

**MARCH 2024**

**EARNINGS REPORT**

For the nine months of 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 March 31<sup>st</sup>, 2024, Global Bank reported a net income of \$39.1 million on \$450.1 million of revenue.** The bank continues to show a positive performance despite the high inflation/high interest rate environment affecting Panama and the rest of the world. Our results were supported by higher net fee income, which grew by 3.1%, other income (+48%) coupled with lower provision expenses for the quarter.
- **Our financial margin was stable at 31.3% in Q3'24 (vs 31.1% Q2'24) even though we continued to experience increased pressure from SOFR repricings on our institutional, bilateral and structured financings.** All these resulted from stickier inflation indicators in the U.S., which seem to indicate that some of the expected rate-cuts in FedFunds for calendar year 2024 may not materialize.
- **Loan loss provision expense decreased to \$26.7 million for the nine months ended on March 31<sup>st</sup>, 2024, a \$11.4 million or (29.9%) decrease when compared to the same period last year.** This decrease in provisions for loan losses showcases the positive evolution on the portfolio's delinquency rate. Since June 2021, our provision expense has been steadily decreasing from \$83.5 million to \$26.7 million, a 68% reduction.
- **As of March 31<sup>st</sup>, 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 in our loan portfolio.
- **Liquidity levels remain stable.** For Q3'24, our cash and equivalents totaled \$344.9 million maintaining a liquidity coverage ratio (LCR) of 195.9%, well above the regulatory minimum of 100.0%. Our legal liquidity ratio was 35.7%, well above the 30.0% regulatory minimum. Our deposit base continues to be stable and remains primarily anchored by time deposits. Overall deposits reached \$5.4 billion at quarter's end, an increase of 1.7% versus the same period last year. Time deposits increased by \$90.3 million versus Q2'24 and checking and savings' deposits decreased by \$64.3 million when compared to Q2'24. Total institutional funding remained steady and shows a slight 0.2% decrease (\$5.0 million) when compared to Q2'24.



## Management & Financial Highlights

- **As of March 31st, 2024, gross loans increased by 1.7% to \$6.4 billion on a quarter over quarter basis and 2.1% YoY.** Our gross loans have been growing steadily since June 2021 from \$6.1 billion to \$6.4 billion in March 2024. Global Bank ranks fourth in the country in local credit with a market share of 9.8%. During the quarter, consumer loans remained almost flat decreasing by 0.1% (\$3.9 million) and corporate loans increased 3.4% (\$108.6 million) when compared against the prior quarter.
- **Our non-performing loans increased slightly (by 0.8%) from \$209.4 million in Q2'24 to \$211.1 million in Q3'24 and decreased 7.0% YoY.** Non-performing loans (NPLs) were split 58.5% in corporate banking and 41.5% in consumer banking. The NPL ratio decreased from 3.32% in Q2'24 to 3.29% in Q3'24.
- **Our loan loss reserves ended the quarter at \$224.2 million,** an increase of 0.9% versus Q2'24 and a 9.4% decrease YoY, resulting in an overall NPL coverage ratio of 106.2% for Q3'24.
- **Our Capital Adequacy Ratio was 13.50%, Common Equity Tier 1 (CET1) 10.40%, Total Tier 1 (TT1) 13.50%.** 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 35 basis points since June 2023, from 10.05% to 10.40%. In comparison to our fiscal year 2023 our capital adequacy ratio has been growing consistently on a quarterly basis, increasing from 13.12% to 13.50% in Q3'24.



# Financial Snapshot

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

	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23
<b>Key Income Statement Highlights</b>					
Net Interest Income	116.3	77.1	38.7	172.5	132.2
Fees and commissions, net	34.2	23.3	11.7	44.3	33.1
Provision expense	(26.7)	(17.7)	(8.9)	(49.0)	(38.1)
Net Income	39.1	26.5	13.5	47.5	42.3
<b>Profitability</b>					
Net Interest Margin	2.07%	2.06%	2.07%	2.31%	2.36%
Efficiency Ratio	61.69%	62.36%	68.66%	58.15%	56.66%
ROAA	0.62%	0.63%	0.64%	0.56%	0.67%
ROAE	7.30%	7.28%	7.28%	6.30%	7.35%
<b>Loan Quality</b>					
Overdue (NPLs)/ Gross Loans	3.29%	3.32%	3.52%	3.38%	3.61%
Allowance / Overdue (NPLs)	106.21%	106.16%	104.23%	108.19%	109.07%
Allowance/ Gross Loans	3.49%	3.52%	3.66%	3.65%	3.94%
Loan to Deposit Ratio	119.98%	118.35%	117.18%	119.21%	119.45%
Loan to Deposits + Corporate Bonds Ratio <sup>4</sup>	112.13%	110.41%	109.99%	111.74%	111.94%
<b>Capital Ratios</b>					
Capital Adequacy Ratio	13.50%	13.45%	13.24%	13.12%	14.67%
Tier 1 Common	10.40%	10.31%	10.07%	10.05%	11.54%
Additional Tier 1 Capital	3.10%	3.14%	3.17%	3.07%	3.13%

(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.



