JUNE 2022
EARNINGS REPORT
For the Fiscal Year ended June 30th, 2022

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.

GLOBAL BANK CORPORATION REPORTS A CONSOLIDATED NET INCOME OF $37.3 MILLION FOR THE YEAR ENDED ON JUNE 30th, 2022.

Management Highlights:

- **As of June 30th, 2022, Global Bank reported a net income of $37.3 million,** this represents a y-o-y increase of 40.1%. The increase in net income was mainly driven by a $24.5 million decline in loan loss provisioning when compared with the same period last year.
- **Our financial margin increased from 39.6% to 43.2% for the full period ending June 30th, 2022. This was due to lower LIBOR costs, coupled with our switch in the funding mix from corporate bonds to bilateral financings and changes in our deposit mix.** Our annualized NIM has improved, going from 2.28% in FY2021 to 2.42% in FY2022. For our new fiscal year (FY2023), we foresee margin compression due to the FED interest rate hike policy which will have an impact on our funding costs.
- **Loan loss expenses declined to $59.0 million for the year ended on June 30th, 2022, a $24.5 million or (29.3%) decline when compared to the same period last year.** The decrease in provisioning is part of the positive evolution of the modified loans portfolio which helped ease our expected loss model provision requirements (as per IFRS 9) for the full year. We expect the current trend of lower levels of loan loss provisioning to continue for the upcoming fiscal year.
- **As of June 30th, 2022, Global Bank's assets totaled $8.4 billion,** increasing slightly by 1.2% when compared to Q3´22 and mainly unchanged by 0.9% when compared to June 30 of last fiscal year. This small variance in total assets was mainly driven by a 3.7% decrease in cash and deposits, net of an increase in the gross loan portfolio of 1.6% and a 0.3% growth in our investment portfolio when compared to Q3´22.
- **Liquidity levels remain stable.** For Q4'22, our cash and equivalents totaled $422.2 million, a decrease of 3.7% from our Q3´22 quarter. This was due to an increase in our loan portfolio (by $95.8 million) representing 1.6% growth. Our client deposit base slightly increased $9.1 million (a 0.2% change from Q3'22) to end at $5.3 billion. This was very much unchanged when compared to the same period last year.
- **Gross loans increased by 1.6% to $6.2 billion quarter-over-quarter as of June 30th, 2022.** Consumer loans increased by 1.2%, (or$35.8 million) and corporate loans increased by 1.9%, representing $60.0 million of additional volume.
- **Our non-performing loans decreased by 5.1% from $205.5 million in Q3'22 to $195.1 million in Q4'22**. Non-performing loans were split 60.4% in corporate banking and 39.6% in consumer banking. The NPL ratio declined 22 basis points, from 3.36% in Q3'22 to 3.14% in Q4'22. Our loan loss reserves

ended Q4’22 at $231.0 million, an increase of 2.1% versus Q3’22; this, in turn, resulted in an increase in our NPL coverage ratio to 118.4% (Q4’22) from 110.1% (Q3’22).

- **Our Capital Adequacy Ratio was 15.11% / Common Tier 1 (CT1) 11.81% / Total Tier 1 (TT1) 15.11%**. Our capital ratios continue to be well above the regulatory minimum (Total: 8.0%, CT1: 4.5%, TT1: 6.0%) for each capital category.

Income Statement Summary[1]

