2019
EARNINGS REPORT

For the Fiscal Year ended June 30, 2019.

GLOBAL BANK

GLOBAL BANK CORPORATION

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 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/.), the official monetary unit of Panama. 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 (US$), 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 changes in 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, but 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 prior to our next earnings report. The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description.

GLOBAL BANK CORPORATION

GLOBAL BANK CORPORATION FINALIZES THE INTEGRATION OF BANCO PANAMEÑO DE LA VIVIENDA AND SUBSIDIARIES ("BANVIVIENDA") AND REPORTS A CONSOLIDATED NET INCOME OF US$45.9 MILLION AND AN ADJUSTED NET INCOME OF US$68.2 MILLION FOR THE PERIOD ENDED JUNE 30, 2019. THIS ADJUSTED NET INCOME REPRESENTS AN INCREASE OF 2.1% VERSUS THE PREVIOUS YEAR.

Management Highlights

"We are pleased to report that Global Bank successfully integrated 100% of Banvivienda's operations in a record six months. Through the integration process we welcomed more than 208 employees from Banvivienda to Global Bank and incorporated Banvivienda's systems into our core platform. Having completed and registered all costs for the integration in the 2019 fiscal year will position us to realize 100% of the projected synergies through our 2020 fiscal year."

– Jorge Vallarino Miranda, Chief Executive Officer (CEO)

- This year was a very important one for Global Bank as we closed the acquisition of Banvivienda on November 30, 2018 and completed its integration on May 31, 2019. As a result of the acquisition, Global Bank expanded by nearly 30.0% in assets to US$8.4 billion.
- The successful integration of Banvivienda demonstrates our focus on identifying opportunities to enhance and expand our platform through organic and inorganic growth, while following our prudent business model to pursue sustainable and steady growth.
- Gross loans increased by US$1.4 billion (27.8%) versus the same period last year and totaled US$6.4 billion. Corporate loans increased US$0.5 billion (18.4%) going from US$3.0 to US$3.5 billion. Meanwhile, consumer loans increased by US$0.9 billion (41.4%) going from US$2.0 to US$2.9 billion.
- From an asset quality standpoint, our non-performing loans fell by 50 basis points from 2.5% to 2.0% over the fourth quarter and stood slightly above Panama's National Banking System and increasing by 0.2% year-over-year.
- Following Banvivienda's acquisition, we have significantly strengthened our loan loss reserve coverage, increasing from 53.0% as of year-end 2018 to 92.7% as of 2019. Loan impairment allowance closed at US$119.7 million leaving our Bank in a solid position to manage the credit cycle.
- Capital adequacy is robust at 13.96%, well above Panama's 8.0% regulatory minimum.
- Return on average equity and return on average assets, both on an adjusted basis, were 9.8% and 0.9%, respectively.
- Through our 37-branch network, over 200,000 clients and a universal business model we expect to achieve strong earnings for the upcoming 2020 fiscal year. Earnings will be driven by synergies from the acquisition of Banvivienda, cross selling of products and growth of our credit portfolio.

For further information, please refer to our financial statements, available at: https://www.globalbank.com.pa/en/investor-relations/financial-information

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Income Statement Summary and Adjusted Net Income

