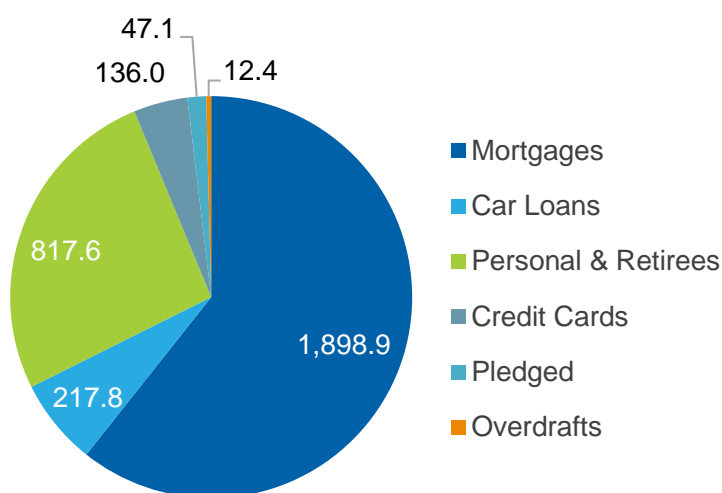
# Balance Sheet

## Loan Portfolio

As of September 30th, 2024, Global Bank’s total assets totaled \$8.6 billion. Our gross loan portfolio increased by \$15.5 million quarter to quarter, closing at \$6.4 billion. The Bank’s portfolio mix remained almost unchanged, with the consumer portfolio accounting for 48.8% of our total gross loans and the corporate portfolio accounting for 51.2% of total gross loans. Global Bank ranks fourth in the country in domestic credit with a market share of 9.4%<sup>(8)</sup>.

### Consumer Banking Composition

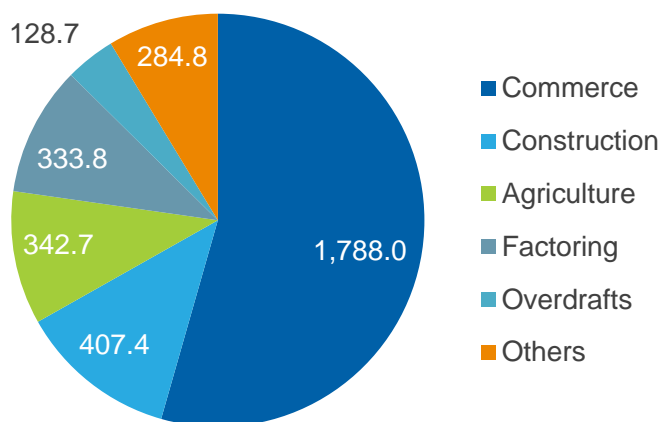
(US\$ mm)



The consumer portfolio remained almost flat with a modest 0.4% decline to \$3.1 billion in Q1’25. Global Bank ranks fifth in the country in consumer loans with a market share of 6.8%. We continue to maintain one of the largest mortgage loan portfolios of the banking system, ranking fifth in the country with a 9.9% market share. In car loans, the bank ranks fourth in the country with a 11.3% market share. Within the consumer loan portfolio, our growth strategy focuses on the highest interest yielding products such as personal & retirees’ loans as well as in the credit card space.

### Corporate Banking Composition

(US\$ mm)



The corporate portfolio increased by 0.9% to \$3.3 billion in Q1’25. The bank holds the second largest agriculture portfolio in the market with a market share of 18.3% and continues to hold the third largest portfolio in construction and commercial loans, with a market share of 12.2% and 8.5%, respectively.

Our growth strategy for the corporate loan portfolio focuses on putting our capital to work on the highest interest yielding products such as international syndicated loans and factoring.

(8) Source: Superintendency of Banks, Market Share August 2024.