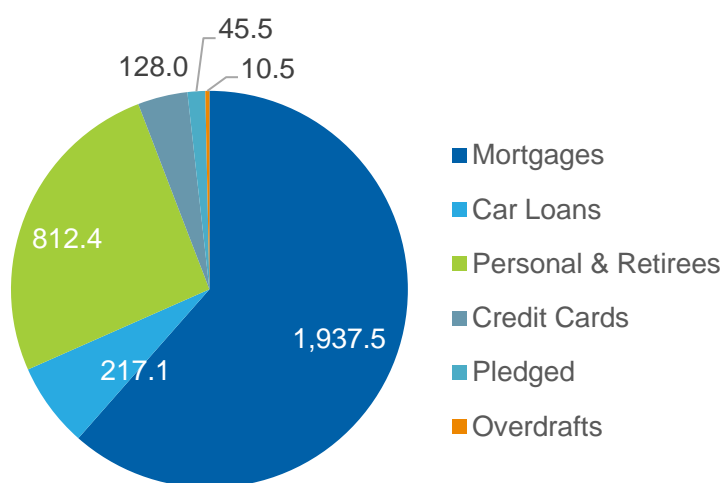
# Balance Sheet

## Loan Portfolio

As of March 31st, 2024, Global Bank’s assets totaled \$8.5 billion. Our gross loan portfolio increased by \$104.7 million quarter to quarter (1.7%) and \$131.6 million (2.1%) YoY for a total of \$6.4 billion. The bank’s loan portfolio has been growing steadily since the end of the Covid-19 pandemic, increasing YoY from \$6.1 billion in March 2021 to 6.4 billion in March 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 local credit with a market share of 9.8%.

### Consumer Banking Composition

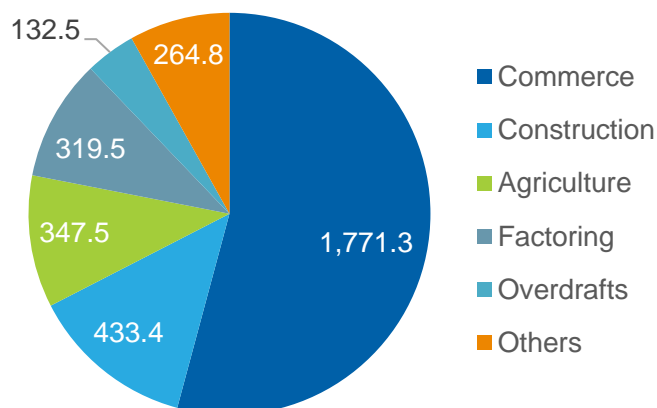
(US\$ mm)



**Consumer loans remained almost flat decreasing by 0.1% (\$3.9 million).** Global Bank ranks fifth in the country with a market share of 9.5% in consumer loans. We continue to maintain one of the largest mortgage loan portfolios, ranking fifth with a 10.1% market share. In car loans, the bank ranks fourth in the country with a 11.6% market share. Within the consumer portfolio, the products that grew the most during Q3’24, were personal & retirees by 1.3% representing a \$10.4 million increase and car loans by 0.1%.

### Corporate Banking Composition

(US\$ mm)



**Corporate loans increased 3.4% (\$108.6 million) to \$3.3 billion for Q3’24.** The bank holds the second largest agriculture portfolio in the country with a market share of 18.4% and continues to hold the third largest portfolio in both construction and commerce loans, with a market share of 13.2% and 9.0%, respectively.

The products that grew the most during the quarter were commercial loans by 2.8%, construction by 2.5% and factoring by 12.3%.