Global Bank Corporation and Subsidiaries - Income Statement								
					Δ Q418/Q419		Δ FY18/FY19	
(Data in US$ thousands)	Q4 -18	FY 18	Q4-19	FY 19	$	%	$	%
Interest income	88,794	359,772	119,359	432,644	30,565	34.4%	72,872	20.3%
Loans	80,554	321,647	108,159	387,653	*27,605*	34.3%	66,007	20.5%
Deposits	889	2,814	2,377	7,949	*1,488*	167.3%	5,136	182.5%
Investments	7,351	35,312	8,823	37,041	*1,471*	20.0%	1,729	4.9%
Interest expense	(55,241)	(215,386)	(77,083)	(276,460)	(21,842)	39.5%	(61,074)	28.4%
Deposits	(28,034)	(109,228)	(41,864)	(145,957)	*(13,830)*	49.3%	(36,729)	33.6%
Financing	(6,807)	(24,144)	(9,843)	(35,315)	*(3,037)*	44.6%	(11,171)	46.3%
Bonds & Commercial Paper	(20,400)	(82,014)	(25,375)	(95,187)	*(4,975)*	24.4%	(13,173)	16.1%
Net interest income	**33,553**	**144,386**	**42,276**	**156,184**	**8,722**	**26.0%**	**11,798**	**8.2%**
Margin	***37.8%***	***40.1%***	***35.4%***	***36.1%***				
Net fee income	11,973	39,050	11,675	45,475	(298)	(2.5%)	6,426	16.5%
Other income	1,502	9,749	9,017	10,419	7,515	500.5%	670	6.9%
General and administrative expenses	(28,448)	(107,553)	(44,060)	(136,266)	(15,612)	54.9%	(28,712)	26.7%
Net income before Loan loss allowan	**18,579**	**85,631**	**18,906**	**75,813**	**327**	**1.8%**	**(9,818)**	**(11.5%)**
Margin	***20.9%***	***23.8%***	***15.8%***	***17.5%***				
Loan loss allowance	(2,766)	(11,861)	(20,589)	(29,422)	(17,823)	644.5%	(17,561)	148.1%
Profit before income tax	**15,814**	**73,770**	**(1,682)**	**46,391**	**(17,496)**	**(110.6%)**	**(27,380)**	**(37.1%)**
Income tax	(1,972)	(6,990)	5,501	(403)	7,473	(379.0%)	6,587	(94.2%)
Net income	**13,842**	**66,780**	**3,819**	**45,988**	**(10,023)**	**(72.4%)**	**(20,793)**	**(31.1%)**
Adjustments	0	0	20,989	22,165				
Adjusted Net Income	**13,842**	**66,780**	**24,808**	**68,153**	**10,966**	**79.2%**	**1,372**	**2.1%**

Non-recurrent adjustments related to the Banvivienda acquisition	
(Data in US$ thousands)	
Severance payments and IT	7,596
Office renovations	3,729
Transactions costs	3,332
Additional provision expenses related to Banvivienda loans	2,252
Additional provision expenses related to loan reserve metrics standarization from Banvivienda to Global Bank	5,256
Total Adjustments	22,165

Balance Sheet Summary

Global Bank Corporation and Subsidiaries - Balance Sheet							
				Δ Q3 19/ Q4 19		Δ FY18/FY19	
(Data in US$ thousands)	FY 18	FY19 Q3	FY 19	$	%	$	%
Assets							
Total Cash and deposits	440,948	492,822	607,655	114,833	23.3%	166,708	37.8%
Cash and deposits	141,867	225,708	188,684	(37,024)	(16.4%)	46,818	33.0%
Interbank Deposits	299,081	267,114	418,971	151,857	56.9%	119,890	40.1%
Gross loans	5,008,160	6,499,297	6,401,785	(97,512)	(1.5%)	1,393,625	27.8%
Allowance for loan losses	(47,209)	(100,181)	(119,715)	(19,534)	19.5%	(72,506)	153.6%
Unearned Interest & Commissions	(10,985)	(16,011)	(17,570)	(1,559)	9.7%	(6,585)	59.9%
Net Loans	4,949,966	6,383,105	6,264,500	(118,605)	(1.9%)	1,314,535	26.6%
Investments	788,108	828,893	851,727	22,834	2.8%	63,619	8.1%
Other assets	376,271	664,544	696,026	31,482	4.7%	319,755	85.0%
Total assets	**6,555,292**	**8,369,364**	**8,419,909**	**50,545**	**0.6%**	**1,864,617**	**28.4%**
Liabilities & Shareholder's Equity							
Deposits	3,543,345	4,822,669	4,897,731	75,062	1.6%	1,354,386	38.2%
Checking	410,191	465,630	468,560	2,930	0.6%	58,369	14.2%
Savings	643,373	949,720	961,129	11,409	1.2%	317,756	49.4%
Time Deposits	2,420,495	3,282,682	3,401,692	119,010	3.6%	981,197	40.5%
Interbank Deposits	69,287	124,637	66,350	(58,287)	(46.8%)	(2,937)	(4.2%)
Repos & financings	765,076	944,442	920,613	(23,829)	(2.5%)	155,537	20.3%
Bonds and commercial paper	1,437,582	1,592,914	1,637,222	44,308	2.8%	199,640	13.9%
Other liabilities	197,763	227,127	185,323	(41,804)	(18.4%)	(12,440)	(6.3%)
Total liabilities	**5,943,765**	**7,587,152**	**7,640,889**	**53,737**	**0.7%**	**1,697,124**	**28.6%**
Shareholder's equity	**611,527**	**782,212**	**779,020**	**(3,192)**	**(0.4%)**	**167,493**	**27.4%**