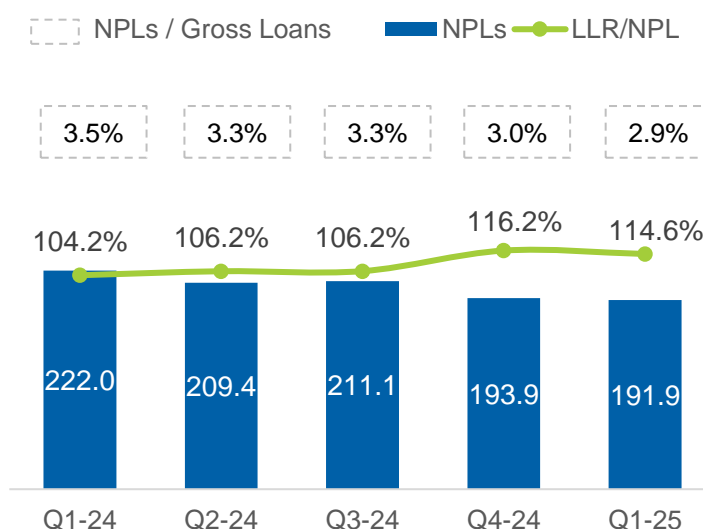
# Balance Sheet

## Loan Portfolio

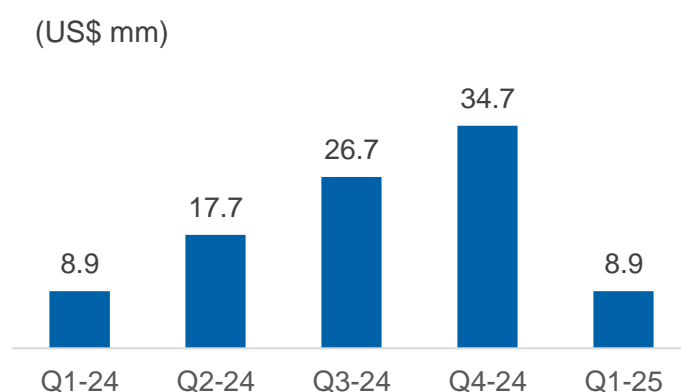
### Loan Portfolio Quality

- The bank continued its effort to improve its asset quality across sectors. Non-Performing Loans (NPLs) totaled \$191.9 million as of September 30th, 2024, a decline of 13.6% YoY. NPLs represented 2.9% of gross loans, decreasing 52bps YoY.
- Our loan loss reserves totaled \$219.8 million. This represented a 2.5% decrease versus Q4'24 and a 5.0% decrease YoY. The LLR/NPLs ratio has continued to improve YoY going from 104.2% in 2023 to 114.6% in 2024. This, despite lower provision expenses.
- Our loan loss provision expenses remained flat at \$8.9 million in Q1'25 vs Q1'24. Our prudent credit origination policies have been conducive to a healthier loan portfolio, where 84% of loans are more than 100% collateralized.
- In addition, our Stage 3 loans remained almost flat at \$258.0 million in Q1'25 vs. \$257.0 million in Q4'24, with a YoY decline of 12.8%.

