



Sustainability Report

2022 - 2023



People first



Index

Introduction to the report > 3

Message from the
Chairman of the Board
of Directors and Chief
Executive Officer > 5

Key figures and milestones > 8



01 Profile and context > 9
1.1. Profile > 10
1.2. Context > 16

02 Strategy > 19
2.1. Sustainability strategy > 20
2.2. Sustainability governance > 27

03 Risk management > 29
3.1. Comprehensive risk management strategy > 31
3.2. Main risks > 34
3.3. Climate change risks and opportunities > 40
3.4. Relationship with the supply chain > 52

04 Governance > 54

05 Ethics and anti-corruption > 71
5.1. Ethics > 72
5.2. Anti-corruption > 76

06 Responsible Banking > 78
6.1. Introduction > 79
6.2. ESG products and services > 85
6.3. Education for development > 99

07 Customer experience > 101
7.1. Digital transformation > 102
7.2. Transparency and attention > 104
7.3. Information security and fraud > 106

08 Human talent > 107
8.1. Labor demographics and diversity > 108
8.2. Training and development > 111
8.3. Welfare, safety, and health > 115
8.4. Compensation, work environment and benefits > 118

09 Eco-efficiency > 120
9.1. Energy and GHG emissions > 122
9.2. Other environmental aspects > 127

10 Community > 128
10.1. Community > 129
10.2. Volunteering > 132

11 Economic performance > 133
11.1. Banking Group highlights data > 134
11.2. Results by business > 135
11.3. Economic value generated and distributed > 140

Annexes > 141

Annex I: Detail of ESG management > 142

Annex II: Self-Assessment of the implementation of the Principles of Responsible Banking (PBR) > 162

Annex III: Reporting framework > 194

Assurance letter > 220

INTRODUCTION TO THE REPORT

GRI 2-2, 2-3, 2-4, 2-5, 2-14

At GLOBAL BANK CORPORATION and subsidiaries, hereinafter referred to as GLOBAL BANK or the BANKING GROUP, we present our annual Sustainability Report for the fiscal year 2022-2023, from July 1, 2022, to June 30, 2023, as part of our commitment to sustainability and Responsible Banking.

This report comprises the information regarding our environmental, social, and governance (ESG) as well as financial performance, corresponding to our sustainability strategy and the exercise of double materiality, employing for this purpose, internationally recognized frameworks, standards, and initiatives. We encompass all activities and subsidiaries of the Banking Group included in the financial statements for the same fiscal year covered by this report.

The information in this report has been reviewed and validated by the members of the Sustainability Commission and approved by the Chief Executive Officer (CEO). Additionally, this report has been verified by an independent third party.

¹ Incorporated and existing according to the laws of the Republic of Panama, with physical and legal address in Panama City.

People first

Frameworks, standards and initiatives



We have prepared the report in accordance with the GRI Standards. In addition, we have applied the GRI Sector Supplement for financial services. The GRI Standards address impact materiality and are intended for a broad audience.



We account for our progress in implementing the **Principles for Responsible Banking (PRBs)** of the United Nations Environment Program Finance Initiative (UNEP FI), which we have endorsed.



This includes the Sustainability Accounting Standards Board (SASB) for the financial industry. SASB Standards address financial materiality and respond to information requirements especially from investors.



We report on our contribution to the Sustainable Development Goals (SDGs), a roadmap proposed by the United Nations (UN) to address major societal challenges.



The Task Force on Climate-related Financial Disclosures (TCFD) recommendations on managing risks and opportunities related to climate change are addressed.



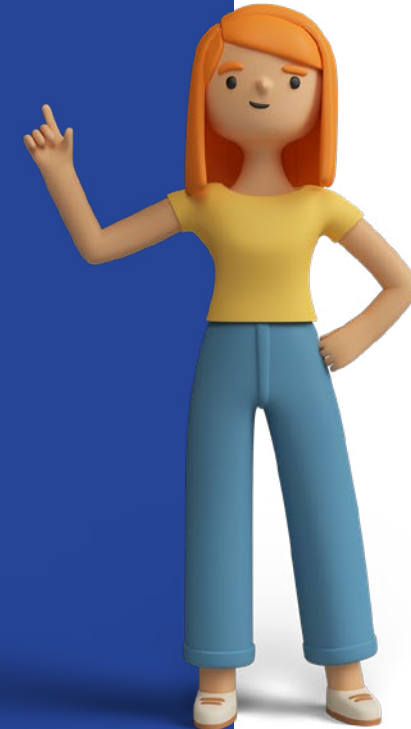
We apply the World Economic Forum's (WEF) International Business Council (IBC) metrics on value generation through stakeholder capitalism.





How to identify the contents

- ✓ All chapter covers indicate the relationship with the SDGs and lines of action of the Sustainability Strategy to which they refer.
- ✓ At the beginning of each section, the contents of the GRI standards, the parameters of the SASB standards, and the TCFD recommendations are indicated.
- ✓ At the end of the report, the annexes detail the progress of our impact on the SDGs and PRBs, as well as the specific content indexes of the GRI, SASB, TCFD and WEF-IBC frameworks and standards.



Message from the Chairman of the Board of Directors and Chief Executive Officer

GRI 2-22

Dear All,

At Global Bank, we are very proud to present our results and performance for the fiscal year 2022-2023, as well as operational and financial achievements, along with our progress in sustainability during this period.

During this fiscal period, in which we have experienced a significant increase in global inflation, leading to a significant rise in financing costs, Global Bank has continued to demonstrate its strength and solidity in the Panamanian market. We approached the year with a determination to further reinforce our operational resilience, to safeguard our clients' resources and ensure that we have the tools to meet their needs 365 days a year, 24 hours a day. Our goal is to remain one of the top choice of financial institutions for Panamanians, contributing positively to the continuous development of our country.

We concluded the year with a positive evolution of our financial results, achieving a **27.5% increase in our net profit** compared to the previous fiscal period (2021-2022). These results were leveraged on the recovery of economic growth, resulting in a significant improvement in the performance of our loan portfolio. We are excited about these achievements and optimistic that through the reactivation of our loan portfolio, we have contributed to the growth of the Panamanian economy.

Furthermore, we highlight the performance of our subsidiaries in their financial statements, showing results that keep them in a leading position in the Panamanian market. For Progreso APFC, this year was particularly positive, marking a consolidation of the funds launched in the previous period, achieving stable results and notable growth in severance payments. On the other hand, Global Valores experienced significant growth in assets managed in the securities house, accompanied by an increase in recurring income. Finally, Aseguradora Global maintains stable performance, faithfully adhering to its business strategy.

It is essential to highlight that our continued success is due to the dedicated commitment of the more than **1,670 employees** who are part of our family. We constantly strive to ensure their well-being, foster their development, and promote both their personal and professional growth.

In relation to our valued clients, every year we strive to exceed our service quality and solution offering. We are extremely proud and grateful for the trust of nearly **200,000 clients** who have chosen to work with us, and we feel honored to guide them in the proper management of their finances and investments with a focus on sustainability. We remain committed to being close to them through our 33 branches and 152 ATMs, improving accessibility and making significant investments in the continuous improvement of our digital channels. We want to make their experience with us even more positive and convenient by providing them with quality financial services in a more efficient, secure, and friendly manner.

Our company reaffirms its commitment to sustainability and performance in the environmental, social, and corporate governance (ESG) areas. We strengthen our contribution to the Sustainable Development Goals (SDGs) and align ourselves with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to analyze risks and opportunities related to climate change. We also continue to respond to the Stakeholder Capitalism metrics of the World Economic Forum (WEF) and are signatories to the Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP FI), which seek to align the global banking sector with the SDGs and the Paris Agreement on climate change.

Through our materiality study, we validate our strategies and initiatives to achieve our ESG goals.

Under the **social pillar**, we remain committed to equity, diversity, and inclusion, promoting growth opportunities for women; currently 68% of our human talent are women, as well as 25% of the management staff positions and 57% of the vice-president positions.

We are proud to launch our **Única Program**, based on a holistic gender strategy, focused on financial and non-financial services to promote financial inclusion, as well as the professional and personal development of women. We advanced in our goals of increasing the percentage of women's participation in our Personal Banking portfolio and products according to prioritized groups (gender, age and income level), being pioneers in the region by establishing objectives that reflect the local and regional needs and priorities of women.

In addition, through this pillar, we provide support to non-profit organizations that are directly involved with communities through programs that have a positive impact on the Sustainable Development Goals (SDGs). We are very pleased to report that our social contribution amounted to \$609,837.24, benefiting more than 13,000 people.

In our commitment to the **environmental pillar**, we adopted eco-friendly practices both in our offices and branches and in the implementation and use of renewable energy sources, achieving a total consumption of 606,303 kWh of clean energy during the last period.

We are part of the Reduce your Corporate Footprint Program (RTH Corporativo) and of the "Top 50 Carbon Neutral Organizations" Declaration of the Panamanian Ministry of the Environment, committing us to carbon neutrality by 2050. We have a program to progressively reduce greenhouse gas (GHG) emissions and for the first time, this year we offset 100% of the emissions resulting from our carbon footprint (scope 1 and 2), verified by third parties.

In terms of our credit portfolio, during this period, we allocated more than \$20 million to finance renewable energy projects and more than \$23 million to support sustainable practices in agricultural activities. With this, we advanced our goal of reducing GHG emissions financed, while strengthening the growth of our country's renewable energy matrix and supporting the transition to a more sustainable economy.

From the **corporate governance pillar**, we follow best governance practices and maintain controls to ensure proper decision making for business continuity. We strengthen our integrity and ethical culture by encouraging each member of our team to adhere to high standards and to this end, during the last fiscal year, we provided our staff and Board of Directors with specialized training on crucial topics such as corruption and money laundering, with a total of 21 training sessions and workshops.

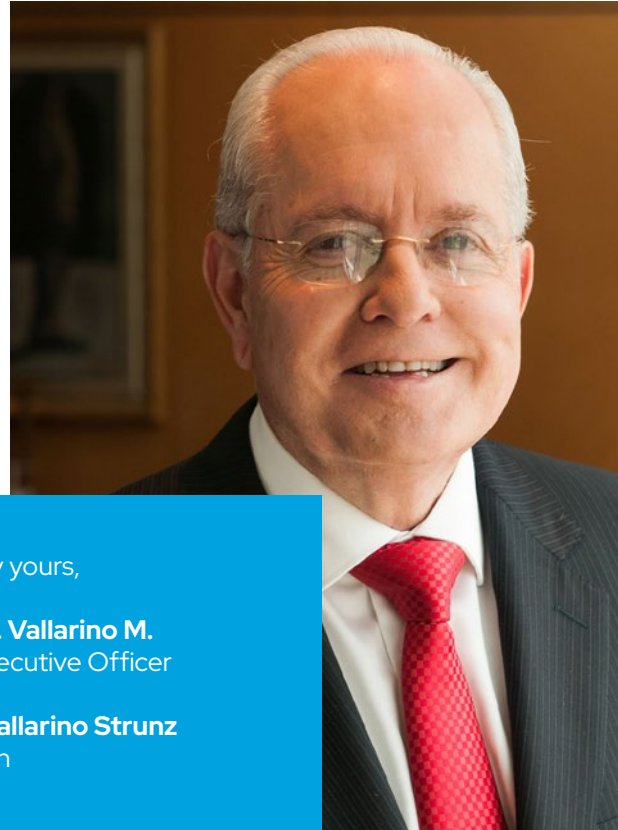


Furthermore, we promote transparency by communicating internally and externally our social, economic, and environmental performance and impact, with the aim of building trust with all our stakeholders.

Finally, it is exciting to note that in 2024 we will commemorate three decades of constant presence in the Panamanian market, an achievement that fills us with joy, pride and enthusiasm. This milestone fills us with pride, as well as inspires us to reflect positively on the important responsibility we have assumed with the corporation as a 100% Panamanian bank and our continuous contribution to the sustainable development of our country.

Faced with new challenges in the 2023-2024 fiscal period, we approach the future with determination and optimism thanks to the contribution and commitment of our team, the loyalty of our customers, the support of the community, and the trust of our investors and other stakeholders.

We thank all those who have been fundamental parts of our journey and trust that, together, we will continue to contribute to the growth and development of Panama, always keeping the well-being of people at the center of our decisions, because for us, always, People First.



Sincerely yours,
Jorge E. Vallarino M.
Chief Executive Officer

Jorge Vallarino Strunz
Chairman



Key figures and milestones

 **33**
branches.

 **152**
ATMs.

 **+62,500**
online banking users.

 **+195,280**
customers.

 **1,672**
employees.

 **68%**
of the staff is made up of women.

25%
of women occupy
C-Suite positions
and **57%** of
vice-president roles.

47%
of deposit accounts
are held by women
within the Personal
Banking portfolio,
as well as **51%** of the
loan balance.

 **+2,800**
hours of leadership
training.

 **44%**
of customers are women.

 We disbursed **217 loans** to
eco-efficient or environmentally
beneficial projects.

 **1,607**
solar panels installed in
2 administrative buildings
and **7 branches**.

 **430,000 kg**
of CO₂e reduced.

USD
\$609,837
invested as part
of our social
contribution,
benefiting more than
13,000 people.

266
reviews conducted
through SARAS,
involving
USD\$307.6
million.



+2,400
customers
participating in
webinars and virtual
conferences on
financial education.

 **88%**
of contracts with
suppliers are local.





01

Profile and context

- > 1.1. Profile
- > 1.2. Context



01. Profile and context

1.1. Profile

GRI 2-1, 2-6, 2-9

We are a 100% Panamanian-owned financial group with 29 years of experience in the sector.

Throughout our history, we have positioned ourselves as a solid, reliable, and cutting-edge company in the country, establishing ourselves as leaders in Panama's financial sector.

We have a customer-centric approach, accompanied by a robust offering of products and services that meet their needs and expectations. In addition, we have a team of highly trained and committed employees, a fundamental pillar for the growth and permanence of Global Bank over time.

All this is supported by the principles and values that govern the company and provide confidence to our customers, employees, shareholders, and other stakeholders.



Mission

- ✓ To offer financial services characterized by their high quality, and by providing quick responses to the diverse needs of our clients.
- ✓ To offer personalized attention, exceeding customer expectations, respecting the principles of confidentiality and integrity; and guaranteeing the security and trust that clients have placed in our institution.
- ✓ To support our stakeholders in achieving their objectives to be more sustainable through our operations, products, services, and relationships, which will be based on economic, social, and environmental criteria established in the business strategy.



Vision

- ✓ To be a solid, innovative, and prestigious institution, which is managed with the highest standards of quality and professional ethics, always maintaining great responsibility in the development of banking business.
- ✓ To offer customers tailored financial products that meet their specific needs.
- ✓ To offer its employees opportunities for human and professional development.
- ✓ To be a responsible bank and a reference in the region, contributing to the sustainable development of society.



CORPORATE STRUCTURE OF THE BANKING GROUP



Subsidiaries

The solid and sustainable growth of the Banking Group stems from the diversification of products and services offered by the different subsidiaries that comprise it.

The main financial subsidiaries are:

-  **Global Bank Corp:** Business Banking (including International Banking), Personal Banking and Private Banking. The International Banking loan portfolio is mainly distributed in the following countries: Guatemala, Costa Rica, Spain, Ecuador, Dominican Republic, El Salvador, Nicaragua, Honduras, Peru.
-  **Global Bank Overseas:** Foreign banking.
-  **Global Values:** Securities brokerage firm authorized and regulated by the Superintendency of the Securities Market of Panama; it also operates the Global Investment Fund, a closed-end mutual fund company focused on a fixed-income strategy.
-  **Global Financial Funds:** Trust products and services.
-  **Aseguradora Global:** Insurance in different lines of business, with a focus on Global Bank's customers.
-  **Progreso AFPC:** Prevision solutions (pension and severance funds).

Other subsidiaries engaged in financial activities, which did not maintain a loan portfolio or serve the public as of the closing of June 2023, are: Global Capital Investment Corporation (invoice discounting), Global Capital Corporation (corporate finance and financial advisory), and Banvivienda Leasing & Factoring (financial leasing).



The non-financial subsidiaries operate in the holding and management of real estate assets. These are Durable Holdings, S.A. and Anverli Investment Corporation.



Products and services

GRI FS15

Our universal banking model offers comprehensive solutions to customers (individuals and companies) through our main lines of business: Personal Banking, Business Banking and Private Banking.

In addition, through our subsidiaries, we expand our offering with insurance and prevision products and services.

Our commercial offer responds to the needs of our customers, in addition to promoting good environmental and social practices.

For the design and offer of financial products we have the Operational Risk Management Manual - Operational Risk Management Policy for New Products and/or Services, and the New Products, Services and Promotions Manual. These documents are available to employees on the bank's intranet.

Personal Banking

- Select Banking
- Premium
- Retail

Private Banking

- Estate investment Banking
- Investments

Business Banking

- Investment Banking
- Corporate Banking
- Commercial Banking
- International
- Factoring





Business Banking

Type of business	% of total assets	Segments	Sectors and activities	Products/Services	Geographies	
Business Banking	36.2	Commercial Banking (Small and Medium-size Business)	Commercial Agricultural Industrial Construction Transportation	Savings and checking accounts Times deposits Lines of Credit and Overdraft Loans Leasing Corporate credit cards	Panama (95%) Abroad (5%)	
		Corporate Banking (Medium and large companies)	Commercial Construction Industrial Agro-industrial Telecommunications	Logistics and transportation Healthcare Credit organizations Energy		Savings and checking accounts Time deposits Cash management Loans Lines of Credit and overdraft Leasing Corporate credit cards
		Investment banking (>\$20MM)	Commercial Construction Industrial Agro-industrial	Telecommunications Logistics and transportation Credit organizations Energy		Loan and corporate bond structuring Mergers and acquisitions Financial Advisory
		International banking	Commercial Construction Industrial Agro-industrial	Logistics and transportation Credit organizations Energy		Savings and checking accounts Time deposits Loans Lines of credit Letters of credit
		Factoring	Construction Industrial Agricultural Services Supply of goods	Invoice discounting facility Working Capital Advance Capability		



Type of business	% of total assets	Segments	Sectors and activities	Products/Services	Geographies
 Personal Banking	37.6	Retail Banking Premium Banking Select Banking	Salaried individuals Self-employed persons Retirees Private companies Government	Savings and checking accounts Time deposits Personal loans Residential mortgage loans Auto loans Pledge loans Credit card	Panama
 Private Banking	1.1	Private Banking Traditional Wealth Management Banking (>=\$1MM) Investments (>=\$1MM)	Individuals Legal entities Institutional persons	Investment accounts Savings account Checking accounts Time deposits Credit card Debit card Online banking Pledge loans Securities collateral loans Loans secured by securities	Panama (97%) Abroad (3%)
 Insurance	0.9	Personal insurance General insurance Surety bonds	Global Bank Clients	Automobile Fire Fraud Personal accidents Construction risk Collective life and unemployment Surety bonds (miscellaneous)	Panama
 Prevision	0.5	Retirement/Pension Severance	Natural persons Legal entities	Pension fund Contributory pensions Children's education fund (Progreso Junior) Severance fund	Panama





The accessibility of our products and services is strengthened by the **diversity of channels** and tools we make available to our customers, serving them in person or remotely, depending on their preference.

Remote

152

ATMs
(150 regulars and 2 full)

35,918

Whatsapp messages

62,521

Online banking users

1,673

Online appointments

40,458

Global mobile users

12,463

Virtual assistant (AVI):

142,447

Calls answered

In-person

33

Branches

We are still working to provide data on population density by Automated Teller Machines (ATM) and point of sale (POS) in future reports, according to locality.



1.2. Context

At Global Bank, we analyze the socio-political changes and the economic context of Panama, which may impact the Banking Group's transactions. We do this to remain a resilient company in the face of change and adversity, in addition to identifying trends in the sector. In this way, we guarantee continuity in the excellence of our products, services, and transactions, meeting the needs of our different stakeholders.

Economic context²

Panama's economy is based on its strategic geographic location for commercial connections, being an important logistics and transportation center, as well as commercial and financial.

According to World Bank data, before the COVID-19 pandemic, it had a solid growth of four times more than the regional average of Latin America and the Caribbean (LAC), with an average growth rate of 4.7% from 2014 to 2019, however, derived from the pandemic in 2020, the GDP contracted 17.7%, being the most significant reduction in the region due to the service-oriented structure of its economy. The economic rebound was in 2021 and 2022 with 15.8% and 10.8% respectively.

In relation to poverty reduction, it is expected that by 2025 it will reach pre-pandemic levels and it is estimated that, in 2023, poverty will decrease by 0.3 percentage points, reaching 13.4%.

During 2022, as a result of the geopolitical changes that occurred globally, such as the crisis in Ukraine and the aftermath of the pandemic, the prices of the family food basket and fuel increased, and there was an increase in inflation, according to

ECLAC data, derived from the various crises, Panamanian families were impacted by the increase in the cost of the basic family food basket and the increase in unemployment, reducing the purchasing power substantially in peri-urban and semi-rural areas.

For the next two years, a growth of 6.3% and 6.5% is projected, derived from the increase in activities such as tourism, in addition to logistics, transportation and commercial activities that are already replenished and strengthened.



² Information extracted from the World Bank website: <https://www.bancomundial.org/es/country/panama/overview>



Panama's situation and sustainable development

In 2015, the 17 Sustainable Development Goals (SDGs) of the United Nations were established along with the 2030 agenda, an initiative that invites states, non-profit organizations, business sector, and civil society to jointly combat major global issues such as poverty, health, education, climate change, among others.

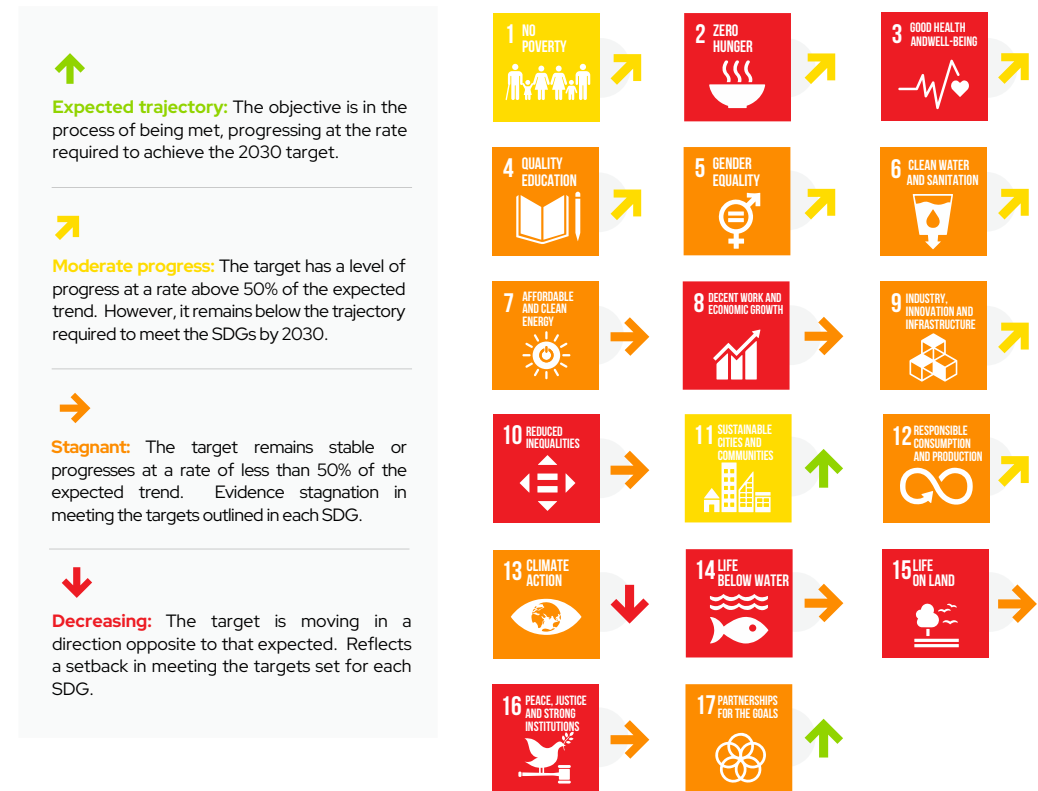
However, the pandemic changed the global landscape, in addition to the war in Ukraine and the increased effects of climate change, generating even greater challenges for the achievement of the different goals.

Between 2017 and 2022 Panama had greater progress in the SDGs related to the areas of environment (SDG 14, SDG 12), prosperity (SDG 9), peace (SDG 16) and partnerships (SDG 17). In the global ranking, Panama ranks 97th out of 166 countries.

In light of this initiative, Panama made its commitment to achieve these goals in 2015 and has been one of the Latin American countries that in recent years has managed to accelerate the achievement of several goals.



The trend in SDG performance for Panama in 2023 is shown below:



Source: SDG Index 2023









Banking trends

The financial sector has been undergoing significant changes in recent years related to the development of new products and services, increased regulatory requirements, different ways of relating to customers, among others.

This transformation pushes the different institutions in the sector to remain on the cutting edge in order to survive in the market, paying greater attention to the needs presented by the global context and the stakeholders impacted by the sector's activities.

Below, we present the main trends and how we are working on them in our transactions.

BANKING TRENDS - THE BANKING GROUP'S STRATEGIC RESPONSE

 <p>Banking accessibility</p>	<p>One of our objectives is for diverse groups to have access to financing through our products and services. Our focus is access to women, through our general portfolio, and also with specific products that address the gaps. We also have products that impact other groups, such as loans to retirees and preferential mortgages.</p>
 <p>Product innovation and digital services</p>	<p>At Global Bank we keep up to date with the latest technological trends. We have developed digital solutions that allow us to offer our customers products and services according to their needs in an easy and accessible way. We have 100% digital Global Tap savings account, 100% digital Global Tap personal loan, Online Banking, Global Mobile, and digital service channels, such as Whatsapp, online appointments, AVI virtual assistance and social networks. We have e-commerce service for our customers, focused on entrepreneurs who want to include online sales service on their websites.</p>
 <p>Cybersecurity and data protection</p>	<p>At Global Bank we work every day to strengthen our information security management systems. We have established an Information Security Governance Framework, which includes policies and procedures to prevent and identify risks. We also have monitoring and control tools. In addition, our employees receive ongoing training in risk management, cybersecurity, and fraud prevention.</p>
 <p>Artificial intelligence</p>	<p>As part of our digital transformation, we use artificial intelligence in customer service through the intelligent virtual assistant AVI, which allows us to provide automated service using natural language processing technology to respond to questions or requests made by users.</p>
 <p>Portfolio decarbonization</p>	<p>We measure financed greenhouse gas emissions and have a transition plan to reduce them. We have a Social and Environmental Risk Management System (SARAS, for its acronym in Spanish) through which we assess the environmental risks of our loan portfolio.</p>
 <p>Development of green products</p>	<p>In relation to the previous point of decarbonization of the portfolio, we have made progress in the development of financial products that promote improvements in the environmental performance of our customers, granting loans to finance sustainable livestock and renewable energy projects.</p>



02



Strategy

- > 2.1. Sustainability strategy
- > 2.2. Sustainability governance



02. Strategy

GRI 2-22, 2-23, 2-24

Our business strategy is focused on customers and their needs. Under the slogan **People First**, we seek to establish measures that enable a complete, unique, and valuable experience, in addition to adapting to each person through our services.

This strategy uses digital transformation as a fundamental pillar. Through innovation, technology, and data analysis, we optimize internal management and can offer products and services that meet the true needs of the customer.

2.1. Sustainability strategy

This fiscal year we have reinforced within the bank's general strategy, sustainability as a fundamental pillar.

One of our strategic approaches that is transversal to our entire operation, which is one more step to reaffirm our commitment to this topic and its relationship with each of our work areas, because it is an integral part of the organization's DNA and the way we do business. It involves promoting good environmental and social practices in all the bank's activities and services; it includes measuring and transparently reporting Global Bank's contributions to productive, competitive, technological, and entrepreneurial development in Panama, in addition to evaluating and reporting its impact on the environment of our country with the portfolio of products and services we manage.

Some of our priorities are:



Implement the green financial products created and develop new ones.



Continue implementing the 2050 Carbon Neutrality Plan, with respect to the bank's transactions.



Continue executing the Única Project that offers financial and non-financial products and services with a focus on women.



Measure impact indicators, especially inclusion and financial health.



Implement the credit portfolio decarbonization plan.



Identify, quantify, and manage climate change risks and opportunities.



Continue with full transparency through our annual Sustainability Report, under recognized international standards, and with external verification by an independent third party.



Sustainable business model

Our sustainability model consists of eight strategic pillars, each with defined lines of action, which form the main part of our General Sustainability Policy. Each of our pillars is related to our material topics, including a particular focus on two priority topics such as climate change and inclusive and healthy social development, which are a priority in today's world and reality.

Strategic Pillars



E= Environmental S= Social G= Governance

- 
Governance
 - Corporate governance
 - Regulatory compliance
 - Disclosure and transparency of ESG information
 - Relations with investors
 - Cybersecurity

- 
Ethics and Anti-corruption
 - Ethics
 - Anti-corruption

- 
Human Talent
 - Attraction and retention of employees
 - Development of human capital
 - Diversity and inclusion among employees
 - Labor health and security

- 
Education for Development
 - Financial education
 - Value-added services for the business


- 
Customer experience
 - Digital transformation
 - Customer privacy
 - Customer service

- 
Environmental and Social Products and Services
 - ESG financing and investment
 - Financial inclusion
 - Products and services with environmental benefit

- 
ESG Risk Management
 - Climate strategy
 - Risk and crisis management
 - Lending practices
 - Environmental risk of mortgage property

- 
Eco-efficiency
 - Eco-operational efficiency

Cross-cutting topic- Economic performance

 The list of detailed material topics with respect to (i) impact, (ii) financial and (iii) double materiality can be found in **Annex I - Materiality Study**.



Progress by strategic pillar



Governance

Actions 2022-2023

Creation of the sustainability area assigned to the Vice-Presidency of Legal and Compliance.

Change of supervisory body for sustainability management to the Corporate Governance Steering Committee.

Inclusion of performance objectives related to sustainability by the vice presidencies.

Sustainability microlearnings sent to all directors.

Third-party verification of our annual sustainability report and carbon footprint GHG emissions offsetting of the bank's transactions.



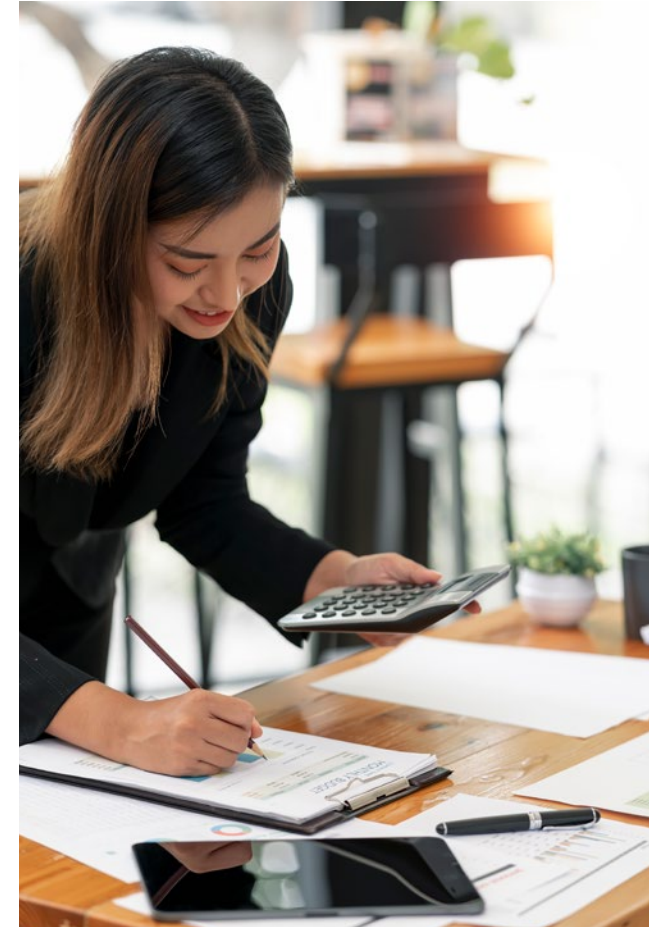
Ethics and anti-corruption

Actions 2022-2023

During this reporting period we made the following updates to the Code of Ethics and Conduct:

1. The Ethics and Conduct Commission shall periodically present a summary of the management performance to the Human Resources and Compensation Steering Committee.
2. A local telephone line was added to the "Global" Ethics Line.

We conducted 21 training sessions and workshops for the Bank's personnel and subsidiaries, as well as for the Board of Directors on topics related to ethical topics, corruption, and money laundering. This amounted to more than 6,400 hours of training.





Human Talent

Actions 2022-2023

We improve our programs and plans each year, maintaining our commitment to the development of the competencies, skills, aptitudes and suitability of our human talent, with an average of 24.5 hours of training per employee per year.

We conducted more than 2,800 hours of leadership training, with the participation of 1,006 employees.

We continue promoting gender equity and growth opportunities for women; 68% of our human talent are women, as are 25% of those who occupy management staff positions and 57 of vice-president positions.

A sustainability newsletter was sent monthly to all staff, totaling 12 newsletters; containing concepts on environmental, social, and governance issues, as well as progress and milestones achieved by the bank on these topics.



Education for development

Actions 2022-2023

Our financial education program comprises various learning formats, such as face-to-face courses, webinars, and online courses.

+3 thousands people benefited from online courses.

+2 thousands beneficiaries from webinars and virtual conferences.

In terms of volunteering, we have evolved towards a more institutionalized program focused on the impact of our operations and the bank's business, which seeks to carry out actions related to responsible banking.

During fiscal year 2022-2023, **299 volunteer collaborators participated and we benefited more than 346 people.**





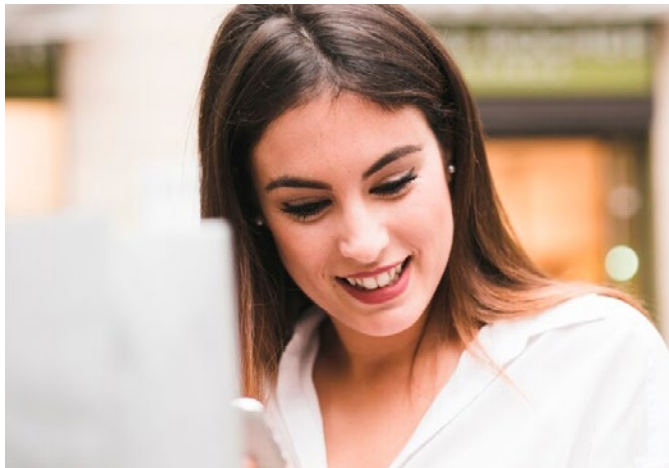
Customer experience

Actions 2022-2023

Through SARAS and depending on the results of the assessment, an environmental and social action plan is determined for customer compliance.

We have developed digital solutions that allow us to offer our customers products and services according to their needs in an easy and accessible way.

We created the Data Analytics and Data Governance Center of Excellence to drive innovation through better data-driven decision making.



People first



E&S products and services

Actions 2022-2023

In social topics:

Our main focus is access to women's financial access, through our general portfolio and also with specific financial products such as:

- **Única program aimed at female customers**, which includes Credit Card and Automobile Loan products.

Of our Personal Banking portfolio, 51% of the accounts are held by women; likewise, 48% of the total balance of the credit portfolio in this banking sector belongs to women.

Established goals of increasing women's participation in specific products by age and income level.

In environmental topics:

We created 3 green products with their respective policies and procedures (sustainable agriculture; distributed solar energy; hybrid and electric cars).

During this period, we disbursed more than \$20 million in renewable energy financing and more than \$23 million in sustainable agriculture. We have an absolute emissions reduction target and a transition plan to achieve it.





ESG risk management

Actions 2022-2023

We have an Environmental and Social Risk Management System (SARAS, for its acronym in Spanish) that allows us to identify, assess, manage and monitor potential environmental and social risks of the activities we finance.

In the fiscal year we conducted 266 reviews, which amounted to USD\$ 307,622,695.

Climate-related risks were included within the Integrated Risk Management Policy, within the risks of the banking business. A taxonomy, timelines, qualitative analysis of climate risks and a communication plan were presented.

We measured the greenhouse gas emissions financed from the loan portfolio, using the PCAF methodology, which is part of climate risk management.



Eco-efficiency

Actions 2022-2023

Calculation of the Bank's carbon footprint scope 1 and 2 and establishment of an action plan to become carbon neutral by 2050.

On the road to carbon neutrality by 2050, we have established as an intermediate goal to mitigate and offset 40% of our emissions by 2030 and 50% by 2035. However, this year we offset 100% of our GHG emissions to reach carbon neutrality, verified by an independent third party.



We continued with the implementation of the clean energy use program in the Bank's facilities.

606,303 kWh
of clean energy consumed.

1,607 paneles
solar panels installed.


430,000 kg
of CO₂e reduced.

9 locations



Our business model has been developed based on our **General Sustainability Policy**, which is our guide and framework of reference in environmental, social and governance matters aligned on local regulations and international agreements and frameworks related to these topics.