Key Performance Metrics[1]

	FY 2018	FY 2019 Q1	FY 2019 Q2	FY 2019 Q3	FY 2019
Profitability					
Net Interest Margin	2.34%	2.21%	2.18%	2.21%	2.27%
Loan Quality					
Overdue (NPLs)/ Gross Loans	1.78%	2.13%	2.39%	2.47%	2.02%
Allowance / Overdue (NPLs)	53.03%	77.57%	65.44%	62.52%	92.68%
Allowance/ Gross Loans	0.94%	1.65%	1.56%	1.54%	1.87%
Loan to Deposit Ratio	141.34%	139.77%	132.16%	134.77%	130.71%
Loan to Deposits + Corporate Bonds Ratio[2]					105.18%
Capital Ratios					
Capital Adequacy Ratio	14.64%	14.20%	13.10%	13.30%	13.96%
Tier 1 Common	11.87%	11.42%	10.82%	11.07%	11.57%
Additional Tier 1 Capital	2.41%	2.44%	1.97%	1.97%	2.25%
Tier 2 Capital	0.36%	0.37%	0.30%	0.30%	0.14%

						Adjusted	
	FY 2018	FY 2019 Q1	FY 2019 Q2	FY 2019 Q3	FY 2019	FY 2019 Q3	FY 2019
Adjusted Ratios[1]							
Efficiency Ratio	55.67%	62.18%	60.44%	61.84%	64.25%	61.05%	53.80%
ROAA	1.01%	0.76%	0.78%	0.75%	0.61%	0.77%	0.91%
ROAE	11.24%	8.33%	8.66%	8.20%	6.61%	8.43%	9.80%

[1] Adjusted ratios show adjustments for $22.2 million in non-recurring expenses related to Banvivienda acquisition.

[2] Ratio includes corporate bonds, perpetual bonds and subordinated bonds with a maturity over 1 year.

Panama's Economic Environment

Panama's US$65.0 billion economy remains as one of the wealthiest on a per capita basis in Latin America and has historically shown peer-leading growth. While GDP grew below expectations at approximately 4.0% in 2018 due largely to the impact of a strike in the construction sector, the IMF expects growth to reach 6.0% in 2019, then stabilize around 5.5% over the next few years. Expectation is that this pick-up in growth will be driven by the growing financial services industry, a recovery in construction, and the Cobre Panama copper mine that began operations this year.

On July 1st, 2019 President Laurentino Cortizo took office. His party also won the majority in Panama's congress. Therefore, we expect continuity in Panama's market-friendly economic framework and fiscal prudence.

Income Statement and Adjusted Net Income

Accumulated net income for the period ending June 30, 2019 totaled US$45.9 million, which represents a decrease of 31.1% versus last year. Decrease in net income was driven by a combination of interest margin compression from higher LIBOR and non-recurring expenses related to Banvivienda's acquisition, which totaled US$22.2 million. Excluding non-recurring expenses, our adjusted net income totaled US$68.2 million, a 2.1% increase versus the 2018.

1.0 Net Interest Income

					Δ Q4 18/Q4 19		Δ FY18/FY19	
(Data in US$ MM)	**FY18 Q4**	**FY 2018**	**FY19 Q4**	**FY 2019**	**$**	**%**	**$**	**%**
Interest Income								
Loans	80.6	321.6	108.2	387.7	27.6	34.3%	66.0	20.5%
Deposits	0.9	2.8	2.4	7.9	1.5	167.4%	5.1	182.5%
Investments	7.4	35.3	8.8	37.0	1.5	20.0%	1.7	4.9%
Total Interest Income	**88.8**	**359.8**	**119.4**	**432.6**	**30.6**	**34.4%**	**72.9**	**20.3%**
Interest Expense								
Deposits	28.0	109.2	41.9	146.0	13.8	49.3%	36.7	33.6%
Loans	6.8	24.1	9.8	35.3	3.0	44.6%	11.2	46.3%
Bonds & Commercial Paper	20.4	82.0	25.4	95.2	5.0	24.4%	13.2	16.1%
Total Interest Expense	**55.2**	**215.4**	**77.1**	**276.5**	**21.8**	**39.5%**	**61.1**	**28.4%**
Net Interest Income	**33.6**	**144.4**	**42.3**	**156.2**	**8.7**	**26.0%**	**11.8**	**8.2%**
Margin	*37.8%*	*40.1%*	*35.4%*	*36.1%*				