### Non-Performing Loans (NPLs)



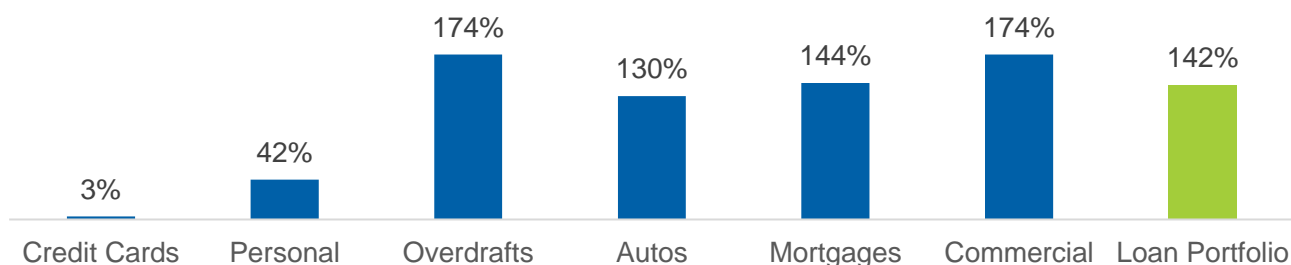
### Cumulative Provision expense



### Loan Portfolio Collateralization

As of June 2024

84% of loans are >100% collateralized



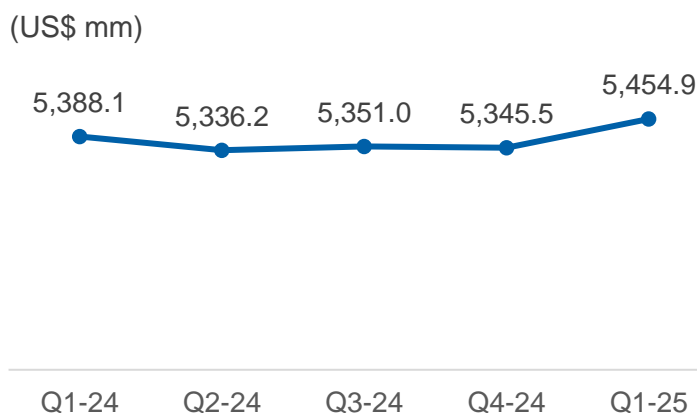


# Balance Sheet

## Deposits

As of September 30th, 2024 (Q1'25), Global Bank's total liabilities amounted to \$7.8 billion, remaining almost unchanged vs. Q4'24. Customer deposits continue to be the largest component of our total liabilities, representing 68.7% of these as of Q1'25. Since June 2020, our deposits have grown approximately \$283.1 million going from \$5.2 billion to \$5.5 billion in Q1'25.

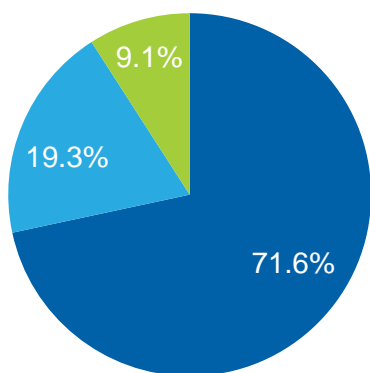
### Evolution of Total Deposits



### Stable growth in deposits

- Q1'25, our deposits totaled \$5.5 billion, representing an increase of \$112.5 million or 2.1% when compared to Q4'24, and an increase of \$71.5 or 1.3% when compared to Q1'24. Our deposit base ranks fifth in the country with a market share of 6.1%.
- Our time deposits increased by 3.0%, and our savings accounts rose by 1.1%, while our checking accounts declined by 0.4% when compared quarter-to-quarter. When compared against Q1'24, our time deposits grew by 4.4%, our savings accounts declined by 3.3%, and our checking accounts decreased by 6.2%.
- Our deposit base continues to be primarily anchored by time deposits, reducing liquidity risk. During this quarter, we continued to experience almost no shift of checking and savings accounts migrating onto time deposits. The Bank has a market share of 11.2% in time deposits, ranking second in the country due to its attractive pricing when compared to other banks.