All our decision making is in line with the defined policy and strategic pillars, developing initiatives and programs in direct relation to the measurement of our impacts as part of being a sustainable and responsible bank.

 [General Sustainability Policy click here](#)

General objectives:


- Promote sustainability (ESG topics) at all levels and activities of the Bank.
- Establish a structured framework that allows us to strengthen all our objectives from the Bank's strategy.
- Progressively align the Bank's activities and initiatives to sustainability topics.
- Establish a strategy to manage climate change risks and opportunities.
- Develop and promote products and services that support our customers in the transition to sustainable business models.
- Support our stakeholders in achieving their sustainability objectives.
- Support vulnerable groups and those with fewer opportunities in sustainable financial inclusion.
- Ensure the responsible use of natural resources through best practices and internal eco-efficiency initiatives.
- Inform, raise awareness, sensitize, and train employees on sustainability topics.
- Ensure transparency and report on the Bank's sustainability management.

Other relevant complementary policies

In addition to the General Sustainability Policy, at Global Bank we have policies and processes that help manage sustainability-related topics, which can be accessed openly through our digital channels, such as:

 [Social Investment Policy, click here](#)

 [Code of Ethics and Conduct, click here](#)

 [Environmental and Social Risk Management Policy, click here](#)



These policies are explained in more detail in each of the corresponding chapters.



2.2. Sustainability governance

The bank's sustainability governance will be rule over by the following bodies:



It should be noted that topics related to comprehensive risk management are presented to the Risk Steering Committee.

People first



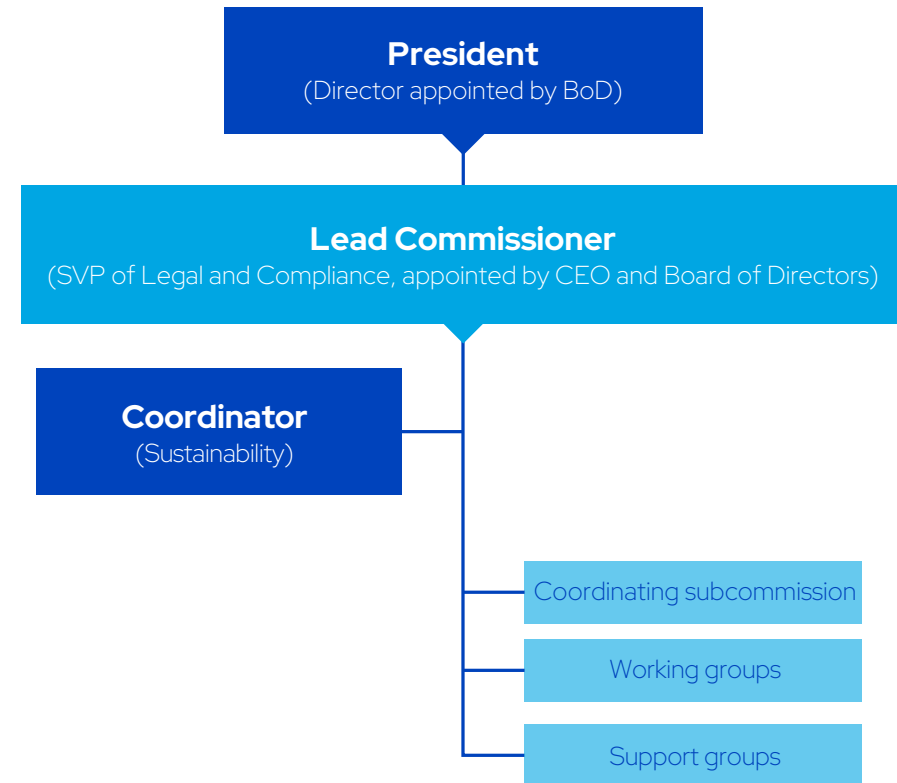
The governance of our sustainability strategy is carried out by the **Sustainability Commission**, whose responsibilities include the following:

- Assist the CEO, the Corporate Governance Steering Committee, and the Board of Directors in the fulfillment of the bank's sustainability strategy and policy.
- Oversee the implementation of the UNEP FI Principles of Responsible Banking within the stipulated timeframe.
- Propose and develop the bank's sustainability strategies and monitor their continuity over the years, inspired by international best practices.



For more details on the functions and members of this commission, **see the Governance chapter.**

Structure of the Sustainability Commission





Diversity of sustainability governance bodies.

Corporate Governance Body	Less than 30 years old		Between 30 y 50 years old		More than 50 years old		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Board of directors	0.0%	0.0%	5.9%	11.8%	11.8%	70.6%	17.6%	82.4%
Corporate Governance Steering Committee	0.0%	0.0%	15.4%	15.4%	30.8%	38.5%	46.2%	53.8%
Executive Management	0.0%	0.0%	8.3%	41.7%	16.7%	33.3%	25.0%	75.0%
CEO	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Sustainability Commission	2.8%	0.0%	44.4%	11.1%	19.4%	22.2%	66.7%	33.3%





03

Risk management



- > 3.1. Comprehensive risk management strategy
- > 3.2. Main risks
- > 3.3. Climate change risks and opportunities
- > 3.4. Relationship with the supply chain



03. Risk management


GRI 2-12, 2-13


Risks associated with the sector, as well as those related to the environment, lead us to perform a robust analysis for risk identification and management, ensuring business continuity and strengthening the resilience of the Banking Group, minimizing negative impacts while maximizing positive ones.


In the Banking Group we have developed a methodology for Comprehensive Risk Management, where we identify, measure, monitor, control, mitigate and inform the functional units and Corporate Governance entities of the different types of risks to which we are exposed as a Banking Group, depending on the size and complexity of the transactions, products, and services. Comprehensive Risk Management is supported by principles, strategies, policies, processes, methodologies, manuals, structure, and information systems that guarantee the integrity and efficiency of the management process.


People first


Comprehensive risk management methodology:

- 1.**  **Identification**

In order to understand the risk profile, the risks resulting from internal and external factors that may affect the different products, services, processes, systems and/or areas of the Banking Group are identified.
- 2.**  **Measurement**

The Banking Group measures risks in terms of probability of occurrence (frequency) and impact (severity) using the tools developed for this purpose.
- 3.**  **Mitigation**

After identifying and measuring the risks, their treatment (assume, share, avoid or transfer) is evaluated, as well as the need to implement additional mitigation measures.
- 4.**  **Monitoring and control**

Monitoring and control ensures that additional mitigation measures contribute to reduce the probability of occurrence of risks and/or strengthen existing controls.
- 5.**  **Information**

The Risk Unit generates periodic reports on the integral situation of risks and the management performed, communicating them to the defined Corporate Governance bodies.



3.1. Comprehensive risk management strategy

We established a decentralized management strategy based on the three (3) lines of defense, where:

1

All functional units are responsible for managing their risks, maintaining effective internal control, and executing control procedures on the risks assumed in the fiscal year of their activities.

2

On the other hand, specialized risk control and monitoring areas are independent from the first line of defense and their function is to monitor the effective control of risks, ensuring that they are properly managed.

3

Finally, Internal Audit independently reviews the management process, objectively ensuring its quality and effectiveness.



We develop an internal risk culture, under a structure of responsibilities that involves the specialized team and the Board of Directors, who is responsible for establishing the risk management governance framework, supported by the Risk Steering Committee, the Internal Audit Steering Committee, and the CEO.





Comprehensive risk management

The structure that supports comprehensive risk management is established under the following guidelines:

Risk Management Steering Committee:

The Risk Management Steering Committee was established by mandate of the Board of Directors and consists of fifteen (15) principal members, of which nine (9) are members of the Board of Directors who do not participate in the management of the Banking Group. Also, members with the right to voice include the Chairman, CEO, Executive VP and Deputy CEO, Senior VP of Risk, Senior VP of Personal Banking, Senior VP of Legal and Compliance, and VP of Risk. The Senior VP of Internal Audit also participates as a guest.

It is responsible for establishing the objectives and policies for comprehensive risk management, along with the continuous monitoring of the exposure limits to risk that have been approved by the Board of Directors.

Risk Management Unit:

It is under the Risk Vice-Presidency and is responsible for coordinating integral risk management, through constant interaction and reporting from the functional units of the Banking Group to the Risk Management Unit.

It is independent from the business units, reports to the Risk Steering Committee and the administrative aspects of its functions are supervised by the CEO.



The **Board of Directors** is responsible for establishing an adequate structure for comprehensive risk management and defining the acceptable risk profile, which requires knowledge and understanding of the risks to which it is exposed. It also approves the policies, procedures and risk limit structures for the different business and operating areas of the Banking Group.

The **CEO** ensures consistency between the transactions and the risk tolerance levels defined by the Board of Directors, and establishes the review programs by the Risk Management Unit and the business units, with respect to compliance with objectives, procedures and controls in the performance of transactions, as well as the exposure limits and risk tolerance levels.

The Board of Directors and the CEO must grant the Risk Management Unit sufficient authority, hierarchy, and independence with respect to the other employees of the Banking Group and the power of veto in making decisions related to integral risk.

As part of our maturity in the management of ESG aspects (environmental, social and governance), we are making progress in the analysis and response to the main related risks. We have started with the specific analysis of climate risks, supported by external training and by integrating internal capabilities into our team. We detail the progress of this management in the specific section of this chapter.



Both governance bodies participate in the identification and prioritization of risk, from a strategic and operational point of view.

3.2. Main Risks

Below is a breakdown of the main **risks** identified, classified **by consequence and cause**:

RISKS BY CONSEQUENCE		
Risk	Description	Management keys
Capital	Possibility that the Banking Group or any of its member companies has insufficient quantity and/or quality of capital to meet the minimum regulatory requirements established by the regulations, respond to market expectations regarding its creditworthiness and support business growth and strategic possibilities that may arise, and in accordance with financial planning.	<ul style="list-style-type: none"> • Policies, processes, manuals and tools that guarantee the integrity and effectiveness of management. • Monthly monitoring of indicators related to capital adequacy and their respective regulatory limits, internal limits, and covenants. • Stress testing. • Sensitivity analysis.
Liquidity	Possibility of an economic loss of the Banking Group due to the difficulty of liquidating assets or obtaining financial resources under normal conditions.	<ul style="list-style-type: none"> • Set of policies, strategies, and procedures. • Monitoring and control of limits and internal alerts for liquidity indicators. • Extensive availability of financing lines. • Monitoring of the funding structure, maturity structure, concentration. • Scenario analysis and stress testing. • Contingent financing plan.



RISKS BY CONSEQUENCE		
Risk	Description	Management keys
Credit	Possibility of incurring losses and of decreasing the value of the Banking Group's assets, as a consequence of its debtors failing to comply in a timely manner or imperfectly complying with the terms agreed in the credit contracts.	<ul style="list-style-type: none"> • Definition of target markets. • Credit policies for each segment/type of credit. • Credit process based on segregation of duties. • Matrices of authorities and instances for credit approval. • Collateral coverage policies. • Risk transfer through insurance coverage. • Concentration and exposure limits. • Adequate coverage of reserves to portfolio. • Follow-up on the behavior and evolution of portfolio quality indicators.
Market	Possibility of losses derived from adverse movements in the prices of the products in the financial markets where positions are held, in relation to the trading portfolio operations. This mainly comprises price risk, interest rate risk and exchange rate risk.	<ul style="list-style-type: none"> • Set of policies, strategies, limits and levels of acceptance, procedures, and other mechanisms for action in the event of adverse market risk situations. • Conservative approach regarding the organization's own investment portfolio. • Permanent monitoring of the price evolution of the investment portfolio. • Risk hedging strategy.



RISKS BY CONSEQUENCE		
Risk	Description	Management keys
Operational	Possibility of losses due to deficiencies, failures or inadequacies of human resources, processes, technology, infrastructure, management information, models used, or due to the occurrence of external events. This definition includes the legal risk associated with such factors, but excludes losses due to loss of profits, reputational risk and strategic risk.	<ul style="list-style-type: none"> Control system integrated by formally established policies, processes, procedures, and control levels. Assignment of Risk Managers in the different functional units, who are responsible for applying risk management tools and reporting results to the Risk Management Unit. Staff training. Risk limits. Follow-up on the results of measurement tools. Risk transfer through insurance coverage. Business Continuity Plan.
Legal	Possibility of incurring losses because of non-compliance with rules, laws, regulations or procedures with possible legal consequences, as well as instructions from the competent authority; adverse judicial or administrative rulings, among others.	<ul style="list-style-type: none"> Policies, processes, manuals, and tools that guarantee the integrity and effectiveness of management. Lawsuit prevention and mitigation processes. Review of contracts with customers, suppliers, counterparties, among others. Regulatory compliance management.



RISKS BY CAUSE		
Risk	Description	Management keys
Concentration	High level of exposure that could cause losses in the Banking Group, which could affect the solvency or capacity to maintain its operations. Risk concentrations may arise in assets, liabilities, or off-balance sheet operations.	<ul style="list-style-type: none"> • Policies, processes, manuals, and tools that guarantee the integrity and effectiveness of management. • Monthly monitoring of indicators related to concentration risk and their respective regulatory limits, internal limits, and covenants.
Country	The possibility of incurring losses caused by adverse effects in the economic, social, and political environment or by natural disasters in the countries where the Banking Group or its customers do business. Country risk includes, among others, transfer risk, political risk, and sovereign risk.	<ul style="list-style-type: none"> • Definition of target countries. • Country risk management policies. • Approval limits per instance and exposure limits. • Permanent monitoring of sovereign ratings. • Establishment of country risk reserves. • Reporting and communication on country risk exposure. • Stress testing.
Money Laundering (ML), Financing of Terrorism (FT) and Financing of the Proliferation of Weapons of Mass Destruction (FPWMD)	Possibility of incurring in risks derived from the use of the Banking Group's products and services for Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction.	<ul style="list-style-type: none"> • Policies, processes, manuals and tools that guarantee management of ML/FT/FPWMD prevention. • Compliance Program (due diligence process, know-your-customer policies, monitoring tools, sanctions list, regulatory reports, internal departmental processes, and projects). • ML/FT/FPWMD Risk Matrices. • Annual ML/FT/ATF/FPWMD risk assessment process. • Independent ML/FT/FPWMD risk assessments.



RISKS BY CAUSE		
Risk	Description	Management keys
Cyber Risks	Possible negative outcomes arising from security failures in technological systems or associated with cyber attacks.	<ul style="list-style-type: none"> • Information security policies and processes. • Information security governance framework. • Information security incident handling. • State-of-the-art technology, subject to internal and external testing. • Awareness raising and training on technological risk management topics, for managers or personnel of the functional areas of the first line of defense.
Personal data protection	Possibility that customers may experience adverse effects or affect their rights as a result of failures or inadequacies in the processing of personal data.	<ul style="list-style-type: none"> • Information security policies and processes. • Information security governance framework. • Information security incident handling. • State-of-the-art technology, subject to internal and external testing.
Climate-related risks	These are the actual or potential negative impacts that may arise from climate change or efforts to mitigate climate change. These impacts include economic and financial consequences on an entity or organization. These risks can be classified as physical, transitional and liability risks.	<ul style="list-style-type: none"> • Financing of renewable energy and low GHG emission projects. • Measurement of credit portfolio emissions, in accordance with PCAF. • Decarbonization goals and development of a Transition Plan for the loan portfolio. • Implementation of the Environmental and Social Risk Management System (SARAS, for its acronym in Spanish). • Use of renewable sources for self-consumption of energy. • Measurement of the bank's Greenhouse Gas (GHG) emissions inventory. • Business Continuity Plan (BCP).



RISKS BY CAUSE		
Risk	Description	Management keys
Corruption and fraud	Possibility of the Banking Group incurring reputational or economic losses due to the occurrence of irregular, fraudulent or corrupt practices by directors, employees, customers or suppliers; derived from the country's context, incidences of fraud in the use of electronic channels and the lack of ethical culture.	<ul style="list-style-type: none"> • Fraud prevention system. • Corporate and organizational governance structure for supervision and oversight. • Compliance program (due diligence process, know-your-customer policies, monitoring tools, sanctions list). • Code of Ethics and Conduct • Training on the subject for the Banking Group's employees.
Over-indebtedness	Possibility of falling into high delinquency rates, due to the financial health of customers and society in general, due to the country's context and a weak financial education.	<ul style="list-style-type: none"> • Financial Education Program aimed at advising on the proper management of personal finances. • Online appointments offering 1x1 Financial workshops (9 completed). • Business practices with the perspective of providing the best advice to customers in order to meet their financial needs. • Credit policies designed and aligned with the condition of customers.
Social and environmental	The possibility of the Banking Group incurring losses due to negative environmental and social impacts caused by the granting of loans for project financing, as well as by activities originating in the environment in which it operates, significantly affecting the economic, social or environmental system.	<ul style="list-style-type: none"> • Implementation of the Environmental and Social Risk Management System (SARAS, for its acronym in Spanish). • Policies and procedures to identify and manage the environmental and social risks of the activities financed. • Controls to verify compliance with the conditions and environmental and social mitigation measures to be carried out by the customer. • Monitoring visits for applicable cases. • Indicator monitoring. • Socio-environmental risk reports.



3.3. Climate change risks and opportunities

GRI 201-2

We have identified climate-related risks and opportunities under a comprehensive process, with the involvement of external specialists and our risk team and other areas of the bank. The results were incorporated into the Banking Group's comprehensive risk map, as were the prevention and mitigation initiatives to be put forward in the next steps.

The identification and evaluation of risks considered our operations as well as the activities carried out by our clients. In particular, an analysis was conducted on which credit recipient sectors had the highest vulnerability and of what nature.

The results of the analysis were presented to the Risk Steering Committee and subsequently to the Board of Directors, which is therefore informed about them.

In relation to the responsibilities of the Board of Directors, it is also worth noting the supervision it performs on the Sustainability Strategy as a whole, in which the progress on the Banking Group's climate roadmap is integrated.

These efforts are part of the initiatives established in the sustainability strategy.



This roadmap is presented throughout the report, involving:

- Analysis of climate risks and opportunities of the direct operation.
- Also, analysis of the credit portfolio.
- Annual calculation of Greenhouse Gas (GHG) emissions, including scope 1, 2 and 3; it therefore extends to the estimation of emissions in our value chain.
- As part of the emissions inventory, the estimation of emissions from the credit portfolio. Continue to move forward with the investment portfolio thereafter.
- Set financed emissions reduction targets following the international SBTi (Science Based Targets) methodology.
- Develop the transition plan for achieving the financed emission reduction targets.



Identified risks

Below we present the risks and their details, which we classified according to the nomenclature recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and the definitions of the Superintendency of Banks of Panama.



Physical risks

Physical risks are those arising from potential losses caused by the occurrence of extreme weather events or by gradual and long-term changes in weather patterns. Physical risks may be acute or chronic.

Transition risks

Transition risks are those associated with the transition to a low-carbon economy, which may generate political, technological and market changes to address mitigation and adaptation measures related to climate change. Depending on the nature, speed and focus of these changes, transition risks can pose different levels of risk to organizations.

Legal liability risks

These are those arising from potential losses that may be generated by actions or omissions that cause losses or damages associated with climate change and which, through legal proceedings, seek compensation by repairing the damage caused, implementing prevention and mitigation measures, and awarding related costs.



Definition of terms:

Type of term	Greater than or equal to (years)	Less than (years)
Short		3
Medium	3	10
Long	10	

Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
Transition Risks	Policy and Legal	<p>Mandates and regulation of existing products and services.</p>	Medium	<p>Increased operating costs for our customers (e.g., higher compliance costs, increased insurance premiums). For exports of certain products, especially food products, certifications, and compliance with regulations of the countries to which they export, such as Europe and the US, are required.</p> <p>Increased costs for our customers due to compliance with regulatory requirements.</p> <p>Increased bank expenses due to an increase in trained personnel in the Risk, Environmental and Business areas, and in economic resources allocated to the control and follow-up of the bank's customers with respect to their level of compliance with environmental requirements associated with climate change, such as: inventory of GHG emissions, customer delinquency.</p>	<ul style="list-style-type: none"> • Agriculture • Livestock • Industry • Construction • Energy 	<ul style="list-style-type: none"> • Emission reduction targets financed, transition plan. Support customers in the transition. • Support SME customers of the bank in measuring emissions and reduction plans. • Controls established in SARAS. • Internal training plan.



Transition Risks		Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
Policy and Legal			Pricing of GHG emissions.	Financial risk for Global Bank's industrial customers, which would directly affect their liquidity by having to invest in acquiring emission rights if they exceed the established limits; in a cap&trade scheme.	Medium	<p>Increase in customers' operating costs that could affect debt repayment.</p> <p>Low product demand, new laws affecting the company (new taxes).</p>	<ul style="list-style-type: none"> • Cement • Non-renewable energy • Oil and gas • Industry 	<ul style="list-style-type: none"> • We keep under constant review of possible related Panamanian regulations: • According to draft climate change bill, on Carbon Tax: As long as the Republic of Panama, maintains carbon negative status, it will not require incorporating a carbon tax. • In Panama, through the Ministry of Environment, the National Carbon Market is being developed (Executive Decree No. 142 of 2021). We are constantly monitoring this project. • At international level, we will be reviewing the credit portfolio, if it is related to regions that impose carbon tax.
			Exposure to litigation	Risk of environmental crime claims directed at Global Bank's customers, who will bear litigation costs.	Medium	Loss of solvency of customers due to litigation costs, fines or judgments (including possible decrease in demand for its products and services) that could lead to debt repayment problems for the bank.	<ul style="list-style-type: none"> • Agriculture • Industrial • Livestock • Energy 	<ul style="list-style-type: none"> • Controls established in SARAS. • Review and follow-up on environmental news related to the bank's customers.



Transition Risks	Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
Technology		Substitution of existing products and services with low-emission options	Global Bank customers that are positioned in sectors that are overtaken by clean and low-emission technologies could lose competitiveness, affecting their financial projection.	Medium	Customers with financing in sectors that require substitution of low-emission or alternative technologies could face solvency problems and early retirement of existing assets, as well as low demand for existing products. This could lead to debt repayment problems, longer debt recovery periods or bad debt.	<ul style="list-style-type: none"> • Transportation • Auto • Industrial • Energy 	<ul style="list-style-type: none"> • Offer green products to finance low-emission technologies or sustainable methods. • Financed emission reduction transition plan
		Costs to transition to low-emission technology	<p>Investment in remodeling and retrofitting Global Bank's buildings to include cleaner and innovative technology.</p> <p>Investment needed by Global Bank customers to improve their efficiency and reduce their environmental impact through the implementation of cleaner technologies.</p>	Medium	<p>For customers: low demand for products until technologies are adapted, research and development spending, capital investments in technology development, increased costs to implement/use new practices and processes; it could affect customer creditworthiness and cause loan repayment problems, costs of using or developing failed technologies.</p> <p>For the bank: technology development capital investments such as solar panels, digitalization. Investment costs in remodeling and adaptation of the bank's facilities.</p>	<ul style="list-style-type: none"> • Industry • Agriculture • Livestock • Construction 	<ul style="list-style-type: none"> • Carbon neutrality plan in scope 1 and 2 of the bank. • Digital transformation plan. • Green financial products. • Transition plan for the reduction of financed emissions.



Transition Risks	Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
	Market	Changes in stakeholder behavior (customers, financial agents, consumers)	Increasing evolution of ESG requirements by different stakeholders such as: capital providers (such as multilateral banking and institutional investors), customers, consumers of our customers.	Short	Decrease in revenues and market positioning (customers and bank) due to reduced demand for goods and services due to changes in consumer preferences (for the bank, for example: lack of supply of green/social products).	<ul style="list-style-type: none"> • Construction • Industry • Energy • Agriculture • Realty • Auto and Transportation • Mortgages 	<ul style="list-style-type: none"> • Offer green financial products. • Establish green product placement goals. • Awareness-raising program for agricultural customers. • Green product labeling system. • Financed emission reduction targets (and transition plan).
	Increased cost of raw materials	Sharp changes in the price of raw materials that affect the productivity and liquidity of the customer's business or the bank.	Medium	<p>It affects customers' revenues and debt repayment; either due to: low demand for products and services, increase in prices of customers' final products that could decrease demand, increase in production costs, sudden increase in energy costs, increase in the price of inputs (water, paper, etc.), increase in the cost of waste treatment, change in the price of assets.</p> <p>Increased costs to the bank due to sudden and unexpected changes in energy costs or input prices.</p>	<ul style="list-style-type: none"> • Construction • Food and beverage / cement manufacturing • Real Estate 	<ul style="list-style-type: none"> • Installation of solar panels and power plants with solar panels at the bank. • Support customers transitioning to low carbon economy with green products, awareness, emissions measurement, and reduction plan. 	



Transition Risks	Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
Reputation	Reputation	Negative stakeholder feedback for financing activities with high GHG emissions, consumer shift or stigmatization of the sector	<p>Possibility of reduction or loss of customers and bad reputation due to the lack of sustainable practices within the management and granting of credits.</p> <p>Demand from customers to limit the direct impacts of our activity.</p>	Medium	<p>Reduction in customer profits affecting loan repayment due to lack of demand due to change in consumer preferences, loss of customers, late high transition costs, failure to implement sustainable practices. This could affect the bank's reputation for financing customers who do not make the transition to a low-carbon economy on time.</p> <p>Cost associated with reputational damage.</p> <p>Cost of reducing portfolio exposure in sectors with high GHG emissions. Or giving up profitable business due to reputational risk or due to sector or funding institution regulations that prohibit it.</p> <p>Loss of customers or potential customers because they consider our sustainable and anti-climate change practices to be insufficient.</p> <p>Reduction in the availability of capital.</p> <p>Risk derived from not properly implementing defined policies, which could lead to reputational risk ("greenwashing").</p>	<ul style="list-style-type: none"> • Fossil fuel energy • Oil and gas • Transportation • Cement • Construction • Realty 	<ul style="list-style-type: none"> • Use internationally recognized taxonomies. • System for labeling green products. • Transition plan for financed emission reductions. • Transparency in public reporting. • Communication plan to different stakeholders. • Carbon neutrality plan through 2050, with an intermediate goal through 2030, in our direct transactions (scope 1 and 2). • Digital transformation plan.



Physical Risks**	Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
Acute risks		Increased severity of extreme weather events	<p>Cyclones and floods, landslides, fires.</p> <p>These phenomena produce a reduction in economic income, loss of products, damage to infrastructure, and health effects on employees, both for customers and the bank.</p>	Short	<p>It affects repayment of debt, decrease in the value of loan guarantees of affected sectors; since the customer may be impacted with reduction of economic income, damage to infrastructure, possible loss of products and goods, reduction of product demand, reduction of production capacity, supply chain and transportation affected, employees with health problems.</p> <p>Impact on the bank's facilities.</p> <p>Increased cost of insurance. Reduced income and increased negative impacts affecting bank staff (e.g., health, safety, absenteeism)</p>	<ul style="list-style-type: none"> • Agriculture: loss of crops and harvest. • Livestock: loss of animals • Tourism: low demand in the affected regions, damage to infrastructure such as hotels • Residential mortgage: housing losses • Construction-infrastructure (9%): damage to buildings, damage to roads and bridges. 	<ul style="list-style-type: none"> • Awareness-raising of customers on the use of sustainable production methods. • Implement green product to finance sustainable methods and technologies (risk by drought drip, silvopastoral system, organic fertilizers, biodigesters, wastewater treatment systems, composting system, reforestation of water sources, etc.). • SARAS controls and monitoring include follow-up on the application of Panama's Sustainable Building Regulations (RES). • Business continuity plan



Subtype of risk	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
Chronic risks	Changes in precipitation patterns and extreme variability in weather patterns.	<p>Continuous increase in maximum daytime and minimum nighttime temperatures.</p> <p>Change in precipitation (e.g. need to incorporate drip irrigation systems due to prolonged drought). It may cause: devaluation of customer assets for being located in areas with water supply problems (desertification).</p> <p>Increases in the customers' operating costs (investments in technology and process).</p> <p>Lower production of renewable energy (hydro and wind).</p>	Medium	<p>For effects on customers:</p> <ul style="list-style-type: none"> It could affect solvency and debt repayment and/or losses or devaluation of credit guarantees (early amortization or retirement of existing assets), reduction in revenues due to low production, increases in operating costs. <p>Direct effects on the Bank:</p> <ul style="list-style-type: none"> Increased costs for procurement of inputs (e.g. water, energy). Increased capital costs (e.g., damage to facilities). Increased insurance premiums due to increased claims at national level. 	<ul style="list-style-type: none"> Agriculture: crop loss due to pests, drought and soil degradation. Livestock: death of animals or low weight, failure to cover animal demand, lack of water. Hydroelectric power generation: being unable to meet generation demand due to lack of water, low income. Housing and construction - infrastructure: loss or devaluation of the asset. 	<ul style="list-style-type: none"> Awareness-raising of customers on sustainable practices. Green financial products. Diversify portfolio with green products. Business continuity plan. Internal eco-efficiency plan.
	Rising mean temperatures	Population movements that may lead to depression in certain locations, accompanied by loss of business.				
	Rising of sea levels	Threats on customer assets that may result in loss of profits and solvency.				


Physical Risks**



Legal Liability Risks	Risk associated with climate change	Risk description	Risk term	Financial impact	Portfolio sectors impacted	Related initiatives
	Legal claims/sanctions for climate change impacts.	Legal litigation seeking environmental compensation by repairing the damage caused, increasing remediation costs.	Long	<ul style="list-style-type: none"> • Increased costs for remediation of climate change impacts. • Cost associated with bad reputation. • Los of customers due to litigation associated with their environmental impacts. • Cost of reducing portfolio exposure in sectors with high GHG emissions. Or giving up profitable business due to reputational risk or due to sector or funding institution regulations that prohibit it. 	<ul style="list-style-type: none"> • Cement • Non renewable energy • Oil & gas 	<ul style="list-style-type: none"> • Controls established in SARAS • Support customers in transition to low carbon economy with green products, awareness, emissions measurement and reduction plan. • Transition plan for financed emission reductions. • A climate change risk management policy will be established, which will include prevention measures associated with the impact of climate change.

** According to Panama's Fourth National Communication on Climate Change, despite the country's large forest cover, Panama continues to be vulnerable to climate change. Projections for 2030, 2050 and 2070 show scenarios with temperature increases, changes in rainfall patterns and sea level rise. This reality imposes significant risks on the functionality of strategic components of national socioeconomic development such as: biodiversity, infrastructure, urban centers and coastal cities, agriculture, and livestock, which together incorporate the basis of the country's socioeconomic and productive development. Climate risk is analyzed based on exposure and vulnerability to each of the hazards associated with climate change, which have the capacity to cause damage and losses to a specific component or severely alter its functioning. Under this scheme, several tools have been developed for decision making such as: Climate Change Scenarios (2030, 2050, 2070), the Climate Change Vulnerability Index, climate hazard maps, sea level rise hazard study, among others. The vulnerability variables for the climate vulnerability index are exposure, sensitivity, adaptive capacity. The areas with a higher vulnerability of between 0.64 and 1 are: Bocas del Toro province, Ngäbe-Buglé Comarca, North of Veraguas province, Southwest of Darién province, Guna Yala Comarca, South and East coastal zone of Los Santos province, East coastal of Herrera province, Gulf of Montijo, South coastal zone of Coclé province, Coastal zone of Guna Yala comarca, South coastal zone of Panama province. According to the Ministry of the Environment, the extreme events that most affect and represent a climatic threat to Panama are those expressed as intense summer rains, long and/or more intense periods of drought, as well as sea level rise. These threats show evidence of negative impacts on sectors of national interest with clear effects on the availability of water in summer, a greater demand for energy in the face of high temperatures, loss of crops and soil, loss of the coastline in the face of storm surges, as well as greater flooding in large urban centers, with damage to infrastructure and services. On the other hand, the sectors that emit the most greenhouse gases are Energy (70.7%), Agriculture (15.4%), Waste (7.3%) and IPPU-Industrial Processes and Product Use (6.6%).



 [Fourth National Communication on Climate Change of Panama, da click here.](#)



Opportunities identified

In addition, we have identified areas of opportunity in the area of climate change:

Definition of terms:

Type of term	Greater than or equal to (years)	Less than (years)
Short		3
Medium	3	10
Long	10	

	Type according to TCFD	Opportunity associated with climate change	Term (opportunities)	Potential financial impact	Related initiatives
Climate Change Opportunities	Resource efficiency	Use more efficient methods of transportation. Use of recycling. Reduce water usage and consumption. Reduction of GHG emissions.	Long	Reduced operating costs (through efficiency gains and cost reductions). Increased value of fixed assets (energy efficient buildings). Benefits of personnel management and planning (improved health and safety, employee satisfaction) which reduces costs.	We have a carbon neutrality plan for 2050 in scopes 1 and 2 of the bank, with intermediate goals for 2030 and 2035: it includes a savings plan for the use of inputs (water, paper, electricity), recycling, maintenance of air conditioners, replacement of LED lights, installation of water regulating faucets, staggered renewal of the vehicle fleet for hybrid/ electric vehicles (depending on market availability), among others. We have 2 LEED-certified branches and 1 LEED-certified building.



Type according to TCFD	Opportunity associated with climate change	Term (opportunities)	Potential financial impact	Related initiatives
Energy sources	<p>Verify other bank facilities where solar panels can be installed.</p> <p>Acquire of solar plants.</p>	Medium	<p>Reduction of operating costs (electricity consumption).</p> <p>Reduction of GHG emissions, which reduces the risk of tax or price impacts on the use of fossil fuels or coal.</p>	<p>Installation of solar panels in bank buildings and branches (as existing infrastructure permits, the number of branches with solar panels will be increased).</p> <p>There are currently 9 bank facilities with solar panel systems for self-consumption of energy.</p> <p>Carbon neutrality plan: acquisition of solar plant, conduct energy efficiency study.</p>
Products and services	<p>Develop products to finance activities that use new technologies or methods to reduce GHG emissions: distributed solar energy, electric vehicles, sustainable agriculture and livestock, energy efficiency, sustainable infrastructure, circular economy.</p> <p>Provide advice to customers such as: sustainable livestock/agriculture, sustainable construction, energy efficiency.</p>	Short	<p>Increased profitability due to demand for low-emission products and services, or adaptation to climate change.</p> <p>Portfolio diversification.</p> <p>Improved competitive position to reflect changing consumer preferences, resulting in increased revenues.</p> <p>Reduction of GHG emissions financed.</p>	<p>3 green financial products have been created.</p> <p>We have targets for renewable energy and sustainable agriculture and livestock financing.</p> <p>Awareness-raising program for agricultural customers.</p> <p>Established financed emission reduction targets (and transition plan) for some sectors of the portfolio.</p>

Climate Change Opportunities



3.4. Relationship with the supply chain

GRI 2-6, 204-1, 205-1



It is important for us to have a **supply chain aligned with our principles and values**, in addition to guaranteeing the quality of the service or product provided for the proper continuity of the business.

We approach the suppliers of the Banking Group through the Know Your Supplier Policy, according to which we carry out an evaluation that considers, among others, ethical management, and anti-bribery aspects.

People first

This process consists of three stages:

- 01** Initial evaluation, with the identification of potential risks (prevention of money laundering, economic implications, operational risk and information security risk).
- 02** Approval of the contract by the Legal area
- 03** Evaluation of the service provided by the requesting area.



In future fiscal periods, we will work to integrate the evaluation of suppliers' social and environmental performance into this process.

% of contracts evaluated by type of risk

Risk	2021-2022	2022-2023
High	6%	12%
Medium	19%	27%
Low	74%	62%
Total	371	382

Note: This considers the process coordinated from the Suppliers area; for direct contracting of other technical areas, specific processes are carried out.



Description of the value chain

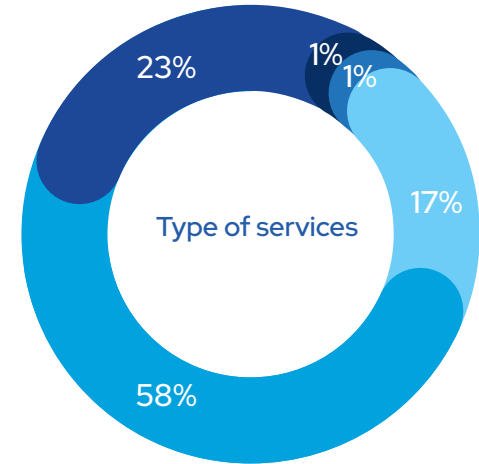
The composition of the Banking Group's supply chain is made up of suppliers that meet product and service quality, price, and time standards. Among the main suppliers are those related to technology products and services, marketing, general services, among others.

We favor domestic suppliers, who account for 88% of all contracts.

We allocated **US\$48,183,498** in fiscal year 2022-2023 in contracts to domestic and international suppliers, with a total of 454 contracts.