- Net interest income for our fiscal year 2019 reached US$156.2 million, increasing 8.2% year-over-year primarily due to margin compression resulting from an increase in LIBOR. The margin compression was partially offset by an additional US$24.8 million of net interest income from seven months of Banvivienda operations.
- 2019 net interest margin (NIM) reached 2.27% a 7 basis points decrease from the previous year primarily driven by an increase in LIBOR, which reached to its peek on December 2018, pressuring our cost of funds to higher levels.

- In the fourth quarter we saw a decrease in LIBOR, as well as LIBOR forward rates, which should improve our NIM for the upcoming fiscal year.

2.0 Impairment Allowance Overview

(Data in US$ MM)	FY 18	FY19 Q3	FY 19	Δ Q3 19/ Q4 19 $	Δ Q3 19/ Q4 19 %	Δ FY18/FY19 $	Δ FY18/FY19 %
Balance Beginning of year	43.0	47.2	47.2	0.0	0.0%	4.2	9.9%
Reserve resulting from acquisition of	0.0	18.3	18.3	0.0	0.0%	18.3	NM
Reserve charged to expenses	11.9	9.2	29.4	20.2	220.7%	17.6	148.1%
IFRS adjustments	0.0	38.4	38.4	0.0	0.0%	38.4	NM
Recoveries	1.9	1.9	2.7	0.8	41.1%	0.7	37.2%
Written-off loans	(9.6)	(14.7)	(16.3)	(1.6)	10.9%	(6.8)	71.0%
Balance at end of period	**47.2**	**100.2**	**119.6**	**19.4**	**19.4%**	**72.4**	**153.3%**

Impairment allowance increased by US$72.4 million in 2019, representing a 153.3% increase versus the previous year. When compared with the third quarter of the 2019, provisions were up 19.4% (US$19 million). For the full year, provision expenses increased from US$11.9 million in 2018 to US$29.4 million in 2019. This increase was driven by (i) the impact of adopting the IFRS 9 introduced in July 1, 2018, which modified the impairment allowance methodology from incurred loss to expected loss. The change in methodology resulted in a US$38.4 million increase in our reserve transferred from retained earnings and the impairment allowance of US$18.4 million from the transfer of Banvivienda loans to our IFRS model in addition to a general deterioration of the loans portfolio.

3.0 Net Commission and Other Income

(Data in US$ MM)	Q4 -18	FY 18	Q4-19	FY 19	Δ Q418/Q419 $	Δ Q418/Q419 %	Δ FY18/FY19 $	Δ FY18/FY19 %
Commission Income								
Loans	5.7	21.3	7.1	26.9	1.4	25.0%	5.5	25.9%
Credit Cards	0.4	2.7	0.9	3.3	0.6	165.7%	0.5	18.7%
Accounts	1.3	5.3	1.6	6.0	0.2	18.8%	0.7	13.8%
Trust Services	2.5	9.4	2.6	10.0	0.1	2.0%	0.7	6.9%
Others	5.2	12.3	2.9	13.4	(2.3)	(44.7%)	1.1	9.1%
Commission Expenses	**(3.1)**	**(12.0)**	**(3.4)**	**(14.1)**	**(0.3)**	**8.4%**	**(2.1)**	**17.7%**
Net Commission Income	**12.0**	**39.0**	**11.7**	**45.5**	**(0.3)**	**(2.5%)**	**6.4**	**16.5%**
Other Income								
Net Insurance premiums	2.1	8.4	2.8	11.0	0.7	31.6%	2.6	30.4%
Others	(0.6)	1.3	6.2	(0.6)	6.9	NM	NM	NM
Total Other Income	**1.5**	**9.7**	**9.0**	**10.4**	**7.5**	**NM**	**0.7**	**6.9%**

Commission income grew 16.5% for the year, representing US$6.4 million against 2018, the increase was mainly driven by US$4.3 million of net commission income related to seven months of Banvivienda operations, increase in structuring fees generated by our investment banking department and origination fees on new loans in the period. Conversely, for the quarter it had a minor 2.5% setback falling by US$0.3 million.

Total other income increased US$0.7 million for the year and US$7.5 million for the quarter primarily due to higher insurance premiums and additional fees recognized from seven months of the Banvivienda operation.