Global Bank Corporation and Subsidiaries - Income Statement				
			Δ FY 22/FY 21	
(Data in US$ thousands)	**FY 22**	**FY 21**	**$**	**%**
Loans	380,271	399,633	*(19,362)*	(4.8%)
Deposits	1,196	1,614	*(418)*	(25.9%)
Investments	37,646	34,848	*2,798*	8.0%
Total Interest income	419,113	436,095	(16,982)	(3.9%)
Deposits	(156,907)	(171,378)	*14,472*	(8.4%)
Financing	(37,433)	(23,849)	*(13,584)*	57.0%
Bonds & Commercial Paper	(43,714)	(68,106)	*24,392*	(35.8%)
Total Interest expense	(238,053)	(263,333)	25,280	(9.6%)
Net interest income	**181,060**	**172,762**	**8,297**	**4.8%**
Margin	***43.2%***	***39.6%***		
Net fee income	38,423	35,070	3,354	9.6%
Other income	13,838	22,758	(8,920)	(39.2%)
General and administrative expenses [1]	(138,606)	(129,352)	(9,254)	7.2%
Net income before Loan loss allowance	**94,715**	**101,238**	**(6,524)**	**(6.4%)**
Margin	***22.6%***	***23.2%***		
Loan loss allowance	(59,032)	(83,498)	24,465	(29.3%)
Profit before income tax	**35,682**	**17,741**	**17,942**	**101.1%**
Income tax	1,581	8,853	(7,271)	(82.1%)
Net income	**37,263**	**26,593**	**10,670**	**40.1%**

[1] Provision expense related to investments and sovereign risk in FY 22 of $1,991K; and FY 21 of $1,706K were included in G&A.

Balance Sheet Summary

Global Bank Corporation and Subsidiaries - Balance Sheet				
			Δ FY22/ FY21	
(Data in US$ thousands)	**FY 22**	**FY 21**	**$**	**%**
Assets				
Cash and deposits	251,248	215,134	36,115	16.8%
Interbank Deposits	170,736	292,938	(122,203)	(41.7%)
Interest Receivable	179	244	(65)	(26.7%)
Total Cash and deposits	422,163	508,316	(86,153)	(16.9%)
Gross loans	6,220,976	6,058,828	162,149	2.7%
Interest Receivable	158,404	170,868	(12,463)	(7.3%)
Allowance for loan losses	(231,040)	(208,586)	(22,454)	10.8%
Unearned Interest & Commissions	(10,119)	(13,133)	3,014	(23.0%)
Total Net Loans	6,138,222	6,007,977	130,246	2.2%
Investments	1,072,628	1,102,587	(29,960)	(2.7%)
Interest Receivable	6,863	7,577	(714)	(9.4%)
Total Investments	1,079,490	1,110,164	(30,674)	(2.8%)
Other assets	760,721	697,087	63,634	9.1%
Total assets	**8,400,596**	**8,323,544**	**77,053**	**0.9%**
Liabilities & Shareholder's Equity				
Demand	531,525	472,469	59,056	12.5%
Savings	1,277,235	1,182,620	94,615	8.0%
Time Deposits	3,369,900	3,534,371	(164,471)	(4.7%)
Interbank Deposits	64,413	44,910	19,503	43.4%
Interest Payable	32,170	40,782	(8,612)	(21.1%)
Total Deposits	5,275,243	5,275,151	92	0.0%
Repos & financings	1,582,272	876,326	705,946	80.6%
Bonds and commercial paper	633,326	1,231,111	(597,785)	(48.6%)
Interest Payable	13,211	14,036	(825)	(5.9%)
Total Financing	2,228,809	2,121,473	107,337	5.1%
Other liabilities	136,390	137,202	(812)	(0.6%)
Total liabilities	**7,640,442**	**7,533,825**	**106,617**	**1.4%**
Shareholder's equity	**760,154**	**789,719**	**(29,564)**	**(3.7%)**

Key Performance Metrics[2,3,4,5]