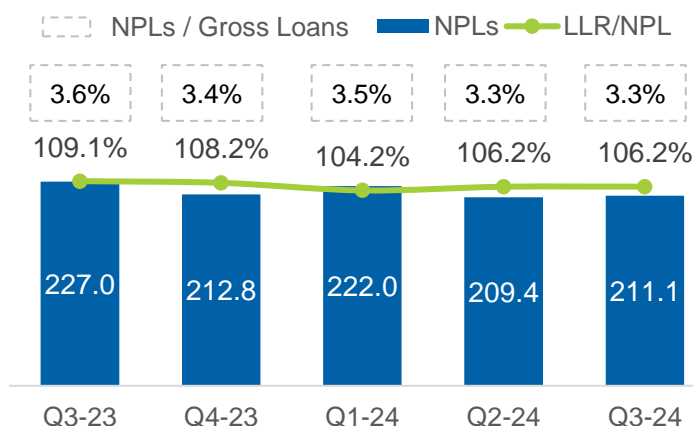
# Balance Sheet

## Loan Portfolio

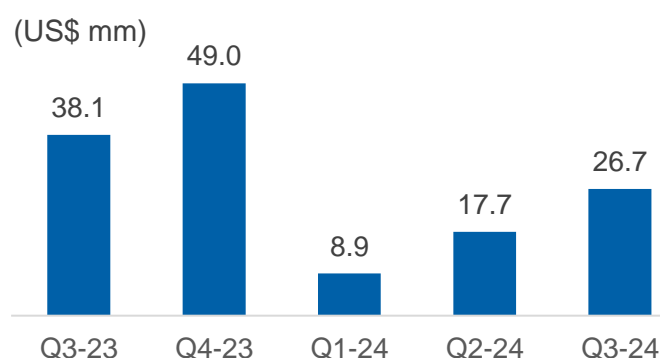
### Loan Portfolio Quality

- The Bank continued its efforts to improve its portfolio quality across sectors. Non-Performing Loans (NPLs) totaled \$211.1 million, a slight increase of 0.8% in comparison to Q2'24 and a decrease of 7.0% (\$15.9 million) YoY. NPLs represented 3.3% of gross loans, decreasing 30bps from 3.6% in Q3'23.
- Since June 2021, our loan provision expense decreased from \$83.5 million to \$26.7 million, a 68.0% decrease in comparison to Q4'21 and a decrease of 29.9% YoY. This is a result of conservative credit origination policies which are conducive to a healthier portfolio, where 85% of loans are more than 100% collateralized.
- In addition, our Stage 3 loans decreased by 0.4% in Q3'24 when compared to Q2'24.
- Our loan loss reserves totaled \$224.2 million. This represented a 0.9% increase versus Q2'24 and 9.4% decrease YoY. Our NPL coverage ratio remained flat at 106.2% in Q3'24 and in Q2'24.

### Non-Performing Loans (NPLs)



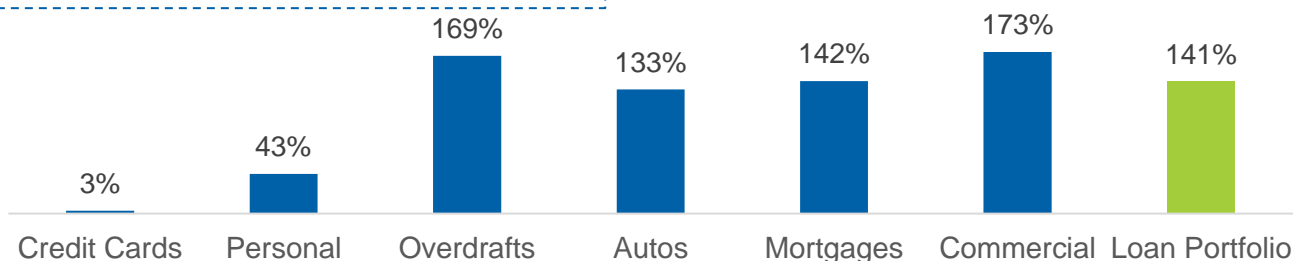
### Cumulative Provision expense



### Loan Portfolio Collateralization

As of March 2024

85% of loans are >100% collateralized



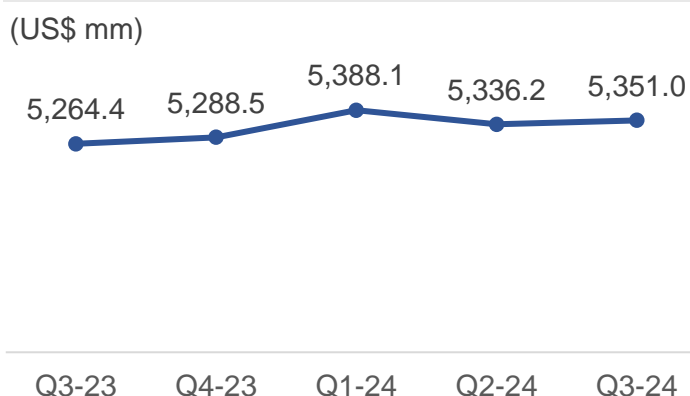


# Balance Sheet

## Deposits

As of March 31st, 2024 (Q3'24), Global Bank's total liabilities amounted to \$7.8 billion, remaining almost unchanged vs. Q2'24. Customer deposits continue to be the largest component of our total funding, representing 70.6% as of the third quarter of 2024. Since June 2021, our deposits have grown steadily from \$5.2 billion to \$5.4 billion in Q3'24.

