
GLOBAL BANK CORPORATION REPORTS ADJUSTED NET INCOME OF US\$50.6 MILLION FOR THE NINE MONTH PERIOD ENDING MARCH 31st, 2019; THE REPORTED PERIOD INCLUDES 4 MONTHS OF BANVIVIENDA OPERATIONS.

Highlights:

- Adjusted net income of \$50.6 million, which excludes \$8.4 million in non-recurring charges related to the integration of Banvivienda and other expenses. Unadjusted net income for the nine months ending March 31st, 2019 was \$42.2 million.
- Gross loans grew by \$41.6 million to US\$6.50 billion, representing a 0.6% quarter over quarter growth from December 31st, 2019.
- Shareholders' equity increased by 2.1% or \$16.2 million to \$782.2 million as of March 31st, 2019 driven by retained earnings of \$13.0 million. Regulatory capital ratio increased to 13.3%, comfortably above the regulatory minimum of 8.0%.

May 15th, 2019. Panama City Panama – Global Bank announced financial results for the third quarter ending on March 31st, 2019

Total Loans and Assets

Total assets as of March 31st, 2019 were \$8.37 billion, representing a decrease of \$62.0 million or 0.4% over total assets of \$8.43 billion as of December 31st, 2018. The decrease in assets was mainly due to repayment of credit facilities and sale of a financial instrument in the investment portfolio. The decrease in assets was partially offset by an increase of \$41.6 million or 0.64% in the loan portfolio to \$6.50 billion from \$6.45 billion for the quarter ending December 31st, 2018.

For the period ending March 31st, 2019, the Bank's consumer loan portfolio totaled \$2.91 billion and the corporate portfolio totaled \$3.59 billion; the Bank's portfolio mix was 44.8% consumer and 55.2% corporate. The increase in loans over December 31st, 2018 was driven by \$49.3 million (1.7%) growth in our consumer banking segment.

For the period ending March 31st, 2019, the products that saw the most significant growth within consumer banking were mortgages and retiree loans with an increase of \$27.5 million (1.6%), for a total of \$1.72 billion, and \$12.7 million (5.3%), for a total of \$250.6 million, respectively. Within the corporate segment the portfolio remained at the same level of \$3.58 billion. However, our factoring portfolio increased as a result of government infrastructure projects. The segment observed growth of \$23.3 million or 10.5% for a total of \$221.0 million.

Deposits and Total Liabilities

For the period ending March 31st, 2019, total Liabilities decreased by 1.0% to \$7.59 billion over total liabilities of \$7.67 billion as of December 31st, 2018. Total deposits decreased 1.3% and reached US\$4.82 billion. The decline in deposits was mainly driven by withdrawals from Institutional clients that had

concentration limits as a result of the acquisition of Banvivienda. Excluding these accounts, the Bank's time deposit base grew 1.9% when compared to the quarter ending December 31st, 2018. Customer time deposits, which account for 68.1% of total deposits, totaled US\$3.28 billion. Savings and checking accounts represented 19.7% and 9.7% respectively, and Interbank deposits comprised only 2.6% of total deposits. Loan to deposit ratio increased to 134.8% versus 132.2% December 2018 (Q2 2019).

Shareholder's Equity

Shareholder's equity as of March 31st, 2019 totaled US\$782.2 million, an increase of 2.1% when compared to the second quarter ending December 31st, 2018. For the same period, Regulatory capital, which takes into account subordinated debt and excess reserves totaled US\$782.4 million, an increase of 2.0%. Tier 1 capital increased from 12.8% to 13.0% and regulatory capital ratio increased from 13.1% to 13.3%.

Net Interest Income and Margin

For the nine months ending March 31st, 2019 net interest income, adjusted for non-recurring charges, increased by 3.7% to US\$115.0 million when compared to the same period ending March 31st, 2018. Interest income observed a 16.0% increase over the same period last year due to the implementation of two rate hikes to the loan portfolio - resulting in increasing yields. Interest expense increased 24.5% year over year due to higher rates paid on deposits and higher reset rates on LIBOR swap liabilities. The combination of these factors resulted in a reduction of our net interest margin from 2.40% to 2.23% compared to the same period last year. On a quarter over quarter basis (Mar. '19 vs Dec. '18), the Bank's net interest margin showed an improvement of 5bps; increasing to 2.23% from 2.18%.

Non-Interest Income and Expenses

For the nine months ending March 31st, 2019 net fee income increased 24.8% to US\$33.8 million versus the same period last year due to additional loan volume, investment banking fees and premiums generated by our insurance subsidiary.

For the nine months ending March 31st, 2019, total G&A, excluding \$2.6 million in non-recurring expenses related to Banvivienda's acquisition, increased by 13.2%, to a total of \$89.6 million when compared to the same period last year. The increase in expenses was driven by the incorporation of four months of Banvivienda's G&A (\$8.9 million), \$1.0 million reversal in non-accrual from the previous year and the organic growth of Global Bank. Adjusted operating efficiency ratio for the nine-month period ending March 31st, 2019, excluding acquisition related charges, was 57.8% vs. 54.1% for the same period last year.