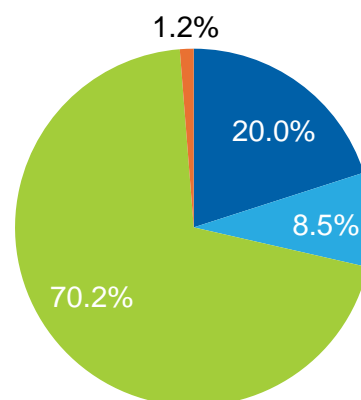
### Interest Bearing Liabilities



■ Deposits ■ Financing ■ Bonds & Repos

\$7,615 million

### Deposits Breakdown



■ Savings ■ Demand ■ Time Deposits ■ Interbank

\$5,455 million



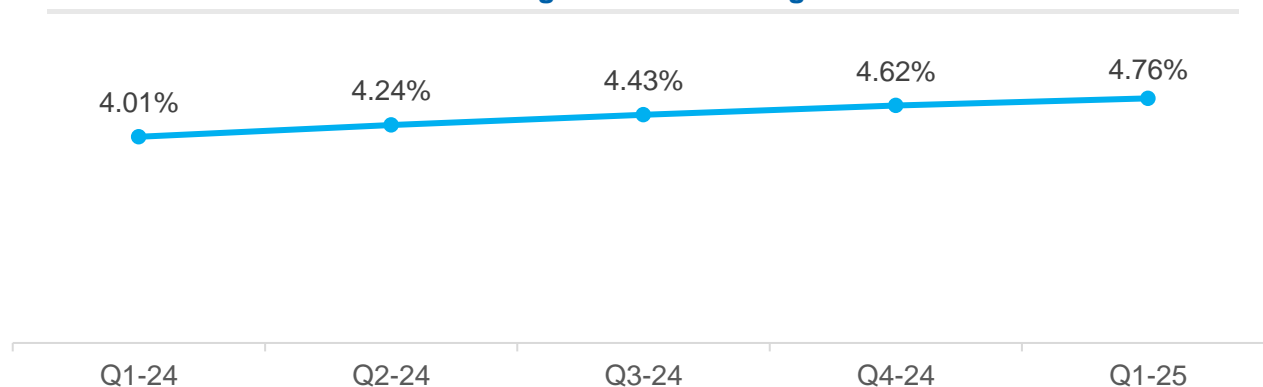


## Balance Sheet

### Financings, Bonds & Commercial Paper

During Q1'25, the Bank slightly increased its institutional funding by \$76.5 million or 3.4%. Bonds & commercial paper in Q1'25 remained flat, and Repos & Bilateral Financings decreased by 5.0% or \$85.0 million. The total cost of our institutional funding liabilities increased from 4.01% in Q1'24 to 4.76% in Q1'25. Access to liquidity lines and counterparties has remained been ample and grew by approximately \$178 million in 2024.

Average Cost of Funding<sup>(9)</sup>

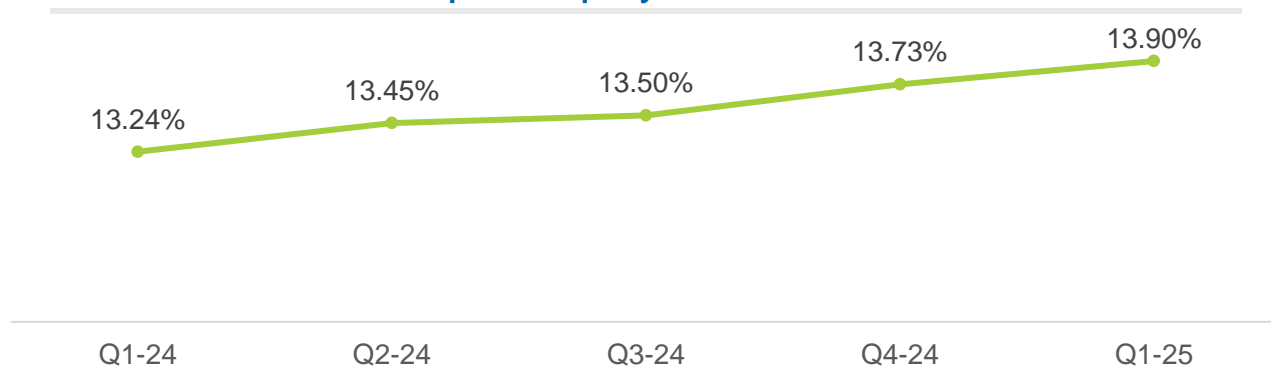


### Shareholders' Equity and Regulatory Capital

Shareholder's equity as of Q1'25 totaled \$747.6 million, a 2.2% increase when compared to Q4'24. Such increase was due to a positive turnover of the MTM effect (~\$11.7 million) on our investment portfolio; \$6.2 million on retained earnings' build-up and an increase of the regulatory reserves of \$1.5 million. All of these were net of a decrease on cash flow hedge reserves of \$3.7 million which are a direct deduction to our primary capital.

Total regulatory capital reached \$793.5 million, an increase of 2.1% when compared to Q4'24. The Bank's total capital ratio has been growing steadily on a quarterly basis, increasing 66 basis points from 13.24% in Q1'24 to 13.90% as of Q1'25. Our CET1 ratio increased 71 basis points, going from 10.07% to 10.78% mainly due to retained earnings' growth. AT1 contribution to TT1 has remained steady YoY.