Suppliers by type of service



Other services	58%
General services	17%
Marketing	1%
Office construction	1%
Technology	23%





04

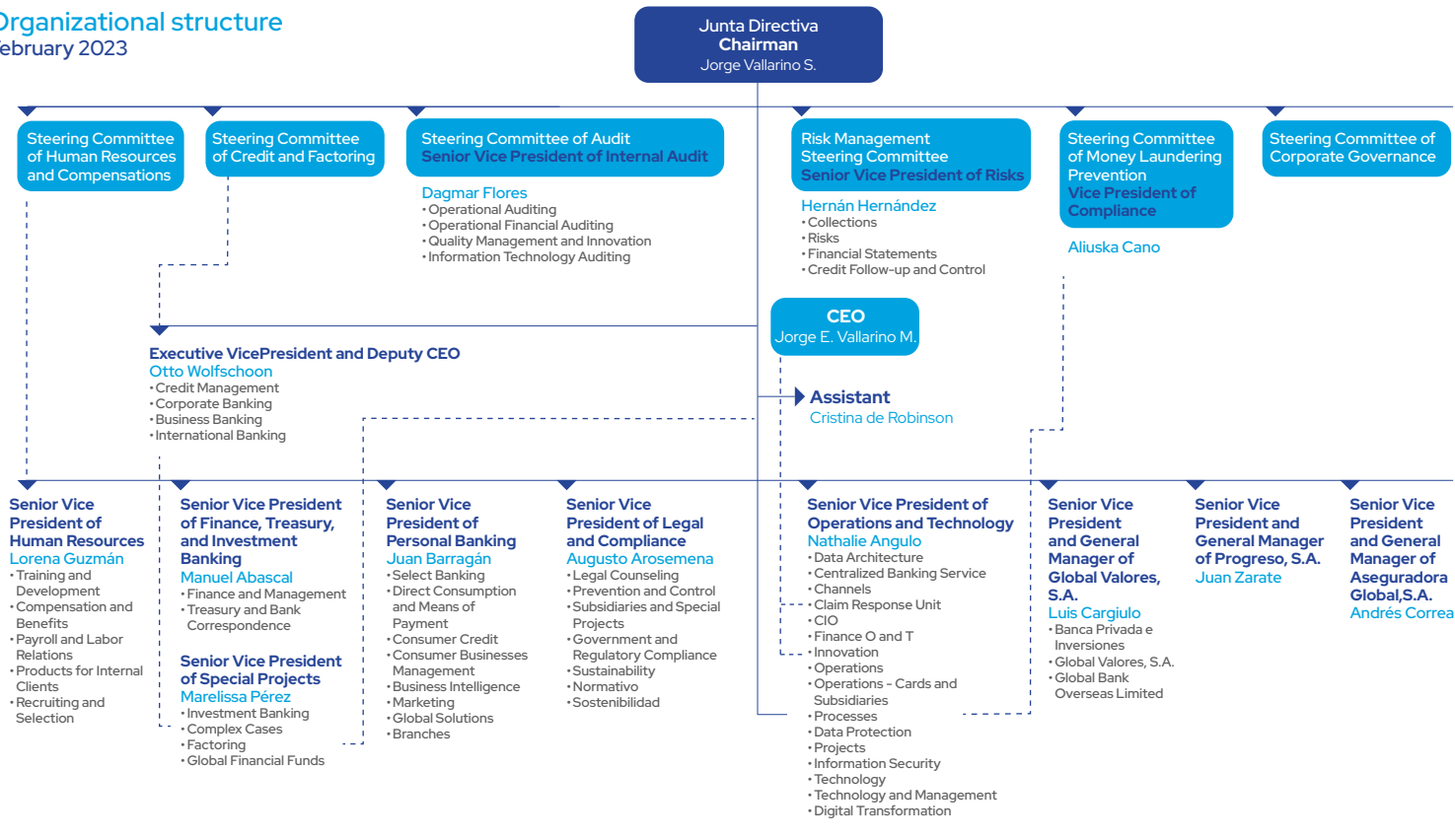
Governance



04. Governance

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-16, 2-17, 2-18, 2-19, 2-20

Organizational structure February 2023



Notes: The organizational structure remained unchanged as of June 30, 2023. On September 16, 2023, the organizational structure had a change in which the Special Projects area comprised of: Investment Banking, Complex Cases, Factoring, and Global Financial Funds, reported to the Vice-Presidency of Banking Credit led by Mr. Otto Wolfschoon; such change was ratified by the Board of Directors on November 29, 2023.

At Global Bank, we base our management on the best practices of corporate governance and current regulations, always aligned with the principles of ethics and integrity that characterize us. This allows us to generate confidence among investors and other stakeholders.

The solid composition and governance structure allows us to achieve the long-term objectives established within the business strategy, guaranteeing the continuity of the Banking Group's transactions and profitability.

A General Shareholders' Meeting is held annually on the date and place established by resolution of the Board of Directors for the election of Principal and Alternate Directors and the transaction of any other business submitted to the meeting by the Board of Directors.

We have a **Corporate Governance Manual** describing how Global Bank is structured and aligned with good governance practices.



Board of Directors

It is the highest administrative body, in charge of establishing the policies, principles, rules and procedures for the correct management of the Banking Group, including the operation of the internal control systems.

Among its main functions are:

- To ensure the financial health of the company.
- To approve and review annually the business strategies and policies.
- To know and understand the main risks to which the Banking Group is exposed.
- To keep themselves trained and at the forefront of industry trends for proper decision making.
- To establish annual budgets for the achievement of strategic objectives.
- To comply with legal and regulatory provisions and maintain a good relationship with regulatory bodies.
- To select and evaluate the CEO.

It is comprised of directors with broad experience and recognized professional background in the financial, legal, and commercial sectors. They serve one-year terms, with the possibility of re-election. The Chairman of the Board of Directors is elected by the members themselves.

The average length of service of the members of the Board of Directors is 20 years. Currently, **26% of the principal's directors are independent**; on the other hand, **20% are women**; our goal is to have a 30% participation of women among the members of the Board of Directors.

The following is the composition of the Board of Directors of the Banking Group:



		Steering Committees					
Name	Status and position	Prevention of money laundering	Audit	Risk	Credit and factoring	HR and Compensation	Corporate governance
Jorge Enrique Vallarino Strunz	Shareholder Chairman	Presides over with speaking and voting rights	Presides over with speaking and voting rights	Presides over with speaking rights	Presides over with speaking and voting rights	Presides over with speaking and voting rights	Presides over with speaking and voting rights
Larry E. Maduro	Shareholder - Vice Chairman			Presides over with speaking and voting rights			Presides over with speaking and voting rights
Bolívar Ernesto Vallarino Strunz	Shareholder - Secretary		Presides over with speaking and voting rights	Presides over with speaking and voting rights			
Mónica García de Paredes de Chapman	Independent - Sub Secretary	Presides over with speaking and voting rights		Presides over with speaking and voting rights			Presides over with speaking and voting rights
Jorge Enrique Vallarino Miranda	Shareholders - Treasurer	Presides over with speaking and voting rights		Presides over with speaking rights	Presides over with speaking and voting rights	Presides over with speaking and voting rights	Presides over with speaking and voting rights
Ishak Salomón Bhiku Rawat	Shareholder - Sub Treasurer	Presides over with speaking and voting rights	Presides over with speaking and voting rights / Secretary		Presides over with speaking and voting rights		
Jack Eskenazi Cohen	Shareholder - Member	Presides over with speaking and voting rights		Presides over with speaking and voting rights			
Alberto Raymond Dayan Btsh	Shareholder - Member		Presides over with speaking and voting rights				Presides over with speaking and voting rights
Domingo Adolfo Díaz Strunz	Shareholder - Member				Presides over with speaking and voting rights	Presides over with speaking and voting rights	
Otto Oswald Wolfschoon Horna	Shareholder - Member	Presides over with speaking and voting rights		Presides over with speaking rights	Presides over with speaking and voting rights		
Stephen Benedicto Wong Chung	Shareholder - Member		Presides over with speaking and voting rights	Presides over with speaking and voting rights			
Eddy René Pinilla*	Independent - Member	Presides over with speaking and voting rights	Presides over with speaking and voting rights	Presides over with speaking and voting rights		Presides over with speaking and voting rights	
Alberto Alemán Zubieta	Independent - Member	Presides over with speaking and voting rights		Presides over with speaking and voting rights		Presides over with speaking and voting rights	Presides over with speaking and voting rights
Liliana Gómez Candanedo	Independent - Member		Presides over with speaking and voting rights		Presides over with speaking and voting rights		
Nicole Darlington Fauveti	Independent - Member	Presides over with speaking and voting rights		Presides over with speaking and voting rights			Presides over with speaking and voting rights
Juan José Vansice	Shareholder Substitute				Presides over with speaking and voting rights	Presides over with speaking and voting rights	
Félix Brandon Maduro	Shareholder Substitute	Presides over with speaking and voting rights			Presides over with speaking and voting rights	Presides over with speaking and voting rights	

* Eddy Pinilla submitted his resignation as a director on June 28, 2023, which was formally registered with the Public Registry on August 3, 2023.



Below is some relevant information about the members of the Board of Directors.

Director	Seniority as member of the Board of Directors (years)	No. of mandates*		Gender	Age
		Board Committees	Director		
Jorge Vallarino S.	29	6	5	Male	71
Bolívar Vallarino S.	29	2	4	Male	74
Ishak S. Bhiku R.	29	3	2	Male	68
Jack Eskenazi C.	29	2	3	Male	66
Alberto Dayan	29	2	4	Male	67
Larry E. Maduro	29	2	6	Male	64
Stephen Wong	29	2	7	Male	61
Domingo Díaz S.	29	2	2	Male	61
Otto O. Wolfschoon, Jr.	24	4	8	Male	63
Jorge Enrique Vallarino	13	5	8	Male	45
Eddy R. Pinilla C.	11	3	4	Male	77
Alberto Alemán Z.	9	4	2	Male	72
Mónica de Chapman	4	3	10	Female	56
Liliana Gómez C.	3	4	5	Female	69
Nicole Darlington F.	8 months	3	1	Female	49
Juan José Vansice A.	20	2	2	Male	47
Félix B. Maduro	29	3	3	Male	68

Note: The number of mandates corresponds to (i) the quantity of executive committees of the bank of which they are members, and (ii) the quantity of main boards of directors where they are members (includes bank subsidiaries and other organizations).



All directors receive training on the integral management of the company, ensuring that all members work under the same guidelines and understanding of topics.

They are trained at least once a year on risk, money laundering, digital transformation, corporate governance, economic outlook and all topics necessary to be prepared for industry trends and associated impacts.

The directors' training plan is part of the annual agenda prepared for the ordinary sessions of the Board of Directors.



Director	Knowledge/skills											
	Business Administration	Economics	Risks	Investments	Money Laundering	Legal	Governance	Technology	Regulatory environment	Cybersecurity	Climate Change	Sustainability
Jorge Vallarino S.	a	a	a	a	a	i	a	i	a	i	i	i
Bolívar Vallarino S.	a	a	a	a	a	i	a	i	a	i	i	i
Ishak S. Bhiku R.	a	a	a	a	a	i	a	i	a	i	i	i
Jack Eskenazi C.	a	a	a	a	a	i	a	i	a	i	i	i
Alberto Dayan	a	a	a	a	a	i	a	a	a	i	i	i
Félix B. Maduro	a	a	a	a	a	i	a	i	a	b	b	b
Larry E. Maduro	a	a	a	a	a	i	a	i	a	i	i	i
Stephen Wong	a	a	a	a	a	i	a	a	a	i	i	i
Domingo Díaz S.	a	a	i	i	a	a	a	i	a	i	i	i
Otto O. Wolfschoon, Jr.	a	a	a	a	a	a	a	i	a	i	a	a
Juan José Vansice A.	a	a	a	a	a	i	a	i	a	i	i	i
Jorge Enrique Vallarino M.	a	a	a	a	a	a	a	a	a	a	a	a
Eddy R. Pinilla C.	a	a	a	a	a	i	a	i	a	i	i	i
Alberto Alemán Z.	a	a	a	a	a	i	a	i	a	i	a	a
Mónica de Chapman	a	a	a	a	a	i	a	i	a	i	i	i
Liliana Gómez C.	a	a	a	i	a	i	a	b	a	b	b	i
Nicole Darlington F.	i	i	b	i	a	a	a	b	a	b	b	i

(b) basic (i) intermediate (a) advanced



Details of the trajectory and experience of our directors can be found [here](#).



We maintain ongoing communication with investors, ensuring that their views are considered by the Board of Directors. We have also established various mechanisms for dialogue with other stakeholders that allow us to convey critical issues to the highest levels of governance.

The corporate governance structure of the Bank is comprised of Steering Committees that support the management of the Board of Directors. The Board of Directors, in turn, delegates to them functions and responsibilities that, after being managed, must be communicated to the board for its information or for any necessary approvals, thus ensuring effective internal oversight of the bank and its subsidiaries. Among these delegated functions is dialogue with various stakeholder groups. Additionally, each Steering Committee must bi-monthly present to the Board of Directors a summary of the most relevant aspects discussed in the last committee session, either by the Committee's President or a member thereof.

Among the relevant sustainability topics discussed in this year's Board Meetings are the following:

- ✓ Progress on the commitment made to the Principles for Responsible Banking (annual).
- ✓ Progress on the sustainability strategy and action plan (annual).
- ✓ Actions carried out:
 - Organizational culture.
 - Credit portfolio impact analysis.
 - Climate change risks and opportunities of the loan portfolio (qualitative analysis).
 - Financial materiality matrix, exercise carried out in training with SUMARSE.
 - Improvements to SARAS.
 - Establishment of loan portfolio objectives on significant prioritized topics: Climate change and Inclusive and healthy economy from a gender perspective.

We conduct performance evaluations periodically and every three years we evaluate the corporate governance structure with specialists from outside the company, which allows us to prevent and mitigate conflicts of interest.



Support committees

Each committee has specific functions and its members are appointed by the Board of Directors itself, with a total of 15 committees, 6 of the Board and 9 operational.

Each committee has specific functions and its members are appointed by the Board of Directors itself.



15
Committees

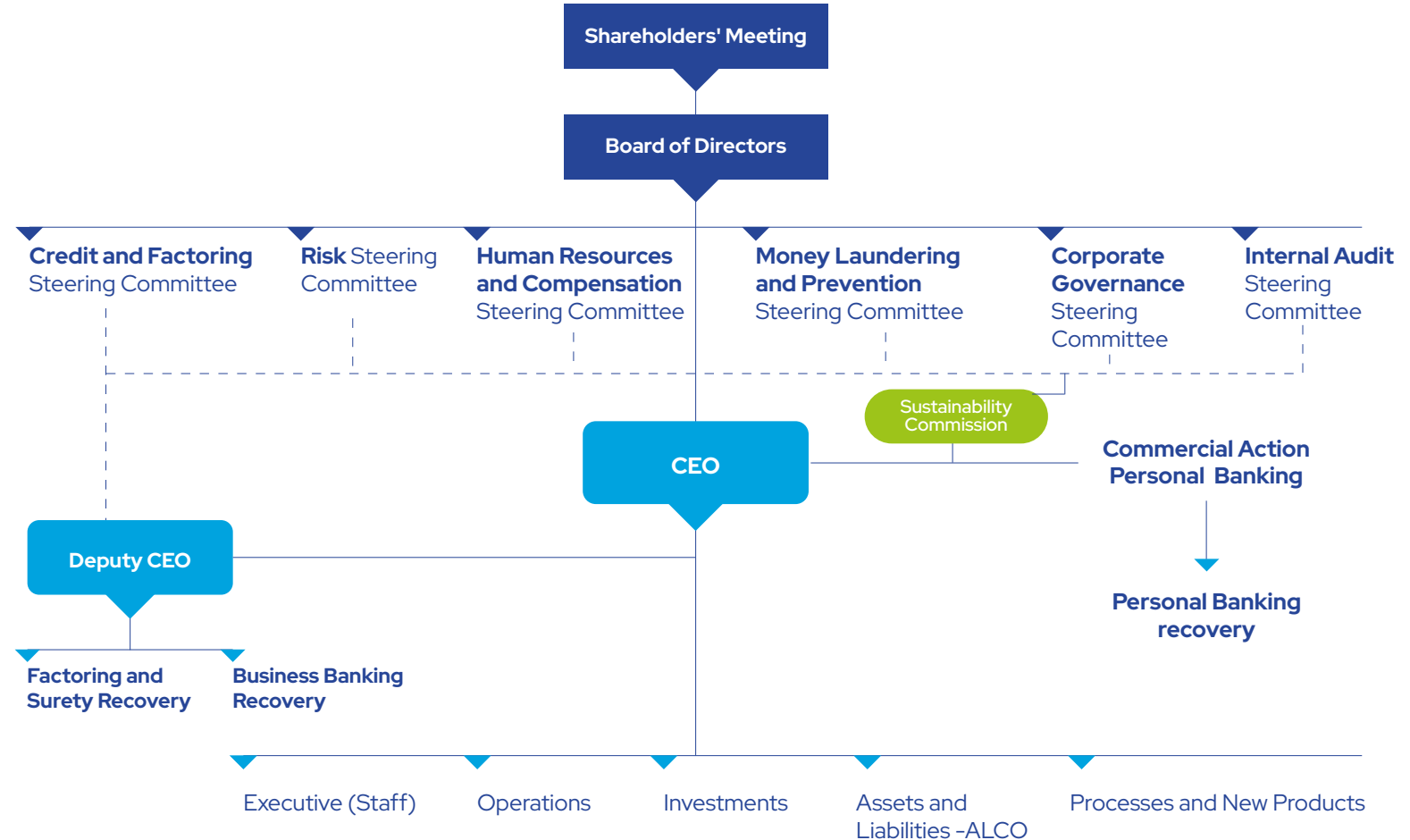


6
Directive Committees



9
Operative Committees

Support Committees and Sustainability Commission



Steering committees

Prevention of money laundering

It promotes the application and implementation of policies and procedures for the prevention of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction, as well as the management of the related risk.

- 17 members**
- (3 independent directors)**
- 96% of attendance**
- Frequency: bimonthly**

Credit and factoring

It maintains the safety and solvency of the Banking Group through adequate credit management, credit risk exposure, thus maximizing the Bank's risk-adjusted rate of return.

- 11 members (1 independent)**
- 92% of attendance**
- Frequency: Weekly**

Risks

This Committee is responsible for implementing the comprehensive risk management process to identify, evaluate, monitor and control or mitigate all materially significant risks.

- 15 members (3 independent)**
- 89% of attendance**
- Frequency: bimonthly**

HR and Compensation

It supports the Board of Directors in defining and organizing the development of the human talent of the Banking Group, as well as reviewing and proposing remuneration structures for the officers of the Banking Group and providing for a planned succession or replacement of the CEO and other members of executive management and/or key executives.

- 8 members (2 independent)**
- 93% of attendance**
- Frequency: at least twice a year**



Audit

It serves as a support in the decision making corresponding to the control and improvement of the Banking Group, through the evaluation of the processes related to risk management, the control environment and governance of the organization, the supervision of the presentation of financial information and the evaluation of the internal and external auditing processes of the Banking Group.

It establishes the communication channels between the Board of Directors, Management, Internal Audit and External Auditors.

7 members (2 independent)
90% of attendance
Frequency: bimonthly

Corporate Governance

It supports the management of the Board of Directors in the fulfillment of the corporate and strategic objectives of the Banking Group.

It oversees the faithful fulfillment and application of good Corporate Governance practices, ensuring that the strategic objectives and corporate values are communicated to the entire Organization.

It supervises the Sustainability Strategy and its degree of compliance.

13 members (3 independent)
96% of attendance
Frequency: quarterly





Operating committees

Commercial activity

It maintains the security and solvency of the Banking Group through the analysis of target markets, products, price segments and customer profiles, which allows an adequate credit management, as well as its exposure to credit risk within the parameters previously defined by the Board of Directors; it seeks to maximize the rate of return and an adequate level of credit quality through the effective and continuous evaluation of debtors, counterparties and credit risk mitigants.

4 members
Frequency: monthly

Executive (Staff)

It oversees the compliance and application of good Corporate Governance practices, also ensuring that strategic objectives and corporate values are communicated throughout the organization.

It includes the development and maintenance of an adequate level of knowledge and experience as the Banking Group grows in size and complexity, clearly understanding the functions in its structure and seeking that it is managed with transparency, recognizing the importance of the audit and internal control processes.

12 members
Frequency: monthly

Investments

It seeks to preserve the net worth, security and solvency of the Banking Group through an adequate risk management of investments in securities, including the monitoring of risk exposure in investments in securities within the parameters defined by the Board of Directors, maximizing the yield of the investment portfolio, as well as the risk in investments in securities through an effective and continuous evaluation of treasury counterparties, market risk factors and the level of liquidity of the investment portfolio.

4 members
Frequency: as required

Assets and liabilities

It reviews policies, established placement limits and passive sources of balance sheet financing. It also monitors the maturity matching between assets and liabilities, including the overall liquidity management of the Banking Group and the management of the capital structure (assets and liabilities), according to the strategies established by the Board of Directors.

It establishes policies, procedures and guidelines framed in an adequate management of market risks.

6 members
Frequency: monthly

Processes and new products

It evaluates, analyzes and approves new processes resulting from new functionalities, products, services or areas, through the review of the proposed flow chart, its policies, controls and the impact of changes in the process architecture, if applicable.

It contributes to the achievement of the Banking Group's objectives through the identification of process improvement opportunities, as well as the approval of improvement initiatives and changes to new processes and services.

10 members
Frequency: at least once every 6 months

Personal Banking recovery

It supervises the loan portfolio and establishes compliance with strategies and action plans for the management of loan recovery operations. It maintains the monitoring of the evolution of debtors' payment capacity for the timely updating of credit guarantees.

8 members
Frequency: monthly

People first

Business Banking recovery

It monitors the status of debtors' payment capacity to mitigate losses due to default on the loan portfolio, in addition to supervising portfolio follow-up, control and recovery management. It oversees compliance with credit policies, as well as the level of quality of Business Banking loans.

8 members
Frequency: monthly

Factoring and finance recovery

It reports to the Credit and Factoring Steering Committee on internal and external factors that affect the behavior of the portfolio and alerts on debtor and assignor profiles that present higher risk, to prevent and manage the portfolio delinquency risk.

6 members
Frequency: monthly

Operational

It is focused on promoting the establishment of procedures that ensure an appropriate flow, quality and timeliness of information between the business units and the integral risk management unit (including identification, management and evaluation), as well as for all those involved in operations involving operational risk for the Banking Group.

In addition, it aims to promote an organizational culture of operational risk management and adequate internal control practices to ensure that the Banking Group has an organizational structure that promotes the appropriate management of operational risk.

6 members
Frequency: monthly



Sustainability Commission



A **Sustainability Commission**, has been established, which among its objectives is to ensure compliance with the **General Sustainability Policy**, develop and monitor the execution of the sustainability strategy and oversee the implementation of the UNEP FI Principles of Responsible Banking.

The commission consists of one member of the Board of Directors, one member of Executive Management, one member of the Credit Administration area (from the Environmental and Social Risk section), and one or two members from each of the following areas as a working group: Risk, Marketing, Human Resources, Administration, Projects and Processes, Business areas and one or two members from each of the following areas as a support group: Finance, Treasury, Legal, Operations, Technology, Audit, Global Assurance, Progress.

The Corporate Governance Steering Committee monitors progress on sustainability, including risks and opportunities related to climate change, on a quarterly basis. These are reported to the Board of Directors. Complete management reports of the Commission are submitted on an annual basis. And as appropriate, the different policies, documents or action plans arising from the implementation of the sustainability strategy are submitted to both corporate governance bodies for approval.



Executive Management

Our **Executive Management** is made up of executives with extensive knowledge, experience, and commitment, and has as its main responsibility the daily management, and fluid and constant communication with the Board of Directors.

Jorge Enrique Vallarino Miranda CEO

- He is responsible for the planning, direction and coordination of the Bank's functional areas.
- Represents the institution legally and in its relationships with external entities.

Otto Wolfschoon Executive VP and Deputy CEO

- Assist CEO in the strategic direction of the business. Responsible for planning, directing, coordinating, and overseeing the development and execution of strategies and functions related to the marketing of the Bank's product lines in order to provide high quality products and services to customers with expected profitability margins.
- Design, implement and coordinate the credit policies and marketing plans of the Business Banking areas.
- Joint supervision of the branch network nationwide. Maintain portfolio quality and follow up on portfolio recovery management. Correspondent relationship management.
- Develop specific management and leadership guidelines within his group, in order to establish a teamwork relationship and partnership with all the Bank's departments.

Juan Barragán Senior VP of Personal Banking

- Oversee the strategy of the personal banking vice-presidency, as well as its performance in the market.
- Program, coordinate and supervise together with the CEO, the credit policies for the different consumer products in order to provide the consumer with high quality goods and services. Supervise and monitor the Consumer Banking areas at the national level.
- Develop specific management and leadership guidelines within the Vice Presidency in order to establish a teamwork relationship and partnership with all departments of the Bank.
- Manage resources and oversee, in conjunction with CEO, the marketing and branding strategies of the bank.
- Oversee the Business Intelligence area and ensure its support to the different banks of the organization.

Lorena Guzmán Senior VP of Human Resources

- Be a strategic partner of the CEO; plan, direct and evaluate all established human resources programs, ensuring the improvement of working relationships and compliance with personnel policies and procedures to ensure their proper development.
- Oversee the operation of the Human Resources department, with respect to staff selection and recruitment, training and organizational development, labor relations, compensation, benefits and payroll, in accordance with the Bank's established policies and procedures.
- Collaborate as a support unit to all areas and/or departments, serving as a facilitator of processes, internal advisor and change agent in human resources and organizational development.



Manuel Abascal
Senior VP Finance,
Treasury and
Investment Banking

- Responsible for planning, controlling, directing and supervising the areas related to the financial management of the bank and investment banking, ensuring the development of financial and accounting operations and ensuring the optimal use of human, economic and technical resources.
- Plan and coordinate, together with the CEO, the business to be developed by the Bank in order to achieve the sustained growth of the organization.
- Develop specific management and leadership guidelines within his group, in order to offer services and support, and establish a teamwork relationship and alliance with all the Bank's departments.

Dagmar Flores
Senior VP of
Internal Audit

- Perform management advisory functions and continuous monitoring of Corporate Governance practices.
- Be responsible for internal audit management so that assurance and consulting activities, in an independent and objective manner, comply with the purposes and responsibilities established in the bylaws and code of ethics, aligning resources to the management of Risk, Governance and Control, to add value to the interests of the organization and stakeholders, in an effective and efficient manner.

Andrés Correa
Senior VP and
General Manager
of Aseguradora
Global, S. A.

- Formulate risk dispersion strategies for the assets or liabilities pledged as collateral by and in favor of the bank's customers, using insurance and/or reinsurance transfers in the global market.
- Design and structure insurance programs for the customers of the Banking Group, integrating all the technologies and communication, sales and service channels in order to maximize the relationship with the customer and thus offer a complete financial service, minimizing the risk through the dispersion and transfer to international markets.
- Advise the bank in the placement and structuring of its own insurance program, providing guidelines and applying the best practices and technical criteria obtained from the global reinsurance market.
- Structure and execute a financial business model that is profitable, competitive, and advantageous for the Banking Group, taking advantage of the integration of our business model, for the benefit of our shareholder, our insured and our employees.

Nathalie Angulo
Senior VP of
Operations and
Technology

- Ensure the planning, selection, design, management and implementation of banking operations, project management, technology systems, information security and customer service, through constant innovation of processes and services, within the best standards and in compliance with regulatory and internal standards.



Hernán Hernández
Senior VP of Risk

- Identify, measure, monitor, control and mitigate the significant risks of the Institution, through expert knowledge in the management of models and technological measurement tools.
- Provide timely and accurate information to Executive Management, Risk Steering Committee, and the Board of Directors on the status of risks in the Institution, in order to promote the achievement of strategic objectives.

Juan Pablo Zárate
VP Senior General
Manager of Progreso
AFPC, S.A.

- Represent the company before individuals and legal entities, responsibly manage business activities in conjunction with each area such as: sales, investments, administration, operations, and accounting.
- In addition, oversee the investment manager functions as well as optimize marketing tools to increase the corporate and personal customer base.

Luis Cargiulo
Senior VP and
General Manager of
Global Valores, S. A.

- Plan and coordinate, together with the CEO, the businesses to be developed by the Bank to achieve the sustained growth of the organization.
- Responsible for the marketing of the products offered by the Bank, as well as the maintenance of the current Private Banking portfolio through personalized customer service.
- Develop specific management and leadership guidelines within his group, in order to provide services and support, and establish a teamwork relationship and partnership with all departments of the bank.

Augusto Arosemena
Senior VP of Legal
and Compliance

- Provide timely and accurate information to Executive Management, the Anti-Money Laundering Steering Committee and the Board of Directors on the status of Compliance in the Institution, in order to promote the achievement of strategic objectives.
- Supervise the Bank's regulatory compliance area through the Corporate Governance Management and the Compliance Department.
- Supervise the Legal Counsel area, as well as lead legal matters requested by Senior Management, Board of Directors and business areas of the Bank.
- Follow up on the development and implementation of the Banking Group's sustainability strategy, as well as the implementation of the UNEP FI Principles for Responsible Banking (PRB) and monitor its continuity over the years. Ensure the progressive alignment of the activities and initiatives of all areas of the Banking Group to environmental, social and governance (ESG) topics.

We have a **Succession Plan Policy** that sets forth the guidelines for the succession of the CEO and direct reporting executives, which is reviewed annually by the Human Resources and Compensation Steering Committee and presented to the Bank's Board of Directors. It is based on the annual evaluation of performance and compliance with established objectives, both financial and specific to the operation of their area.





People first

Remunerations

The **Board of Directors** oversees the remuneration of the directors; it also includes a per diem for their participation in each of the sessions, whether ordinary or extraordinary.

The guidelines for remunerating the members of the **Boards of Directors and Steering Committees** of the Banking Group are as follows:

- ✓ Per diems for attendance to ordinary and extraordinary Board of Directors meetings.
- ✓ Per diems for participation in executive committees.
- ✓ Dividends on profits.

The CEO is appointed by the Board of Directors, considering his/her technical skills, knowledge of the sector, and his/her leadership capacity for proper management and decision making.

The establishment of remuneration and the factors on which the variable for **Executive Management** depends is based on three pillars:

01 Business results

02 Annual evaluation of each position versus market

03 Impact on the annual management of the business based on an annual performance evaluation, which includes an evaluation of compliance with established financial, process, customer, and people objectives.





05

Ethics and **anti-corruption**

- > 5.1. Ethics
- > 5.2. Anti-corruption



05. Ethics and anti-corruption

GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 415-1, 416-2, 417-2, 417-3
 SASB FN-CB-510a.1, FN-CB-510a.2, FN-CF-220a.2, FN-CF-270a.4, FN-CF-270a.5, FN-IN-270a.1, FN-MF-270a.3, FN-AC-270a.2, FN-AC-510a.1, FN-AC-510a.2, FN-IB-510a.1, FN-IB-510a.2, FN-IB-510b.4

Ethical conduct is a fundamental part of the development of our activities throughout the Banking Group, as well as acting with maximum transparency and compliance with legal regulations and corporate principles and values.



The Code of Ethics and Conduct is public and freely accessible on our website: **Global Bank and subsidiaries.**

5.1. Ethics

Code of Ethics and Conduct

Our Code of Ethics and Conduct, as well as our Internal Work Regulations establish detailed guidelines for ethical and moral behavior and provide criteria for the prevention and management of conflicts of interest among partners, directors, executives, employees, and between all of them and the public. All our employees, including our Board of Directors, must comply with this Code of Ethics and Conduct.

During this reporting period we made the following updates to the Code of Ethics and Conduct:

1. The Ethics and Conduct Commission shall periodically present a summary of the management performance to the Human Resources and Compensation Steering Committee.
2. A local telephone line was added to the "Global" Ethics Line.

All updates or modifications to the Code are notified internally through newsletters and our intranet as soon as they come into effect. The Vice-Presidency of Human Resources and the Governance and Compliance Management are responsible for the documentation, and approval is given by the Human Resources and Compensation Steering Committee, and subsequently by the Board of Directors.

Corporate values

Our corporate values are included in our Code of Ethics and Conduct, and govern our daily actions:

Honesty:

Being honest allows each of the transactions carried out by our employees to be clear and transparent, which generates trust.

Integrity:

Doing the right thing, which is manifested when internal regulations and policies are complied with and observed.

Confidentiality:

All information coming from the commercial relationship between the customer and the organization is strictly private and secret, as well as the organization's documentation.

Competence:

Continuous improvement of the skills, abilities, knowledge, and aptitudes of our employees, which allows us to strengthen the efficiency and quality of the services provided, and an adequate customer service.



Training and campaigns

Training in ethics-related topics is provided from the beginning of the employment relationship, in the corporate induction program for new employees. The rest of the employees receive training through an e-learning course, and the annual and mandatory reading of the Code of Ethics and Conduct in PDF format, as well as the Internal Work Regulations and the Global Ethics Line.

The 17 members (main and alternate) of the Board of Directors are informed and trained regarding Global Bank's anti-corruption policies and procedures, as well as other anti-corruption topics. Similarly, the 13 members of the Corporate Governance Steering Committee and the 36 members of the Sustainability Commission are informed and trained. For each of the mentioned governance bodies, 100% of its members were communicated with and trained.

During the 2022-2023 period we carried out, among others:

21 training sessions and workshops to Bank and subsidiary personnel, as well as to the Board of Directors:

- Two training sessions related to corruption, one focused on corruption warning signs, and the other related to bribery and corruption.
- One training session related to warning signs of tax evasion.
- 18 training sessions and workshops focused on the prevention of money laundering, for the business areas (Banking) and operational area (first line of defense), and for the second (Compliance, Legal, ABC and Risk), and third line of defense (Internal Audit).

15 15 informative capsules sent from the "Informa" Compliance Mailbox:

- 12 capsules on Prevention of Money Laundering (PBC).
- Two capsules on corruption.
- One capsule on tax evasion.

Annual compliance training (Module 1 and 2) on Anti-Money Laundering Prevention, where the topic of corruption was addressed both conceptually and in terms of the Internal Anti-Bribery and Corruption Policy, as well as national and international regulations. This training was provided to directors and all staff of the Bank and its subsidiaries.

Training on topics related to anti-corruption conducted through the Vice-Presidency of Compliance (for personnel of the subsidiaries and business areas): *"Corruption Warning Signs Workshop"* where the following topics were developed: Legal framework against corruption, Corruption and bribery, sanctions against corruption, How to review and alert, Corruption Warning Signs and Cases or Typologies of Corruption. In addition, training was given on "Corruption and Bribery", with the following topics: What is Corruption and Bribery, Sanctions against Corruption, Internal Anti-bribery and Corruption Policy, Consequences for an organization involved in acts of bribery, and Global and country context of Corruption and its economic consequences.

Money Laundering Prevention Week (annual activity held in October with additional training and related capsules).



Ethics and anti-corruption training (2022-2023)

Training	Global Bank (subsidiaries as a whole)	
	No. of participants	Hours of training
Induction	165	660
Money laundering prevention (Transparency)	4,643	4,204
Code of Ethics and Conduct and Conflict of Interest Policy	1,513	757
Personal data protection	313	817
Total	6,634	6,438

*This includes employees trained online and blended format.

Anti-corruption concepts, policies and procedures training by professional category 2022-2023

Professional category*	Number of trained employees	Percentage of trained employees
Executive Management, CEO	12	100.00
Senior Management	63	100.00
Managers	191	100.00
Middle management, operational and administrative	1,391.5	98.97
Total	1,657.5	99.13

* See breakdown of professional category in the Human Talent chapter.

Additional anti-corruption training by professional category 2022-2023

Professional category*	Number of trained employees	Percentage of trained employees	Hours of training**
Executive Management, CEO	12	100.0%	13.5
Senior Management	27	42.9%	125.5
Managers	160	83.8%	437.8
Middle management	448	62.4%	1,069.6
Operational and administrative	509	74.0%	1,288.5
Total	1,156	69.1%	2,934.9

Notes:

* See breakdown of professional category in the Human Talent chapter.

**The training hours formula corresponds to the total number of participants divided by the duration of the session in hours.



Global Ethics Line and Whistleblower Media

We remain committed to the anonymous reporting of breaches of the Code of Ethics and Conduct or other policies through our Global Ethics Line, which is available to our customers and the public through any of the means provided for this purpose. This fiscal period we added a local telephone number, in addition to the existing means of reporting.



Telephone line:
00800 052 1375

Local telephone line:
(+507) 833 6155

E-mail:
etica.globalbank@resguarda.com

Website:
www.resguarda.com/globalbank

Complaints and case management

Complaints process

01 Any situation or violation of the **Code of Ethics and Conduct** should be reported to the Ethics and Conduct Comission through the means indicated in the Global Ethics Line section above.

02 **The Ethics and Conduct Comission**, specially appointed by the Banking Group's Board of Directors, oversees dealing with events related to breaches of the Code of Ethics and Conduct, and the definition of the corresponding sanctions. This committee shall additionally meet, when necessary, by means of a special call, to deal with a specific agenda.

03 In order to achieve its purposes, this Comission may summon the Vice President or the person responsible for the competent area associated with the conflict and call-in consultation with any other employee of the Banking Group, or external third parties for the treatment of the cases it hears. In addition, it will apply the corresponding sanctions in accordance with our **Internal Work Regulations**.

04 **The Ethics and Conduct Comission** periodically submits a summary of its performance to the Human Resources and Compensation Steering Committee.