	Q4´22	Q3´22	Q2´22	Q1´22	Q4´21	Q3´21	Q2´21	Q1´21
Profitability								
Net Interest Margin	2.42%	2.60%	2.41%	2.35%	2.28%	2.38%	2.39%	2.42%
Efficiency Ratio	59.41%	59.17%	60.97%	62.05%	56.10%	53.94%	54.55%	56.75%
ROAA	0.45%	0.43%	0.30%	0.24%	0.32%	0.25%	0.19%	0.06%
ROAE	4.81%	4.59%	3.18%	2.60%	3.38%	2.69%	2.02%	0.68%
Loan Quality								
Overdue (NPLs)/ Gross Loans	3.14%	3.36%	3.43%	3.31%	3.18%	2.97%	3.18%	2.88%
Allowance / Overdue (NPLs)	118.39%	110.08%	105.84%	102.91%	108.12%	112.43%	100.81%	98.91%
Allowance/ Gross Loans	3.71%	3.69%	3.63%	3.40%	3.44%	3.34%	3.21%	2.85%
Loan to Deposit Ratio	118.65%	117.01%	112.49%	114.38%	115.75%	114.78%	119.55%	122.04%
Loan to Deposits + Corporate Bonds Ratio [4]	110.16%	108.56%	104.51%	105.51%	106.73%	105.92%	110.09%	100.95%
Capital Ratios								
Capital Adequacy Ratio	15.11%	15.56%	15.91%	16.07%	15.97%	15.49%	15.62%	15.09%
Tier 1 Common	11.81%	12.24%	12.57%	12.74%	12.74%	12.32%	12.45%	12.31%
Additional Tier 1 Capital	3.30%	3.32%	3.34%	3.33%	3.08%	3.02%	3.02%	2.63%
Tier 2 Capital	0.00%	0.00%	0.00%	0.00%	0.15%	0.15%	0.15%	0.15%

[2] Ratios calculated on an annualized basis

[3] Ratio calculated using gross deposits (excludes interest payable).

[4] Ratio includes corporate bonds with a maturity over 1 year.

[5] Capital Adequacy Ratio includes financial relief measures according to the Bank Superintendency Board of Directors General Resolutions SBP-GJD-0004-2020 and SBP-GJD-0005-2020.

Income Statement

1.0 Net Interest Income

(Data in US$ millions)	FY 22	FY 21	Δ FY 22/FY 21 $	%
Interest Income				
Loans	380.3	399.6	-19.4	(4.8%)
Deposits	1.2	1.6	-0.4	(25.9%)
Investments	37.6	34.8	2.8	8.0%
Total Interest Income	**419.1**	**436.1**	**-17.0**	**(3.9%)**
Interest Expense				
Deposits	156.9	171.4	-14.5	(8.4%)
Loans	37.4	23.8	13.6	57.0%
Bonds & Commercial Paper	43.7	68.1	-24.4	(35.8%)
Total Interest Expense	**238.1**	**263.3**	**-25.3**	**(9.6%)**
Net Interest Income	**181.1**	**172.8**	**8.3**	**4.8%**
Margin	*43.2%*	*39.6%*		

- Net interest income for the full year ending June 30th, 2022, reached $181.1 million, an increase of 4.8% when compared to the same period last year. The increase in loan volume, coupled with lower yields from our investments and cash, was mitigated by lower funding costs due to repricing of our LIBOR related facilities, switching corporate bonds for lower cost financings, and a slight shift from CDs to savings and checking accounts.
- As a result of the changes described above, our financial margin increased to 43.2% when compared to the same period last year (39.6%). Going forward, we expect downward pressure on our margin given higher SOFR costs, correlated to FED interest rate hikes resulting from current US inflationary levels.

2.0 Net Fee and Other Income

(Data in US$ millions)	FY 22	FY 21	Δ FY 22/FY 21 $	%
Fee Income				
Loans	26.0	20.3	5.7	27.8%
Letters of Credit	1.5	2.4	(1.0)	(40.1%)
Savings and debit cards	4.1	4.0	0.1	1.6%
Trust Services	11.8	10.7	1.2	10.8%
Others	14.5	11.1	3.3	30.0%
Fee Expenses	**(19.4)**	**(13.5)**	**(5.9)**	**43.6%**
Net Fee Income	**38.4**	**35.1**	**3.4**	**9.6%**
Other Income				
Net Insurance premiums	12.8	12.1	0.7	5.6%
Others	1.0	10.6	(9.6)	(90.2%)
Total Other Income	**13.8**	**22.8**	**(8.9)**	**(39.2%)**

Net fee income increased by 9.6% (or $3.4 million) for FY'22 vs. FY'21. The increase in fee income was due to an uptick in disbursements in both the consumer and corporate loan portfolios as part of the post-pandemic economic recovery. Additionally, the bank experienced an increase in Commissions driven by merchant and investment banking fees.