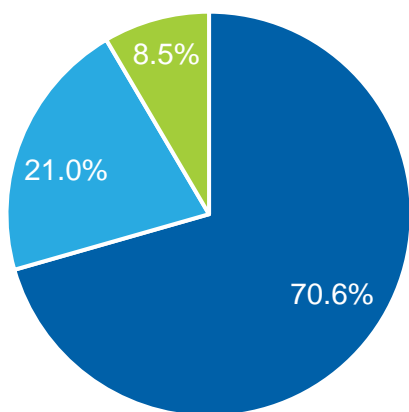
### Evolution of Total Deposits



### Stable growth of deposits

- In Q3'24, our deposits totaled \$5.4 billion, representing an increase of \$17.1 million or 0.3% when compared to Q2'24 and 1.7%YoY. Our stable deposit base ranks Global Bank as fifth in the country with a market share of 6.8%.
- Our time deposits increased by 2.5%, and our savings' accounts rose by 2.0% in Q3'24 when compared to Q2'24. Our checking accounts declined by 15.7% during the quarter. When compared against Q3'23, our time deposits grew by 5.0%, but our savings and checking accounts declined by 10.7% and 3.4%, respectively.
- Our deposit base continues to be primarily anchored by time deposits reducing, liquidity risk. During this quarter, we continued to experience a more moderate shift of checking and savings' deposits migrating onto time deposits. The Bank has a market share of 11.6% in time deposits, ranking second in the country given that this product offers an attractive pricing when compared to other banks.

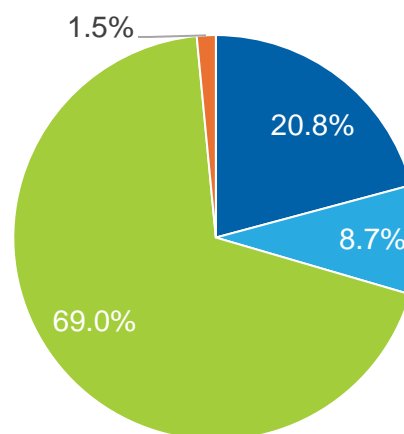
### Interest Bearing Liabilities



■ Deposits ■ Financing ■ Bonds & Repos

\$7,582 million

### Deposits Breakdown



■ Savings ■ Demand ■ Time Deposits ■ Interbank

\$5,351 million



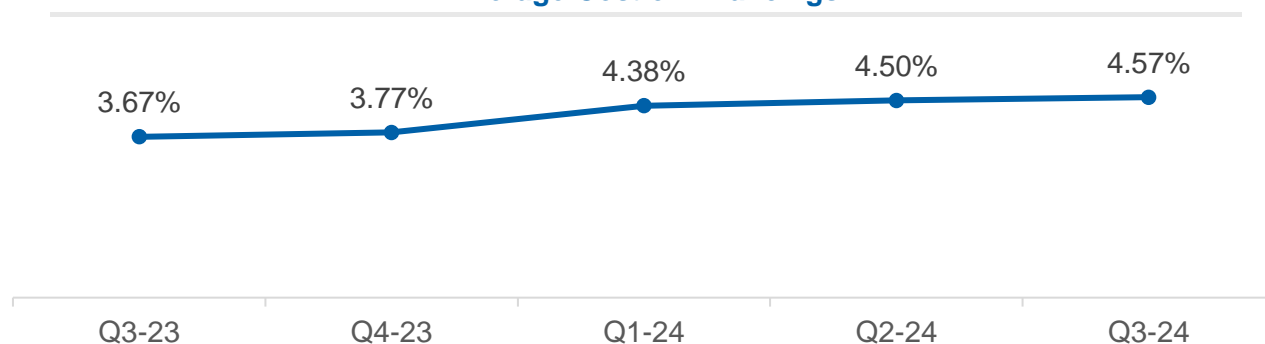


## Balance Sheet

### Financings, Bonds & Commercial Paper

During Q3'24, the Bank slightly decreased its financings by \$5.0 million. This resulted from a higher deposit volume during the quarter. Bonds & commercial paper in Q3'24 decreased by \$9.3 million or 1.7%, and Repos & Institutional Financing remained flat and only grew \$0.3 million. The total cost of financings increased slightly from 4.5% in Q2'24 to 4.6% in Q3'24. Access to credit lines with counterparties has grown by \$120 million throughout this fiscal year.