4.0 Operating Efficiency[3]

General & Administrative (G&A) expenses increased 38.8% to US$165.7 million in 2019 from US$119.4 million in 2018. This increase was primarily due to increases in salaries, professional fees, and other expenses absorbed in connection with the Banvivienda acquisition which caused non-recurring expenses of US$12.5 million. Other expenses were also impacted by the organic growth of our organization, as a result of new branch openings and our new headquarters located in the Santa Maria Business District.

On a quarterly basis, total G&A was US$15.6 million higher than our fourth quarter of the 2018 exercise due to the US$20.9 million in acquisition related expenses.

For the full year Global Bank's operating efficiency ratio on a non-adjusted basis stood at 64.3%. However, when adjusting for Banvivienda's acquisition expenses the ratio decreases to 53.8% for the year, 187 basis points lower than the same period last year.

Balance Sheet

1.0 Total Assets

As of June 30,2019, Global Bank's total assets reached US$8.4 billion, increasing by US$1.8 billion versus the same period for 2018 mainly driven by Banvivienda's acquisition. This represents a 28.4% increase for the year. When compared with the third quarter of 2019 total assets grew 0.6%, as our focus was on the integration of both banks instead of growth.

1.1 Loan Portfolio

Our gross loan portfolio increased 27.8% annually which represents growth of US$1.4 billion. On a quarterly basis the portfolio decreased 1.5% (US$97.5 million). In terms of composition, our consumer portfolio accounted for 45.4% of our total gross loans and corporate banking 54.6%.

The consumer banking portfolio grew 41.4% representing US$850.8 million year over year and fell 0.1% (US$3.5 million) on a quarterly basis. During the 2019 fiscal year the mortgage segment grew the most 51.5%, representing US$589.4 million, primarily driven by Banvivienda's acquisition, followed by the personal & retirees segment which grew 40.1% or US$192.1 million. With the Banvivienda acquisition, mortgages became our largest product representing 59.7% of our gross consumer portfolio and 27.1% of our gross total loans.

Global Bank's corporate banking portfolio grew 18.4% representing US$543.1 million on a yearly basis and fell 2.6% (US$94.2 million) versus the previous quarter. Yearly growth was mainly driven by the small & medium enterprise (SME's) segment, agriculture and commercial banking.

[3] Efficiency ratio: Total G&A expenses, excluding loan loss provisions divided by total net revenue.

The SME's segment went from US$29.2 million in 2018 to US$210.2 million in 2019, representing a growth of US$181.0 million due to a reclassification from Banvivienda's portfolio to Global Bank's. It now represents 6.0% of total gross corporate banking loans and 3.3% of total gross loans.

Agriculture loans grew 43.4% representing an increase of US$131.3 million versus the previous year. This business segment went from 10.2% of our total gross corporate portfolio to 12.4% and 6.8% of our total gross loans as of fiscal year 2019. We are now the largest lender in agricultural loans with a 25.2%[4] market share as of May 2019.

Lastly, commercial banking grew 10.2% to US$133.9 million and now represents 41.2% of our corporate portfolio and 22.5% of our gross loan portfolio.