Total other income decreased by 39.2% (or $8.9 million) for FY'22 vs. FY'21. This decrease was primarily driven by a FY'21 gain on sale of securities of $6.0 million and a net of -$0.6 million lower interest income from subsidiaries. Insurance premiums increased by 5.6% or $0.7 million during our FY'22.

3.0 Operating Expenses

- General & Administrative Expenses (G&A) totaled $138.6 million for FY'22, representing a $9.3 million increase or 7.2% over the same period last year. This change was primarily driven by cost increases (including marketing, rental, maintenance, utilities, security, and travel costs) associated with the reopening of bank branches, net of continuing savings tied to remote work by 40%[6] of our workforce.

- Our operating efficiency ratio[7] for the full year ending June 30th, 2022, was 59.41% vs. 56.10% for the same period last year due to higher expenses.

[6] As of June 30th, 2022.
[7] Efficiency ratio: Total G&A expenses, excluding loan loss provision divided by total net revenue.

Balance Sheet

1.0 Cash and Equivalents

Total cash and equivalents decreased by $16.4 million to end at $422.2 million for Q4'22. This represented a 3.7% quarter-over-quarter change. Our cash balances continued to be stable despite our cash usage to help support the growth in the loan portfolio (by $95.8 million or 1.6%).

1.1 Investment Portfolio

The Bank's investment portfolio had a slight increase during the quarter (0.3% or $3.2 million growth vs. Q3'22). We continue to invest our excess liquidity mainly in Agency Papers, US Treasuries, and other investment-grade securities. This mix has achieved a 3.47% yield on our investment portfolio during Q4´22, or 2 basis points lower when compared to the previous fiscal year.

Our investment portfolio is primarily composed of corporate and sovereign fixed income securities, including securities issued by U.S., Latin American, and European financial institutions. Of the total investment portfolio, 47.0% is comprised of investment-grade securities, 18.7% are non-investment grade securities, and 34.3% are local investment grade securities. Excluding local investments in bonds, as of June 30, 2022, our investment-grade securities represent 71.5% of the investment portfolio. To highlight, our investments in US Agency papers totaled US$230.8 million of the entire $1.0+ billion investment portfolio.

1.2 Loan Portfolio

As of June 30th, 2022, our gross loan portfolio increased by 1.6% ($95.8 million), closing at $6.2 billion. The Bank's portfolio mix remained unchanged, with the consumer portfolio accounting for 49.0% of our total gross loans and the corporate portfolio representing 51.0% of total gross loans.

The consumer portfolio increased by 1.2% to $3.0 billion in Q4´22. Within the consumer portfolio, the products that grew the most during Q4'22 were Mortgages by 1.2% representing a $22.8 million increase, Personal & Retirees by 2.1% representing a $15.2 million increase and Overdraft by 1.3%. All other products declined as follows: Secured Personal loans by 1.4%, Credit Cards by 1.3% and Auto loans flat at 0%.

The corporate portfolio increased by 1.9% to $3.2 billion for Q4'22. The products that grew during the quarter were Commercial by 4.7% representing a $81.5 million increase, Agriculture by 1.8%, Small & Medium enterprise by 2.8%, Overdrafts by 6.8%, and Secured loans by 13.2%. All other products declined as follows: Construction by 7.8%, Factoring by 4,7%, Leasing by 2.4%, and Transportation by 2.5%.