Average Cost of Financings

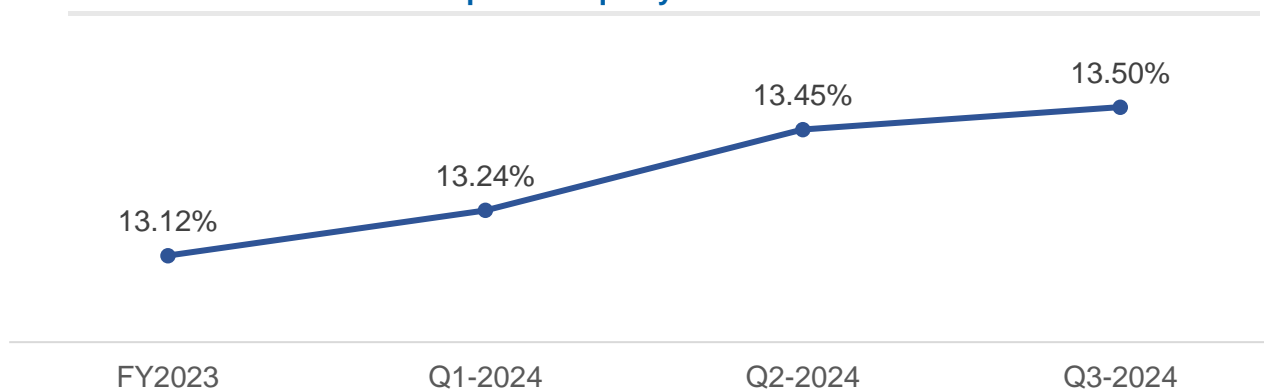


### Shareholders' Equity and Regulatory Capital

Shareholders' equity as of Q3'24 totaled \$726.4 million, a 1.5% increase when compared to Q2'24. Such increase was due to the following: (i) a positive mark-to-market effect of \$4.6 million on our AFS investment portfolio; (ii) a \$4.8 million growth on retained earnings (iii) a \$0.8 million decrease in deferred asset; and (iv) a \$0.6 million increase cash flow hedge reserve.

Total regulatory capital reached \$774.1 million, an increase of 1.5% when compared to Q2'24. The Bank's total capital ratio has been growing consistently on a quarterly basis, increasing 38 basis points to 13.50%. Our CET1 ratio increased 35 basis points since June 2023, from 10.05% to 10.40% due to retained earnings growth.

Capital Adequacy Ratio Evolution





## Balance Sheet

### Cash and Equivalents

Cash and equivalents decreased by \$77.6 million to total \$344.9 million for Q3'24, representing a 18.4% quarter over quarter decrease. This change was primarily driven by a \$103.4 million net increase in our loan portfolio during the quarter. Our institutional funding (bilaterals + credit lines + bonds) net of total client deposits increased by \$12.2 million. We continue to focus on profitability without affecting liquidity levels.

Our liquidity coverage ratio (LCR) was 195.9%, well above the regulatory minimum of 100.0% and our legal liquidity ratio was 35.7%, well above the 30.0% regulatory minimum.

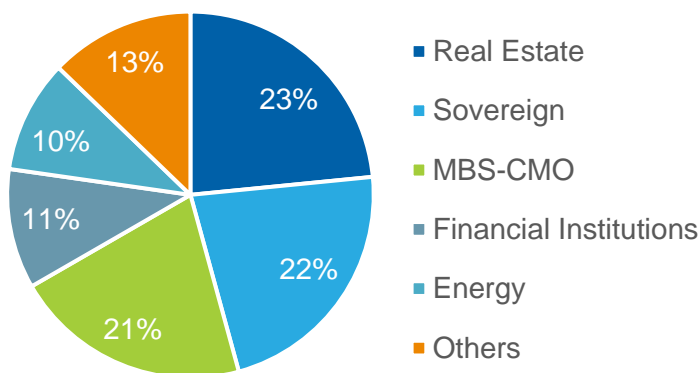
### Investment Portfolio

Our investment portfolio continues to be well diversified, with no single sector accounting for more than 23% of our portfolio. The Bank decreased its investment portfolio during the quarter by 0.4% or \$4.5 million vs. Q2'24. We continue to invest excess liquidity primarily in Agency Papers (CMOs), US Treasuries, and other investment-grade securities.