About **suspicious operation reports**, three (3) reports were made related to cases of corruption, representing a percentage of 25% of the total number of cases reported for the period.

The actions taken were as follows:

- Cancellation of the customer's accounts.
- Inclusion of the customer in the bank's risk book, so that the customer cannot be a customer of the bank in the future.

NOTE: When the suspicious transaction alert is sent to the *Financial Analysis Unit (FAU)* of Panama, the bank does not receive any follow-up on the status or actions taken by the FAU.



5.2. Anti-corruption

Policies and procedures

At **Global Bank** we have developed different policies and manuals to prevent and detect acts related to corruption and money laundering, in accordance with national and international legal regulations and industry practices:

- ✓ **Money Laundering Prevention Manual**
- ✓ **FATCA Operating Manual**
- ✓ **Know Your Customer and/or Last Beneficiary Policy Manual**
- ✓ **Money Laundering Typologies and Alerts Management Manual**

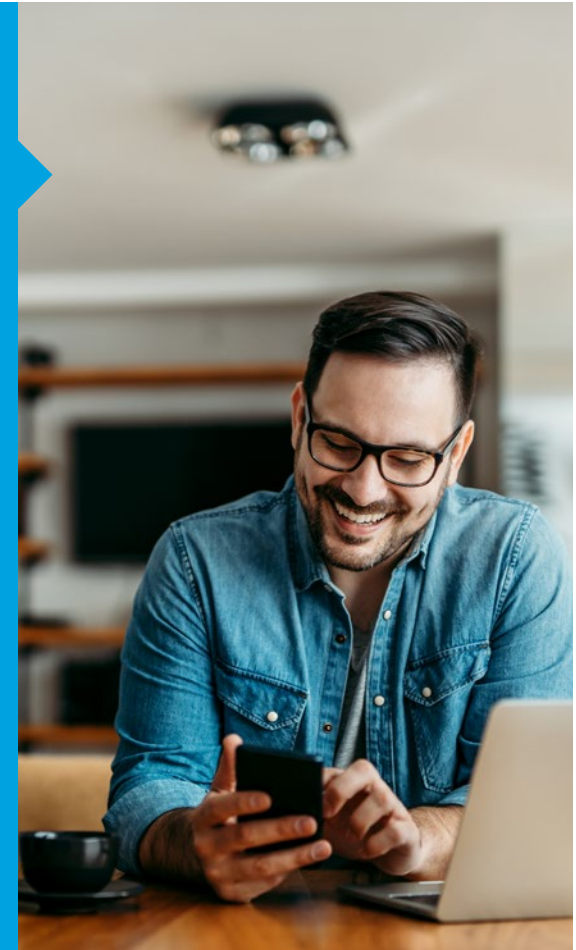
All manuals and policies are available on our intranet for easy and quick access by our employees.

We also have an **Anti-Bribery and Corruption Policy**, which is part of the Manual for the Prevention of Money Laundering. The objective of this policy is to mitigate possible situations susceptible to corruption and bribery, and to maintain the good image and reputation of Global Bank and its Subsidiaries, as well as its employees. This policy establishes controls and procedures to prevent and warn about actions that may be linked to acts of bribery and corruption of employees, customers, prospective customers, and suppliers.



The **Anti-Bribery and Corruption Policy** was recently updated to broaden its statement and objectives, and the following topics were included:

- Responsibilities between Internal Audit, Executive Management, and the Board of Directors.
- Assessments.
- Reporting channels.
- Sanctioning regime.
- Training.
- Investigations.



Anti-corruption compliance program

Our compliance program consists of the following activities:



Prevention activities

Each year we review our Know Your Customer, Anti-money laundering, Anti-bribery and Corruption policies and procedures to further strengthen our compliance culture. Through our due diligence processes we ensure that an understanding of our customers and their activities is achieved.



Monitoring and control activities

We have modern technological tools that allow us to monitor customer transactions in their accounts. During this period, improvements were made to the methodology for monitoring customer transactions. Improvements were also made to the *dashboard*, a tool used to manage the notifications/alerts generated because of customer transactions.



Continuous training program

Throughout the year we maintain an active training program specialized in Due Diligence, Warning Signs, Bribery and Corruption and tax fraud FATCA and CRS, which is aimed at our employees and directors. We also conduct workshops aimed at our first line of defense "the Business" and other workshops aimed at the control areas. We have an innovative E-Learning platform. Our training program is virtual and face-to-face.

During the period from 2022-2023 no lawsuits were registered, and only one case was detected regarding a supplier, due to a link/relationship with companies investigated by the Judiciary. In this case, the action taken on our part was the termination of the corresponding contract.





06

Responsible Banking

- > 6.1. Introduction
- > 6.2. ESG products and services
- > 6.3. Education for development



06. Responsible banking

6.1. Introduction



The environment of the societies in which we operate, the global context, the environmental and social impacts, and the demands of the markets, are addressed from our responsible banking approach where **we reaffirm our commitment towards the generation of opportunities for development with global scope**, being a sustainable value proposal in time for all the stakeholders of the Banking Group.

This approach is an integral part of our Sustainability Strategy and is applied in the development of products and services with an environmental and/or social purpose, financing, and investment with ESG criteria and financial education.

We have been a signatory to the Principles for Responsible Banking (PRBs) since 2019, driven by the United Nations Environment Programme Finance Initiative (UNEP FI). The PRBs are the leading sustainability framework for the world's leading banking sector. Unprecedented in their scale and scope, they bring together banks from around the world to work on

the most challenging and critical issues faced by humanity and the environment. Representing approximately 50% of global banking assets.

The PRB have been the main guide in the bank's effort to have a solid sustainability strategy, aligned to our context and environment.

For the implementation of the PRBs we have followed a series of steps and procedures, which include analysis of where the bank was in order to implement the PRBs, definition of the governance structure, analysis of the impacts of the

bank's portfolio, analysis of the context and needs of the country and region, analysis of the bank's baseline, among others.

In terms of impact analysis, we use the latest version of the "Portfolio Impact Analysis Tool" developed by UNEP FI to update the identification of the negative and positive impacts of our credit portfolio.



To learn more about our commitment to the Principles of Responsible Banking, go to the **Annex II -Reporting and Self-Assessment Template of the Principles of Responsible Banking**.



For more details on this process see the **Annex I -Impact identification and sizing**.



In accordance with the portfolio impact analysis exercise, two significant impact themes were prioritized, on which we focused actions and established goals and objectives to contribute positively to their development. Below, we summarize the progress on these themes:

Significant impact topics	Objective	Banking	Intermediate target	Target year	KPI	Jun-23	% progress
Climate	34% reduction in absolute emissions from financed Business Banking sectors overall by 2031. *This target is aligned with the 1.5°C scenario under the Absolute Contraction Approach of the Science-Based Targets Initiative (SBTi) tool, at an annual linear reduction rate of 3.4%.	Business	Placement of \$30 million through 2025 for loans to the agricultural sector for sustainable practices/ technologies/methods, avoiding deforestation.	2025	Amount disbursed	\$23,343,151.97	77.8%
					Balance at the end of June	\$23,057,893.80	
					Number of projects	49	
					Number of customers benefited	49	
		Placement of \$40 million in renewable energy financing by 2030. (This restates the previous goal of \$10 million as of Jun 30, 2012).	2030	Amount disbursed	\$20,365,636.63	50.9%	
				Balance at the end of June	\$20,348,032.28		
				Number of projects	10 (8 for distributed solar generation and 2 for solar parks)		
Absolute emissions avoided	16,026.4 tCO ₂ e	16.04%					



Significant impact topics	Objective	Banking	Intermediate target	Target year	KPI	Jun-23	% progress
Financial inclusion and health - gender equality	Increase the percentage share (%) of female customers in the following products and segments (by age and income) *This objective is aligned with the country's interests described in both the Gender Parity Initiative and the Gender and Climate Change Plan, which seek to generate opportunities to promote greater access for women to technical and financial resources such as incentives, credit facilities, among other solidarity economy systems in sustainable production initiatives.	Personal	Credit Card: from 35.9% to 37.9% (All age ranges; income >\$2,500)	2025	women's participation	36.3%	21
			Credit card: 56.8% to 57.8% (Income >\$800 and >\$800.01 to <\$2,499.99)	2025	women's participation	56.4%	0
			Auto Loan: from 37.9% to 39.9% (Ages 22 to 61; income >\$2,500)	2025	women's participation	41.0%	154
			Global Tap Savings: from 39.7% to 41.7% (Age >18 years; overall income)	2025	women's participation	41.7%	100
			Global Tap Loans: from 42% to 44% (Age 20 to 52; minimum income \$650)	2025	women's participation	42.9%	45





Significant impact topics:

Climate

Measure or action

Creation of green products: Sustainable agriculture line including: biodigesters, silvopastoral systems, drip irrigation risk, improved pastures, live fences, other sustainable production practices; distributed solar energy generation; energy efficiency; hybrid and electric cars; sustainable construction; circular economy (including recycling).

Measure or action

Emissions reduction transition plan with Business Banking customers .

2022-2023 Initiatives

Green financial product generated:

Business Banking:



Distributed solar energy generation



Electric/hybrid vehicle



Sustainable agriculture

2022-2023 Initiatives

Building internal capabilities

- Training the bank-related areas: Risk, Business, Credit Management, Credit support.

Improvements in customer data

- Prioritize clients and sectors
- Collect client activity data
- Store and manage data, automate calculations
- Create a mechanism for collecting data from the organization

Financial products

- Developing and placing green products that promote the reduction of greenhouse gas emissions

Client support

- Raise awareness among clients
- Train prioritized clients in quantifying their carbon footprint
- Provide tools
- Support in establishing reduction plans



Significant impact topics:

Financial inclusion and health – gender equality

Measure or action

Launch in the next 12 months (year 2023) the **Única Program**, a program based on a holistic gender strategy focused on financial and non-financial services aimed at women in order to achieve women's financial inclusion and boost their professional and personal development and growth.



Measure or action

Establish new parameters and more flexible policies for women. Work on the necessary developments for the Credit Card and Auto Loan products. Negotiate with suppliers and strategic partners to grant promotions and offers.

2022-2023 Initiatives

The launch of Única's comprehensive gender program took place in May 2023. We went to market with an offer of financial and non-financial services. **We launched the Única credit card with its added values of insurance and assistance, and flexible conditions were established in the mortgage, personal loan and mortgage loan products aimed at women, as well as the Única Experiences, which are part of the program's non-financial offer.** These experiences are a set of events, lectures, conferences, workshops and networking opportunities that have been held on topics such as health and wellness, financial advice, investments, among others, which will continue to be carried out as they are an essential component of the program.

In the medium term, we expect to strengthen the Auto, Mortgage and Personal Loan products with a series of counseling sessions which will be free of charge when acquiring the product.

2022-2023 Initiatives

- Flexible parameters in all Personal Banking products.
- At the stage of requesting a system adjustment initiative for the inclusion of assistance where it is considered to start with a liability product (Savings Account).
- For the Credit Card product, promotions have already been set up with merchants. For the rest of the products, we are in the process of negotiating offers according to the type and category of product.



Measure or action

Encourage the development and personal and professional growth of women through a series of events, talks, conferences and workshops that offer women the opportunity to connect with other women and network, and at the same time educate them on non-financial topics that add value to their lives, promote better management of their finances, and generate the necessary skills to develop and make their enterprises sustainable in order to achieve greater independence for women and the generation of new income. We have consolidated all of this in the last fiscal year, under the name of Experiencias Única.

2022-2023 Initiatives

- a) For the day of good deeds we visited the Voces Vitales foundation, specifically the Centro Las Claras (a program to create opportunities to develop the potential of teenage mothers) where we gave them a workshop on how to prepare for their first job interview and a motivational talk on entrepreneurship and self-improvement.
- b) We conducted a financial counseling webinar "Finances for Women: Keys to Success with Money" in March in commemoration of Women's Month.
- c) Additionally, we have developed a space within Única's website which has content on financial advice and education.

Topics such as, for example:

- The good management of credit cards.
- How to improve your finances and increase your savings.

"Unique Experiences" program:

In the period from March to June 2023, 7 events were held (5 face-to-face and 2 Live) focused on the topics:

- Health and Wellness
- Personal Growth
- Financial Advice
- Sustainability

Impacting a total of
572 people.



6.2. ESG products and services

Financial inclusion and products with a social focus

GRI FS1, FS7, FS14
SASB FN-CB-240a.1, FN-IN-410b.2

In line with our responsible banking objectives, we seek to provide access to financing to diverse groups through our products and services. We focus primarily on women's access through our general portfolio and specific products that address their needs and close gender gaps in financing.

Women account for 51% of our Personal Banking portfolio, as well as 48% of our total loan portfolio balance.



People first

We continue to grant residential mortgage loans to female heads of household, as well as commercial loans to SMEs run by women and/or women owners.

Financial inclusion of women

Type of loan	Indicator	Jul20-Jun21	Jul21-Jun22	Jul22-Jun23	Total
Mortgage loans to women	Number of loans	297	642	832	1,771
	Number of women benefited	297	642	832	1,771
	Amount disbursed USD\$	26,278,291	57,299,112	69,520,976.57	153,098,379.57
Commercial loans to women-owned SMEs	Number of loans	194	193	72	459
	Number of women benefited	92	98	58	248
	Amount disbursed USD\$	12,622,412.20	17,260,030	11,753,271.52	41,635,713.72



With the Única Program, which is a value proposition for the women's segment, we provide the viable and necessary mechanisms to apply credit facilities through special parameters related to the interest rate, commission, term, and amount requested.



Única

Loans and cards disbursed under the **Única Program** (from May to June 2023):



Similarly, in Personal Banking, we have products with an impact on other groups:

Personal loans for retirees

Aimed at retirees and pensioners of the Social Security Fund and the Comptroller's Office of the Republic of Panama, who have the payment capacity in their salary for the discount. The amounts requested range from **\$2,000** to **\$80,000**, with terms up to **84 years and 11 months**, by means of **direct discount** payment.

24,303
Customers | Portfolio balance
\$466,468,997



Personal loans, public and private segments

Aimed at customers in the public and private sectors with monthly income from **\$400** for the public sector and **\$500** for private companies, the amounts requested range from **\$3,000** to **\$75,000**; with terms up to retirement age, through **direct discount** payment method and the customer must have the capacity to pay in order to be able to receive the **direct discount**.

12,446
Customers | Portfolio balance
\$141,605,309

Auto loans

Access to auto loan financing to customers with monthly incomes starting at **\$600**; with amounts starting at **\$11,000.00**; terms up to **110 months**; as long as they have the capacity to pay and do not exceed their level of indebtedness.

19,318
Customers | Portfolio balance
\$225,636,498



Personal Loan Global Tap 100% Digital

Global TAP 100% Digital personal loan: offers digital access from any mobile device, approval in less than 24 business hours, Minimum income of \$650.

429
Customers | Portfolio balance
1,239,700



Savings account Global Tap 100% Digital

Savings account Global TAP 100% Digital: offers digital access from any mobile device, no minimum opening amount.

2,758 Customers | Portfolio balance **\$275,562**



Preferential mortgages

- a) Loans for principal residence (**houses or apartments**), with sales price from **\$50,001** to **\$120,000**, disbursed under a preferential interest rate¹, guaranteed for a determined period of time.
- b) Loans for principal residence **only for apartments**, with sales price from **\$120,000** to **\$180,000**, which are disbursed under a prime interest rate¹, guaranteed for a determined period of time.
- c) Mortgage loan that applies to the **Housing Solidarity Fund**: this is a **\$10,000** contribution provided by the National Government, through the Ministry of Housing and Land Management (MIVIOT for its acronym in Spanish), as an initial payment for people who wish to purchase their first home and whose cost does not exceed **\$70,000**.

15,065 Customers | Portfolio balance **\$999,939,192**

¹ The preferential interest rate includes a subsidy granted by the National Government and allows the customer to be eligible for the purchase of their main home, with a more affordable monthly payment.

Credit cards

Access to financing through a credit card to customers with monthly incomes starting at \$500 in the bank's different labor segments, with flexible continuity period and level of indebtedness.

30,531 Customers | Portfolio balance **\$108,248,251**





People first

Insurance

	2020-2021	2021-2022	2022-2023
Value of the premium issued (USD)	32,156,700	34,530,975	34,440,559
Breakdown by segment/product (USD):			
Automobile	7,717,369	7,217,183	7,130,028
Fire	2,946,238	3,085,313	3,257,856
Personal accident	127,946	208,749	235,535
Life	278,594	165,782	103,441
Fraud	1,497,015	1,398,352	1,403,435
Miscellaneous risks	674,637	781,377	956,048
All construction risks	932,484	1,212,395	894,034
Group life and unemployment	17,128,844	17,854,405	18,711,490
Surety bonds	853,573	2,607,419	1,748,691



Products and services with environmental benefits

GRI FS1, FS8
SASB FN-IN-410b.1, FN-IN-410b.2

We continue to make progress in the development of financial products that promote improvements in the environmental performance of our customers. In addition, we contributed to the country's renewable energy matrix by lending to 11 hydroelectric plants with an installed capacity of +362 MW.

Below we present the projects with environmental aspects representative of our total portfolio.

Line of business	Year since disbursed	Indicators (cumulative)	Fiscal year (data at year-end, does not include cancelled projects) - figures in thousands					
			2020-2021		2021-2022		2022-2023	
			Amount disbursed	Monetary value (closing balance)	Amount disbursed	Monetary value (closing balance)	Amount disbursed	Monetary value (closing balance)
Sustainable livestock	2016	189 loans 68 producers benefited	8,429	6,605	5,768	4,366	30,000	28,858
Solar energy	2018	18 loans +24,249 solar panels Solar parks: 2 projects (3 photovoltaic plants with 55MW of installed capacity)	1,563	1,437	6,513	6,114	21,921	21,605
Hydroelectric power	2020*	8 loans 7 bonds 15 hydropower (+663 MW of installed capacity)	202,527	189,838	182,130	165,832	179,008	154,433
Biomass	2018	1 loan 1 project	30,203	18,933	30,203	12,852	30,203	12,248
Wind	2020	1 STB 86 wind turbines	9,711	9,711	15,755	15,755	15,755	15,755

* We began granting loans to finance hydroelectric power generation activity in previous years. The year 2020 is the starting year for loans that still have a balance in the portfolio at the end of June 2023; however, some of these loans correspond to refinancing of loans disbursed in previous years.



Line of business	% balance- to total portfolio value
Sustainable livestock	0.46% (credit)
Solar energy	0.34% (credit)
Hydroelectric energy	1.15% (credit)
Hydroelectric energy	7.82% (investment)
Biomass	0.19% (credit)
Wind	Off-balance sheet

Other products

From our Global Valores subsidiary, the total market value of mutual funds and ETFs is US\$36.2 million in market value, and it has been placed in ESG funds, split between 56 different funds. The information is obtained using a field in Bloomberg that aids in identification (e.g. ESG, environmentally friendly, climate change, etc.).



Accounting of credit portfolio emissions

For the Bank, the reduction of emissions financed in the different sectors of the total loan portfolio is important.

The scope includes Personal Banking (personal automobile loans and residential mortgages) and Business Banking (loans for the construction, agricultural, commercial, transport, energy and industrial sectors).

To generate the emissions inventory, we used the Global GHG Accounting and Reporting Standard developed by the Partnership for Carbon Accounting Financials (PCAF), to which we adhere, and which applies the GHG Protocol Corporate Standard of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

The expectation is to visualize the performance of each sector in the coming years and take advantage of opportunities to place environmentally focused products in the Panamanian market.

In March 2023, PCAF updated the economic activity-based emissions factor database (Exiobase), using more recent data and improving the methodology. Emission factors were added for sectoral, regional, and global averages.

For the bank, this meant reducing the coverage of credits for which the GHG inventory was conducted. In addition, with the new emission factors, the number of emissions financed increased for some sectors.

At year-end of this report, we analyzed 70.7% of the total credit portfolio (including type of credit: loan and leasing, excluding type of credit: current account overdraft, credit card, invoice discounting). This year we excluded the personal consumption portfolio. Only local portfolio is included. The sectors and sub-sectors assessed are as follows:

- ✓ **Agricultural**
 - Livestock Farming
 - Agriculture
 - Fishing
 - Forestry
- ✓ **Commercial**
 - Commercial
 - Real State
 - Tourism
 - Mortgage Commercial
- ✓ **Construction**
 - Construction
- ✓ **Energy**
 - Energy
 - Renewable Energy
- ✓ **Residential Mortgage**
 - Residential Mortgage
- ✓ **Industrial**
 - Cement
 - Industry Mining No Coal
 - Metallic Industry
 - Oil and Gas
 - Vehicle Manufacturing
 - Meat Industry
- ✓ **Transportation**
 - Transportation
 - Private Auto



During the fiscal year 2023-2024 the baseline and absolute emission reduction targets for Business Banking will be reviewed, considering the results with the new emission factors.

The following is a breakdown of GHG emissions from the credit portfolio. Scopes 1 and 2 are included. The emission factor provided by the National Energy Secretariat of Panama was used to calculate the inventory corresponding to scope 2 for residential mortgages.

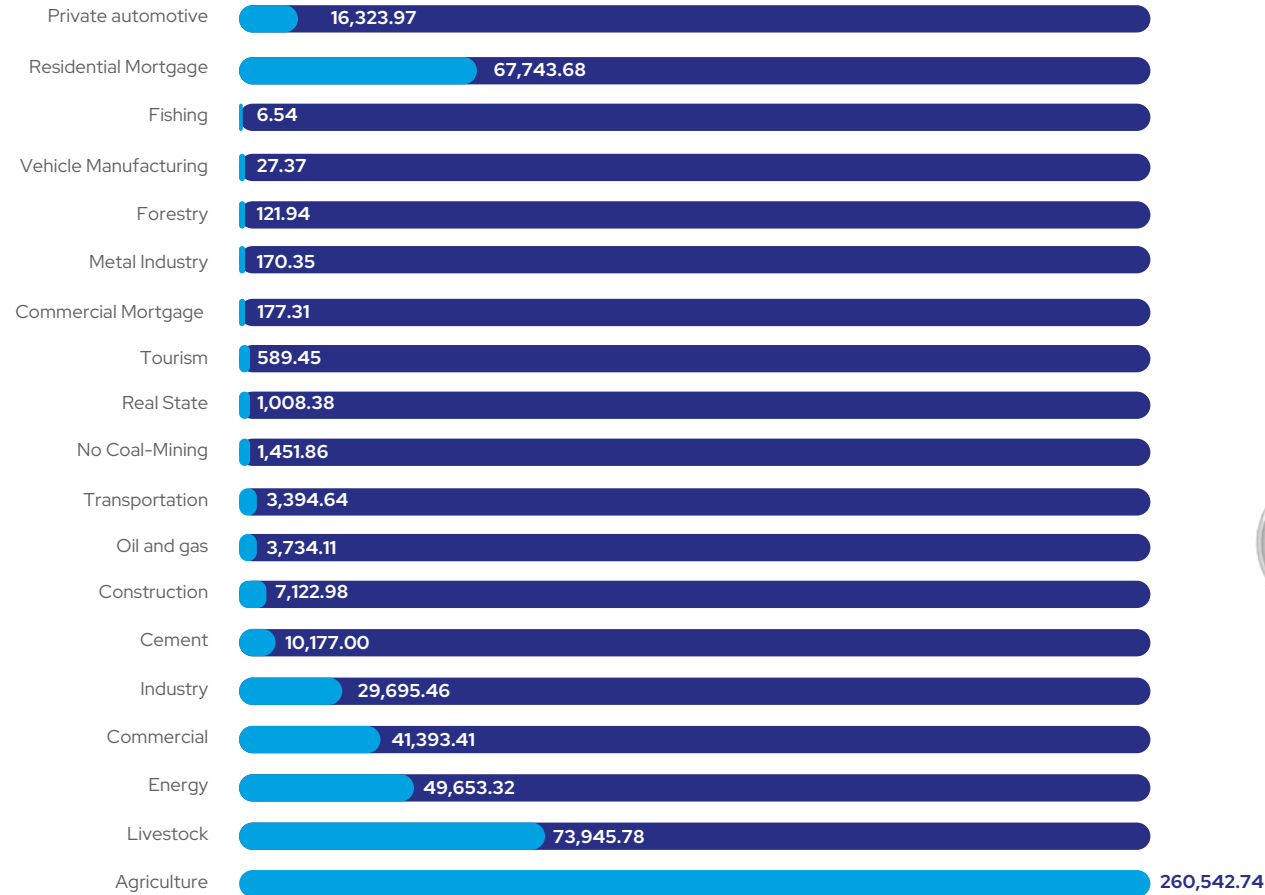


Breakdown of loan portfolio emissions by sector

Local loan portfolio - Business Banking and Personal Banking (Personal auto - Mortgages)						
Sector	Sector volume (USD millions)	% of total loan portfolio	Total absolute emissions (tCO2e)	Emissions intensity (tCO2e/USD\$ millions)	Total coverage (% absolute emissions)	Data quality score
Agricultural	321.47	5.10	321,713.02	1,000.761528	56.72	5
Agricultural	36.94	0.59	12,903.38	349.2713676	2.27	4
Commercial	1,274.23	20.21	43,168.56	33.87825389	7.61	5
Construction	470.70	7.47	7,122.98	15.13283299	1.26	5
Energy	94.57	1.50	53.23	0.562879116	0.01	5
Energy	60.00	0.95	49,600.09	826.6680636	8.74	4
Industrial	147.02	2.33	45,196.15	37.75738347	7.97	5
Transportation	32.84	0.52	3,394.64	307.4202831	0.60	5
Private auto	222.87	3.54	16,323.97	103.3664165	2.88	4
Residential Mortgage	1,794.18	28.46	67,743.68	73.2456352	11.94	4
TOTAL	4,454.82	70.66	567,219.70	2,748.064643	100.00	



Absolute emissions by sub-sector (tCO₂e)



Breakdown of absolute emissions by sub-sector by fiscal year (tCO₂e)

Sector	2021-2022	2022-2023
Agricultural	226,616.41	334,616.40
Commercial	47,500.40	43,168.56
Construction	7,444.82	7,122.98
Energy	49,656.27	49,653.32
Industrial	48,734.05	45,196.15
Transportation	3,524.49	3,394.64
Personal auto	16,012.98	16,323.97
Residential Mortgage	65,646.33	67,743.68
Total	465,135.75	567,219.70

A recalculation of the emissions financed from the local portfolio was made, for the fiscal year 2021-2022, due to changes in the emission factors of the PCAF standard.



Environmental and social risk analysis

(GRI FS1, FS2, FS3, FS4, FS5, FS9, FS10, FS11) (SASB FN-CB-410a.2)

At Global Bank we have an Environmental and Social Risk Management System (SARAS, for its acronym in Spanish), **which evaluates the activities of our Business Banking customers** (commercial, construction, agricultural, livestock, industrial, energy) that allows us to identify, evaluate, manage, and monitor the potential environmental and social risks of the activities we finance.

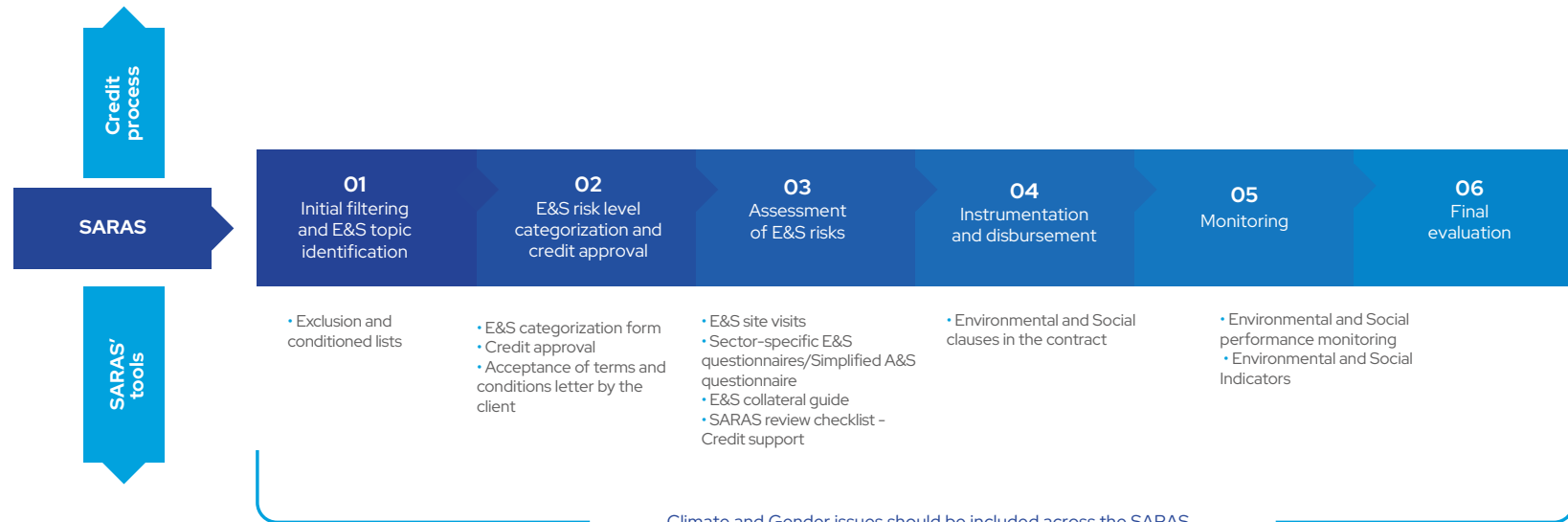
In addition, we have developed a list of activities that we do not finance because they have significant and irreversible negative impacts on the environment and/

or human health or are illegal or not permitted under national and international regulations. However, those applicants that result in an A (high) or B (medium) risk are supported by the bank to improve their performance by monitoring an action plan with mitigation measures that they are required to report on for compliance. This approach is underpinned by the bank's Environmental and Social Risk Management Policy.

aspects, supporting Panama in meeting its Nationally Determined Contributions (NDCs) to the Paris Agreement, as well as being aligned with the eight International Finance Corporation (IFC) Performance Standards and the International Labour Organization (ILO) Core Conventions.

The SARAS is consistent with the entire Panamanian regulatory framework for environmental and social issues, including labor and community relations

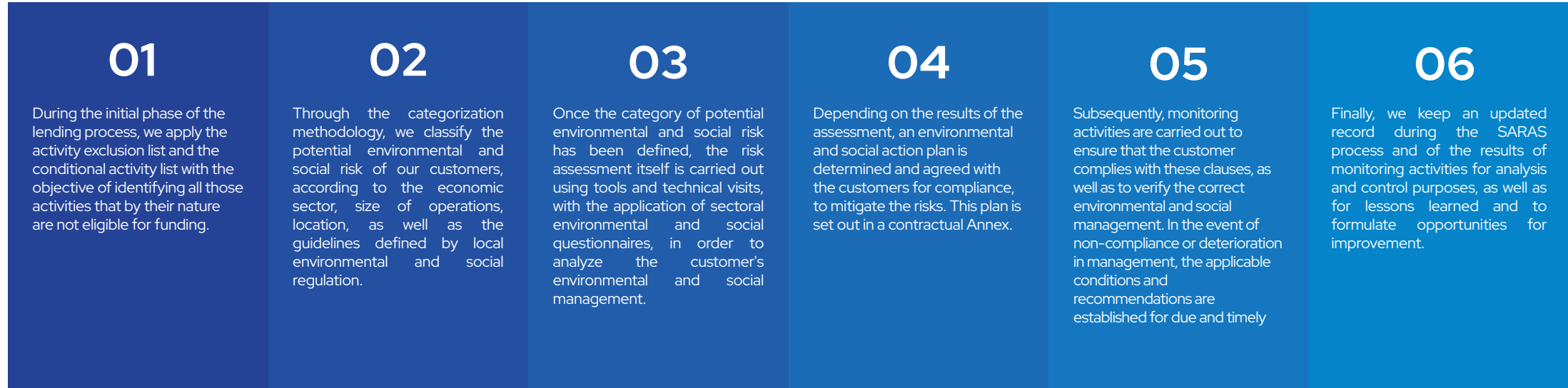
Process flow and SARAS tool



Climate and Gender issues should be included across the SARAS.



The SARAS has the following stages:



In fiscal year 2022-2023, the **Environmental and Social Risk Management Policy** was updated in the following areas:

- Inclusion of general guidelines on environmental and social risk management.
- Inclusion of responsibilities of the Risk Steering Committee, CEO, Credit Administration, the section in charge of SARAS and the Risk Management Unit.
- Inclusion of sections called "Related Risks" and "Communications Plan".

We train our employees in the Business and Risk areas and the team in charge of SARAS, updating the contents on an annual basis. These trainings are associated in some cases with external certifications. Regardless of whether a third party is involved, in all programs we assess participants on the knowledge they have acquired.

Categorization of environmental and social risks

SARAS applies to Business Banking loans. Credits are categorized into C (Low), B (Medium) or A (High) by means of tools created for this purpose, which consider the risk of the activity to be financed and the risks associated with the territory, such as: risks of natural hazards, natural resources, involuntary resettlement, cultural heritage, indigenous peoples and forests or areas of high conservation value.

Those credits whose activities, works or projects to be financed are on the tax list (requiring an environmental impact study according to Panamanian legislation) or are categorized as B (Medium) or A (High) risks, i.e. with indirect, cumulative and/or synergistic negative socio-environmental impacts of quantitative and/or qualitative significance and which may also be diverse, irreversible and unprecedented, require an assessment by the Credit and Environmental Risk Analyst. If the activities are categorized as C (Low) they only require verification of the licenses or permits that apply to the activity to be financed, but if their real estate guarantees have a value =>\$1 million these must be evaluated by the Credit and Environmental Risk Analyst.

High:

Activities, works or projects with indirect negative socio-environmental impacts (likely to affect third parties such as: local community, adjacent landowners), cumulative and/or synergistic of quantitative and/or qualitative significance and which may also be diverse and irreversible.

Medium:

Activities, works or projects with adverse socio-environmental impacts that are limited and reversible through easily applicable mitigation measures.

Low:

Activities, works or projects with minimal or no adverse environmental and social risks and/or impacts.



In fiscal year 2022-2023 we conducted 266 reviews, which amounted to USD 307.6 million. Cumulatively, since 2011 when we started assessing credits on social and environmental aspects, we have reached 3,554 reviews and a credit value of USD\$7,656 million.

Due to our portfolio profile, customers in the agricultural and commercial sectors stand out as evaluated subjects.

	Fiscal year 2020-2021	Fiscal year 2021-2022	Fiscal year 2022-2023
Number of customers assessed by SARAS	170	335	266
Total value of the credit accruing to these customers (SARAS assessed balance)	720,749,005	401,132,777	307,622,695
	4,649,994	833,956	833,666

Evaluated cases	2011-2021			2021-2022			2022-2023		
	Number (quantity)	Number (%)	Cumulative approved amount (USD)	Number (quantity)	Number (%)	Approved amount (USD)	Number (quantity)	Number (%)	Approved amount (USD)
Agricultural	1,079	36%	266,970,074	162	48%	34,857,620	150	56%	26,410,528
Commercial	892	30%	1,369,786,560	108	32%	158,309,146	72	27%	83,434,759
Construction	846	29%	4,456,003,260	46	14%	143,168,319	27	10%	131,277,981
Industrial	136	5%	827,564,746	19	6%	64,797,693	17	6%	66,499,427
TOTAL	2,953	100%	6,947,342,640	335	100%	401,132,777	266	100%	307,622,695

Technical visits for compliance with environmental and social conditions			
	2020- 2021	2021- 2022	2022- 2023
Compliance with conditions	201	304	323
Visits carried out	41	79	107

Cases evaluated by risk category 2022-2023		
Risk Category E&S	Sum of the Amount of evaluated facilities	Number of evaluated cases
A(High)	67,488,333	23
B(Medium)	167,308,565	212
C(Low)	72,825,797	31
Total	307,622,695	266



6.3. Education for development


(FS16) (SASB FN-CB-240a.4)

Financial education is an essential component of our responsible banking strategy.


We foster the development of skills and attitudes that, through the assimilation of understandable information and basic resource management and planning tools, enable our customers, employees, and the corporation in general to make the best spending, saving and investment decisions.

Our financial education program comprises various learning formats, such as face-to-face courses and webinars. We also offer personalized financial advice through our **online channel** for the public and for customers who are derived from the Personal Loan line due to over-indebtedness or accelerated indebtedness

(level of indebtedness > 60%), and bad credit references, with the aim of guiding them and offering them solutions in the good management of their finances, by means of:

 See our **online channel**, [click here](#).

We offer online appointments upon request for customers who need support in understanding their financial situation and how to best manage it. Interviews are conducted via Teams to educate customers on how to keep a budget, verify their level of indebtedness and provide them with recommendations for savings, use of credit, among others.



Attention of 9 customers who have requested advice by online appointment.



Additionally, in alliance with different media we disseminate financial notes in order to expand our reach in the dissemination of financial education, using messages that are easy to understand and accessible to the population. Media we use:

Radio: radio space to talk about financial topics on radio stations in the capital and in the interior of the Republic, participation in opinion programs such as Pauta en Radio, Café con Teclas, Panamá en Directo, among others.