(Data in US$ millions)	Q4´22	Q3´22	Q2´22	Q1´22	Δ Q4´22/Q3´22 $	%
Consumer Banking						
Mortgages	1,864.1	1,841.4	1,826.5	1,806.8	22.8	1.2%
Car Loans	242.5	242.6	241.2	240.4	(0.1)	(0.0%)
Personal & Retirees	750.1	734.9	718.1	701.0	15.2	2.1%
Credit Cards	130.7	132.4	135.0	134.5	(1.7)	(1.3%)
Pledged	40.7	41.3	41.7	42.6	(0.6)	(1.4%)
Overdrafts	18.3	18.0	15.8	18.1	0.2	1.3%
Total Consumer Banking	**3,046.3**	**3,010.5**	**2,978.2**	**2,943.5**	**35.8**	**1.2%**
Corporate Banking						
Commerce	1,824.8	1,743.3	1,627.2	1,590.6	81.5	4.7%
Construction	419.4	455.1	480.5	560.0	(35.7)	(7.8%)
Agriculture	351.8	345.6	341.6	348.2	6.3	1.8%
Factoring	231.5	243.0	251.5	216.7	(11.4)	(4.7%)
Overdrafts	159.5	149.4	136.8	165.1	10.1	6.8%
Pledged	76.8	67.9	66.9	69.1	8.9	13.2%
Leasing	35.8	36.6	35.1	47.4	(0.9)	(2.4%)
Small & Medium Enterprise	59.3	57.7	61.6	61.3	1.6	2.8%
Transport	15.7	16.1	17.0	17.7	(0.4)	(2.5%)
Total Corporate Banking	**3,174.6**	**3,114.6**	**3,018.1**	**3,076.1**	**60.0**	**1.9%**
Total Gross Loans	**6,221.0**	**6,125.1**	**5,996.3**	**6,019.6**	**95.8**	**1.6%**
Interest Receivables	158.4	165.7	170.1	171.7	(7.3)	(4.4%)
Allowance for Loan Losses	(231.0)	(226.3)	(217.4)	(204.9)	(4.8)	2.1%
Unearned interest and fees	(10.1)	(10.3)	(10.4)	(12.8)	0.1	(1.4%)
Total Net Loans	**6,138.2**	**6,054.3**	**5,938.6**	**5,973.6**	**83.9**	**1.4%**

Our stage 2 loans decreased by 13.6% for Q4’22 vs. Q3’22 as we continue to calibrate our expected loss model to reflect reductions on credit losses due to the positive turnover in the modified loans portfolio. Stage 3 loans also observed a decrease of 11.0% (explained in more detail in the below table).

	Q4´22				Q3´22			
(Data in US$ millions)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	2,577.0	425.4	176.6	3,179.0	2,418.5	511.3	189.7	3,119.6
Consumer	2,330.1	624.1	87.8	3,042.0	2,194.1	704.0	107.4	3,005.6
Total	**4,907.1**	**1,049.5**	**264.4**	**6,221.0**	**4,612.7**	**1,215.3**	**297.2**	**6,125.1**

1.3 Impairment Allowance Overview

Impairment allowance - net of charge-offs in Q4´22- increased by $4.8 million to total $231.0 million. This represented a 2.1% increase versus Q3’22. The Bank continued to build-up loan loss provisions during Q4’22 with a quarterly provision expense of $12.8 million and a full year expense of $59.0 million, a 29.3% decrease when compared to the same period last year ($85.2 million for FY’21).

Non-performing loans totaled $195.1 million for Q4’22 vs. $205.5 million for Q3’22. NPLs in our corporate portfolio decreased q-o-q by $12.7 million in the following segments: Commercial loans by $10.0 million, Agriculture loans by $0.2 million, Overdraft loans by $1.2 million and Factoring by $1.1 million. Our consumer book NPLs increased by $2.3 million as follows: Personal & Retirees by $2.8 million Credit Cards by $2.5 million; these net of decreases on Auto by $2.3 million and Mortgages by $0.8. Our NPLs are distributed across all segments of the economy, with the three largest amounts related to our Commercial portfolio ($56.7 million); Agriculture portfolio ($31.7 million) and our Mortgage portfolio ($31.9 million).

Our NPL coverage ratio increased from 110.1% in Q3'22 to 118.4% in Q4'22.

(Data in US$ millions)	Q4´22	Q3´22	Δ Q4´22/ Q3´22 $	%
Balance Beginning of year	208.6	208.6	0.0	0.0%
Reserve charged to expenses	59.0	46.3	12.8	27.6%
Recoveries	3.0	2.2	0.8	37.1%
Written-off loans	(39.6)	(30.8)	(8.8)	28.6%
Balance at end of period	**231.0**	**226.3**	**4.8**	**2.1%**

1.3.1 Modified Loans Status

As of Q4'22, our institution had approximately $0.4 billion in modified loans, representing 7.1% of the total gross loan portfolio. When compared to Q3'20 (the height of the COVID-19 pandemic), we have observed a reduction of $3.6 billion or an 87.6% defeasance in this category. The $0.4 billion in modified loans are split 75.1% in consumer and 24.9% in corporate.