Capital Adequacy Ratio Evolution



(9) Ratios calculated on an LTM basis.



## Balance Sheet

### Cash and Equivalents

For Q1 '25, total cash and equivalents decreased by \$32.8 million to total \$345.4 million, representing a 8.7% QoQ decrease. This change was primarily driven by an increase on our total net loan portfolio of \$22.1 million during the quarter. Institutional funding (including bilateral financings + bonds) decreased by \$76.5 million. We continue to focus on profitability by trying to improve the institutional funding / deposits mix while remaining vigilant on liquidity.

Our liquidity coverage ratio (LCR) was 223.8%, well above the regulatory minimum of 100.0%. Our legal liquidity ratio was 35.7%, well above the 30.0% regulatory minimum.

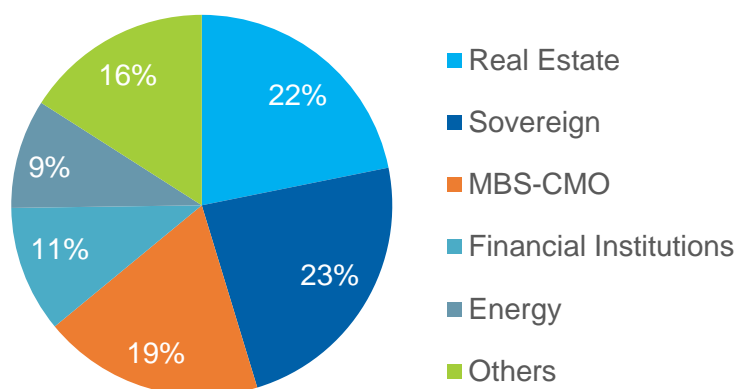
### Investment Portfolio

The investment portfolio grew 4.2% or \$44.3 million during the quarter vs. Q4'24. The 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.

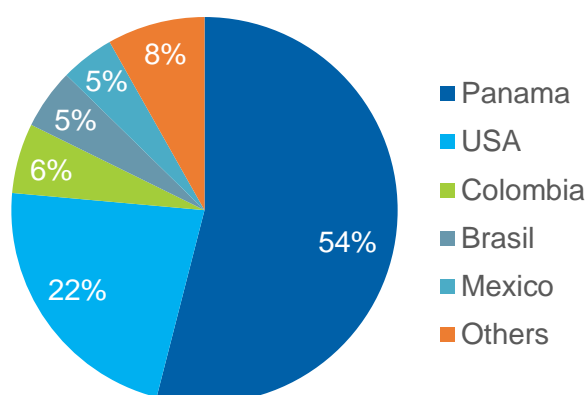
Our investment portfolio continues to be well diversified, with no single industry accounting for more than 23% of our portfolio. We continue to invest excess liquidity mainly in Agency Paper (CMOs – Ginnie Maes), US Treasuries, and other investment-grade securities.

Of our total investment portfolio, 48.3% is comprised of investment-grade securities, 16.7% is non-investment grade, and 12.8% is local investment grade; Excluding local investments in bonds, our investment-grade securities represent 74.4% of the international portfolio.

Composition by Industry (% / total)



Composition by Country (% / total)