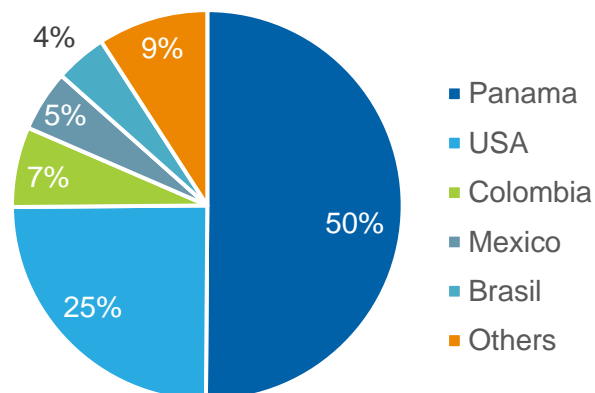
Of the total investment portfolio, 33.5% is comprised of investment-grade securities, 32.7% is non-investment grade, and 33.8% is local investment grade. When excluding local bonds, our investment-grade securities represent 50.6% of the international portfolio. Investments in US Agency papers (CMOs) totaled US\$213.0 million as of March 31st, 2024.

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

Composition by Industry (% / total)



Composition by Country (% / total)

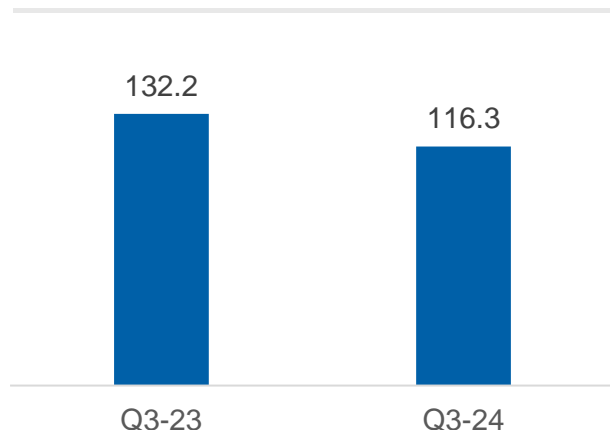




# Income Statement

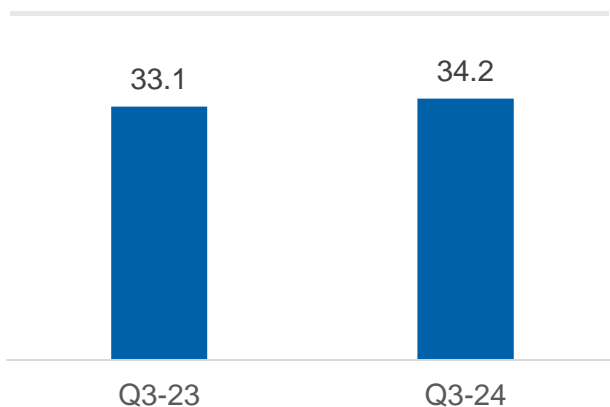
## Net Interest Income

### Net Interest Income



Net interest income for the nine months ending March 31st, 2024, reached \$116.3 million, with a financial margin of 31.1%. The bank continues to show a positive financial margin amidst a higher inflation/higher interest rate environment in the United States. Despite the rate increases on the liability side specially on client's time deposits and on SOFR re-pricings for our institutional funding during the quarter, our financial margin remained stable at 31.1% in comparison to 31.3% in Q2'24. This was achieved by making rate adjustments throughout our portfolio to reflect current market rates.