				Δ Q3 19/Q4 19		Δ FY18/FY19	
(Data in US$ MM)	FY 2018	FY19 Q3	FY 2019	$	%	$	%
Consumer Banking							
Mortgages	1,145.1	1,720.4	1,734.5	14.1	0.8%	589.4	51.5%
Car Loans	269.6	306.9	296.1	(10.8)	(3.5%)	26.5	9.8%
Personal & Retirees	479.5	660.8	671.6	10.8	1.6%	192.1	40.1%
Credit Cards	97.9	120.1	123.4	3.3	2.7%	25.5	26.0%
Pledged	47.4	80.0	57.5	(22.5)	(28.1%)	10.1	21.3%
Overdrafts	16.1	21.7	23.3	1.6	7.4%	7.2	44.7%
Total Consumer Banking	**2,055.6**	**2,909.9**	**2,906.4**	**(3.5)**	**(0.1%)**	**850.8**	**41.4%**
Corporate Banking							
Commerce	1,307.2	1,546.3	1,441.1	(105.2)	(6.8%)	133.9	10.2%
Construction	800.3	996.7	864.8	(131.9)	(13.2%)	64.5	8.1%
Agriculture	302.5	465.4	433.8	(31.6)	(6.8%)	131.3	43.4%
Factoring	232.7	221.0	219.1	(1.9)	(0.9%)	(13.6)	(5.8%)
Overdrafts	141.2	153.6	150.3	(3.3)	(2.1%)	9.1	6.4%
Pledged	84.9	75.2	91.8	16.6	22.1%	6.9	8.1%
Leasing	39.3	60.1	62.7	2.6	4.3%	23.4	59.5%
Small & Medium Enterprise	29.2	57.1	210.2	153.1	268.1%	181.0	619.9%
Transport	15.1	14.1	21.7	7.6	53.9%	6.6	43.7%
Total Corporate Banking	**2,952.4**	**3,589.5**	**3,495.5**	**(94.0)**	**(2.6%)**	**543.1**	**18.4%**
Total Gross Loans	**5,008.0**	**6,499.4**	**6,401.9**	**(97.5)**	**(1.5%)**	**1,393.9**	**27.8%**
Allowance for Loan Losses	(47.2)	(100.2)	(119.7)	(19.5)	19.5%	(72.5)	153.6%
Unearned interest and fees	(11.0)	(16.0)	(17.6)	(1.6)	9.7%	(6.6)	59.9%
Total Net Loans	**4,949.8**	**6,383.2**	**6,264.6**	**(118.6)**	**(1.9%)**	**1,314.8**	**26.6%**

Total Non-Performing Loans (overdue) totaled US$129.2 million as of June 30, 2019, increasing US$40.2 million from the previous year. Conversely, when compared to the previous quarter they decreased US$31.1 million, due to efficiencies in collections after the integration. An additional improvement to our NPLs was the sale of the collateral (property) that guaranteed an $18.1 million loan to a local reinsurance company, our largest NPL.

[4] Source: Superintendency of Banks

Our allowance for loan losses increased by US$72.5 million or 153.6% increase year-over-year, elevating our NPL coverage ratio to 92.7% from 53.0% in 2018.

1.2 Investment Portfolio

As of June 30, 2019, Global Bank's gross investment portfolio totaled at US$857.1 million an 8.75% increase year over year and a 4.0% increase when compared to the previous quarter. Of the total investments, 49.6% are investment grade securities, 18.6% are non-investment grade and 11.6% are local investment grade.

Our investment portfolio is composed of sovereign and corporate debt securities, including securities issued by U.S., Latin American, U.K. and European financial institutions.

The weighted average yield in our interest and dividend-earning investment portfolio was 4.5% as of June 30, 2019 and 4.75% as of June 30, 2018.

1.3 Cash and Cash Equivalents

Total cash and equivalents saw a 37.8% increase year-over-year to US$166.7 million. Quarterly it had a 23.3% increase, representing US$114.8 million.

As of June 30, 2019, our total cash is represented by 68.9% interbank deposits and 31.1% demand deposits.

2.0 Total Liabilities

As of June 30,2019, Global Bank's total liabilities amounted US$7.6 billion, increasing by US$1.7 billion versus the same period for 2018 mainly driven by Banvivienda's acquisition. This represents a 28.6% increase for the year. When compared with the third quarter of fiscal year 2019 total liabilities grew 0.7%.

In terms of funding, customer deposits represent 64.1% versus 58.6% from the previous year, while loans and corporate bonds represent 33.5%, versus 29.9% in 2018.

2.1 Customer and Bank Deposits

				Δ Q3 -19/Q4- 19		Δ FY18/FY19	
(Data in US$ MM)	**FY 2018**	**FY19 Q3**	**FY 2019**	**$**	**%**	**$**	**%**
Demand	410.2	465.6	468.6	2.9	0.6%	58.4	14.2%
Savings	643.4	949.7	961.1	11.4	1.2%	317.8	49.4%
Time	2,420.5	3,282.7	3,401.7	119.0	3.6%	981.2	40.5%
Total customer deposits	**3,474.1**	**4,698.0**	**4,831.4**	**133.3**	**2.8%**	**1,357.3**	**39.1%**
Bank deposits	69.3	124.6	66.4	(58.3)	(46.8%)	(2.9)	(4.2%)
Total deposits	**3,543.3**	**4,822.7**	**4,897.7**	**75.1**	**1.6%**	**1,354.4**	**38.2%**

Total customer and bank deposits totaled US$4.9 billion as of the end of our fiscal year, increasing by US$1.3 billion or 38.2%. When compared to the previous quarter, total deposits increased US$75.1 million or 1.6%.