TV: rotation of capsules with financial topics on TVN Channel 2's Noticiero AM.

Digital projects in Prensa.com (Global Tips): development of financial content in formats such as videos and podcasts.



We complemented these actions with the launch of different messages on financial advice through social networks.

2022-2023 Financial education program by stakeholder group

Initiative	Stakeholders	No. of beneficiaries	%Men	%Women
Virtual courses	Employees	3,173	32%	68%
Internal trainings	Employees	1,299	28%	72%
Training for educational institutions	Students and the general public*	227	41%	59%
Training for companies	Customers and the general public*	75	NA	NA
Online meetings	Customers and the general public*	9	33%	67%
Webinars and virtual conferences	Customers	2,484	33%	67%

*Not identified as unbanked, underbanked or underserved. We are working to have this classification in future reports.





07

Customer experience

- > 7.1. Digital transformation
- > 7.2. Transparency and attention
- > 7.3. Information security and fraud



07. Customer experience

At Global Bank we work to constantly improve our customers' experience, attending to and understanding their needs, guaranteeing quality products and services.



To this end, we incorporate tools for technological transition, digitalization, and process efficiency. In line with this, we strengthen our systems to guarantee the security of our customers' information and data privacy.

It is important to highlight that the quality of service and customer care is thanks to the group of collaborators that make up the Banking Group, with a highly trained human talent at the forefront of the sector, as well as committed to excellence.

All this allows us to be the preferred option for our customers, in addition to maintaining their trust and loyalty.

7.1. Digital transformation

Within the bank, we have started with the transformation of the Technology area through the adoption of Agility at Scale, by means of simple processes with the customer at the center, seeking efficiency and operational speed; all these processes are measured through new cloud indicators (OKR).

We have trained 15 digital transformation leaders for the promotion and mentoring of digital culture throughout the organization through the *Leader Action Plan*. To reinforce this culture, we created a series of videos and podcasts around digital transformation and provided continuous training in Agile methodology to both digital leaders and the bank's teams.

In line with this, we have digital solutions that allow us to offer our customers products and services according to their needs in an easy and accessible way.

We implement a digital transformation strategy with short-, medium- and long-term plans that encompass all areas of the organization, and not only the Technology department, thus achieving collaboration between the areas of support, marketing, business, operations, and technology to achieve the goals set.



In order to promote **digital acceleration**, we have implemented:

- The **creation of the Data Analytics and Data Governance Center of Excellence** to drive innovation through decision making based on data analytics.
- **Improvements in the customer journey** by adding new technological enablers that elevate the quality of our digital products through test automation.
- **Implementation of a strategy**, as well as a cloud infrastructure management policy, controls, and processes.
- **Strengthening our architecture** through the adoption and migration of on-premises services to the Global Bank cloud.

To achieve **greater efficiency in our operations**, we have carried out process automation actions. One of them is the implementation of RPA (robotic process automation) technology in cloud for building bots, which has allowed us to improve the operational efficiency of processes, reduce risk and optimize our existing resources obtaining significant savings.

We also have a process cell under the agile methodology and a continuous improvement model to optimize value delivery. We also developed a minimum viable product for the corporate term loan process, where we reengineered the entire process, achieving a significant improvement in time.





7.2. Transparency and attention

GRI 416-1, 417-1, FS13, FS14
 SASB FN-CF-270a.4, FN-IN-270a.2, FN-IN-270a.4, FN-AC-270a.3

We strive for clear and transparent communication with our customers to keep them always informed so that they can make the best decision when contracting the financial products and services that we make available to them.

All the information on our rates for products and services are publicly available, in compliance with the applicable national legislation. In addition, we have a Credit Manual and product service agreements on which our employees rely to provide customers with a letter of terms and conditions.

Customer service

We have several channels, both remote and face-to-face, so that customers can request advice, contract a product or file a claim in an easy and accessible way.

Customer service channels

Channel	Detail	2021-2022	2022-2023
Remote	ATMs	154	152
	Calls answered (Telephone banking)	156,092	142,447
	WhatsApp	32,457	35,918
	Users in online banking	58,002	62,521
	Mobile application users	34,607	40,458
	Online appointments	1,552	1,673
	AVI	15,309	12,463
On-site	Branch offices	37	33



We have a Complaint Attention System (SAR, for its acronym in Spanish) which concentrates the reports received through institutional channels to manage them, treating them as requests for investigation.

Complaints to the Superintendency of Banks of Panama (SBP) + Administrative Complaints 2022-2023

Number of complaints filed		Number of complaints investigated by the institution	Number of complaints resolved		Number of procedures awaiting resolution by the SBP
Number filed by customers	Number filed by other agents, organizations, etc.		Of the proceedings resolved, number of them contested	Number of proceedings resolved in favor	
32	0	32	0	2	30

Complaints before the Authority for Consumer Protection and Defense of Competition (ACODECO, for its acronym in Spanish) 2022-2023

Number of complaints filed	Number of complaints filed with monetary compensation	Percentage of them with monetary compensation	Number of them challenged by the consumer	Percentage of them challenged by the consumer	Number of them that ended up in an investigation by ACODECO	Percentage of them that ended up in an investigation by ACODECO
8	0	0%	0	0%	8	100%

During the fiscal period from July 1, 2022, to June 30, 2023, there were no significant regulatory compliance breaches, nor were there significant monetary penalties associated with non-compliance with the legislation and regulations applicable to the Banking Group.

In order to provide assistance to insurance customers, we have a dispute attention system through which they can file a complaint. On a monthly basis we submit to the Superintendency of Insurance and Reinsurance of Panama the statistics on the attention of disputes.

Relationship between complaints and claims from insurance customers

	2021-2022		2022-2023	
	Total number	Average response time	Total number	Average response time
Complaints	2	30 days	2	30 days
Claims	32	15 days	32	15 days

To measure customer satisfaction, we use the Net Promoter Score (NPS) methodology, a tool that indicates the recommendation index. We currently maintain NPS indicators for the digital products: savings account and personal loan Global TAP.

The results for the fiscal period were personal loan 80% and savings account 79%. The NPS index goal for the year was 85% for both products.



7.3. Information security and fraud

GRI 3-3, 418-1

SASB FN-CB-230a.1, FN-CB-230a.2, FN-CF-220a.2, FN-CF-230a.1; FN-CF-230a.2, FN-CF-230a.3

In view of our commitment to protect our customers' data and the information generated by our activities, we work every day to strengthen our information security management systems.

During the fiscal year, **we had no significant losses** from card-related or other types of fraud.

Likewise, in the fiscal year covered by this report, **we had no substantiated complaints or cybersecurity incidents**, relating to privacy breaches and loss or leakage of customer data.

Line of action	Performance
Self-regulation	<ul style="list-style-type: none"> • Our Information Security Governance Framework establishes a set of information security policies, norms, and standards whose main objective is to identify and manage the related risks and, at the same time, comply with the different regulations on the subject. • We have a Business Continuity Plan (BCP) pillar that allows us to ensure the continuity of our systems in the face of possible attacks.
Monitoring and control	<ul style="list-style-type: none"> • We classify our suppliers based on the data they handle and perform periodic evaluations of those whose risk is high. • Cloud migration and protection. • Installation of <i>Bitlocker</i> on all company laptops. • Execution of the second phase of <i>Data Loss Prevention (DLP)</i>. • Measures are in place to prevent the loss of information from the bank's devices and the internet filters were strengthened for basic DLT functions, which allows having separate databases in different spaces to prevent information theft or collapse. • We conducted constant phishing campaigns and tests. • An area was created to review the change of passwords, and Identity detection was implemented to review the <i>Action CrowdStrike Identity Protection directory</i>.
Training	<ul style="list-style-type: none"> • We provided 24,004 hours of cybersecurity training to the teams in charge, along with induction courses, awareness campaigns, phishing tests and periodic newsletters for all our employees.





08

Human talent

- > 8.1. Labor demographics and diversity
- > 8.2. Training and development
- > 8.3. Welfare, safety, and health
- > 8.4. Compensation, work environment and benefits



08. Human talent

8.1. Labor demographics and diversity

GRI 2-7, 401-1, 405-1
SASB FN-AC-330a.1, FN-IB-330a.1

We are a bank that values and empowers the human capital that shapes us, providing a favorable, diverse and inclusive work environment, equal working conditions for all and opportunities for professional development.

Here are the demographic data of the Banking Group, collected through the Talentia tool, corresponding to all full-time employees during the fiscal year 2022-2023.



In this fiscal year we have a workforce of 1,672 employees. We represent a stable source of employment, with 99.8% of our employees holding permanent, full-time contracts.

We continue promoting gender equity and growth opportunities for women; 68% of our human talent are women, as are 25% of those who occupy management staff positions and 57% of vice-president positions.

2022-2023 Workforce demographics by gender, age, and position

Professional category*	Less than 30 years		Between 30 and 50 years		Older than 50 years		Total	
	W	M	W	M	W	M	W	M
Executive Management, CEO	0	0	1	5	2	4	3	9
Senior Management	0	0	23	13	13	14	36	27
Managers	1	2	92	46	42	8	135	56
Middle management	41	37	402	176	35	27	478	240
Operational and administrative staff	168	78	298	115	15	14	481	207
Total	210	117	816	355	107	67	1,133	539

***Profiles by professional category:**

- **Executive Management, CEO:** Chief Executive Officer, Senior Vice Presidents.
- **Senior Management:** Vice Presidents and Assistant Vice Presidents.
- **Managers:** Managers and Senior Managers.
- **Middle Management:** Coordinators, Supervisors, Senior Officer, Officer, Junior Officer, Assistant Manager, Trader.
- **Operational and administrative** Receptionist, Watchman, Messenger, Cashier, Assistants, Analysts, Advisors, Clerks, Collection Agents.

W = women M = men



Employees by gender and subsidiary

Subsidiaries	2022-2023		Total
	W	M	
Global Bank Corp.	1,011	505	1,516
Global Bank Overseas	13	9	22
Global Financial Funds	23	2	25
Aseguradora Global	40	12	52
Progreso	46	11	57
Non-financial subsidiaries	0	0	0
Total	1,133	539	1,672

*Note: **W** = women **M** = men



Diversity and inclusion

We are committed to an inclusive and diverse work model, incorporating principles of fairness, equity and transparency. We believe that diversity is enriching in terms of what each person can contribute, and this also allows us to provide the same treatment to all our customers, because everyone is important.

No cases of discrimination were reported during this period.

Employees by nationality (%)

Nationality	2021-2022	2022-2023
Panamanians	98.58	98.56
Foreigners	1.42	1.44

Employees with disabilities

2021-2022	2022-2023
1.50%	1.00%

Women in STEM positions *

2021-2022	2022-2023
37.00%	28.07%

* Technology-focused positions were considered, in areas such as: CIO, Operations and Technology, Processes, Projects, Information Security, Technology, Technology Management, Digital Transformation and Innovation (positions such as Analysts, Programmers, Database, Project Engineers).



Hiring, departures and turnover

In the fiscal year 2022-2023 we increased the number of new hires by 49%, thereby continuing to boost the economy in the locations where we are present. We only kept 2 people under temporary contracts during this period, with all other hires being permanent contracts (permanent).



People first

Payroll 2022-2023 (No. of employees)*

	Indefinite-term contracts		Temporary contracts		Part-time		Full-time		TOTAL	
	W	M	W	M	W	M	W	M	W	M
Global Bank	1,131	539	2	0	0	0	1,133	539	1,133	539
Total	1,670		2		0		1,672		1,672	

*Notes:

- Indefinite contract: refers to an indefinite contract according to the Panamanian Labor Code.
- Temporary contract: refers to a defined-term contract according to the Panamanian Labor Code.
- Part-time: Not currently applicable.
- Full-time: refers to employees who work at least 40 hours per week.

W = women M = men

Additions and retirements (total for the year)

	Age groups (years)	2020-2021			2021-2022			2022-2023		
		W	M	Total	W	M	Total	W	M	Total
No. of admissions (additions)	15-30	11	10	21	30	27	57	64	47	111
	31-45	15	3	18	24	25	49	27	21	48
	46-60	2	6	8	1	4	5	4	2	6
	>60	0	0	0	0	0	0	0	0	0
	Total	28	19	47	55	56	111	95	70	165
No. of departures (voluntary and involuntary terminations) (not counting Defined Contracts)	15-30	20	11	31	40	35	75	40	28	68
	31-45	33	15	48	54	24	78	60	29	89
	46-60	18	2	20	13	13	26	17	12	29
	>60	10	8	18	0	4	4	0	0	0
	Total	81	36	117	107	76	183	117	69	186

W = women M = men

Voluntary and involuntary turnover

Turnover rate (%)*

	2021-2022			2022-2023		
	M	H	Total	M	H	Total
Voluntary	3.8	2.5	6.4	3.7	2.5	6.2
Involuntary	2.4	1.8	4.2	3.3	1.7	5
Total	10.6			11.2		

*Turnover formula: (Total departures/average number of employees per month) *100

W = women M = man

In the **fiscal year 2022-2023** we maintained our **turnover rate** at a stable average of 11%.



8.2. Training and development

GRI 404-1, 404-2, 404-3

Training our employees in the relevant topics of the sector is vital to keep them up to date and enable them to perform their work with excellence. Each year we improve our programs and plans, maintaining our commitment to the development of the competencies, skills, aptitudes, and suitability of our human talent.

	N° of employees	Hours of training by gender		Total number of training hours	Hours of training per employee
		W	M		
Executive Manager, CEO	12	281.8	116.3	398.1	33.17
Senior Management	63	799.0	884.7	1,683.7	26.73
Managers	191	1,244.7	4,137.0	5,381.7	28.18
Middle management	718	3,679.1	9,440.8	13,119.9	18.27
Operational and administrative	688	2,898.0	8,096.3	10,994.3	15.98
Total	1,672	8,902.6	22,675.1	31,577.7	24.46

Note: The average training and development expenditure per employee is US\$107.23. **W** = women **M** = men

We have six categories of training:

- 
01 Responsible banking

- 
02 Personal & professional development

- 
03 Leadership & organizational culture

- 
04 Legal framework & compliance

- 
05 Business, sales, & service

- 
06 Technology

Among the main topics covered this fiscal year within the training plan are the following*:

- Green finance expert
- Environmental and social risk analysis (ARAS 2022)
- IFC performance standards for financial institutions
- The circular economy as a key element in the race to zero net emissions
- Environmental and social risk management workshop (SARAS/ESG)
- Confined space and gas measurement
- 2022-2023 FATCA and CRS
- Internal auditor of anti-bribery management systems ISO 37001:2016
- Anti-money laundering prevention program audit
- Credit risk analysis and management
- Fraud risk management

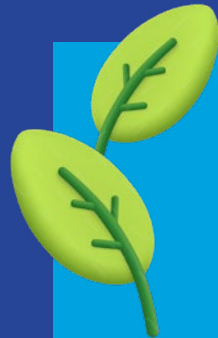
* Only some relevant trainings have been indicated since we have a robust and comprehensive annual training plan for the different business areas.



During this period, we conducted more than 600 hours of training in the Responsible banking category, with the participation of 236 employees, through virtual and e-learning courses, with which we seek to strengthen internal knowledge on this topic and other sustainability topics.

We conducted more than 2,800 hours of leadership training, with the participation of 1,006 employees. We also trained 90 leaders in **Leadership towards Agilism**, and during Women's Month, we conducted specific training for women on the topic of "Women's Leadership Today: Barriers and Solutions".

In addition to the annual trainings, we granted an incentive in educational benefits to 38 employees during the fiscal year 2022-2023, for the continuation of their university studies: bachelor's, graduate and master's degrees, related to the area in which they work. For this purpose, we invested a total of **US\$101,613.98**.



We seek to strengthen internal knowledge on this topic and other sustainability topics.



+600
hours of training in the Responsible Banking



+2,800
hours of leadership training



we granted an **incentive in educational benefits to 38 employees** during the fiscal year 2022-2023





Performance evaluations

We continue to carry out 90° performance evaluations, which are a useful tool to verify the performance of our employees in the required professional profiles, and the results are of mutual benefit to them as well as to the institution.

Our executive and Senior management, managers, middle management, and operational staff are evaluated withing the same time period. The performance evaluation is carried out objectively by the supervisor of the employee being evaluated, according to two aspects: the competencies, and the objectives of the position for the fiscal period being evaluated.

As for the **CEO**, the performance evaluation is carried out objectively by **the organization's Board of Directors**.



Employees evaluated by professional category 2022-2023

Professional category	Nº of employees	%
CEO	1	100.0
Executive and Senior Management	74	90.5
Managers	190	99.5
Middle management	700	99.9
Operational and administrative	645	99.7
Total	1,610	99.3

Note: The number of employees who participated in the 2022-2023 performance evaluation includes employees who are eligible according to the policy (type of contract and period of service).



Leadership and succession plans

Global Bank has a Succession Plan Policy for the planning and preparation of the succession of the following leadership positions:



CEO



Executives in key positions report directly to the CEO.



Any other position that may be defined as critical or key in the future.

This policy is reviewed by the **Human Resources and Compensation Steering Committee**, and then presented to the Bank's Board of Directors for approval.

The Succession Plan Policy is based on the following **general guidelines**:

- ✓ CEO will evaluate the definition of key positions, as well as the profile and competencies required for each of them, considering internal procedures to identify the diversity of skills, knowledge, and experience that each executive must have.
- ✓ External recruitment may be evaluated, or internal professional development and promotion to key vacant positions may be encouraged when necessary.
- ✓ The succession process for key executives will be confidential, and the Chief Executive Officer will report to the Board of Directors regarding the succession process and the candidates selected as potential successors.
- ✓ Succession planning for key executives will be reviewed annually.

The steps we take to ensure the continuity of a key executive's duties in preparation for **succession** are as follows:



Identification of key positions

- Identify the key positions in each Vice Presidency.
- Formally describe the profile of each key position, outlining responsibilities, competencies and skills needed for the position.

Candidate identification and preparation

- Identify potential successors among the Bank's and its subsidiaries' employees (consider minimum requirements).
- Analyze and compare competencies; among potential successors who are close to the required competencies, in order to identify which areas, need to be developed, and how soon it is estimated that they can be ready to be successors.
- Define the potential successors deemed necessary for each key position and establish a development plan for each of them, in order to gradually incorporate the necessary skills and experience that will allow them to develop as candidates to fill key positions in the future.





At Global Bank, the health and well-being of our employees is of utmost importance. We seek to improve our processes and management systems to enhance their quality of life and prevent illnesses and accidents, reinforcing their health and safety.

8.3. Welfare, safety, and health

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10

Every year we conduct a health and safety risk assessment to determine the most at-risk positions. To do this, we use the methodology for assessing occupational risk detailed in the internal procedures, which consists of:

- ✓ Constitute conceptual and functional support of the Risk Management Framework.
- ✓ Establish the parameters of the necessary components for the risk analysis and assesment.
- ✓ Define the operational risk profile.
- ✓ Provide an objective diagnosis of the Bank's risk situation.
- ✓ Objectively compare the different products, activities, processes and systems relevant to risks.
- ✓ Evaluate the effectiveness of adequate management and administration of operational risks.

The risk matrix then generates results in terms of assigning a risk value at two levels: *inherent risk and residual risk*. The results of the evaluation are used to establish control plans to mitigate the risk.

Positions identified as higher risk:

- ✓ Agricultural technicians, due to their constant movement to areas that are difficult to access.
- ✓ Couriers, due to their constant use of vehicles.
- ✓ Branch operations, due to the constant lifting of heavy loads.
- ✓ Other positions such as: project inspectors, environmental analysts, maintenance coordinators and business banking officers.

Among the processes for managing the health and safety of our employees (which applies to all locations and employees of the bank), are the following:

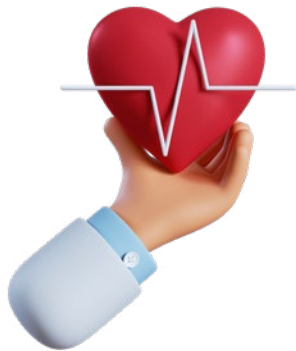
- Identification of occupational risks
- Occupational accidents and diseases
- Workers health surveillance
- First aid kit management
- Management of vehicular accidents
- Maintenance of permissible levels of risk factors
- Fire control system maintenance
- Emergency plans
- Safe work analysis
- Choice and use of personal protective equipment
- Office ergonomics
- Hot work
- Lockout and tagout
- Working at heights and confined spaces



Health benefits for employees

Providing programs and benefits in health issues for our employees, from a proactive and preventive approach, helps to form healthy habits to incorporate them permanently, and results in optimal health conditions.

Currently, 29.7% of our employees participate in health and wellness best practice programs.



We have specialized medical attention, which this fiscal year provided the following services:

- ✓ To strengthen the health of our employees, the influenza vaccine was applied free of charge.
- ✓ We had a psychological assistance line for our employees through an external provider.
- ✓ The telemedicine service was provided to attend to health and/or COVID-19 situations, providing support with care.
- ✓ The Wellness Plan was reactivated to monitor employees with chronic health conditions (dyslipidemia, hypertension, diabetes, etc.).
- ✓ On-site medical consultations were reactivated with a general practitioner at the organization's facilities.



In order to reinforce a **culture of prevention in industrial safety and occupational health**, we provided training and carried out awareness-raising initiatives throughout the year.

This fiscal year we carried out the following activities:

- ✓ Defensive driving
- ✓ Use of Satellite Personal Tracker (SPOT) for personnel moving to areas that are difficult to access.
- ✓ Emergency management
- ✓ Emergency brigade
- ✓ SISO Induction for new arrivals
- ✓ Lockout and tagout*
- ✓ Safe Work Analysis (SWA) training*
- ✓ Confined space training*

*These trainings were provided to employees and contractors.



People first

Industrial safety and occupational health accident rate indicators*

	2021-2022	2022-2023
Number of accidents	5	10
Days absent reported to the authority	24	25

*During this period, no occupational illnesses or fatalities were reported.

The absenteeism rate is established considering both voluntary and involuntary absences, the latter derived from accidents and occupational diseases, and in this period the same low rate of absenteeism as in the previous period of 0.05% was maintained.

Breakdown of occupational accidents by cause		
Cause	No. of accidents 2021-2022	No. of accidents 2022-2023
Fall to the same level	0	7
Fall to a different level	5	2
Hit by some object	0	1
Total	5	10



8.4. Compensation, work environment and benefits

GRI 201-3, 401-2, 401-3, 405-2



At Global Bank we work to offer our employees a healthy work environment, with well-paid salaries and attractive benefits that contribute to improving their personal and professional quality of life.

Equal pay

We work to reduce the salary gap between men and women, which is generated by the difference in the mastery of skills and knowledge, so the differentiation is not based on the gender of the employee.

Male/female salary ratio Total compensation (fixed+variable)

	2021-2022	2022-2023
Professional categories	Ratio (M:W)	Ratio (M:W)
Executive Manager, CEO	2%	5%
Senior Manager	4%	5%
Managers	8%	7%
Middle management	13%	15%
Operational and administrative	2%	3%
Total employees	26%	25%

*Note: **W** = women **M** = men



Work climate

Each year we conduct an internal customer survey that allows us to identify areas of opportunity to take actions to improve the quality of life of our employees.

This fiscal year we conducted an internal customer survey at the department level, where we obtained a satisfaction rate of 83%.

Among the attributes most highly valued by our employees were teamwork and communication.

General benefits

We provide our employees with a package of benefits to complement their remuneration and increase their well-being and that of their families, such as: health and life insurance; several medical services; transportation services; educational benefits; uniforms; discounts in stores, preferential rates on banking products, recognition for length of service, breastfeeding rooms, among others.

2022-2023 Maternity and paternity leave

Maternity leave	Paternity leave	% return to work W	% return to work M	% permanence after one year W	% permanence after one year M
41	16	100%	100%	100%	94%

*Nota: **M** = mujer **H** = hombre

Through our Contributory Retirement Plan, we contribute between 1% and 3% of the salary of the employee participating in the plan, matching the employee's individual contribution, if the employee makes an individual contribution of at least 1% of his or her monthly salary. Below are the contributions to the pension and retirement plans:

Contributions	2021-2022	2022-2023
By employees (voluntary)	0.21	0.24
By Global Bank (voluntary)	0.21	0.24

In fiscal year 2022-2023 **Global Bank contributed about \$244.8 thousand to retirement plans.**

Remote work

In Global Bank, we maintain the use of **flexible work schemes**, monitoring compliance with the corresponding policies and agreements. During this period:

36%
of the total payroll was remote working

30%
hybrid scheme

6%
remotely scheme





Eco-efficiency

- > 9.1. Energy and GHG emissions
- > 9.2. Other environmental aspects

09. Eco-efficiency

As part of our commitment to reduce our environmental impact, at Global Bank we work to achieve the greatest efficiency in the use of resources in our operations.

To this end, we have implemented a series of initiatives that allow us to reduce our environmental footprint and thereby reduce our greenhouse gas emissions, such as the following:



Generation and consumption of renewable energy

Reduction in the use of energy from carbon-based sources

Maintenance of facilities and air conditioners

Implementation of environmentally friendly technologies

We also have a waste management system and make rational use of water.



9.1. Energy and GHG emissions

GRI 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

We seek to achieve greater efficiency in direct energy consumption and increase the use of renewable sources through self-generation from solar panels.

In line with best practices in sustainable infrastructure, we have LEED certification for three of our buildings:

In terms of reducing our energy consumption, we have achieved the following results:

- ✓ Replacement and installation of luminaires with LED technology.
- ✓ Replacement of air conditioning machines with eco-efficient ones.
- ✓ Standardization of schedules for turning on and off lighting and air conditioners.
- ✓ Awareness campaign on the responsible use of energy and saving office supplies to raise environmental awareness.
- ✓ Calculation of the Bank's carbon footprint scope 1 and 2 and establishment of an action plan to become carbon neutral by 2050.



LEED Gold
Santa María
Corporate Tower



LEED Platinum
Centennial
Branch Office



LEED Silver
Sucursal Chiriquí
Global Plaza



In line with the reduction of energy consumption, we implemented a program to use clean energy in the Bank's facilities:

606,303 kWh
of self-consumption photovoltaic systems.

18% savings
in energy from fossil fuels.

9 work
centers with solar panels.

1,607 solar panels
installed in 2 administrative buildings and 7 branches, **with an investment of US\$786,294 from 2016 to date.**

430,000 kg
of CO₂e reduced.

Installation of electric car charging stations in branches and the corporate tower to encourage the use of electric vehicles among our employees and customers.

Generation and consumption of renewable energy

Renewable energy - self-generation/ consumption	2020-2021	2021-2022	2022-2023
Number of branches with solar panels	8	9	9
Number of solar panels installed	1,511	1,607	1,607
Total annual kWh generated	572,171	530,783	606,303
Value saved	\$86,530.87	\$80,270.31	\$93,370.66
% saved	16%	16%	18%
Reduction in CO ₂ e emissions (Kg)	383,469	376,157	430,000



These efforts are in addition to our program of granting credit to renewable energy projects, where we are especially active, thus contributing to the country's energy transition.



In fiscal year 2022-2023, we consumed a total of 31,858 GJ of energy, maintaining the same trend as the previous period.

Our largest consumption corresponds to electricity, which represents 79% of the total.

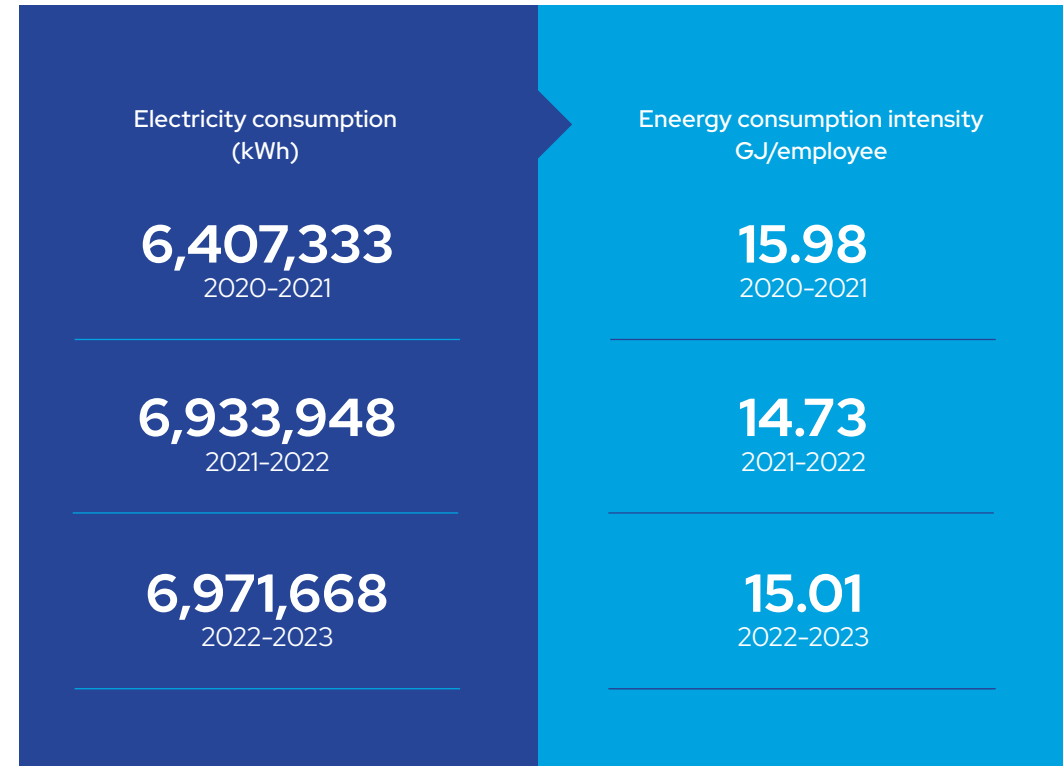


Energy consumption (Gj)

Type of energy/fuel	2020-2021	2021-2022	2022-2023
Fuel	Vehicle diesel	988	1,326
	Diesel from generators	249	282
	Gasoline from vehicle	4,025	5,152
Electricity	23,066	24,962	25,098
Total	28,328	31,835	31,858

Note: Gasoline 91 and 95.

In this period our electricity consumption had a slight increase of 0.5% with respect to the previous fiscal year.



We have been calculating our carbon footprint since the fiscal year 2020-2021, based on the methodology of the Greenhouse Gas Protocol (GHG Protocol). The consolidation approach for Scope 1 and 2 GHG emissions is operational control.

Scope 1 Emissions (tCO₂e)

Source	Description	2021-2022	2022-2023	Δ2023-2022
Fixed sources	Use of emergency power plants to generate electricity	18.00	21.68	3.68
Mobile sources	Use of company-owned cars and under pay-as-you-go fuel schemes (card delivery and charging)	467.92	461.64	-6.28
Fugitive sources	Refrigerant recharge in air conditioning systems	79.14	26.87	-52.27
Total		565.06	510.19	-54.87

Scope 2 Emissions (tCO₂e)

Source	2021-2022	2022-2023	Δ2023-2022
Electricity grid	714.20	718.39	4.19

People first

Scope 3 Emissions (tCO₂e)

Category	2021-2022	2022-2023	Δ2023-2022
1. Purchased goods and services	87.63	82.02	-5.61
5. Waste generated in the operations	44.14	16.36	-27.78
7. Employee mobility	1,146.90*	1,342.70	195.80
13. Outsourced fleet	270.70	305.71	35.01
15. Credit portfolio**	465,135.75	567,219.70	102,083.95
Total	466,685.12	568,966.49	102,281.37

* A recalculation was performed to use the same data analysis method used for the 2022-2023 calculation, which allows for closer and more realistic results, since the previous method averaged days of office attendance.

** Emissions financed corresponding to the loan portfolio; details can be found in the Responsible Banking chapter of this report.

GHG emissions intensity - Scopes 1 and 2

Units	2021-2022	2022-2023	Δ2023-2022
tCO ₂ e/employee	0.75	0.73	-0.02



Reduce your Corporate Footprint RTH Program

As part of our commitment to reducing our carbon emissions, we have adhered to the "Top 50 Carbon Neutral Organizations" declaration, which is part of the national Reduce Your Corporate Footprint program promoted by the Ministry of the Environment. This program establishes a standardized process for identifying, calculating, reporting and verifying the carbon footprint within the operational limits of Panamanian organizations.

On the road to carbon neutrality by 2050, we have established an intermediate **goal to mitigate and offset 40% of our emissions by 2030 and 50% by 2035.**



People first

To achieve this, we are making progress on the following projects:

Project name	2022 Progress
<p>✔ Study to evaluate the inclusion of voluntary biofuel blends</p>	<p>The Government approved the regulation that authorizes the use of anhydrous bioethanol as an oxygenating additive in blends with gasoline throughout the country on a mandatory basis at different times. On the other hand, we are taking into consideration the indications from power plant suppliers on the compatibility of this equipment with the type of biofuel to be used, as they may require modifications or adjustments to operate adequately with biofuels.</p>
<p>✔ Energy efficiency study</p>	<p>Ten employees from different areas were trained as auditors in ISO 50001:2018 certification in order to identify opportunities for savings and efficient use of electrical energy. This program is scheduled to be implemented by 2024 in a staggered manner in all of the bank's offices.</p>
<p>✔ Periodic maintenance of air conditioners, refrigerators and fire extinguishers</p>	<p>Maintenance of air conditioners and fire extinguishers was maintained, reducing emissions from the base year (2020) by 276.99 tCO₂e.</p>
<p>✔ Implementation of strategies to develop teleworking</p>	<p>A Flexible Work Scheme Policy was established, approved in the HR Steering Committee and ratified by the Board of Directors in 2022.</p>
<p>✔ Increase of branches with solar panels</p>	<p>One branch with solar panels was increased from the base year.</p>

In addition, we also offset to become **carbon neutral**, we have the certificate of purchase of carbon credits and the respective links of the withdrawal of the credits.

It should be noted that the bank's greenhouse gas inventory, scopes 1 and 2, as well as the reduction actions and the offset of 100% of the GHG inventory 2022, were verified by a third party and we have the respective statement of limited assurance.



9.2. Other environmental aspects

As part of our environmental management, we carried out actions to reduce our consumption of water and materials, as well as the proper disposal of waste generated.



Water

In order to reduce water consumption in our operations, we have installed water-saving flushometers and faucets in the bathrooms of various branches.



Materials

The use of technology and the digitalization of processes has enabled us to reduce our paper consumption in both corporate and branch offices.



Waste

Through our Waste Management Plan, we maximize the reuse and recycling of waste generated, based on differentiated collection.

We manage waste from continuous consumables, such as paper, cardboard, PET 1 & 2 plastic bottles and aluminum cans, to durable goods and construction materials.

Waste generation and destination

Waste generated	Destination	2020-2021	2021-2022	2022-2023
Total waste collected (kg)		40,850	123,551	45,810
Others*	Landfill	39,129	113,420	35,081
Paper	Recycling	1,292	7,560	8,947.56
Cardboard	Recycling	256	1,271	1,243.30
Cans	Recycling	44	487	149.64
Tetrapack	Recycling	14	13	29.51
Newspaper	Recycling	32	5	0.0
Plastic	Recycling	83	799	359.44
Total recycled waste (kg)		1,721	10,131	10,729

* Non-recycled waste corresponding to: food leftovers, containers and others, generated in the cafeterias and bathrooms of the Santa María Building, Centennial and Chiriquí Global Plaza Branches.



10



Community

- > 10.1. Community
- > 10.2. Volunteering





10. Community

10.1. Community

At Global Bank we are committed to being agents of change through our actions and policies.



Which is why we strive to promote sustainable financial practices, protect the environment, contribute to the transition to a low-carbon economy, and promote financial inclusion and education. We also share the importance of solidarity and support organizations committed to the same values, through which we can positively impact the community and achieve tangible results.

We support non-profit organizations that work directly with communities and vulnerable groups through programs that contribute to the Sustainable Development Goals (SDGs) that we have prioritized as an organization, focused on education, health and gender equality; however, with these actions we positively impact other SDGs. Among the SDGs that stand out are:



In the fiscal year 2022-2023, our social contribution was \$609,837.24 and we benefited more than 13,000 people.



Organizations supported in fiscal year 2022-2023

Education

Asociación Mujer Cultura y Desarrollo

It promotes initiatives that enhance the capacity of women to be forgers and beneficiaries of development in its various aspects: educational, socioeconomic and cultural in terms of the full human development of women and the family.

Asociación Pro Niñez Panameña

Its objective is the integral development of Panamanian children at a national level with programs aimed at improving education, nutrition, health and recreation in homes, dining halls, schools with difficult access and a model school.

Fundación Casa Esperanza

It offers development opportunities to children and teenagers living in poverty, especially those identified as child laborers.

Fundación Pro niños del Darién

Its objective is to reduce child malnutrition through activities interrelated with nutrition, health, education, production and community development programs.



Enseña por Panamá

Educational leadership program that supports schools located in low-income areas through trained teachers and professionals who contribute to the teaching of children.

INCAE

Business school that promotes the development of the region through leadership training, applied research, and the promotion of intersectoral dialogue.

BIOMUSEO

A natural history museum dedicated to Panama that explores the relationship between its biodiversity and its culture.