Asset Quality

For the period ending March 31st, 2019 non-performing loans totaled US\$160.2 million and observed a slight uptick to 2.47% of gross loans from the previous quarter's (Dec18) ratio of 2.39%. Non-performing loans, adjusted to reflect the pending auction and sale of collateral related to a \$18.0 million past due loan, was 2.19%. The increase in non-performing loans for the quarter ending March 31th, 2019 was due to Banvivienda's commercial loan portfolio, which saw a quarter over quarter increase of \$4.5 million.

Allowance for Loan Losses decreased by 0.7% to US\$100.2 million compared to the quarter ending Dec 31 2018. Allowance for loan losses were 1.54% of the total portfolio and the Bank's adjusted coverage ratio for total Non-Performing Loans was 70.4%¹.

¹ Total Non-Performing Loans, adjusted for the \$18.0 auction of collateral related to a Past Due Loan (PDL).

About Global Bank Corporation

Global Bank Corporation is a Panamanian bank founded on 1994, and whose initial focus was lending to the corporate sector. In 1999, Global Bank acquired Colabanco, which had an extensive network throughout the country, and an attractive consumer and agribusiness loan portfolio. Our wholly-owned subsidiary GB AV Inc. since December 1, 2018, Banvivienda (a Panamanian general license Bank) and its subsidiaries, which are consolidated in our financial results since such date. As of December 31, 2018, Banvivienda was the eighth largest mortgage loan provider in Panama (excluding banks controlled by the Panamanian government and foreign banks) by total assets according to the Superintendency of Banks. After the merger, Global Bank has consistently gained market share and is now considered a major player in the Panamanian banking system. We offer a variety of products and services to both consumers and corporate customers, including traditional banking, factoring, securities brokerage services, pension fund management, insurance and surety bond issuance services, real estate management, investment banking, and financial consultation services.

Forward-Looking Statements

This press release contains statements that are forward-looking. Such forward-looking statements are based on current expectations and projections about future events and trends that may affect Global Bank's business and are not guarantees of future performance. Investors are cautioned that any such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors, including those relating to the operations and business of Global Bank. These and various other factors may adversely affect the estimates and assumptions on which these forward-looking statements are based, many of which are beyond Global Bank's control. Forward-looking statements speak only as of the date on which they are made. Global Bank does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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BALANCE SHEET (in US\$'000s)	Mar-18	Dec-18	Mar-19	Q3 vs. Q2 Growth (%)
Assets				
Cash and deposits	426,965	568,903	492,822	-13.4%
Gross loans	5,055,267	6,457,659	6,499,297	0.6%
Allowance for loan losses	(49,977)	(100,854)	(100,181)	-0.7%
Investments	749,830	869,377	828,893	-4.7%
Other assets	374,415	636,255	648,533	1.9%
Total assets	\$6,556,500	\$8,431,340	\$8,369,364	-0.7%
Liabilities				
Deposits	3,511,472	4,886,297	4,822,669	-1.3%
Repos & financings	766,786	957,806	944,442	-1.4%
Bonds and commercial paper	1,446,103	1,594,469	1,592,914	-0.1%
Other liabilities	221,888	226,766	227,127	0.2%
Total liabilities	\$5,946,250	\$7,665,338	\$7,587,152	-1.0%
Shareholder's equity	\$610,250	\$766,002	\$782,212	2.1%

INCOME STATEMENT (in US\$'000s)	Mar-18	Dec-18	Mar-19	Adjustments	Adjusted Mar-19
	Interest income	270,978	195,499	313,285	1,046
Interest expense	(160,145)	(123,261)	(199,377)		(199,377)
Net interest income	110,833	72,239	113,908	1,046	114,954
Net fee income	27,077	21,341	33,801		33,801
Other income	8,247	3,258	1,402	4,763	6,165
General and administrative expenses	(79,105)	(57,390)	(92,205)	2,628	(89,577)
Net income before Loan loss allowance	67,052	39,448	56,906	8,437	65,343
Loan loss allowance	(9,095)	(5,475)	(8,833)		(8,833)
Profit before income tax	57,957	33,973	48,073	8,437	56,510
Income tax	(5,018)	(3,510)	(5,904)		(5,904)
Net income	\$52,938	\$30,463	\$42,169	8,437	\$50,606

RATIOS	Mar-18	Dec-18	Mar-19	Adjusted Mar-19
Net interest margin ¹	2.4%	2.2%	2.2%	2.2%
Cost/Income ratio ²	54.1%	59.3%	61.8%	57.8%
Return on assets ³	1.1%	0.8%	0.8%	0.9%
Return on equity ⁴	11.9%	9.3%	8.2%	9.8%

1. Net interest income divided by average interest earning assets. 2. Operating expense divided by operating income 3. Net income divided by average assets. 4. Net income divided by average common equity.