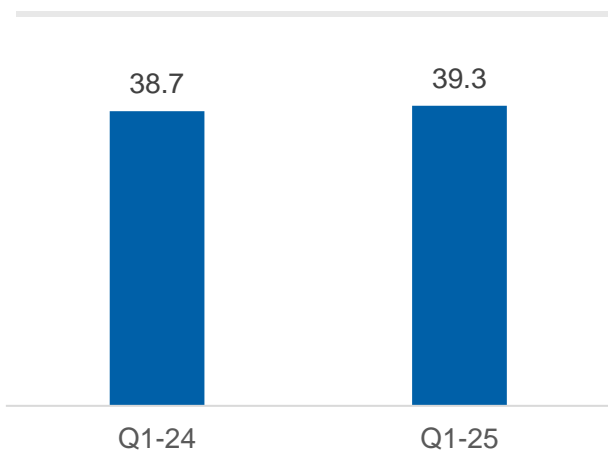




## Income Statement

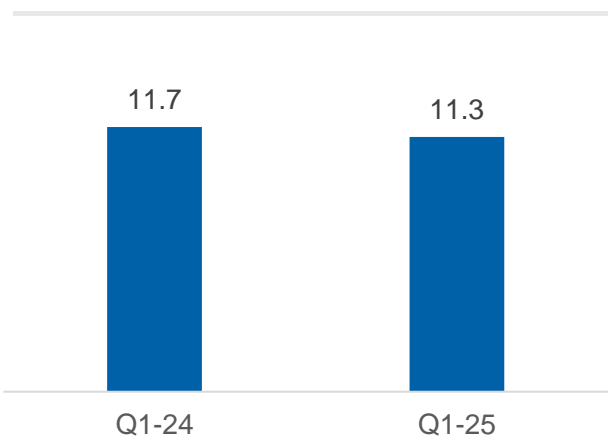
### Income

#### Net Interest Income



**Net interest income for the first three months ending September 30th, 2024, reached \$39.3 million, with a financial margin of 29.6%.** Our financial margin grew has almost 100 bps (29.6% vs 28.7%) when compared to last quarter. Loan portfolio repricing has supported financial margin growth, and we expect it to improve as the FED is likely to continue reducing rates in the coming quarters.

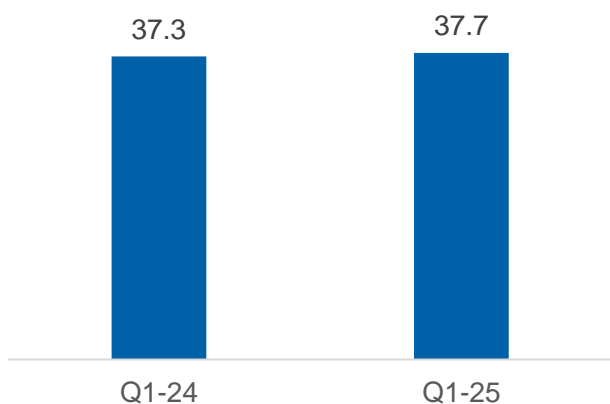
#### Net Fee Income



**Net fee income decreased by 3.8% or \$0.4 million for Q1'25 vs. Q1'24.** The decrease was due to extraordinary non-recurring fees we earned back in Sep23. Nevertheless, fee income increased due to higher volume in disbursements in both the consumer and corporate loan portfolio, with additional revenue growth coming from our merchant, factoring and investment banking businesses.

**Total Other Income increased by 87.6%, or \$3.1 million for Q1'25 vs. Q1'24** due to non-recurring items including (i) dividends, (ii) MTM on investments AFT with changes in the income statement, and (iii) insurance premiums.

### Expenses



**General & Administrative Expenses (G&A) totaled \$37.5 million for Q1'25,** representing a \$0.5 million increase or 1.5% over the same period last year. Rental, maintenance, professional fees, personnel, and tax costs were the biggest contributors to our G&A.

Our operating efficiency ratio<sup>5</sup> for the first three months ending September 30th, 2024, was 62.8% in Q1'25 vs. 60.5% in Q1'24.

(10) Efficiency ratio: Total G&A expenses, excluding loan loss provision divided by total net revenue, calculated on an LTM basis.