Growth for the year was mainly driven by Banvivienda's acquisition with a significant increase in our savings and time deposits, which grew 49.4% and 40.5% respectively.

Average cost of deposits stood at 3.5% for the 2019 period, 40 basis points higher than 2018. The increase was primarily driven by rising time deposits rates in the local market.

2.2 Financings

Total financings for the 2019 fiscal year closed at US$920.6 million, a change of US$155.5 million from the previous year (20.3%) our fiscal year. Versus the third quarter, borrowings declined US$23.8 million (2.5%).

During our 2019 fiscal year, we successfully closed financing facilities with the Interamerican Development Bank (IDB) and the Central American Bank for Economic Integration (CABEI) for up to US$160.0 million.

Average cost of borrowings for the year stood at 4.0%, 80 basis points higher than the previous year.

2.3 Corporate Bonds and Commercial Paper

Corporate bonds and commercial paper reached US$1.6 billion at 2019-year end, growing 13.9% from the previous year and 2.8% from the third quarter of 2019.

On April 2019, Global Bank issued its first 10-year bond in the international debt capital markets. The 2029 fixed to floating notes with a 5.25% coupon represent an important milestone for the bank, solidifying our position as a recurring issuer in the international markets. The same bond was reopened by US$100.0 million on September 17, 2019 while both rating agencies confirmed the bank's investment grade rating (BBB-) for the issuance.

Average cost of corporate bonds and commercial paper, excluding perpetual and subordinated bonds was 6.1% for the end of 2019, 60 basis points higher than the previous year. This was mainly driven by an increase in LIBOR that impacted the costs of our 2019 and 2021 bonds. Both of these bonds were swapped from fixed to floating at the time of issuance. It is important to note that on April 2019 we cancelled US$230.4 million of swaps on the 2019 bonds and in June we called US$150.0 million of swaps for the 2021 bonds.

Looking forward, we expect a decrease in our bonds cost, due to the upcoming maturity of the 2019 bond with an outstanding amount of US$320.0 million, which should be replaced with less expensive funds. Moreover, lower interest rates should translate in lower resets for the remainder of the 2021 bond.

Shareholder’s Equity and Regulatory Capital

Total shareholder’s equity reached US$779.0 million as of 2019, growing 27.4% versus the previous year and decreasing 0.4% against the previous quarter.

Regulatory capital totaled US$790.8 million, 12.5% higher than 2018 and 1.0% higher than the previous quarter. Risk Weighted Assets (RWA’s) reached US$5.6 billion, 18.0% more than the previous year and 3.5% less than the previous quarter.

Capital Adequacy ratio stood at 13.96% as of the end of the year, well above the regulatory minimum of 8.0%, and 70 basis points lower than the previous year. Tier 1 Common capital stood at 11.57%, 60 basis points lower than 2018; looking forward we expect to return to fiscal year 2018 Tier 1 Primary Capital levels by the end of our fiscal year 2020.

(Data in US$ MM)	FY 2018	FY19 Q3	FY 2019
Primary Capital (Tier I)			
Paid-in share capital	98.2	267.9	270.2
Excess paid-in capital	2.3	4.7	2.5
Declared reserves	39.4	40.4	40.6
Retained ernings	386.8	371.0	363.7
Other items of comprehensive income	1.3	9.0	6.1
Dynamic reserve	67.3	78.7	87.9
Less: Regulatory adjustments	(16.8)	(98.1)	(91.7)
Other intangible assets	(9.0)	(24.0)	(24.0)
Total Primary Capital (Tier 1 Common)	**569.6**	**649.5**	**655.3**
Additional Primary Capital (Tier 1)	**115.7**	**115.8**	**127.7**
Tier 2 Capital	**17.4**	**17.3**	**7.9**
Total Capital Funds	**702.7**	**782.6**	**790.8**
Risk-Weighted Assets (RWA's)	**4,799.8**	**5,868.8**	**5,664.5**
Total Capital Ratio	**14.64%**	**13.33%**	**13.96%**
Tier 1 Primary Capital	**11.87%**	**11.07%**	**11.57%**
Additional Tier 1 Capital	**2.41%**	**1.97%**	**2.25%**
Tier 2 Capital	**0.36%**	**0.30%**	**0.14%**