Healthcare

FANLYC It provides various services to children diagnosed with cancer in Panama such as delivery of medicines, transportation, psycho-social support, healthy eating, education, and more.

Fundacáncer It aids cancer patients in Panama, particularly those most in need.

Fundación Luces de Panamá This foundation is dedicated to the fight against epilepsy. Its main objective is to implement strategies that contribute to improving the quality of life of patients and their families, offering them support, creating an emergency medicine center, and educating on topics related to this condition.

Fundación Psoriasis It promotes social awareness of psoriasis and psoriatic arthritis among the Panamanian population through informative awareness campaigns.

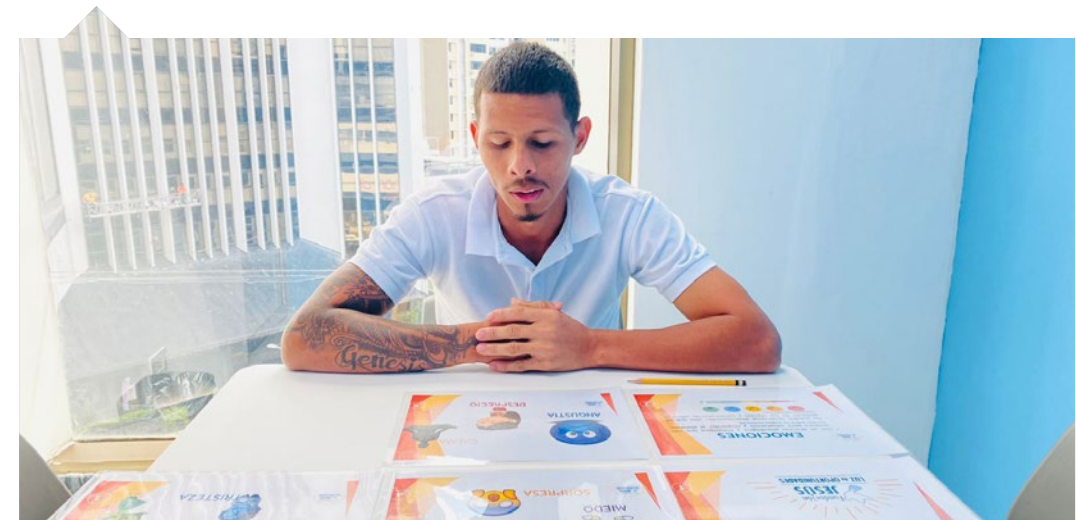
Operación Sonrisa It provides comprehensive care and free surgeries to children in vulnerable situations and with cleft lip, palate, or other malformations.

Teletón 20-30 This is the most important fundraising event for social works and consists of a show of artistic presentations, broadcast on national television with a minimum duration of 27 continuous hours.

Community (social topics)

Forum de Periodistas It encourages expeditious communication and guarantees the free exercise of journalism, always ensuring due respect for freedom of expression and the right to information.

Fundación Jesus Luz de Oportunidades It supports initiatives aimed at the reduction and prevention of violence in urban areas of Panama, as well as in prisons.



10.2. Volunteering



Through our volunteer program, our employees have the opportunity to participate in different activities carried out by the non-profit organizations we work with, which allows them to contribute their time and effort to good causes and strengthens team participation and a sense of community.

Over the years we have been carrying out volunteer days, we have evolved into a more institutionalized program focused on the impact of our operations and business of the bank, which seeks to carry out actions related to responsible banking, in order to make them mostly sustainable activities over time with quantifiable beneficiaries and a real impact.

During the fiscal year 2022-2023, 299 employee volunteers participated, and we benefited more than 3,211 people.

People first

Volunteering during the fiscal year 2022-2023

Donation	Organization with which we collaborate	Number of employees participating	Number of beneficiaries
24 hours of races for life	FANLYC	38	+500 families
Delivery of supplies for chemotherapy room	Hospital Anita Moreno	6	+365
On-site training for young people	Voces Vitales	4	30
Walk for psoriasis patients	Fundación Psoriasis	2	+2,000
Donation of equipment: furniture for food, studies, supplies, implements and agricultural tools	Escuela Los Chorros de Ciri, Colón	19	11
Savings education training	Instituto Bern Bautista Bilingüe	4	19
Planting of seedlings	Camino de Cruces Park ANARAP	71	71
Financial education and electronic channels	República de Haití School	27	85
Savings education	Benilda Céspedes School	8	13
Blankets for the maternity ward	SANTO TOMÁS HOSPITAL	37	10
Financial education and counterfeit detection seminars	Colleges and Universities in the West	11	120
Advice on products Credit cards, Visa Debit and Tap Global Account	Sushi Express	16	13
Donation of creams and sunscreens	Children's Hospital (burns ward)	45	5
Education on the importance of saving	Iglesia Más que Vencedores (Alcalde Díaz)	11	40





Economic performance

- > 11.1. Banking Group highlights data
- > 11.2. Results by business
- > 11.3. Economic value generated and distributed





The following are our **main financial results**, showing the growth and performance of the business.

¹ Fiscal year end was on June 30, 2023.

11. Economic performance

11.1. Banking Group highlights data

The global macroeconomic environment has marked high levels of inflation and interest rates, which resulted in an increase in domestic market rates, setting challenges for the sector. We have made the right decisions to close the fiscal year with solid financial results.

We closed the fiscal year with a net income of US\$47.5 million, which represented an increase of 27.5% over last fiscal year. The improved loan portfolio contributed to a 17.1% decrease in provision expense from US\$59.0 million to US\$49.9 million.

Financial indicators	2021-2022	2022-2023
Net assets	\$ 8,400,596,435	\$ 8,412,978,895
Loan portfolio (net)	\$ 6,138,222,161	\$ 6,212,554,475
Deposits	\$ 5,275,242,825	\$ 5,321,547,792
Equity	\$ 760,154,339	\$ 711,753,243
ROE	4.79%	6.30%
Capital adequacy ratio	15.11%	13.12%
Non-performing loan ratio	3.14%	3.38%



11.2. Results by business

Below are the main financial and operating indicators for each of the Banking Group businesses.

Global Bank Corporation

SASB FN-CB-000.A, FN-CB-000.B

Global Bank Corporation

Fiscal year	2020-2021	2021-2022	2022-2023
Number of checking and savings accounts (number)			
Business Banking	27,561	26,946	26,095
Corporate Banking	1,680	1,681	1,769
Personal Banking	136,555	140,616	143,303
Private Banking	4,191	4,528	4,485
Checking and savings account balances (at year-end) (USD)			
Business Banking	567,644,889	605,225,130	554,847,334
Corporate Banking	87,013,193	142,009,232	127,848,936
Personal Banking	546,078,754	605,458,487	566,219,715
Private Banking	385,523,406	423,366,745	318,371,602
Loans and credits (number)			
Personal Banking	124,842	125,066	125,586
Business Banking	11,064	10,096	9,564
Corporate Banking	1,964	1,934	1,896
Loans and credits (value issued) (USD)			
Personal Banking	3,647,875,921	3,797,506,333	3,926,545,278
Business Banking	2,190,804,834	2,175,033,472	2,233,107,559
Corporate Banking	1,909,696,604	1,919,719,760	1,939,412,805
Portfolio balance (USD)			
Personal Banking	2,905,098,255	3,041,969,960	3,156,181,591
Business Banking	1,675,669,766	1,685,956,906	1,749,364,318
Corporate Banking	1,478,059,550	1,493,049,296	1,398,718,386

FS6, SASB FN-CB-410a.1

Balance by sector of economic activity (top 10)

Fiscal year	2020-2021	2021-2022	2022-2023
Breakdown by type of sector (%)			
Real estate	4.14%	4.00%	3.20%
Rental of commercial premises	2.55%	2.61%	3.05%
Construction of apartment buildings	3.87%	2.77%	2.75%
Construction of housing	3.11%	2.58%	2.39%
Construction of civil works and infrastructure - public sector	1.24%	1.30%	1.87%
Central government	1.97%	2.28%	1.84%
Purchase and sale of goods	1.63%	2.25%	1.83%
Cattle fattening	2.15%	1.95%	1.76%
Mortgages for commercial premises - land	1.54%	1.39%	1.66%
Hotels	1.47%	1.45%	1.38%





People first

Balance by sector

	Jun-2023	
	Total	Participation
Credit portfolio - Total	6,304,264,294	100.00%
Business Banking	3,160,031,251	50.13%
Commercial	1,514,471,291	24.02%
Industrial	359,587,542	5.70%
Agricultural	356,141,355	5.65%
Transportation	11,146,173	0.18%
Leasing	45,587,282	0.72%
Overdrafts	124,089,271	1.97%
Letters of credit	890,665	0.01%
Factoring	242,060,263	3.84%
Corporate pledge loans	98,520,337	1.56%
Construction	407,537,074	6.46%
Personal Banking	3,144,233,043	49.87%
Residential mortgages	943,908,509	14.97%
Prime mortgages	1,006,907,063	15.97%
Personal loans with mortgage guarantee	182,076,597	2.89%
Personal loans for retirees	466,554,497	7.40%
Personal loans for public employees	77,174,340	1.22%
Personal loans for private company employees	64,672,934	1.03%
Personal loans for ACP employees	5,585,368	0.09%
Automobiles	227,071,591	3.60%
Credit cards	127,844,205	2.03%
Personal loans with collateral deposit	42,437,939	0.67%

Credit portfolio composition by region

Region	Jun-2023
	\$
Panama	5,933,420,769
Latin America and the Caribbean	269,325,918
Europe, Asia and Oceania	101,517,607
Total	6,304,264,294



Credit and debit cards

SASB FN-CF-000.A, FN-CF-000.B

Fiscal year	2020-2021	2021-2022	2022-2023
Individuals			
Number of debit cards	38,851	43,929	47,406
Number of credit cards	42,597	34,108	36,208
Number of debit card customers	37,136	41,191	42,862
Number of credit card customers	37,865	33,425	35,368

Mortgages

SASB FN-MF-000.A

Fiscal year	2020-2021	2021-2022	2022-2023
Number of mortgages (quantity)			
Residential	29,951	30,890	32,084
Commercial	7,818	6,839	6,418
Number of mortgages (amount disbursed) (USD)			
Residential	2,272,093,300	2,377,764,085	2,499,845,172
Commercial	2,968,878,864	2,739,752,336	2,739,405,974
Number of mortgages (year-end balance) (USD)			
Residential	1,955,686,020	2,040,814,844	2,132,892,170
Commercial	2,248,421,192	2,061,295,710	2,019,024,816

People first

Progreso APFC - Pensions and early retirement

SASB FN-AC-000.B

At Progreso we were able to meet the profit target for the fiscal year, closing with USD\$5.2 million in net profit, 1% above budget.

The results achieved in terms of assets under management for each of the three business lines were:

- ✓ **Pensions:** We closed the year with USD\$3.5 million above the previous fiscal year-end, despite broad volatility in the markets in general.
- ✓ **Early retirement:** We closed the year with USD\$12.8 million above the previous fiscal year. We managed to replace extraordinary and non-recurring severance outflows of USD\$9 million.
- ✓ **Trusts:** We closed the year with a decrease of USD\$26.2 million with respect to the previous year, as a result of the behavior of the markets and in investment portfolios where investment discretion is by the trustors as our counterparties.

AFPC Progress

Fiscal year	2020-2021	2021-2022	2022-2023
Number of accounts managed - early retirement	1,285	1,259	1,231
Number of accounts under management - retirement	21,318	20,162	20,667
% corporate accounts	6%	6%	6%
% individual subscription	94%	94%	94%
Number of trusts under management	1,031	1,007	992
Value of assets under management - early retirement (USD)	305,339,517	306,211,842	319,094,430
Value of assets under management - retirement (USD)	232,707,588	225,737,822	229,284,618
% corporate accounts	57%	58%	58%
% individual subscription	43%	42%	42%
Value of trusts under management (USD)	1,575,488,803	1,548,184,679	1,538,445,642

It was a year of **consolidation of the new pension funds launched the previous year**, offering two additional alternatives to the basic moderate fund, a conservative fund that reached USD \$77 million, which was well received by customers, allowing them to have a profitable but quite conservative alternative for the context of high volatility in which we find ourselves; and an aggressive fund that reached USD \$1.5 million in assets under management in accordance with growth expectations, aimed at more sophisticated customers with a greater appetite for risk and who are beginning their savings process.



Global Valores - Securities and Investment Brokerage Firm

SASB FN-IB-000.A, FN-IB-000.B, FN-IB-000.C, FN-AC-000.B

We have faced a context of high rates that impact the customers' decisions within the investment product portfolio, which has represented an important challenge for us. Another challenge we faced this year was the entry of new competitors with aggressive commercial strategies to attract customers.

In the face of this, Global Valores continues with stability in our economic and financial performance, and we maintain our vision of diversification of products with different risk profiles at the choice of our customers, providing opportunities for growth of our customers' assets.

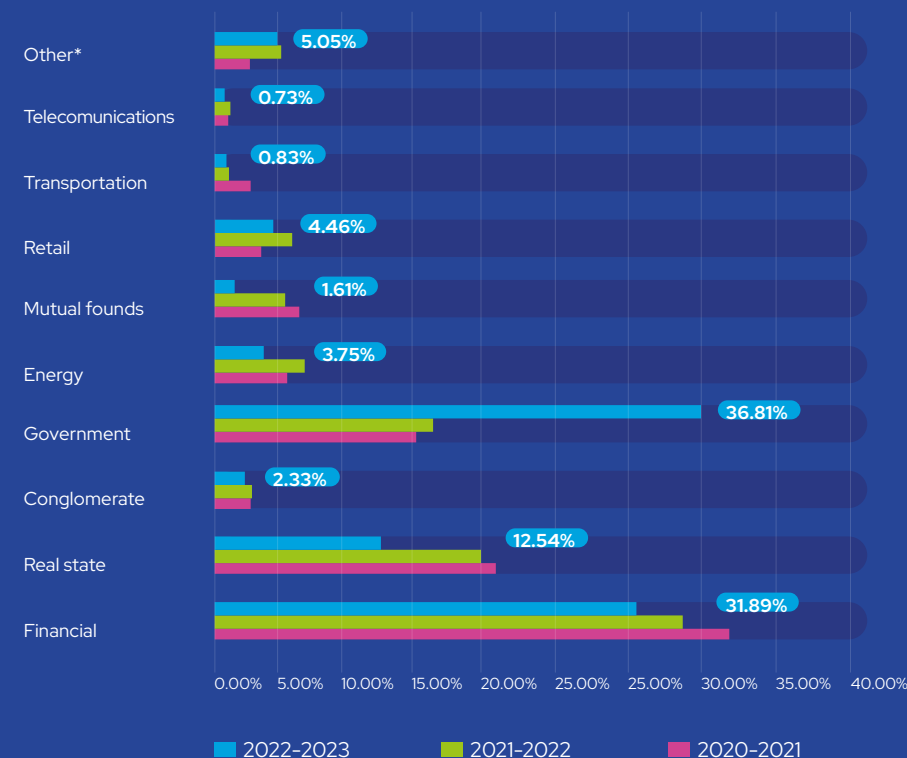
Below, we present the results of both Global Valores and the Global Investment Fund, a close-ended mutual fund company focused on a fixed income strategy.

Global Valores

Fiscal year	2020-2021	2021-2022	2022-2023
Transactions (number)			
Subscription	240	222	185
Securitization	2,301	3,603	3,440
Transactions (USD value)			
Subscription	27,149,043	33,179,518	61,151,612
Securitization	911,729,051	1,613,989,800	1,295,868,155
Transactions - breakdown (%)			
Fixed-income	48.9%	78.89%	87.76%
Shares	32.4%	15.54%	7.59%
Foreign currency	0.0%	0.00%	0.00%
Mutual funds	15.3%	5.33%	4.51%
Others	3.4%	0.24%	0.14%

With regard to the breakdown by type of sector, we present below:

Breakdown of investments by sector



* Consumer, Construction, Technology, Health, Hotels, Cash.



Global Financial Funds

Fiscal year	2020-2021	2021-2022	2022-2023
Number of accounts and/or trusts managed			
Escrow deposit	2	2	3
Testamentary	1	1	0
Collateral	23,065	22,618	20,691
Pension	1	1	1
Securitization	0	0	0
Administration	55	51	46
Investment	35	24	18
Value of accounts and/or trusts administered (USD)			
Escrow deposit	583,308	588,860.44	4,863,233.38
Testamentary	595,902	507,330.10	-
Collateral	2,510,666,115	2,636,407,207.46	2,498,543,949.52
Pension	2,666,938	2,479,089.42	2,103,092.54
Securitization	-	-	-
Administration	143,130,285	303,528,313.13	314,960,861.77
Investment	141,791,159	128,322,823.30	114,371,066.38



More information on the nature of each product [click here](#)

Aseguradora Global - Insurance

SASB FN-IN-000.A; SASB FN-IN-410a.1

Issued Premium			
Fiscal year	2020-2021	2021-2022	2022-2023
Number of policies (in force at closing) - Total	53,840	52,343	51,310
Breakdown by segment/product (number)			
Automobile	14,778	14,257	13,977
Fire	24,973	25,700	26,963
Personal accident	5,241	4,693	4,125
Life	8,143	6,877	5,446
Fraud	1	1	1
Miscellaneous risks	9	9	11
All construction risks	102	128	142
Group life and unemployment	3	3	3
Surety bonds	590	675	642
Value of premium issued (at closing) - Total (USD)	32,156,700	34,530,975	34,440,559
Breakdown by segment/product (USD value)			
Automobile	7,717,369	7,217,183	7,130,028
Fire	2,946,238	3,085,313	3,257,856
Personal accident	127,946	208,749	235,535
Life	278,594	165,782	103,441
Fraud	1,497,015	1,398,352	1,403,435
Miscellaneous risks	674,637	781,377	956,048
All construction risks	932,484	1,212,395	894,034
Group life and unemployment	17,128,844	17,854,405	18,711,490
Surety bonds	853,573	2,607,419	1,748,691

Aseguradora Global - Investments

Fiscal year	2020-2021	2021-2022	2022-2023
Investment (insurer-specific) (total portfolio value)	25,363,486	29,408,469	32,074,608
Breakdown by asset type(%)			
Shares	0.1%	6.6%	6.2%
Government bonds	2.8%	3.5%	3.2%
Private bonds	30.3%	36.6%	42.3%
Global Bank Corp. bonds	66.9%	53.2%	48.4%
Breakdown by type of sector (%)			
Industry: power generation and production	5.8%	15.6%	10.9%
Financial sector: banks	50.8%	53.2%	55.7%
Financial sector: financial companies	15.6%	6.6%	6.2%
Services: communications	4.1%	0.0%	1.0%
Services: other	10.9%	17.9%	23.1%
Central government	4.5%	6.6%	3.2%
Industry: other manufacturing industries	8.3%	0.0%	0.0%



More details of the different types of insurance [click here](#)



11.3. Economic value generated and distributed

GRI 201-1

At Global Bank we seek not only to generate economic value for the company but also for our stakeholders.

The resulting income is distributed among these groups through different items that include employee salaries and benefits, taxes, payments to suppliers, investment in infrastructure that benefits customers, and social investment programs.

The resulting retained economic value allows us, on the other hand, to have capital to continue growing, always in accordance with our strict risk controls and commitment to the financial stability of the institution.

Economic Value Generated and Distributed (EVG and EDV) (Thousands of USD)

Fiscal year	2020-2021	2021-2022	2022-2023
Revenues (Economic Value Generated, EVG)	147,092.5	174,288.0	189,806.7
Expenses (Economic Value Distributed, EVD)	120,499.3	137,025.0	142,300.7
Operational expenses	44,561.3	51,125.4	52,371.0
Salaries and benefits (to employees)	57,113.7	59,798.9	61,331.3
Payments to government (taxes and contributions)	-3,284.2	4,827.7	9,687.7
Infrastructure investment	21,305.4	20,767.9	18,258.3
Donations (community)	803.1	505.2	652.4
Retentions (EVG-EVD)	26,593.2	37,263.0	47,505.9

Notes:

- We continued our post-pandemic recovery, increasing by 9% over the previous fiscal year in total revenues, reflecting Panama's economic growth and the improved quality of our portfolio.
- We decreased our provision expenses by 17% with respect to the 2021-2022 closing. Due to the growth and maintenance of the business, we are seeing an increase in operating expenses, proportionally related to the development of the Group.
- In relation to the Government, we received interest subsidies from the prime mortgage and commercial agricultural portfolio according to established laws (USD\$ 62,598,368).
- In the case of taxes, we include the proportion of deferred income tax, which closes the difference between the financial profit in the financial statements versus the tax profit.
- We have been investing in infrastructure for the digital and technological transition, to which current and future investments are mainly directed to implementation and maintenance. This is aimed at offering the best customer experience, both on virtual and physical channels.
- We reactivate community and social investment activities, maximizing the Group's positive impact on society.
- During the fiscal year the ROI of human capital was 1.77. For fiscal years 2021-2022 and 2020-2021 it was 1.62 and 1.47 respectively.

Regarding taxes, in addition to the taxes directly paid as part of its activities, those collected on behalf of other stakeholders are also included. This is the case with the ITBMS (Transfer Tax on Movable Property and Services), which amounted to USD\$ 2,048,337, and the Payroll Income Tax, which amounted to USD\$ 4,560,594.

This year there was an extraordinary repurchase of shares from a group of former stockholders for a total of 2,098,540 shares, equivalent to a total extraordinary dividend payment of USD\$71.0 million, including a tax payment.

As for social investment, the breakdown of this is presented according to its purpose:

	2019-2020	2020-2021	2021-2022
Community investment	95%	95%	95%
Commercial initiatives	5%	5%	5%
Total	100%	100%	100%



Annexes

> Annex I: Detail of the ESG management	141
• Stakeholder engagement	142
• Alliances and memberships	145
• Materiality study	147
• Identification and sizing of impacts	150
• Contribution to the Sustainable Development Goals (SDGs)	156
> Annex II: Self-Assessment of the implementation of the principles of Responsible Banking (PRB)	162
> Annex III: Reporting framework	
• GRI Content Index	194
• SASB Metrics Index	201
• Table of TCFD recommendations	208
• Stakeholders Capitalism Contents – WEF	213
> Assurance letter	220

Annex I

Stakeholder engagement

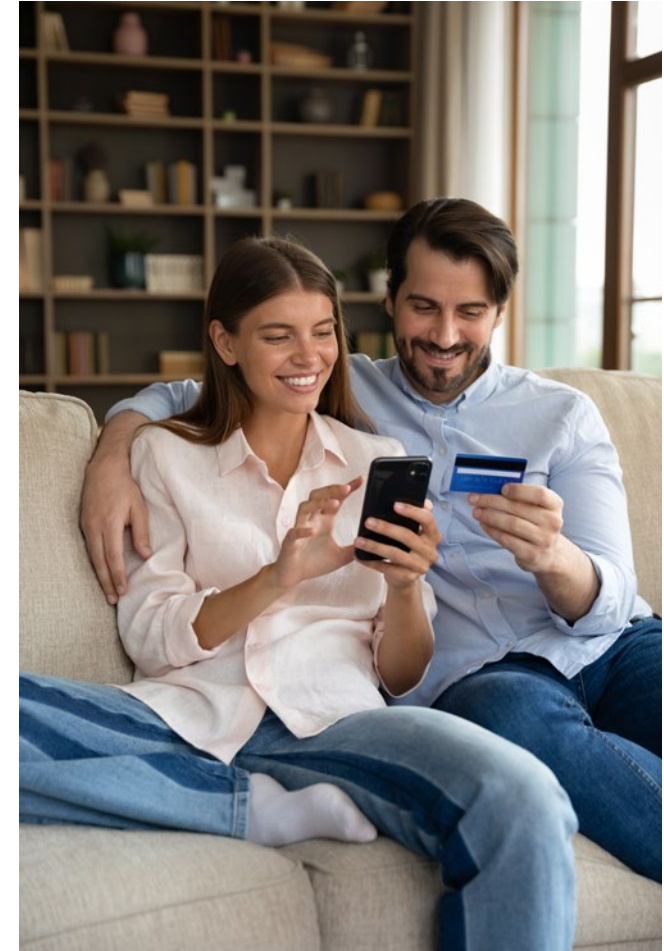
GRI 2-29

Listening carefully to the expectations of our different stakeholders has allowed us to correlate them year after year with our sustainability objectives.






The level of influence of each one of them, as well as their impact on our performance, and the impact of our activity towards them, has resulted in a close relationship and active participation, which seeks to strengthen continuous improvement in terms of the means and ways of approaching them, always through open, honest and transparent communication, with the goal of a sustainable relationship over time.

Our stakeholders



Communication channels by stakeholder

Stakeholders	Value proposal	Channels	Relevant topics
 <p>Shareholders and directors</p>	<p>We strengthen investment through an adequate management of ESG factors with respect to material financial topics, which results in the continued growth of the business.</p> <p>In this way, decision-making is based on indicators that allow the comparability of results, which provides greater confidence in the performance and strength of the institution.</p>	<ul style="list-style-type: none"> • Shareholders' Meeting • Board of Directors • Annual Report (financial and non-financial) • Quarterly financial information • Web page • Journals • Directors' folder (drive) 	<ul style="list-style-type: none"> • Economic performance • Cybersecurity • Product Innovation • Digital transformation • Employee training and development
 <p>Customers</p>	<p>We provide products and services according to the different needs of our customers, providing accurate information, and giving personalized attention, as well as offering financial inclusion products.</p> <p>We innovate accessible digital tools. Our facilities are inclusive and efficient. We respect information privacy and data protection.</p>	<ul style="list-style-type: none"> • Branches • Online banking / App • Web page • Emails • Social media • Satisfaction survey 	<ul style="list-style-type: none"> • Brand health survey • Online appointments • On-site visits • Única experience <ul style="list-style-type: none"> • Customer privacy • Ethics and anti-corruption • Cybersecurity • Customer service • Corporate governance
 <p>Employees</p>	<p>We promote a culture of equality and respect, always fostering a healthy environment through the implementation of measures that benefit their well-being, health and safety.</p> <p>We develop capabilities and continuous professional improvement, with opportunities for growth, enhancing both soft and technical skills.</p>	<ul style="list-style-type: none"> • Intranet • Emails • Signs in common areas • Global ethics line • On-site and online training • Performance evaluations 	<ul style="list-style-type: none"> • Customer privacy • Cybersecurity • Occupational health and safety • Customer service • Brand positioning



Stakeholders	Value proposal	Channels	Relevant topics
 <p>Suppliers</p>	<p>We maintain fair and responsible relationships with our supply chain, complying not only with legal and contractual requirements, but also applying ethical and quality standards.</p>	<ul style="list-style-type: none"> • Email • Performance and procurement evaluations. • Purchasing/Administration Area • Web page 	<ul style="list-style-type: none"> • Responsible supply chain • Ethics and anti-corruption • Customer experience
 <p>Community</p>	<p>We provide financial education, and carry out social investment initiatives through donations, volunteer actions, etc., to benefit the communities in our areas of influence.</p> <p>We also carry out events free of charge to promote the welfare of women with talks and activities of interest.</p>	<ul style="list-style-type: none"> • Social media • Web page • Volunteering and donations • NGO participation • Única experience 	<ul style="list-style-type: none"> • Community socioeconomic development • Personal improvement and well-being of women
 <p>Regulatory and governance bodies</p>	<p>We comply with applicable laws and regulations, safeguard the rights of our stakeholders, and maintain high levels of prevention and compliance controls.</p>	<ul style="list-style-type: none"> • Reporting and performance reports • Public partnerships • Open dialogue • Web page 	<ul style="list-style-type: none"> • Eco-operational efficiency • Climate change risks • Investor relationships • Corporate governance • Ethics and anti-corruption
 <p>Multilateral entities and associations</p>	<p>We work closely with them to implement their requirements in the ESG factors that are material to us.</p> <p>They are key strategic allies in the development of our sustainability initiatives.</p>	<ul style="list-style-type: none"> • Reporting and performance reports • Participation in specialized forums • Participation in working groups. • Credit underwriting and/or technical advisory processes. 	<ul style="list-style-type: none"> • Corporate governance • Ethics and anti-corruption • Financial education • Climate change risks • Diversity • Financing and investment with ESG criteria • Financial inclusion • Products and services with environmental benefits



Annex I

Alliances and memberships

GRI 2-28

Global Bank's participation in various initiatives, events and institutions related to the sector and sustainability has allowed us to join efforts to achieve initiatives and action plans.

We firmly believe in SDG 17, **Partnerships to achieve the goals**, which establishes working strategically with organizations that share the same vision and principles, in order to achieve the desired results and goals through a proactive, participatory approach and in search of a common good.

Our total contributions in terms of alliances and memberships amount to USD\$139.8 thousand.

Associations

- Panama Banking Association
- Banking Association - Panama West Chapter
- Panama Association of Business Executives
- Panama Institute of Corporate Governance
- Sumarse

Chambers

- Chamber of Commerce, Industry and Agriculture of Panama
- Aguadulce Chamber of Commerce, Industry and Agriculture
- La Chorrera Chamber of Commerce
- Panamanian Chamber of Construction
- The American Chamber of Commerce & Industry of Panama

Alliances

- We entered into an alliance with ENSA Servicios to bring to the market a line of "green" financing aimed at commercial and industrial clients nationwide who wish to develop projects that promote the rational use of natural resources and protect the environment.
- Alliance with the Banking Association for a Financial Education Program.

Initiatives

- United Nations Environment Programme - Finance Initiative (UNEP FI)
- UNEP FI Principle for Responsible Banking
- Panama Banking Association's Sustainable Finance Protocol
- Reduce Your Footprint Corporate of the Ministry of Environment of Panama
- Top 50 of the Ministry of Environment of Panama
- Partnership for Carbon Accounting Financials (PCAF)

Awards

- Global Bank won the Sustainable Leadership Recognition (SLR) in the environmental category, an initiative promoted by the American Chamber of Commerce and Industries of Panama (AmCham Panama) with the project: "Products and services with an environmental focus".
- Recognition from the Ministry of the Environment for our sustainable initiatives, with the Carbon Footprint Inventory Plus distinction for the quantification of greenhouse gas emissions and verification by a third party.
- "Top 50" seal from the Ministry of the Environment for our commitment to carbon neutrality by 2050.



We have also participated as panelists in several sustainability events sharing our best practices, in addition to contributing to the development of important taxonomy documents for the region:



Panelist

We participated as a panelist in the Latin America and Caribbean Climate Week 2022, invited by the United Nations Development Program (UNDP). We were the representatives of the Panamanian private sector in the forum Advantages for the private sector of adhering to the National Voluntary Carbon Footprint Programs.

Panelist

As one of the companies in Sumarse's training program: Business Management and ESG factors, we participated as panelists in the ESG Best Practices forum during CSR Week 2022, sharing our progress in our sustainability strategy.

Panelist

Global Bank was invited to participate as a panelist in a regional forum in San Salvador, focused on mobilizing private financing for landscape restoration investments in Central America. The bank's presentation was based on the Sustainability Strategy and its Strategic Pillars, emphasizing the Environmental and Social (E&S) Products and Services pillar.

External reviewer

We participated as external reviewers of the document *Common Framework of Sustainable Finance Taxonomies for Latin America and the Caribbean* (LAC), which is a guide for LAC member states in the development of their sustainable finance taxonomies.

Panelist

As members of the United Nations Environment Program Finance Initiative (UNEP FI) Principles for Responsible Banking, we participated in two workshops to establish goals in the areas of significant impacts for the bank: climate (climate change mitigation), and inclusive and healthy social economy (focus on gender equality). To conclude the workshops, 60 people from 21 banks in the region participated in a face-to-face meeting in Brazil with UNEP FI members from Latin America. Global Bank was invited as a panelist, where we shared the process to establish goals for financial inclusion and health with a focus on gender equality, being pioneers in the region in establishing goals for different products based on prioritized groups and according to the needs (age, income level) of each one, taking into consideration the organic growth of the products and market projections.



Annex I

Materiality study

GRI 3-1, 3-2

We conducted a dual materiality analysis that allowed us to identify our critical topics in terms of ESG factors (Environment, Social, Governance) for the entire Banking Group, considering the perspective of our stakeholders, as well as our business strategy.

To identify potential issues, we conducted an analysis of the main reference documents for our sector and the entire ecosystem that makes it up, and we also considered the priorities of rating agencies and investors. With the identification of potential topics, we proceeded to prioritize those material to the Banking Group, a process that involved consultation with the different internal and external stakeholders, including our shareholders and Executive Management.

Additionally, we integrated the financial materiality, which corresponds to those critical topics due to the impact they may have on our financial results, balance sheet and access to funding. We use the topics determined by the Sustainability Accounting Standards Board (SASB) for the industries of its classification in which we operate (type of financial activities).

People first

Materiality process

01 Identification / Review

Identification of the set of potentially relevant topics, based on documentary reviews.

Preparation of the list of potentially relevant topics, with bibliography referring to:

- ✓ **Sector priorities:** sector ESG priorities.
- ✓ **Business context:** trends in business management, risks and opportunities.
- ✓ **COVID context:** includes business management and risk trends resulting from COVID-19.
- ✓ **Investors:** Rating agency documents and standards requested by investors.

02 Prioritization

Prioritization of topics based on the opinion of the different stakeholders relevant to Global Bank, and the company's strategic perspective.

- ✓ **Prioritization of stakeholders:** The perspective of employees, customers, authorities and shareholders was incorporated.
- ✓ **Company's strategic priority:** Consultations with Executive Management team

03 Validation

Construction of the matrix and validation of relevant topics.

- ✓ Preparation of the **materiality matrix**.
- ✓ Determination of the set of **material topics** and correlation with SDGs.
- ✓ **Validation** session with Executive Management.



Our materiality matrix groups topics into the following three categories:

Material topics

those particularly critical at the present time, both for stakeholders and for the company, which must be addressed as a priority. They serve as the basis for strategic ESG initiatives and determine the contents of this report.

11	Customer service
21	Ethics and anti-corruption
12	Digital transformation
22	Corporate governance
16	Economic performance
9	ESG financing and investment
17	Regulatory compliance
14	Cybersecurity
2	Attracting and retaining employees
18	Customer privacy
27	Eco-operational efficiency
23	Disclosure and transparency of ESG information
25	Environmentally beneficial products and services
7	Financial literacy
4	Occupational health and safety
24	Investor relationships
8	Financial inclusion

Emerging topics

those to which we will pay attention because they may become material in the short term, because of a significant change in the context and/or in our operation.

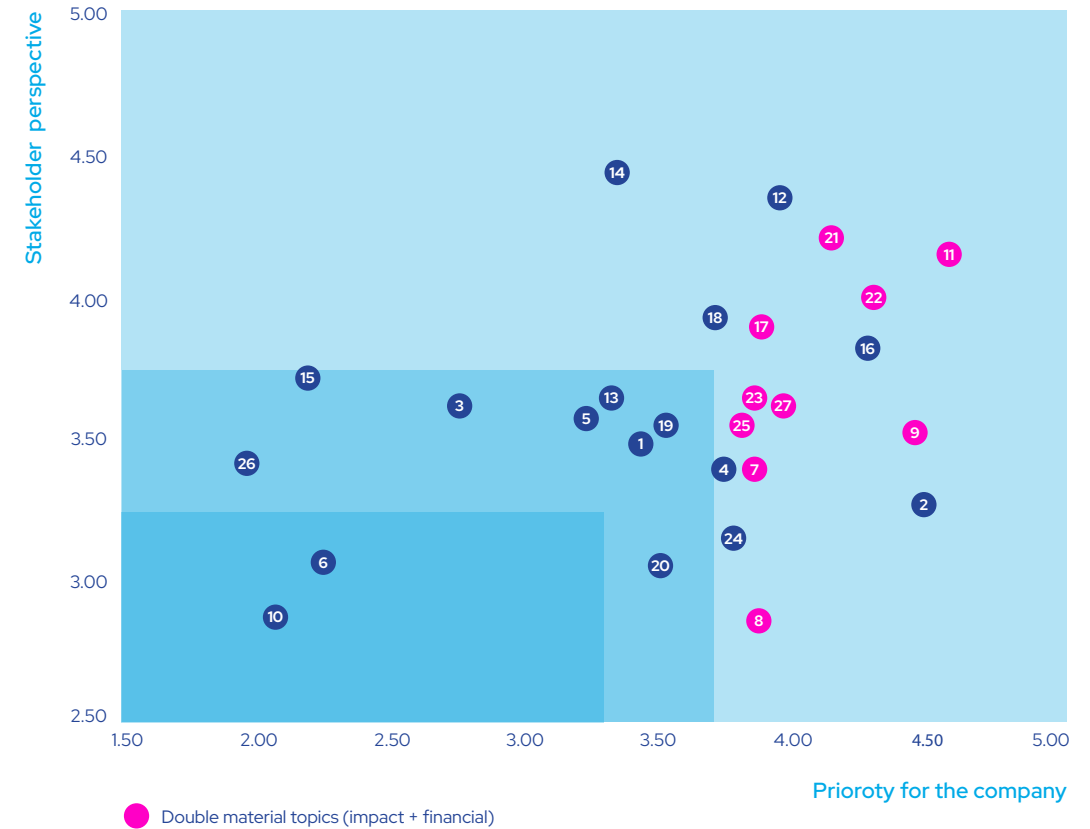
19	Brand positioning
13	Product innovation
1	Training and development of employees
5	Work environment
20	Relationship with authorities
3	Diversity and equal opportunities
15	Sales practices
26	Climate change risks

Non-material topics:

those of low significance and impact, which do not require immediate special action on our part.