Data in US$ millions Products	No.	Modified	Not Modified	Total Loans	%
Internal Segment Corporate					
1. Commercial	202	91.4	1,975.4	2,066.8	
2. Agriculture	78	6.5	345.3	351.8	
3. Overdrafts	3	2.5	175.3	177.7	
4. Industrial	5	4.3	309.2	313.5	
5. Leasing	32	0.6	35.2	35.8	
6. Transportation	127	5.3	10.4	15.8	
7. Factoring	-	-	231.5	231.5	
Sub Total	**447**	**110.5**	**3,082.4**	**3,192.9**	**24.9%**
Internal Segment Consumer					
1. Personal	1,643	43.4	322.8	366.2	
2. Mortgages	3,276	229.9	1,634.2	1,864.1	
3. Auto	2,708	29.1	213.4	242.5	
4. Retirees	3	0.1	424.4	424.5	
5. Credit Cards	6,177	31.2	99.5	130.7	
Sub Total	**13,807**	**333.7**	**2,694.3**	**3,028.1**	**75.1%**
		-	-	-	
Total	**14,254**	**444.3**	**5,776.7**	**6,221.0**	**100.0%**

Recoveries within our modified loan portfolio continue to perform better than expected. As of Q4'22, we had approximately $0.1 billion in loans under moratorium versus $0.9 billion as of Q4'21; representing a $0.8 billion overall reduction from a year ago and a $0.1 billion reduction when compared to last quarter (Q3´22). We have provisioned 12.74% (regulatory minimum 3.00%) of the modified loan portfolio as of June 30th, 2022, fully expensed through our income statement.

Based on the new Superintendency of Banks Accord 6-2021, together with the Superintendency of Banks Board of Directors Resolution SBP-GJD-0003-2021, modified loans should be classified and reported based on their risk stage pursuant to their IFRS 9 classification, as follows:

(Data in US$ millions)	Stage 1	Modified Loans - Jun22 Stage 2	Stage 3	Total
Normal	-	68.2	0.1	68.3
Special Mention	-	-	-	-
Subnormal	107.2	171.0	4.5	282.7
Doubtful	-	6.6	1.5	8.0
Uncollectible	-	41.2	44.1	85.3
(-) Modified Loans Pledged	0.0	0.2	0.0	0.3
(+) Interests Receivable	6.1	24.2	1.6	31.9
(-) Unearned interests & commissions	0.0	0.1	0.0	0.1
Total Modified Loans subject to Allowance (Accord 6-2021)	**113.3**	**310.8**	**51.7**	**475.8**
Allowance IFRS 9	1.1	24.6	30.9	56.6
Total Allowance and Reserves	**1.1**	**24.6**	**30.9**	**56.6**

2.0 Total Liabilities

As of June 30th, 2022 (Q4'22), Global Bank's total liabilities amounted to $7.6 billion, increasing by $118.6 million or 1.6% vs. Q3´22. Customer deposits continue to be the largest component of our funding structure, representing 67.8% of total liabilities as of the fourth quarter of 2022.

2.1 Customer and Bank Deposits

(Data in US$ millions)	Q4´22	Q3´22	Δ Q4´22/Q3´22 $	%
Demand	531.5	514.2	17.3	3.4%
Savings	1,277.2	1,281.9	(4.7)	(0.4%)
Time	3,369.9	3,372.7	(2.8)	(0.1%)
Total customer deposits	**5,178.7**	**5,168.8**	**9.8**	**0.2%**
Interbank deposits	64.4	66.0	(1.6)	(2.5%)
interest Payable	32.2	31.2	0.9	3.0%
Total deposits	**5,275.2**	**5,266.1**	**9.1**	**0.2%**