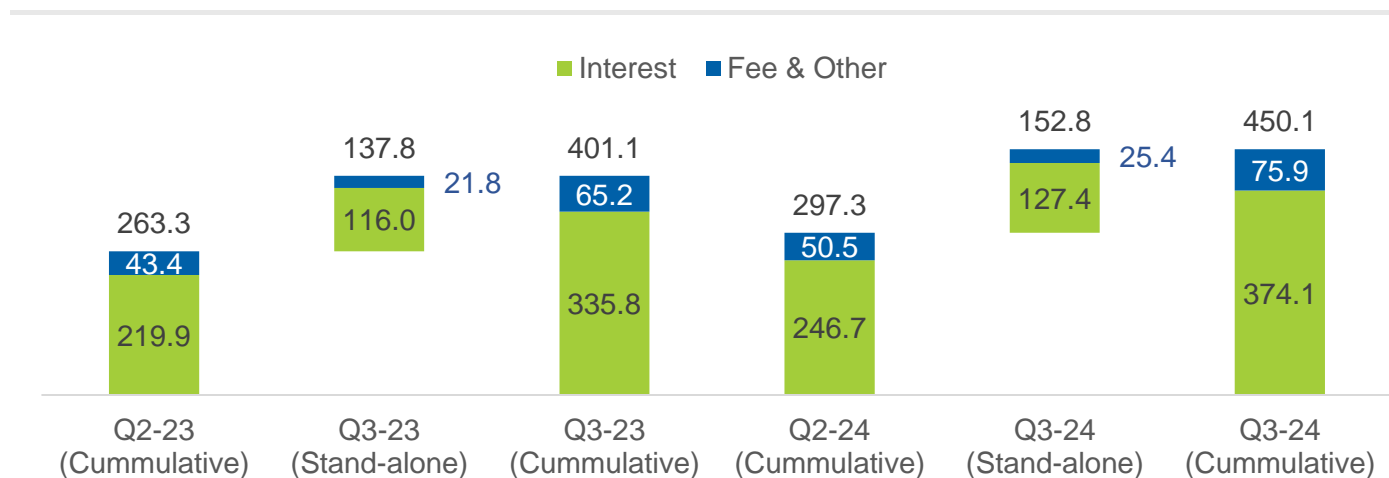
### Net Fee Income



Net fee income increased by 3.1% or \$1.0 million for Q3'24 vs. Q3'23. The increase in fee income was due to higher disbursement volume in consumer and corporate loans, both of which helped the bank experience an increase in commission income coupled with higher fees from our merchant, factoring and investment banking businesses.

Total Other Income increased by 48.1%, or \$7.6 million for Q3'24 vs. Q3'23 due to non-recurring items including (i) repurchases of our own GLBCO29 bond; (ii) dividends, and (iii) insurance premiums.

### Total Income





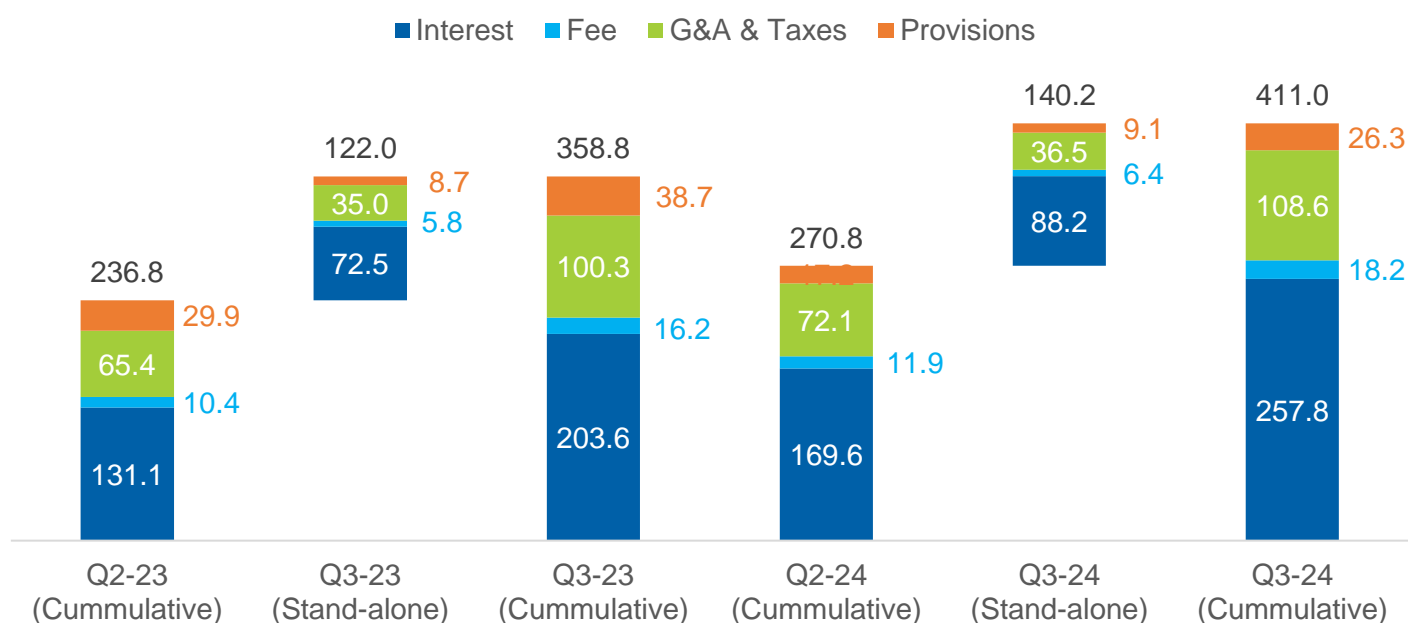
# Income Statement

## Expenses

**General & Administrative Expense (G&A) totaled \$107.7 million in Q3'24**, representing a \$4.6 million increase or 4.5% over the same period last year. Rental, maintenance, professional fees, personnel, and tax costs were the biggest contributors to such increase.

Our operating efficiency ratio<sup>5</sup> for the third quarter ending March 31st, 2024, was 61.7% vs 62.4% in Q2'24. This result was supported by higher income, especially fee income from higher activity in our merchant, factoring and investment banking activity.