6	Socio-economic development of communities
10	Responsible supply chain

Global Bank Materiality Matrix



Review of material topics and business model

In order to review and improve our sustainability strategy, in 2022 we took part in the **"Training program: business management and ESG factors"** promoted by Sumarse, an organization that promotes Corporate Social Responsibility (CSR) in Panama.

As part of this program, we reviewed our material topics to strengthen and update our sustainability strategy, in accordance with the *Global Reporting Initiative (GRI)*, *Sustainability Accounting Standards Board (SASB)* and *Standard & Poor's (S&P)* reporting frameworks, and thus strengthen not only impact materiality but also financial materiality. This allowed us to identify new initiatives within our action plans and, therefore, allowed us to continue advancing in our approach to sustainability and the way we approach it, including new material topics that complement those previously identified, and which are also of great importance within the global context that affect our country.

The additional material topics that resulted from this exercise are as follows:

- ✓ Diversity and inclusion among employees
- ✓ Climate strategy
- ✓ Human capital development
- ✓ Risk and crisis management
- ✓ Lending practices
- ✓ Environmental risk of mortgaged properties



Annex I

Identification and sizing of impacts

In 2020 we conducted our first analysis of potential positive and negative impacts of our loan portfolio using the UNEP FI Portfolio Impacts Analysis Tool. This analysis has been updated with data as of the end of June 2023 with version 3 of the tool.

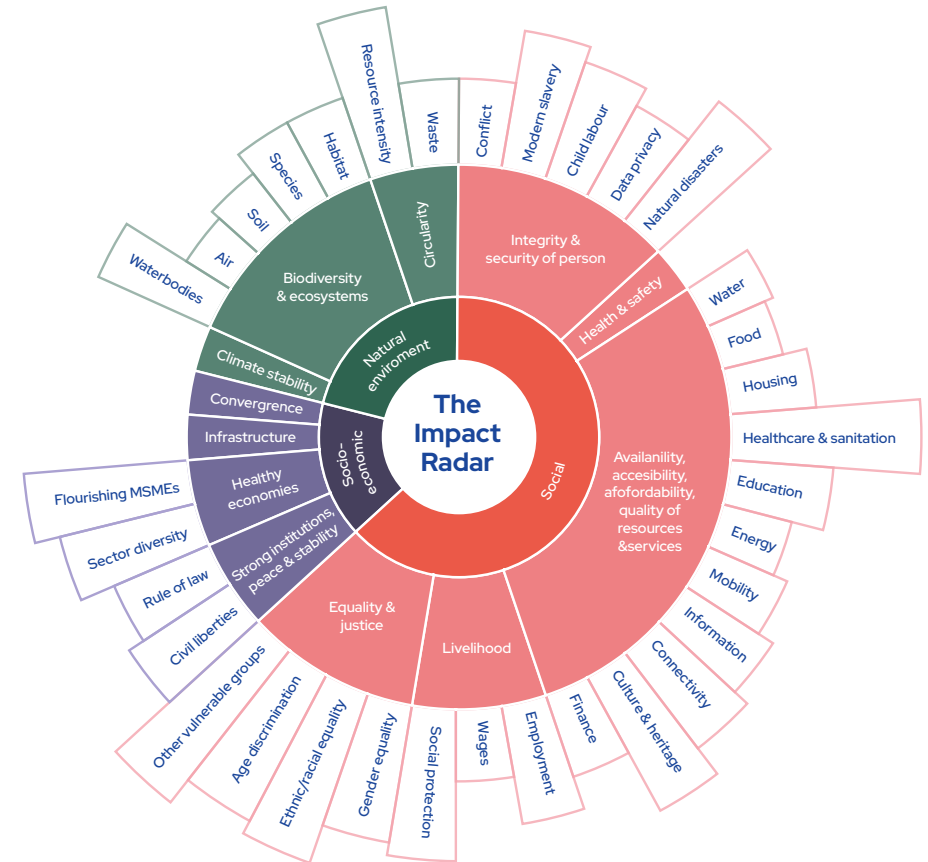
The UNEP FI Portfolio Impact Analysis Tool consists of a data input-output workflow, which helps determine the entity's most significant impact areas. These areas correspond to a previous UNEP FI classification, created in order to translate the set of potential impacts into a common category system for all financial institutions. The purpose of the Comprehensive Impact Analysis Methodology is to enable concrete actions. Based on the insights generated by the analysis, strategies, action plans and significant financial and extra-financial objectives are defined.

This methodology is itself derived from a unique theory of change on the role of mainstream business and finance in closing the financing gap for the Sustainable Development Goals (SDGs) and how this can be achieved.

To prioritize the significant impacts on which we would focus our actions, we considered both the relationship that the topics have to our portfolio composition and the criticality of these in the context of Panama.

The Impact Radar shows in a holistic manner the impacts associated with the environmental, social and corporate governance (ESG) pillars, facilitating the analysis and comprehensive management of the impact, focused on achieving the SDGs, incorporating the financial and performance point of view.

Below, we present the process followed and the description of the impact areas that came out relevant to our institution.



Source: The Impact Radar – A resource for Holistic Impact Analysis. UNEP FI. Revised edition July 2022



Identification and sizing of impacts: characteristics of the analysis

Organizational scope: It includes the bank's activity in terms of credit and deposit products; in this exercise, financial subsidiaries (securities, etc.) were left out; they will be incorporated in a future update of this analysis, according to the progress of the Sustainable Business Strategy.

Geographical scope: Analysis conducted at the local level, i.e. only in Panama, which represents 94% of the total loan portfolio. International loans are not included because they represent a low percentage of the total loan portfolio. For Personal Banking, 100% of the loans are at the local level (Panama) and for Business Banking, 88% of the loans (which are 100% of the loans in Panama).

Types of business: We considered the main lines of business: (i) Personal Banking (Consumer) (representing 48% of loans and 53% of gross income; in addition, the deposit business was considered) and (ii) Business Banking (Commercial/Corporate) (corresponding to 52% of loans and 47% of gross income).

Scale of exposure: To determine the potential impacts in Business Banking we considered the sectors of the economic activities we finance (see details in the following table); for Personal Banking we used the socioeconomic categories (income level, age, gender) of the customers by type of product and service.

Context and relevance: Once we have determined the topics of economic, social and environmental impact of our portfolio, we also analyze the country criticality of these topics. With the balance of both aspects, we determine the main topics/areas of significant impact for the Banking Group. Those to be addressed as a priority were established with the Senior Management of each type of bank based on the planned business strategy. They were also reported internally to the different levels of the organization, which monitor progress in the adoption of the Principles of Responsible Banking.

Results

We present the areas that turned out to be relevant in the analysis conducted in June 2023 together with the two previous exercises.

Business Banking

In the analysis carried out with data as of Jun-2023, 100% of the loans in Panama were considered, distributed as follows.

Customer's activity	% portfolio Business Banking
Construction	19.11
Wholesale and retail trade; repair of motor vehicles and motorcycles	14.14
Real estate	12.69
Livestock	8.17
Financial and insurance activities	7.94
Manufacturing	6.50
Generation, distribution and transmission of electricity	5.51
Professional, scientific and technical activities	4.16
Agriculture (perennial and non-perennial crops), forestry and fishing	4.06
Accommodation, food service and food and beverage service activities	3.95
Public administration and defense; compulsory social insurance	3.68
Warehousing and transportation	3.21
Information and communication	2.42
Other activities*	2.45
Human health and social work activities	1.77
Mining and quarrying	0.22

*Other activities include: recreation, other services, water and waste management, education, organizational, administrative and office support activities.



The following are the areas of the main potential impacts resulting from this exercise:

Areas of positive impacts

- Livelihood
- Availability, accessibility, affordability, quality of resources and services
- Healthy economies
- Health and safety
- Infrastructure

Areas of negative impacts

- Health and safety
- Livelihood
- Circularity
- Climate stability
- Biodiversity and healthy ecosystems
- Availability, accessibility, affordability, quality of resources and services.
- Integrity and security of the person

In Business Banking, 19% of the portfolio is to finance construction projects, 12% for real estate, 8.2% for livestock, 3.5% for agriculture, among other activities. These investments have a positive impact by generating jobs and contributing to food production and urban development. It is important to note that although the construction of housing and residential buildings benefits Panamanian families, we recognize the associated challenges, such as waste generation. We are also aware of the negative impacts of agricultural activity, such as greenhouse gas emissions, soil degradation, and biodiversity loss.

In line with our environmental and social responsibility, we have developed products and services that mitigate the environmental and social impacts associated with our financial activities. In addition, we are implementing a transition plan to reduce financed greenhouse gas emissions, demonstrating our commitment to sustainability and environmental protection.

Personal Banking

Types of products considered:

Loans

Personal, home and auto loans.

Deposits

Savings accounts, checking accounts and fixed deposits.

41% of the customers have personal loans, 16% have housing loans and 11% have auto loans.



In relation to deposit products, 70% of the customers have savings accounts, 3% use time deposits and 1% have checking accounts.

It should be recalled that the impacts were determined after working with the socioeconomic breakdown of the customers of each product in Personal Banking.

Type of Personal Banking Product	Percentage in relation to the number of customers		
	2020-2021	2021-2022	2022-2023
Personal loans	41%	40%	41%
Mortgages	14%	16%	16%
Auto loans	12%	12%	11%
Savings accounts	56%	69%	70%
Fixed deposits	3%	3%	3%
Checking accounts	1%	1%	1%



The following are the areas of the main potential impacts resulting from the analysis with data as of Jun-23:

Areas of positive impacts

- Availability, accessibility, affordability, quality of resources and services
- Socioeconomic convergence

Areas of negative impacts

- Availability, accessibility, affordability, quality of resources and services
- Circularity
- Climate stability

Consumer loans, in their various forms, allow people to finance personal projects, such as the purchase of homes, cars, education, or even personal and professional ventures. It promotes financial inclusion and financial health of individuals, in addition to contributing to economic growth.

However, financial education should be encouraged as a key aspect to ensure an adequate and sustainable use of consumer loans to avoid over-indebtedness, which could hinder progress in financial inclusion. Similarly, given that most of the vehicles in Panama's portfolio use conventional fuels, it could be contributing negatively to climate change. The same is true if the homes financed lack eco-efficient systems. It is therefore essential to address these challenges to ensure sustainable and equitable development.

The targets set in response to these impacts are presented in the Responsible Banking chapter.

The Sustainable Development Goals (SDGs) have a direct relationship with the impacts identified in the Impact Radar, providing a holistic view that facilitates the assessment of actions and efforts that are contributing to goals in key areas such as the environment, social equity, sustainable economy and other fundamental aspects of sustainable development.

It seeks to achieve a more effective and coordinated impact on the achievement of goals that promote an increasingly sustainable future.



Sustainable development domain	Areas of impact*	Related SDGs
Social	<p>Integrity & security of person: Population’s ability (read as the ability of the individual) to enjoy freedom from injury to body and mind; freedom from torture and cruel, inhuman or degrading treatment; freedom from slavery and servitude; freedom from forced displacement due to conflict or climate change/natural disasters. It also includes data security, data privacy and protection.</p>	
	<p>Health and safety: The ability of populations to live in a state of complete physical, mental and social well-being, which includes aspects of security and not simply the absence of disease or disability. This implies the ability to satisfy various human needs, some of which are essential to thrive and feel satisfied with one's life.</p>	
	<p>Availability, accessibility, affordability, quality of resources and services: The ability of populations to access resources and services that relate to individual needs, which encompasses the availability, accessibility, affordability, and quality of resources and services.</p> <p>It covers the following impact topics: water, food, energy, housing, healthcare and sanitation, education, mobility, information, connectivity, culture and heritage, finance (health and financial inclusion).</p>	
	<p>Livelihood: Accessibility of the population to full and productive employment and decent work, which provides a fair income, security in the workplace, social protection for families and implies prospects for personal development and social integration. It also includes freedom for people to express their concerns, organize and participate in the decisions that affect their lives, as well as equality of opportunity and treatment.</p>	
	<p>Equality and justice: The ability of the population to live free from discrimination of all kinds (gender, race, ethnicity, age, among others) and to access justice in an equitable and inclusive manner.</p>	



Sustainable development domain	Areas of impact*	Related SDGs
Economic	<p>Strong institutions, peace and stability: The ability of the population to benefit from effective, accountable and inclusive institutions that support the expansion of the rule of law, the maintenance of civil liberties and overall political and economic stability. This includes protection against corruption and bribery in all its forms, illicit financial and arms flows, all forms of organized crime and interference with the rule of law; as well as the recovery and return of stolen assets.</p>	16
	<p>Healthy economies: Development and creation of sustainable, diverse and innovative markets that add value to the society and the economy. This also includes the process of economic diversification, in which an economy moves away from reliance on a single source of income to multiple sources from a growing range of sectors and markets.</p>	8 9
	<p>Infrastructure: Development and creation of vital services and systems ranging from transportation systems to energy and sanitation networks. It provides the services that enable society to function and economies to thrive.</p>	9
	<p>Socioeconomic convergence: The ability of countries to reduce inequality at the individual and population levels.</p>	10 17
Environmental	<p>Climate stability The state of the climate when it is unaffected by human activities. Human activities alter the composition of the global atmosphere, with exposure to greenhouse gas (GHG) emissions being a direct contributor to climate change.</p>	13
	<p>Biodiversity and healthy ecosystems: Variety of living organisms from all sources, including terrestrial, marine and aquatic ecosystems, as well as the ecosystems of which they are a part. This includes diversity within species, between species, and of ecosystems, ranging from bodies of water, soil, and air.</p>	6 11 12 14 15
	<p>Circularity: Circularity is the production and consumption model that involves the following processes:</p> <ul style="list-style-type: none"> • Reduce by design. • From the user-to-user perspective: reject, reduce and reuse. • From the user to commercial intermediary perspective: repair, refurbish and remanufacture. • From business to business: redirect and recycle. 	11 12

* In the context of the Principles for Responsible Banking, impact means (in line with the GRI definition) the effect that a bank has on people/society, the economy and the environment and thus on sustainable development. Impacts can be positive or negative, direct or indirect, actual or potential, intended or unintended, short or long term.

The concept of significant impact is used to ensure that banks focus on where their actions/businesses (may) be most important to people, the economy and the environment and to provide a reasonable and practical threshold on which topics should be considered / included.



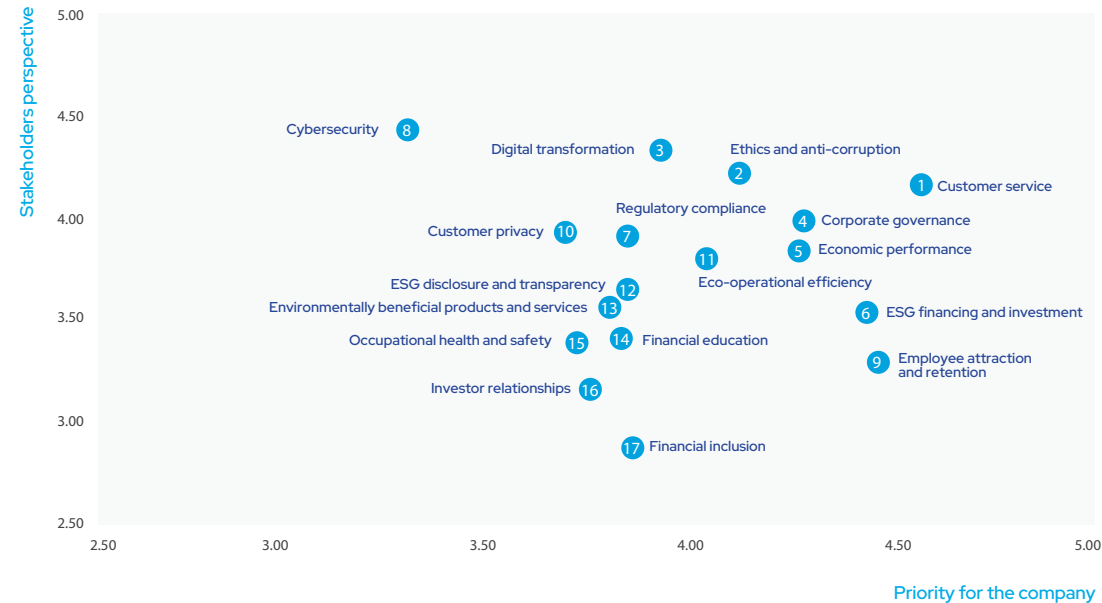
Anexo I Contribution to the Sustainable Development Goals (SDGs)

At Global Bank we are committed to the Sustainable Development Goals (SDGs) set by the United Nations for 2030. Thanks to the materiality exercise, we have identified the SDGs where to prioritize actions from the impact of the business and our operations, related to material topics and therefore the sustainability strategy.



People first

Correlation between material topics and SDGs





- 1 Customer service
- 2 Ethics and anti-corruption
- 3 Digital transformation
- 4 Corporate governance
- 5 Economic performance
- 6 ESG financing and investment
- 7 Regulatory compliance
- 8 Cybersecurity
- 9 Employee attraction and retention
- 10 Customer privacy
- 11 Eco-operational efficiency
- 12 ESG disclosure and transparency
- 13 Environmentally beneficial products and services
- 14 Financial education
- 15 Occupational health and safety
- 16 Investor relationships
- 17 Financial inclusion







Table - Contribution to the SDGs




We detail below our contribution, which is also reported throughout the report.

SDG	Material topic	Contribution	Indicators	Page
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> Financial inclusion Customer service 	<p>One of our objectives is for diverse groups to have access to financing through our products and services. Our main focus is access to women, through our general portfolio as well as specific products that address the gender gaps in our society.</p>	<p>Target for women's participation in credit cards with income under \$2,500 USD: from 35.9% to 37.9%; at the end of the fiscal year we had 36.3% participation.</p>	81, 85-88
		<p>We also have products for retirees and affordable mortgage loans with preferential interest rates. We also highlight the impact on SMEs and the agricultural sector as a whole.</p>	<p>In commercial loans to SMEs for women:</p> <ul style="list-style-type: none"> 72 loans were disbursed, benefiting 58 women entrepreneurs. Balance USD\$ 11,314,956. <p>In mortgage loans to women:</p> <ul style="list-style-type: none"> 832 loans were disbursed, benefiting 832 women. Balance USD\$ 68,797,541 	
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Occupational health and safety 	<p>We seek to improve our processes and management systems to improve the quality of life of our employees and prevent illnesses and accidents, reinforcing their health and safety.</p> <p>Every year we conduct a health and safety risk assessment to determine the most at-risk positions.</p> <p>We maintain our health and safety measures. We provide psychological support, biosafety supplies, PCR tests, among others.</p>	<p>We maintained the same rate of absenteeism as in the previous period of 0.05%.</p> <p>Sensitization and training of employees on health and safety topics:</p> <ul style="list-style-type: none"> Defensive driving Use of Satellite Personal Tracker (SPOT) for personnel moving to areas that are difficult to access. Emergency management Emergency brigade SISO Induction for new arrivals Lockout and tagout* Safe Work Analysis (SWA) training* Confined space training* <p><small>*These trainings were provided to employees and contractors.</small></p>	115-117





SDG	Material topic	Contribution	Indicators	Page
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> Financial education 	<p>We offer personalized financial counseling through our online channel for the general public and for customers who are derived from the Personal Loan line due to over-indebtedness or accelerated indebtedness - level of indebtedness > 60%, and bad credit references; with the objective of guiding them and offering</p> <p> Financial counseling through our online channel, click here</p> <p>We also train our employees, promoting their knowledge and skills.</p>	<ul style="list-style-type: none"> 2,484 participants in financial webinars (customers). 4,472 participants in financial education training for employees. Attention to 9 customers who have requested advice by online appointment. 	99-100
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> Financial inclusion 	<p>We have the Única Program, which represents our purpose to continue supporting, empowering and promoting women in all stages and aspects of their lives, demonstrating our commitment to equity and the inclusion of women in Panamanian banking not only through financial products and services, but also with resources and opportunities to strengthen their personal and professional growth.</p> <p>(complementary to SDG 1)</p>	<ul style="list-style-type: none"> 51% of the total Personal banking portfolio is made up of women. 48% of the total balance of the Retail Banking loan portfolio is represented by women. <p>Loans and cards disbursed under the Única Program (from May to June 2023):</p> <ul style="list-style-type: none"> Mortgage loan: # Customers: 161; Portfolio balance: \$15,525,139. Auto Loan: # Customers: 191; Portfolio balance: \$3,815,142 Personal Loan: # Customers: 126; Portfolio balance: \$1,969,160 Credit Cards: # Customers: 90; Portfolio balance: \$ 56,871 	83-86
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> Eco-operational efficiency ESG financing and investment Products and services with environmental benefits 	<p>We maintain the use of renewable energy in our offices and branches.</p> <p>We provide financing for renewable energy generation projects.</p>	<ul style="list-style-type: none"> 606,303 kWh of clean energy consumed in the year. We have 9 work centers with solar panels, with a total of 1,607 solar panels installed. An amount disbursed of \$ 20,365,637 to finance renewable energy projects. 	122-123 80





SDG	Material topic	Contribution	Indicators	Page
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Occupational health and safety Employee attraction and retention Economic performance 	<p>We value and enhance our human capital by providing a favorable, diverse and inclusive work environment, equal working conditions for all, and opportunities for professional development. Each year we improve our programs and plans, maintaining our commitment to the development of the competencies, skills, aptitudes and suitability of our human talent.</p>	<ul style="list-style-type: none"> 1,672 employees. 99.9% of employees with permanent contracts. 68% of the workforce are women. 24.46 hours of training per employee. \$107.23 in average training and development expenses per employee. 83% satisfaction rate in the internal customer survey. 	108-109 111-112 119
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> Cybersecurity Customer privacy Digital transformation 	<p>We provide training to our work team on cybersecurity, data privacy and information management on an ongoing basis.</p> <p>We have state-of-the-art systems, regularly monitored and tested for vulnerability.</p>	<ul style="list-style-type: none"> We provide 24,004 hours of cybersecurity training to the teams in charge. Information Security policies, norms and standards and Information Security Governance Framework. Absence of cybersecurity incidents involving data theft. 	106
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> Financial inclusion Financial education 	<p>Complementary to SDG 1 and 5, we also contribute to the inclusion of other vulnerable groups through different products and services, to mention a few:</p> <ul style="list-style-type: none"> Personal loans to retirees: Aimed at retirees and pensioners of the Social Security Fund and the Comptroller's Office of the Republic of Panama, who have the payment capacity in their salary for the discount. Prime mortgages: Loans for main housing (houses or apartments), which are granted under a preferential interest rate (1), guaranteed for a determined period of time. 	<p>Loans for retirees:</p> <ul style="list-style-type: none"> # Customers: 24,303 \$ Portfolio balance: \$466,468,997 <p>Prime mortgages:</p> <ul style="list-style-type: none"> # Customers: 15,065 \$ Portfolio balance: \$999,939,192 	87-88



SDG	Material topic	Contribution	Indicators	Page
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<ul style="list-style-type: none"> • Products and services with environmental benefits • ESG financing and investment • Customer service 	<p>We have a social and environmental risk assessment (SARAS) for credit applicable to Business banking. In this way, we promote good practices among customers through financing.</p> <p>We created 3 green financial products: distributed solar energy, sustainable agriculture and livestock, and electric vehicles.</p>	<p>SARAS evaluation</p> <ul style="list-style-type: none"> • 266 customers assessed by SARAS • USD\$ 307,622,695 balance assessed by SARAS. • We conducted 107 technical visits for compliance with environmental and social conditions. 	<p>95-98</p>
<p>13 CLIMATE ACTION</p> 	<ul style="list-style-type: none"> • Products and services with environmental benefits • Eco-operational efficiency • ESG financing and investment 	<p>We have various initiatives related to environmental protection and the development of products and services with environmental benefits, such as:</p> <p>We provide financing for renewable energy and sustainable agriculture and livestock projects, in addition to the creation of other green products.</p> <p>In addition, we promote good environmental practices through SARAS, evaluating customers prior to the delivery of financing.</p> <p>Also, as part of the Sustainable Finance Protocol in Panama, we provide training to our employees on topics related to environmental and social risk analysis, environmental indicators, green finance, among others, in the field of sustainable banking.</p> <p>We have goals for emissions reduction financed and a transition plan to achieve them.</p> <p>(complementary to SDG 7)</p>	<ul style="list-style-type: none"> • Training of employees in SARAS: <ul style="list-style-type: none"> » Virtual course on Environmental and Social Risk Analysis (ARAS, for its acronym in Spanish) dictated by UNEP FI. » In-house training on the Environmental and Social Risk Management System (SARAS, for its acronym in Spanish) process. • Calculation of the Bank's carbon footprint scope 1, 2 and 3, and establishment of an action plan to become carbon neutral by 2050. • We entered into an alliance with ENSA Servicios, to bring a "green" financing line to the market, aimed at commercial and industrial customers nationwide. • An amount of \$23,343,152 in 49 sustainable projects for the agricultural sector. 	<p>80, 82 95-98 111-112 125-127 145</p>



SDG	Material topic	Contribution	Indicators	Page
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<ul style="list-style-type: none"> • Ethics and anti-corruption • Regulatory compliance • Corporate governance • Cybersecurity • Customer privacy • Disclosure and transparency of ESG information • Investor relationships 	<p>We have a Code of Ethics and Conduct, which together with the rest of the policies that broaden the topics, serve as self-regulation for our employees, so we require compliance.</p> <p>We also provide training to prevent possible risks and strengthen the organizational culture of ethics.</p>	<ul style="list-style-type: none"> • We provided 21 training sessions and workshops to the Bank's personnel and subsidiaries, as well as to the Board of Directors on topics related to corruption and money laundering. • We provided 6,438 hours of training on ethical and anti-corruption topics. • The 17 members of the Board of Directors are also fully informed and trained on Global Bank's anti-corruption policies and procedures. 	<p>72-77</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<ul style="list-style-type: none"> • Ethics and anti-corruption • ESG financing and investment • Cybersecurity • Eco-operational efficiency • Financial education • Financial inclusion 	<p>Global Bank's participation in various initiatives, events and institutions related to the financial sector and sustainability has allowed us to join efforts to achieve initiatives and action plans to contribute to the sustainable development of the country and the region.</p> <p>We have alliances with associations and chambers of the sector, as well as with civil society organizations to address topics related to business and sustainability.</p> <p>Some of the alliances we have established are:</p> <ul style="list-style-type: none"> • Ecobusiness Fund: to carry out multiple technical assistance and training to customers and employees. • ENSA: to offer credit for solar panels to its customers. • IFC (International Finance Corporation): technical assistance with the Única program, an action plan to identify products and services that benefit women. 	<ul style="list-style-type: none"> • Alliances with 10 associations and chambers representing the sector. • We have participated as panelists in several sustainability events sharing our best practices, in addition to contributing to the development of taxonomy documents important for the region. 	<p>145-146</p>



Annex II

Self-assessment of the implementation of the Principles of Responsible Banking (PRB)

At Global Bank, in 2019, we subscribed to the Principles of Responsible Banking, coordinated by UNEP FI, which are designed to align business strategy with the development and sustainability goals that the world has set for itself, at international, regional, and national levels.

Each year we report progress on the implementation of the Principles through the sustainability report, completing the UNEP FI reporting and self-assessment template.

We submit to external verification the information provided for the following sections, which are referenced in the letter issued by the verification team:

- 2.1 Impact analysis
- 2.2 Establishment of objectives
- 2.3 Implementation and monitoring of objectives
- 5.1 Governance structure for implementation of the Principles



Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Global Bank is a multiple banking institution operating in Panama; most of the banking activity is concentrated in the country, complemented by international banking. Through our different subsidiaries, we provide a wide range of financial products and services, always characterized by a close relationship with the customer. Financial products and services are organized into the Personal Banking, Private and Wealth Management, and Business Banking business areas.

- For Personal Banking, our value offer includes personal loans, mortgages, auto loans and credit cards.
- In Business Banking we have a variety of products, such as: lines of credit and overdraft facilities, short and long term loans, leasing, factoring, corporate credit cards, syndicated loans, among others. The main sectors we serve are: commercial, construction, agricultural, industrial, energy and transportation.
- In Private Banking and Wealth Management, we have different strategies and solutions related to asset management, preserving the customer's wealth.
- In addition, our customers at any bank can count on deposit products such as checking accounts, savings accounts, cash management and fixed deposits.

In deposit products, 175,652 savings and checking accounts were reached, of which 82% correspond to Personal Banking. By balance, 44% corresponds to Business Banking and 35% to Personal Banking (followed by Private Banking).

In terms of loans and credits, Personal Banking accounted for 92%. By portfolio balance, both Personal Banking and Business Banking account for 50% of the portfolio.

Regarding our loan portfolio, 8.09% of the total balance is linked to activities in the real estate sector and 5.13% in the construction of buildings and homes, followed by activities such as livestock, and services such as hotel operations.

94.1% of the portfolio is in Panama.

In the case of Global Valores, investments are mainly placed in government schemes, the financial sector and real estate (81.2% of the total).

Detailed data are presented in the Economic Performance chapter.

Links and references

IS22/23:
Profile and context
Page 9

IS22/23:
Economic
Performance
Page 133



Principle 1: Alignment

Response

The Banking Group integrates the banking operation, with the following subsidiaries:

- Global Bank Overseas: Foreign banking.
- Global Valores: Stock brokerage firm; it also operates the Global Investment Fund, a close-ended mutual fund company focused on a fixed-income strategy.
- Global Financial Funds: Trust products and services.
- Aseguradora Global: Insurance in different lines of business, with a focus on
- Global Bank's customers.
- Progreso AFPC: Prevision solutions (pension and early retirement).

Links and references

IS22/23:
Profile and context
Page 9

IS22/23:
Economic
Performance
Page 133

Strategy alignment

Does your corporate strategy identify and reflect sustainability as a strategic priority/ies for your bank?

Yes No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights.
- International Labour Organization fundamental conventions.
- UN Global Compact.
- UN Declaration on the Rights of Indigenous Peoples.
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk; please specify which ones.

Response: We apply the recommendations of The Task Force on Climate-Related Financial Disclosures (TCFD), on risk analysis and consideration of scenarios (in addition to the guidelines for public reporting). Also the climate contents of the GRI and SASB Standards (the latter of the industrial standards applicable to Global Bank).

- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones.



Principle 1: Alignment

Response: *We are working on articulating the identification of human rights risks and specific work plans; however, we are already responsive on diversity, supply chain and related issues through the use of the GRI and SASB Standards (the latter of the industrial standards applicable to Global Bank).*

None of the above

We have a Sustainability Strategy, built from:

- 1) a business vision that contributes to sustainable development;
- 2) gap analysis and diagnosis of the bank's practices vis-à-vis the Principles of Responsible Banking;
- 3) the environmental, social and governance commitments that we have acquired nationally and internationally;
- 4) results of the impact analysis of the bank's portfolio conducted in 2020 and updated in 2021, 2022 and 2023;
- 5) material topics resulting from the materiality analysis conducted in 2021;
- 6) review and improvement to our sustainability strategy, in 2022, including an impact approach and considering both material topics resulting from the previous materiality analysis, as well as other relevant topics for senior management and different stakeholders that are framed in initiatives such as Global Reporting Initiative (GRI) reporting standards, Sustainability Accounting Standards Board (SASB) and Standard & Poor's (S&P) assessments; adding relevant material topics in our business model;
- 7) attention to the set of relationships we maintain with our stakeholders, including our roles as an employer, provider of financial products and services, etc.

As part of this Strategy, we integrate responsible banking actions: with products and services oriented to financial inclusion and environmental protection, financial education and insurance culture.

The different strategic pillars and lines of action of the Sustainability Strategy are connected with the Sustainable Development Goals, and especially with those to which we can contribute in a more valuable way, determined on the basis of material topics.

The Strategy, composed of different initiatives, has a scorecard of main indicators, for which targets have been set, and against which we are monitoring our progress.

Our business strategy is also aligned with the country's agenda for compliance with the Paris Agreement. To this end, we reviewed the Nationally Determined Contribution (NDC) document, among other relevant instruments and frameworks, to work our business strategy in line with the national strategy, and thus contribute to climate change mitigation and adaptation.

We are also making progress in calculating the emissions of our credit portfolio using PCAF standards. We have considered both Personal Banking (personal vehicle loans and residential mortgage loans) and Business Banking and Corporate Banking (loans for the construction, agricultural, commercial and industrial sectors). It will allow us to make funding decisions.

Links and references

IS22/23:
ESG Strategy
Page 19

IS22/23:
Responsible banking
Page 78

IS23/23:
Annex I Contribution
to the SDGs
Page 156



Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d²):

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

In the impact analysis, the bank's transactions were included, leaving out financial subsidiaries (insurance, pensions, etc.). The scope will be extended in subsequent fiscal years. The geographic scope was only in Panama, which represents 94.1% of the credit. International loans are not included because they represent a low percentage of the total loan portfolio. For Personal Banking (Consumer) 100% of loans and deposits at local level (Panama) and for Business Banking 88.2% of loans (100% of the local loan portfolio).

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³ Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.



Principle 2: Impact and Target Setting

Response

The impact analysis included loans from all sectors and industries that we finance in the case of the industries that we finance in the case of **Business Banking** (100% of local loans - Panama). We expanded the activities of the customer where the analysis was performed with respect to past years.

For **Personal Banking**, we analyzed by type of products and types of customers considering income, gender and age. Type of products considered:

- **Loans:** personal, home and auto loans.
- **Deposits:** Savings accounts, checking accounts and fixed deposits.

The composition of the loan portfolio can be found in the answer to principle 1.

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or its customers operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put the impacts of your bank's portfolio in the context of society's needs.

Response

Between 2017 and 2022 Panama had greater progress in the SDGs related to the areas of environment (SDG 14, SDG 12), prosperity (SDG 9), peace (SDG 16) and partnerships (SDG 17). In the global ranking, Panama ranks 97th out of 166 countries.

The challenges for sustainable development in Panama were integrated from the list of critical topics already included in UNEP FI's Portfolio Impact Analysis Tool. Panama's needs and priorities, according to the different areas and topics related to the pillars of sustainable development, were reviewed and updated in the tool by members of the Sustainability Commission. In a complementary manner, in order to advance in a better contribution to climate change, we analyzed *Panama's Nationally Determined Contributions* (NDCs) under the Paris Agreement, that is, the roadmap planned by the Government to mitigate and adapt to climate change.

Additionally, we analyzed a series of national and regional documents, among them are:

- Panama's Fourth National Communication on Climate Change (2023).
- Panama's National Climate Change Policy 2023.
- Sixth Assessment Report (AR6) (IPCC, 2021).
- Second Biennial Update Report (IBA2) of Panama (Ministry of Environment of Panama, 2021).
- Panama's Nationally Determined Contribution (CDNI), first update (Panama Ministry of Environment, 2020)

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.



Principle 2: Impact and Target Setting

Response

- National Energy Plan 2015 - 2050
- National Energy Transition Agenda 2020-2030
- Climate Change Vulnerability Index of the Republic of Panama
- National Gender and Climate Change Plan
- National Climate Action Plan 2022
- National Environmental Strategy (ENA) 2021-2031
- Climate Change Scenarios for Panama. Vision 2030, 2050 and 2070
- Toolkit for the Application of Women's Empowerment Principles in the Private Sector. UN Women. 2019
- Credicorp Financial Inclusion Index. Gender gaps: an intersectional approach. Ipsos. 2021
- Credicorp Financial Inclusion Index. Ipsos. 2023
- Market study - Knowing the Panamanian woman. Global Bank-Ipsos. 2021
- Panama Gender Parity Initiative
- Global Gender Gap Report 2022 and 2023. World Economic Forum (WEF)
- The Gender Dimension of Digital Business Transformation in Latin America and the Caribbean. BID. 2022
- Panama Population and Housing Census 2023.

Once we have determined the topics of economic, social and environmental impact of our portfolio, we also analyze the criticality of these topics in the country (in accordance with the topics in the country (as indicated above). With the balance of both aspects, we determined the final main impact areas. Those to be addressed as a priority were established with the Senior Management of the businesses based on the planned business strategy.

Impact area - Climate: Reduction of potential negative impact on climate - Panama

- Generates 0.05% of global greenhouse gas (GHG) emissions (CAIT Climate Data Explorer, 2019).
- It is carbon negative because our forests (forestry activities and land use change - LULUCF) absorb more carbon (CO2) than the total GHG emissions we generate as a country.
- Regarding the participation by sector in the national GHG emissions balance, in absolute terms, the LULUCF sector is the most relevant with 57.4%, followed by the Energy sector with 30.1%, the Agriculture sector with 6.6%, the Waste sector with 3.1% and finally the Industrial Processes and Product Use (IPPU) sector with 2.8%.
- 0.81 Climate Vulnerability Index; ranges from 0 to 1, with 1 being the most vulnerable (ND-GAIN Index, 2020).
- 0.61 Human Development Index; ranges from 0 to 1, with 1 being the highest level of development (UNDP, 2021).
- Despite the country's high forest cover, Panama remains vulnerable to climate change. Projections for 2030, 2050 and 2070 show scenarios with temperature increases, changes in rainfall patterns and sea level rise. This reality imposes significant risks on the functionality of strategic components of national socioeconomic development such as: biodiversity, infrastructure, urban centers and coastal cities, agriculture and livestock, which together incorporate the basis of the country's socioeconomic and productive development.