We continue to observe stability in our customer deposits base. For Q4'22, our deposits totaled $5.3 billion, representing a slight increase of $9.1 million or 0.2% when compared to Q3'22. This was due to cancellations on CDs and withdrawals on savings accounts. During Q4'22, our demand accounts grew by 3.4% while savings and time deposits lagged decreasing by 0.4% and 0.1%, respectively. When compared to Q4'21; our demand and savings accounts grew by 12.5% and 8.0% respectively, while time deposits decreased by 4.7%. Growth in savings accounts continue to be driven by time deposits migrating to savings, new savings' accounts openings and a net increase in savings from existing clients due to the recent economic slowdown in Panama resulting from the COVID-19 pandemic.

The Bank's loan to deposit ratio increased from 117.0% to 118.7% when compared to Q3'22 and is higher than the 115.7% registered in Q4'21.

2.2 Financings, Bonds & Commercial Paper

During Q4’22, the Bank increased its overall financing liabilities by $110.2 million when compared to Q3’22. The repos & bilateral financings experienced a net increase of $96.5 million or 6.5%, this in order to help fund the increased activity in our loan portfolio and to maintain the replacement strategy of our corporate bonds. The average cost of funds of these new financings stands at 3.50%. Bonds & commercial paper in Q4’22 experienced a net increase of $13.8 million when compared to Q3´22. The total cost of financing liabilities increased from 3.1% in Q3’22 to 3.2% in Q4’22. Access to liquidity lines and counterparties has been ample and diversified across geographic regions.

Shareholder’s Equity and Regulatory Capital

Shareholder’s equity as of the end of Q4’22 totaled $760.2 million, a 2.3% decrease when compared to Q3’22 ($778.0 million).

For the full year ending on June 30th, 2022, the bank paid $23.6 million in dividends, a $3.6 million increase when compared to the same period last year.

Capital Adequacy Ratio

(Data in US$ millions)	Q4´22	Q3´22
Primary Capital (Tier I)		
Paid-in share capital	270.2	270.2
Excess paid-in capital	2.0	1.9
Declared reserves	43.3	43.1
Retained ernings	380.4	378.6
Other items of comprehensive income	(37.7)	(16.9)
Dynamic reserve	87.9	87.9
Less: Regulatory adjustments	(92.0)	(92.0)
Other intangible assets	(19.4)	(19.8)
Total Primary Capital (Tier 1 Common)	**634.6**	**653.0**
Additional Primary Capital (Tier 1)	**177.5**	**177.1**
Tier 2 Capital	**0.0**	**0.0**
Total Capital Funds	**812.1**	**830.1**
Risk-Weighted Assets (RWA's)	**5,375.4**	**5,336.0**
Total Capital Ratio	**15.11%**	**15.56%**
Tier 1 Primary Capital	**11.81%**	**12.24%**
Additional Tier 1 Capital	**3.30%**	**3.32%**
Tier 2 Capital	**0.00%**	**0.00%**

Total regulatory capital reached $812.1 million, a decline of 2.2% when compared to Q3’22. The Bank’s capital ratio declined from 15.56% to 15.11%; the majority of such decline can be attributed to the negative MTM effect on our investment portfolio due to market headwinds caused by the current geopolitical instability coupled with the interest rate hikes on Fed Funds. Our RWAs increased by 0.7% compared to Q3’22.

Pursuant to General Resolutions SBP-GJD-0004-2020 and SBPGJD-0005-2020 issued by the Superintendency of Banks Board of Directors, the Capital Adequacy ratio for Panamanian banks currently has two adjustments as relief measures in place that allow for (i) a temporary a limit in the risk weighting of loans up to 100% and forbearance in the aging of appraisals of mortgage loans, and (ii) the exclusion of PP&E and Other Assets from risk-weighting (prior to such resolutions, these had a risk-weighting of 100%); the latter been a permanent measure. Both adjustments are still in place as of today. Were such adjustments to be eliminated, Global Bank’s pro forma Capital Adequacy ratio for Q4´22 and Q3’22 would go down to 13.73% and 14.11%, respectively.