## 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 portfolio of over \$6.4 billion as of September 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 September 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 4 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)	Q1'25	Q4'24	Δ Q1'25/ Q4'24	
			\$	%
<b>Assets</b>				
Cash and deposits	183,514	227,575	(44,061)	(19.4%)
Interbank Deposits	161,152	150,084	11,067	7.4%
Interest Receivable	768	540	229	42.4%
<b>Total Cash and deposits</b>	<b>345,434</b>	<b>378,199</b>	<b>(32,765)</b>	<b>(8.7%)</b>
Gross loans	6,415,088	6,399,635	15,454	0.2%
Interest Receivable	162,346	161,177	1,169	0.7%
Allowance for loan losses	(219,828)	(225,427)	5,599	(2.5%)
Unearned Interest & Commissions	(19,828)	(19,675)	(153)	0.8%
<b>Total Net Loans</b>	<b>6,337,778</b>	<b>6,315,710</b>	<b>22,068</b>	<b>0.3%</b>
Investments	1,089,963	1,043,735	46,227	4.4%
Interest Receivable	8,615	10,548	(1,933)	(18.3%)
<b>Total Investments</b>	<b>1,098,578</b>	<b>1,054,283</b>	<b>44,295</b>	<b>4.2%</b>
Other assets	804,618	772,091	32,527	4.2%
<b>Total assets</b>	<b>8,586,407</b>	<b>8,520,283</b>	<b>66,125</b>	<b>0.8%</b>
<b>Liabilities &amp; Shareholder's Equity</b>				
Demand	465,464	467,235	(1,772)	(0.4%)
Savings	1,093,425	1,081,312	12,112	1.1%
Time Deposits	3,828,081	3,716,087	111,994	3.0%
Interbank Deposits	67,935	80,816	(12,880)	(15.9%)
Interest Payable	39,229	36,197	3,032	8.4%
<b>Total Deposits</b>	<b>5,494,134</b>	<b>5,381,647</b>	<b>112,487</b>	<b>2.1%</b>
Repos & financings	1,605,629	1,690,593	(84,964)	(5.0%)
Bonds and commercial paper	554,417	554,457	(40)	(0.0%)
Interest Payable	34,333	25,872	8,460	32.7%
<b>Total Financing</b>	<b>2,194,379</b>	<b>2,270,923</b>	<b>(76,544)</b>	<b>(3.4%)</b>
Other liabilities	150,259	136,337	13,922	10.2%
<b>Total liabilities</b>	<b>7,838,772</b>	<b>7,788,907</b>	<b>49,865</b>	<b>0.6%</b>
<b>Shareholder's equity</b>	<b>747,636</b>	<b>731,376</b>	<b>16,260</b>	<b>2.2%</b>



## Annex

### Income Statement Summary

Global Bank Corporation and Subsidiaries - Income Statement				
(Data in US\$ thousands)	Q1'25	Q1'24	Δ Q1'25/ Q1'24	
			\$	%
Loans	119,129	108,145	10,985	10.2%
Deposits	3,179	2,639	540	20.5%
Investments	10,767	10,250	517	5.0%
<b>Total Interest income</b>	<b>133,075</b>	<b>121,033</b>	<b>12,042</b>	<b>9.9%</b>
Deposits	(56,148)	(48,940)	(7,207)	14.7%
Financing	(29,230)	(25,379)	(3,851)	15.2%
Bonds & Commercial Paper	(8,360)	(8,054)	(306)	3.8%
<b>Total Interest expense</b>	<b>(93,738)</b>	<b>(82,373)</b>	<b>(11,365)</b>	<b>13.8%</b>
<b>Net interest income</b>	<b>39,337</b>	<b>38,660</b>	<b>677</b>	<b>1.8%</b>
<b>Margin</b>	<b>29.6%</b>	<b>31.9%</b>		
Net fee income	11,272	11,714	(442)	(3.8%)
Other income	6,611	3,523	3,087	87.6%
General and administrative expenses	(37,699)	(37,280)	(419)	1.1%
<b>Net income before Loan loss allowance</b>	<b>19,521</b>	<b>16,617</b>	<b>2,904</b>	<b>17.5%</b>
<b>Margin</b>	<b>14.7%</b>	<b>13.7%</b>		
Loan loss & other allowance	(8,744)	(8,630)	(114)	1.3%
<b>Profit before income tax</b>	<b>10,777</b>	<b>7,987</b>	<b>2,790</b>	<b>34.9%</b>
Income tax	3,145	5,508	(2,364)	(42.9%)
<b>Net income</b>	<b>13,922</b>	<b>13,496</b>	<b>426</b>	<b>3.2%</b>