### 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 \$6.3 billion as of March 2024, Global Bank has shown consistent growth over the past 29 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 2023, Global Bank had 30 branches and over 153 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)	Q3'24	Q2'24	Δ Q3'24/ Q2'24	
			\$	%
<b>Assets</b>				
Cash and deposits	235,082	291,822	(56,739)	(19.4%)
Interbank Deposits	109,481	130,319	(20,838)	(16.0%)
Interest Receivable	365	398	(34)	(8.4%)
Total Cash and deposits	344,928	422,539	(77,611)	(18.4%)
Gross loans	6,420,052	6,315,327	104,725	1.7%
Interest Receivable	158,567	157,881	686	0.4%
Allowance for loan losses	(224,234)	(222,301)	(1,933)	0.9%
Unearned Interest & Commissions	(18,935)	(18,880)	(55)	0.3%
Total Net Loans	6,335,450	6,232,028	103,423	1.7%
Investments	1,033,722	1,037,667	(3,945)	(0.4%)
Interest Receivable	10,215	10,819	(604)	(5.6%)
Total Investments	1,043,936	1,048,486	(4,549)	(0.4%)
Other assets	788,287	800,780	(12,492)	(1.6%)
<b>Total assets</b>	<b>8,512,602</b>	<b>8,503,832</b>	<b>8,770</b>	<b>0.1%</b>
<b>Liabilities &amp; Shareholder's Equity</b>				
Demand	465,455	552,180	(86,725)	(15.7%)
Savings	1,114,440	1,092,062	22,378	2.0%
Time Deposits	3,690,325	3,600,043	90,282	2.5%
Interbank Deposits	80,749	91,902	(11,154)	(12.1%)
Interest Payable	35,234	32,889	2,345	7.1%
Total Deposits	5,386,202	5,369,077	17,126	0.3%
Repos & financings	1,678,616	1,678,329	287	0.0%
Bonds and commercial paper	552,392	561,707	(9,315)	(1.7%)
Interest Payable	32,626	28,564	4,062	14.2%
Total Financing	2,263,634	2,268,600	(4,966)	(0.2%)
Other liabilities	136,360	150,177	(13,817)	(9.2%)
<b>Total liabilities</b>	<b>7,786,196</b>	<b>7,787,854</b>	<b>(1,658)</b>	<b>(0.0%)</b>
<b>Shareholder's equity</b>	<b>726,405</b>	<b>715,978</b>	<b>10,427</b>	<b>1.5%</b>



## Annex

### Income Statement Summary<sup>1</sup>

Global Bank Corporation and Subsidiaries - Income Statement				
For the nine months ending March				
(Data in US\$ thousands)	Q3'24	Q3'23	Δ Q3'24/Q3'23	
			\$	%
Loans	334,719	301,720	32,999	10.9%
Deposits	9,108	4,835	4,274	88.4%
Investments	30,308	29,288	1,020	3.5%
<b>Total Interest income</b>	<b>374,135</b>	<b>335,842</b>	<b>38,293</b>	<b>11.4%</b>
Deposits	(151,977)	(122,562)	(29,414)	24.0%
Financing	(81,224)	(55,361)	(25,864)	46.7%
Bonds & Commercial Paper	(24,625)	(25,711)	1,086	(4.2%)
<b>Total Interest expense</b>	<b>(257,826)</b>	<b>(203,634)</b>	<b>(54,192)</b>	<b>26.6%</b>
<b>Net interest income</b>	<b>116,309</b>	<b>132,209</b>	<b>(15,900)</b>	<b>(12.0%)</b>
<b>Margin</b>	<b>31.1%</b>	<b>39.4%</b>		
Net fee income	34,160	33,126	1,034	3.1%
Other income	23,531	15,889	7,643	48.1%
General and administrative expenses <sup>1</sup>	(107,332)	(102,677)	(4,655)	4.5%
<b>Net income before Loan loss allowance</b>	<b>66,668</b>	<b>78,546</b>	<b>(11,878)</b>	<b>(15.1%)</b>
<b>Margin</b>	<b>17.8%</b>	<b>23.4%</b>		
Loan loss allowance	(26,711)	(38,117)	11,406	(29.9%)
<b>Profit before income tax</b>	<b>39,957</b>	<b>40,429</b>	<b>(472)</b>	<b>(1.2%)</b>
Income tax	(858)	1,822	(2,679)	(147.1%)
<b>Net income</b>	<b>39,100</b>	<b>42,250</b>	<b>(3,151)</b>	<b>(7.5%)</b>

(1) Provision expense related to investments and sovereign risk in Q3'24 of \$0.4 million; and Q2'24 of \$0.4 million were included in G&A.