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150



Principle 2: Impact and Target Setting

Response

Impact area - Inclusive and healthy economies: Strengthening of the potential positive impact on Inclusive and healthy economies (especially gender equality) - Panama:

- 50.4% of the population are women.
- 132 years to reach gender parity.
- WEF-2023 Gender parity gap score: 0.724 (where parity = 1 and non-parity = 0). The lowest scores were obtained in political empowerment, followed by economic participation and opportunities.
- Panama's financial inclusion index is 52.0, a medium-low score.
- It is estimated that there are approximately 200,000 MSMEs in Panama, which account for 96.3 percent of total enterprises and 49 percent of formal employment.
- The National Gender and Climate Change Plan 2022 and the National Climate Change Policy 2023 include goals to involve women and youth in initiatives related to climate change mitigation and adaptation. Special emphasis on small agricultural producers.

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

Based on these first 3 elements of an impact analysis, what areas of positive and negative impact has your bank identified? What (at least two) areas of significant impact did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.⁵

Response

In 2020 we conducted our first analysis of potential positive and negative impacts of our credit portfolio using version 1 of the UNEP FI Portfolio Impact Analysis Tool. The results served to prioritize areas of significant impact and set related targets. This analysis has been updated:

- with data as of the close of June 2021 and June 2022 with version 2 of the tool, and
- with data as of the close of June 2023 with version 3 of the tool.

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

IS22/23:
Responsible banking
Page 78

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.



Principle 2: Impact and Target Setting

Below are the areas of the main potential impacts resulting from these fiscal years:

Banking	Areas of positive impacts		Areas of negative impacts	
	2020-2022	2023	2020-2022	2023
Business Banking	<ul style="list-style-type: none"> Housing Health and Sanitation Culture and Heritage Food Employment 	<ul style="list-style-type: none"> Quality of life Availability, accessibility, affordability, quality of resources and services Healthy economies Health and safety Infrastructure 	<ul style="list-style-type: none"> Climate Waste Biodiversity and Ecosystems Resource Efficiency / Security Soil 	<ul style="list-style-type: none"> Health and safety Quality of life Circularity Climate stability Biodiversity and healthy ecosystems Availability, accessibility, affordability, quality of resources and services. Integrity and security of the person.
Personal Banking	<ul style="list-style-type: none"> Employment Financial and Inclusive Health Justice Economic Convergence Housing Mobility 	<ul style="list-style-type: none"> Availability, accessibility, affordability, quality of resources and services Socioeconomic convergence 	<ul style="list-style-type: none"> Inclusive and healthy economies Resources efficiency / security Climate 	<ul style="list-style-type: none"> Availability, accessibility, affordability, quality of resources and services Circularity Climate stability

Based on these main areas, and having analyzed the needs in the country, the main areas of final impact were determined and with which we propose 2 responsible banking targets, which we present below (the relationship with the areas of potential impact is shown).

- 1) Reduction of greenhouse gas (GHG) emissions, through the financing of projects and sectors that contribute to the transition to a less carbon-intensive economy.
Reduction of the potential negative impact on climate.
- 2) Develop products and services that promote a better quality of life in vulnerable sectors, especially in topics such as health, quality education and gender equality.
Strengthening the potential positive impact on inclusive and healthy economies.

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

IS22/23:
Responsible banking
Page 78



Principle 2: Impact and Target Setting

d) For these (min. two prioritized impact areas): **Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context. In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

For the major impact areas, when setting targets, consideration was given to where the greatest outcome was possible. To this end, the compositions of the corporate and personal loan portfolios were analyzed.

The targets were established with these two main impact areas, in addition to Business Banking (objective related to climate) and Personal Banking (target related to financial inclusion - gender equality).

The full results of the impact analysis can be found in the Annex Impact identification and sizing.

The next steps were followed to establish targets and impact indicators:

- Step 1: Country/regional context.
- Step 2: Baseline of the bank’s portfolio and priorities
- Step 3: Set SMART targets
- Step 4: Determine measures and actions
- Step 5: Define KPIs

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

IS22/23:
Responsible banking
Page 78



Principle 2: Impact and Target Setting

Self-assessment summary:

Which of the following components of the impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

- | | | | |
|--------------------------|---|---|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant areas impact have you identified for your bank as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency and circular economy, biodiversity, **financial health and inclusion**, human rights, gender equality, decent employment, water, pollution, other: specify

How recent are the data used and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- More than 18 months prior to publication

*Impact analysis was updated with version 3 of the UNEP FI Impact Tool, with portfolio data as of the end of June-2023.

Open text field to describe potential challenges, aspects not covered by the above, etc:

We continue developing a data update plan to improve data availability and quality, especially customer revenue data.

⁶ You can answer "Yes" to a question if you have completed one of the steps described, e.g., the initial impact analysis has been conducted, a pilot has been conducted.



Principle 2: Impact and Target Setting

2.2 Target Setting (key step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

Initially, targets were set for credit placement related to (i) climate change mitigation and (ii) financial inclusion (with a focus on gender equality). In 2021-2022 these targets were expanded to include some intermediate goals to reduce emissions in the loan portfolio and increase the percentage share of women in certain Personal banking products. For climate change, the country context was updated and for gender equality, a country and regional context analysis was conducted.

Section 2.1 - c) Context of this form lists the frameworks, policies and other documents analyzed to assess the regional and local context.

The following 2 targets were set, which in turn have measurement indicators.

1) Reduction of greenhouse gas (GHG) emissions, through the financing of projects and sectors that contribute to the transition to a less carbon-intensive economy.

For this purpose, two intermediate targets were established for Business banking of absolute emissions reduction in the loan portfolio and placement of products with an environmental focus, which are detailed in section C)-SMART targets.

Some indicators:

• Number of projects financed. • Number of loans disbursed. • Amount disbursed • Portfolio balance • Absolute emissions financed • % of absolute emissions reduced.

The Group's climate change mitigation priorities are part of Global Bank's business strategy and are aligned with the GHG reduction goals established by the country in the updated CDNI (2020); as well as the financing needs, incentives and subsidies defined in national policies such as the National Energy Plan 2015-2050, and the National Climate Change Plan for the Agricultural Sector of Panama.

Links and references

IS22/23:
Annex I: Identification
and sizing of impacts.
Page 150

IS22/23:
Responsible banking
Page 78

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.



Principle 2: Impact and Target Setting

Response

Additionally, the goal of placing products with an environmental focus emphasizes actions in the energy and agricultural sectors, which are important sectors for reducing emissions in the country, according to the emissions profile presented in the Second Biennial Update Report of Panama. Contributing to climate change mitigation through the placement of environmentally focused products also responds to the components of Panama's Sustainable Finance Protocol and generates a greater contribution to the SDGs, due to the positive impacts on the country's energy and food security.

Context summary - Climate: According to Panama's Second Biennial Update Report to the UNFCCC (2021), it is concluded that Panamanian forests sequester more carbon than the total emissions of gases causing the climate crisis generated in the country, and that Panama is a carbon negative country or carbon sink because its forests absorb more harmful carbon dioxide gases than the gases emitted into the atmosphere by all human activities carried out in the country. The energy sector accounts for 50.6% of emissions, due to the increase in liquid fuel consumption in land transportation, linked to the growth of the country's vehicle fleet. The National Energy Transition Plan seeks to reduce Panama's GHG emissions by 11.5% in 2030 and at least 24% by 2050, with respect to the trend scenario.

2) Develop products and services that promote a better quality of life in vulnerable sectors, especially in topics such as health, quality education and gender equality.

To meet this target, we have established specific actions, which are detailed below. By December 2025, increase the percentage share (%) of female customers, in products and segments prioritized by age and income. These are detailed in section C)-SMART targets.

Some indicators:

- Number of women benefited.
- Number of loans disbursed.
- Amount disbursed
- Portfolio balance
- % of women's participation reached.

This goal responds to the Bank's interest in providing greater access to financial opportunities for women, increasing their participation and reinforcing the commitment to the customer - initially focused on Personal banking, with expectations of expanding to Commercial banking (SMEs), as we improve the quality of information.

This target is aligned with the country's interests described in both the Gender Parity Initiative and the Gender and Climate Change Plan, which seek to generate opportunities to promote greater access for women to technical and financial resources such as incentives, credit facilities, among other solidarity economy systems in sustainable production initiatives.

Summary of the context of financial inclusion from a gender perspective: Among other statistics, Panama is 132 years away from achieving gender parity, 71% of Panamanian companies do not have women in senior executive positions, only 2/10 entrepreneurs are women, 13% on average men earn more than women, Panama's gender parity initiative includes 4 targets and 15 measures. The regional average of women with achieved level of financial inclusion is 21% (vs. 26% of men). The citizens with the lowest scores in terms of financial inclusion are: women, workers in the informal sector or unemployed, inhabitants of rural areas, people with a low level of education, people without internet access and descendants of indigenous or native peoples.

Links and references

IS22/23:
Annex I: Identification and sizing of impacts.
Page 150

IS22/23:
Responsible banking
Page 78



Principle 2: Impact and Target Setting

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	A.1.1	Climate Strategy: In progress. In the Risk Management chapter, there is a section on climate change risk and opportunities analysis according to the TCFD, with a column for actions.
	A.1.2	Paris Alignment Objective: In progress. We initially set a general objective to reduce absolute emissions by 34% by 2031 in prioritized sectors of Corporate Banking (construction, agriculture, energy, transportation, industry, real estate, commercial) according to the SBTi tool for all sectors (Target Setting Method: Absolute Contraction Approach) and adjusting to 140 net zero emissions by 2050 (annual linear index is 3.4%). For any sector, the result would be the same because we do not have specific information and data quality, so a general target is set while we continue working on data quality to establish sectoral objectives.
	A.1.3	Policy and process for client relationships: No. We are working on developing the transition plan, which includes supporting customers in measuring and reducing their GHG emissions.
	A.1.4	Portfolio Analysis: Yes. In the Responsible Banking chapter, you can find the results. It includes credit type: loans and financial leasing; credit type excluded: overdraft, credit card, invoice discounting. In the fiscal year 2022-2023, we conducted 266 reviews (SARAS), which amounted to USD\$307,622,695.
	A.1.5	Commercial Opportunities and Financial Products: Yes. We created 3 green financial products and related processes and procedures. We are in the third stage of the green financial product creation project where tools and marketing strategy will be developed.
	A.2.1	Client engagement process: In progress. We are about to implement the transition plan.
	A.2.2	Financed Emissions Absolute / Scope 3 - category 15: 567,219.70 tCO ₂ e.
	A.2.3	Sector-specific emission intensity: overall loan portfolio is 0.00274806 tCO ₂ e/\$. Details by sector are found in the Responsible Banking chapter.



Impact area	Indicator code	Response
Climate change mitigation	A.2.4	Proportion of financed emissions covered by decarbonization objective: This analysis has not yet been conducted, to be target.
	A.3.1	Financial volume of green assets/low-carbon technologies: USD\$232,899 million (balance at the close of renewable energy and sustainable agriculture projects – non-deforestation). Credit placed in 2022-2023 for renewable energy projects: USD\$20,365,636.63.
	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: See Responsible Banking chapter.
	A.4.1	Reduction of GHG emissions: GHG emissions avoided with green portfolio placed in the period: 16,026.4 tCO ₂ e.
	A.4.2	Portfolio Alignment: Not applicable yet.
Financial health & inclusion	C.1.1	Number of products and services in the portfolio with a focus on financial inclusion: Preferred mortgage, Retirees, Women's loans (Única Program – See Responsible Banking chapter), financial education program, credit for women-owned SMEs.
	C.1.2	Percentage of relevant employees supported with effective training on financial inclusion, responsible lending, and/or financial health: 4,472 participants. (See Financial Education Program by Stakeholder Group 2022-2023 table in the Responsible Banking chapter).
	C.1.3	Number of active partnerships to achieve inclusion and financial health objectives: We have partnerships with media outlets (radio, TV, press), partnerships with different organizations for Unique Experiences.
	C.2.1	Number of individuals supported with dedicated and effective financial and/or digital education initiatives: Over 7,000 beneficiaries of the financial education program, detailed in the Responsible Banking chapter.
	C.2.2	Percentage of number of partnerships active to achieve financial health and inclusion targets: 100%
	C.4.1	Percentage of customers with 2 or more active financial products, from different categories, with the bank: 33.2% (Personal Banking) - 17.1% for women and 16.1% for men.
	SFI-1	Personal Banking - Percentage of customers with deposits (women): 34%
	SFI-2	Personal Banking - Percentage of customers with credit (women): 30%
	SFI-3	Mortgage credit disbursed in 2022-2023 (women): USD\$69,520,976.57
	SFI-4	Business Banking - Percentage of female clients: 18%
	SFI-5	SME credit disbursed in 2022-2023 (women): USD\$11,753,271.52
In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.		



Principle 2: Impact and Target Setting

Response

For the indicators noted above in (a), the value 2022-23 (fiscal year) is presented. The fiscal year 2020-21, in which they were set following the signing of the Principles of Responsible Banking and the mapping of potential impact areas, is considered as the baseline.

Links and references

IS22/23:
Banca responsible
Page 78

c) SMART targets (including key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

Based on the prioritized impact areas from the impact analysis and country context, the following two (2) responsible banking targets were established, and intermediate targets corresponding to the fiscal year covered by this report (2022-2023):

Target 1 - Climate stability: Contribute to the reduction of greenhouse gas (GHG) emissions, through the financing of activities and projects that contribute to the transition to a low carbon economy.

To meet this target, we have established specific actions detailed below:

Intermediate goal 1*:

34% reduction in absolute emissions from financed Business Banking sectors overall by 2031. Starting with evaluated business banking sectors (47.4% of the total loan portfolio) and prioritizing sub-sectors, taking as a baseline the data at fiscal year-end 2021-2022. In the following years we will be refining the calculations and goals and including other sectors.

*This target is aligned with the 1.5°C scenario under the Absolute Contraction Approach of the Science-Based Targets Initiative (SBTI) tool, at an annual linear reduction rate of 3.4%.

Intermediate goal 2:

Placement of environmentally focused products:

- \$30 million by 2025 for credit to the agricultural sector for sustainable practices/ technologies/ methods, avoiding deforestation.
- \$40 million in renewable energy by 2030. (This restates the previous goal of \$10 million as of Jun 30, 2012).

Links and references

IS22/23:
Responsible banking
Page 78

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.



Principle 2: Impact and Target Setting

Response

The measures and actions and KPIs identified for this target and intermediate goals are as follows:

Measures and actions	KPIs
<p>Measures: Creation of green products: sustainable agriculture and livestock line; which includes: biodigesters, silvopastoral systems, drip risk, improved pastures living fences, etc.; distributed solar energy; hybrid and electric cars; energy efficiency; sustainable building</p> <p>Actions:</p> <ul style="list-style-type: none"> • Improve the quality of internal data and databases. • Collect relevant information from our customers. • We are working on the Emission Reduction Transition Plan with customers. • Create and promote green products (development of labeling system). • Increase portfolio of green or environmentally focused products (elimination or reduction of GHG emissions). • Make strategic public and private alliances, especially focused on the agricultural sector. 	<ul style="list-style-type: none"> • Increase data quality. • Number of customers benefited. • Number of green financial products created. • Number of customers working to reduce emissions. • Profitability of green businesses. • Number of environmentally focused projects financed. • Amounts disbursed for environmentally focused activities. • Absolute emissions financed (tCo2e). • Sector-specific emission intensity (tCO2e/\$). • Percentage of absolute financed emission reductions. • Percentage of emission intensity reduction by sector.

Target 2- Financial inclusion / Gender equality: Develop products and services that promote a better quality of life in vulnerable sectors, especially in topics such as health, quality education and gender equality.

To meet this target, we have established specific actions, which are detailed below.

Intermediate goal 2022-2023:

By December 2025, increase the percentage share (%) of female customers, in the following products and segments (according to age and income):

Product	Segment	Increase goal: % average penetration female gender	Projected growth to December 2025
Credit card	All age ranges; income >\$2,500	35.9% to 37.9%	2%
Credit card	income <=\$800 and >800.01 to <=\$2,500	56.8% to 57.8%	1%
Auto loan	Ages 22 to 61 años; income >\$2,500	37.9% to 39.9%	2%
Global Tap savings	Age >18 years old; salaried or retired	39.7% to 41.7%	2%
Global Tap loans	Ages 20 yo 52 years old; minimum income of \$650.00	42% to 44%	2%

Links and references

IS22/23:
Responsible banking
Page 78



Principle 2: Impact and Target Setting

Response

The measures and actions and KPIs identified for this target and intermediate goals are as follows:

Measures and actions	KPIs
<p>Measures: Launch the Única Program aimed at female customers, which kicks off with Credit Card and Auto Loan products. The Global Tap Savings and Global Tap Loans products will be better profiled over the next two years, with efforts aimed at the female segment. These products will be complemented with insurance and special rates, discounts and offers, as well as added value in assistance aimed at this segment.</p> <p>Actions</p> <ul style="list-style-type: none"> • Establish new parameters and more flexible policies for women. • Work on the necessary developments for the Credit Card and Auto Loan products. • Negotiate with suppliers and strategic partners to grant promotions and offers. • Develop talks on non-financial products and services, to educate the segment with relevant information that promotes better management of their personal finances and supports entrepreneurship for greater independence of women and generation of new and more income. 	<ul style="list-style-type: none"> • # of bank accounts - broken down by gender, age and income. • \$ / # / % of deposit accounts (savings account, checking account, fixed deposits) broken down by gender, age and income. • \$ / # / % of Credits (disbursed) - broken down by gender, age and income. • \$ / # / % of Loans (personal, residential mortgages, auto and other) - broken down by gender, age and income. • \$ / # / % of Credit card - broken down by gender, age and income. • % of women with credit cards - broken down by age and income. • increase in % of women's card share - broken down by age and income. • % of women with auto loans - broken down by age and income. • increase in % of women's share in auto loans - broken down by age and income. • % of women with Global Tap Savings - broken down by age and income. • increase in % female share in Global Tap Savings - broken down by age and income. • % of women with Global Tap Loans - broken down by age and income. • increase in % female share in Global Tap Loans - broken down by age and income. • % of customers with effective access to a basic banking product - broken down by gender, age and income. • # of active partnerships to achieve financial health and inclusion targets. • # of new customers per month - broken down by gender, age and income. • # of products and services in the portfolio with a focus on financial inclusion. • # of people supported with financial and/or digital education initiatives (dedicated and effective) - broken down by gender, age and income. • % of customers with 2 or more active financial products, of different categories, with the bank broken down by gender, age and income.

Links and references
 IS22/23:
 Responsible banking
 Page 78



Principle 2: Impact and Target Setting

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

Targets and goals are the result of a thorough analysis of our portfolio and the involvement of the different business areas.

The previous section described the general action plan and KPIs.

To achieve targets, we rely on the participation of the different areas of the bank. For example, the commercial teams participate in the placement of loans, the data analytics teams in monitoring the placement by the variables established for the customers: renewable energy projects, mortgage loans requested by women, SME loans in which the companies are led and/or owned by women.

We also continue to work on understanding the current data, the need for new information, to create indicators of significant indirect impacts (potential) of the targets set within the impact area or in other impact areas. To include within the action and transition plan, relevant actions to avoid, mitigate or offset potential negative impacts.

Links and references

IS22/23:
Responsible banking
Page 78

Summary of the self-assessment: Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... Climate	... second area of most significant impact: ... Inclusion - Gender equality	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No



Principle 2: Impact and Target Setting

2.3 Target implementation and monitoring (Key Step 2).

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

In this report we present the progress of each target with respect to the previous goals and the new ones proposed, see items b) and c) of point 2.2.

Target 1 - Climate

Loan portfolio goals – Business Banking (June-23)



Reduction of emissions

financed
Goal: reduction 34% by 2031



Renewable energy

Goal: \$40 million by 2030



Sustainable agriculture and livestock

Goal: \$30 million by 2025
*eco.business Fund



Financial products created

Business Banking:



Distributed solar power generation



Electric/hybrid vehicle



Sustainable agriculture

Links and references

IS22/23:
Responsible banking
Page 78



Principle 2: Impact and Target Setting

Transition plan - decarbonization

Generate internal capabilities

Train related of the bank: risk, business, credit management, credit support.

Financial products

Develop and place green products that promote GHG emission reductions.

Customer data improvements

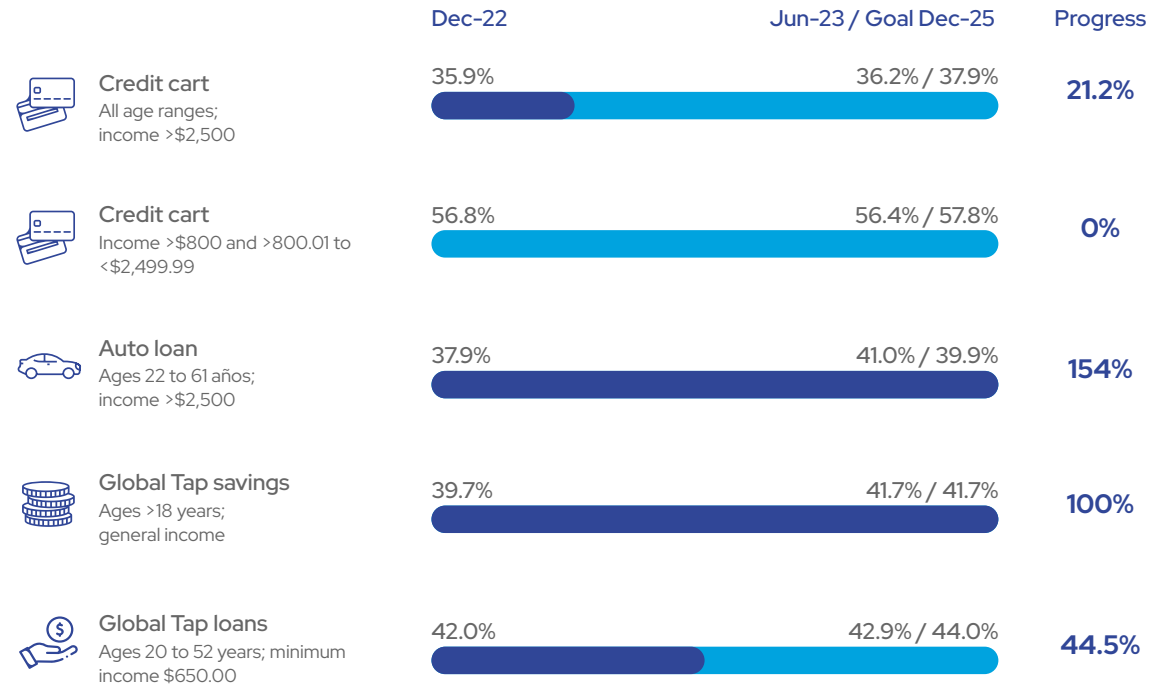
- Prioritize customers and sectors
- Collect data on customer activities
- Store and manage data, automate calculations
- Generate mechanisms to collect data from loan origination onwards

Customer companionship

- Raise awareness among customers
- Train prioritized customers in carbon footprint quantification
- Provide tools
- Provide companionship in establishing reduction plans

Target 2 - Financial inclusion/Gender equality

Loan portfolio goals – Personal Banking Increase in the percentage of women's participation



Links and references

IS22/23:
Responsible banking
Page 78



Principle 2: Impact and Target Setting

Progress in measures and actions

Única Program

The launch of Única's comprehensive gender program took place in May 2023. We went to market with an offer of financial and non-financial services. We launched the Única credit card with its added values of insurance and assistance, and flexible conditions were established in the mortgage, personal loan and mortgage loan products aimed at women, as well as the Única Experiences, which are part of the program's non-financial offer. These experiences are a set of events, lectures, conferences, workshops and networking opportunities that have been held on topics such as health and wellness, financial advice, investments, among others, which will continue to be carried out as they are an essential component of the program.

In the medium term, we expect to strengthen the Auto, Mortgage and Personal Loan products with a series of counseling sessions which will be free of charge when acquiring the product.

Flexible parameters and assistance

- Flexible parameters were established for all Personal Banking products for female customers.
- At the stage of requesting a system adjustment initiative for the inclusion of assistance where it is considered to start with a liability product (Savings Account).
- For the Credit Card product, promotions have already been set up with merchants. For the rest of the products we are in the process of negotiating offers according to the type and category of product.

Única experiences

- For the day of good deeds we visited the Voces Vitales foundation, specifically the Centro Las Claras (a program to create opportunities to develop the potential of teenage mothers) where we gave them a workshop on how to prepare for their first job interview and a motivational talk on entrepreneurship and self-improvement.
- We conducted a financial counseling webinar "Finances for Women: Keys to Success with Money" in March in commemoration of Women's Month.
- Additionally, we have developed a space within Única's website which has content on financial advice and education. Topics such as, for example:
 - The good management of credit cards.
 - How to improve your finances and increase your savings.
- A total of 572 people have been impacted with the "Única Experiences", in the period from March to June 2023. Seven events were held (5 face-to-face and 2 Live) focused on topics like:
 - Health and Wellness
 - Personal Growth
 - Financial Advice
 - Sustainability

Links and references

IS22/23:
Responsible banking
Page 78

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers and to encourage sustainable practices? ¹⁰

Yes In progress No

Does your bank have a policy for the sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹. It should include information on relevant policies, planned/implemented actions to support customer transition, selected indicators on customer engagement and, where possible, the impacts achieved.

This should be based on and aligned with the impact analysis, target setting, and action plans put in place by the bank (see P2).

Response

We encourage customers to adhere to the best environmental and social practices, especially through credit.

- 1) Implementation of the Environmental and Social Risk Management System (SARAS). Environmental and social risk assessments generate action plans, which are agreed with customers by signing a document that is an integral part of the loan agreement, detailing the mitigation and/or corrective measures to be carried out on certain dates.
- 2) Creation and implementation of financial products and services specifically linked to social and/or environmental purposes. Customers who are the object of these are already committed to their use for the purposes stated in the product conditions.
- 3) Due diligence regarding governance and ethics in customers, through the application of the Know Your Customer Policy.
- 4) Accompanying and raising awareness of our customers in the implementation of sustainable production practices.
- 5) Development of a transition plan to achieve the goals of decarbonization of the loan portfolio. One of the aspects of this plan consists of supporting customers in quantifying and developing plans to reduce GHG emissions from their activities.

These commitments are part of the General Sustainability Policy; in this way, we seek to strengthen the contribution to the SDGs, the Paris Agreement, and the country's NDC; also from our customers' activities.

Links and references

IS22/23:
Responsible banking
Page 78

General Sustainability
Policy

Environmental
and Social Risk
Management Policy



¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



Principle 3: Clients and Customers

3.2 Business opportunities

Describe what strategic business opportunities in relation to increasing positive impacts and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and in which SDGs or impact areas you strive to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

The development of the noted products with environmental and social purpose incorporate a business opportunity. We have created and implemented the following financial products with conditions that differ from conventional ones:

Green financial products (environmental purposes):

- Distributed solar energy generation (financing of solar panel systems for self-consumption in companies).
- Electric / hybrid vehicle
- Sustainable agriculture and livestock: With the support of the eco.business Fund, we have been implementing since 2017, including a new contract in 2023, a fund that enables the delivery of credit together with professional advice on sustainable production practices. Applicable green taxonomy is in place.
- The development of other green products is in progress.

Products and services with benefits for women:

Programa Única: It consists of a holistic gender strategy focused on financial and non-financial services aimed at women in order to achieve their financial inclusion and promote their professional and personal development and growth. It includes:

- Única credit card with the added value of insurance and assistance.
- Flexible conditions in mortgage, personal loan and mortgage loan products aimed at women.
- Única Experiences: a series of events, lectures, conferences and workshops that offer women the opportunity to connect with other women and network, and at the same time educate themselves on non-financial topics that add value to their lives, promote better management of their finances, promote the necessary skills to develop and make their businesses sustainable, thus achieving greater independence for women and the generation of new income.

In addition, we continue providing credit products for financing:

- Renewable energy in general
- Residential mortgages to women
- Women-owned/led SMEs

These are complemented by other credit products also being implemented, although they have not been included as targets of the Responsible Banking Principles:

- Loans to retirees – Targeted to retirees and pensioners of the Social Security Fund, amounts between \$2,000 and \$80,000, income from \$175 per month.
- Prime mortgages – mortgage loans for different types of housing, including those that apply to the Housing Solidarity Fund.

Links and references

IS22/21:
Responsible banking
Page 78



Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) that it has identified as relevant in relation to the impact analysis and target setting process? ¹²

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

As part of our operation, we actively engage stakeholders through different channels; their participation is necessary for the financial group's activity. The specialization of our teams allows for a direct and efficient relationship, based on transparency and value creation for both parties.

As part of the impact analysis of our products, different business areas were consulted in order to size the associated customer profiles and, thus, the possible impacts.

Additionally, in order to understand our impacts also in the relationship with other stakeholders, we updated the materiality analysis, under the concept of dual materiality. In this way, we were able to understand critical topics in our other roles besides providing financial products and services, such as the institution as an employer, customer, etc.

As part of this process, we consulted with employees, customers, authorities and shareholders, either directly or through the employees who have a relationship with them.

Global Bank's participation with our stakeholders in various initiatives, events and institutions related to the sector and sustainability has allowed us to join efforts to achieve initiatives and action plans. Some of these are listed in the Annex of Alliances and Memberships:

- We entered into an alliance with ENSA Servicios to bring to the market a line of "green" financing aimed at commercial and industrial clients nationwide who wish to develop projects that promote the rational use of natural resources and protect the environment.
- Alliance with the Banking Association for a Financial Education Program.
- We participated as external reviewers of the document Common Framework of Sustainable Finance Taxonomies for Latin America and the Caribbean (LAC), which is a guide for LAC member states in the development of their sustainable finance taxonomies.

Links and references

IS22/23:
Annex I: Stakeholder engagement
Page 142

IS22/23:
Annex I: Materiality study
Page 147

IS22/23:
Annex I: Alliances and memberships
Page 145

¹² Como reguladores, inversionistas, gobiernos, proveedores, clientes y clientes, academia, instituciones de la sociedad civil, comunidades, representantes de población indígena y organizaciones sin fines de lucro



Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

The Corporate Governance Steering Committee is in charge of overseeing the Sustainability Strategy and its degree of compliance, which includes the implementation of the Principles of Responsible Banking.

The Sustainability Commission is the body in charge of proposing, developing and monitoring the Bank's Sustainability Strategy, which includes responsible banking initiatives and actions to advance the established targets (loans for renewable energy and inclusive loans for women).

The responsibilities of the Sustainability Commission are publicly available in the regulations. Of particular note are:

- 1) Propose to Senior Management and the Board of Directors the sustainability strategies that include responsible business financing. Follow up on these strategies and communicate the results.
- 2) Periodically (annually) review the sustainability strategy and policy and propose its modification and update to the Corporate Governance Steering Committee and the Board of Directors.

The involvement of the Board of Directors and the Corporate Governance Steering Committee can be inferred from the two targets above. The Commission reports to the General Management and the Corporate Governance Steering Committee, which in turn reports to the Board of Directors.

On a quarterly basis, the Sustainability Commission submits progress reports to the Corporate Governance Steering Committee for review and follow-up of actions. The latter in turn reports progress to the Board of Directors at the same frequency. Complete annual management reports of the Commission are submitted annually. And as appropriate, the different policies, documents or action plans that arise in the implementation of the Sustainability strategy are submitted to both corporate governance bodies for approval.

Links and references

IS22/23:
Strategy
Page 19

Governance
Sustainability
Commission
Regulations



Principle 5: Governance & Culture

Response

The required composition of the Commission is detailed in the regulations, and includes: Credit Management, Risk, Marketing, Human Resources, Administration, Projects and Processes, Business areas, Finance, Treasury, Legal, Operations, Technology, Auditing, Global Assurance, Progress.

The Sustainability Commission holds ordinary meetings every six months and may also hold extraordinary meetings.

In August 2022, the Sustainability Area was created, attached to the Vice-Presidency of Legal and Compliance, which in turn reports to the General Management, to promote and account for the Bank's Sustainability efforts, based on the General Sustainability Policy and coordinating the execution of the Sustainability Strategy with our different areas and subsidiaries.

During this period, 45% of the vice presidencies established performance targets linked to the Sustainability Strategy, for the teams with responsibilities in this area.

Links and references

IS22/23:
ESG Strategy
Page 19

Governance
Sustainability
Commission
Regulations



5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

Our employees have been an active part of the development of the Sustainability Strategy, including key milestones, such as the definition of credit portfolio targets in the prioritized significant impact areas, materiality analysis, among others.

As part of our regular activity, we provide sustainability training to employees, with a more general program and another specific program for areas with a more specialized participation in the strategy: risks and commercial teams. During this period, more than 20 internal training sessions on sustainability topics were conducted for the bank's personnel, and a microlearning (training in digital format) was sent to all personnel and directors on sustainable finance.

Additionally, a monthly newsletter on sustainability topics and the bank's progress in these topics is sent to all staff. At the end of the period, 24 newsletters had been published internally.

Links and references

IS22/23:
ESG Strategy
Page 19

IS22/23:
Human talent
Page 115



Principle 5: Governance & Culture

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.¹³

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

We have an Environmental and Social Risk Management System (SARAS, for its acronym in Spanish) that allows us to identify, assess, manage and monitor potential environmental and social risks of the activities we finance.

This system is consistent with the eight International Finance Corporation (IFC) Performance Standards and is aligned with the International Labor Organization (ILO) Core Conventions.

There is a list of excluded activities, which the bank does not finance, and a list of activities conditioned to a percentage of the loan portfolio for financing.

SARAS applies to Business Banking loans. The credits are categorized in C (Low), B (Medium) or A (High) by means of tools created for this purpose, which take into account the risk of the activity to be financed and the risks associated with the territory such as: risks of natural hazards, natural resources, involuntary resettlement, cultural heritage, indigenous peoples and forests or areas of high conservation value.

Those credits whose activities, works or projects to be financed are on the Exhaustive list (requiring an environmental impact study according to Panamanian legislation) or are categorized as B (Medium) or A (High) risks, i.e., with indirect, cumulative and/or synergistic negative socio-environmental impacts of quantitative and/or qualitative significance and which may also be diverse, irreversible and unprecedented, require an evaluation by the Environmental Analyst.

If the activities are categorized C (Low) they only require the verification of the licenses or permits that apply to the activity to be financed, but if their real estate guarantees have a value =>\$1 million these must be evaluated by the Environmental Analyst.

Details of the SARAS stages can be found in the chapter on Responsible Banking.

The following documents are available: (i) Environmental and Social Risk Management Policy, which establishes the guidelines, as well as the governance structure and responsibilities; (ii) SARAS Procedure, where the process, its actors, principles and controls are detailed step by step; and (iii) Environmental Complaints Process.

We also apply due diligence with respect to governance and ethics in our customers, through the Know Your Customer Policy and the Prevention and Money Laundering procedures. See details in the Ethics and Anti-corruption chapter.

- Links and references
- IS22/23: Responsible banking
Page 78
- IS22/23: Ethics and anti-corruption
Page 71
- Environmental and Social Risk Management Policy

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.



Principle 5: Governance & Culture

Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information about your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response

In accordance with the commitments acquired with the subscription to the Principles of Responsible Banking, we have proceeded diligently in complying with the roadmap that UNEP-FI establishes, and which considers the external verification of the application of the principles:

- 2.1 Impact analysis
- 2.2 Establishment of objectives
- 2.3 Implementation and monitoring of objectives
- 5.1 Governance structure for implementation of the Principles

The exercise is integrated with the verification of a selection of key indicators from the reporting standards we use for our Strategy performance information: Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

Links and references

IS22/23: External assurance letter
Page 220

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

GRI CDP TCFD
 SASB IFRS Sustainability Disclosure Standards (pending publication) Other _____



Principle 6: Transparency & Accountability

Response

In our sustainability reporting, we use Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) indicators; in this way we address impact materiality (with related GRI standards) and financial materiality (with the parameters of the topics established by SASB for the financial sector industries in which we operate – e.g. Commercial banking).

We also integrate the response to the recommendations of The Task Force on Climate-Related Financial Disclosures (TCFD). We calculate our Greenhouse Gas (GHG) emissions annually and perform a climate change risk analysis of the Group's direct activity and our loan portfolio.

In addition, we use the Stakeholder Capitalism metrics of the International Business Council (IBC) of the World Economic Forum (WEF). These seek to communicate how the company works in the creation of long-term value, taking into account the

needs of the different stakeholders, as well as the different stakeholders' needs, with people and the planet at the center of the strategies. We use the core and expanded metrics that are related to the aforementioned dual materiality.

In addition, committed to transparency towards the market, including risk rating agencies, we have made progress in considering the requirements of the S&P Global Corporate Sustainability Assessment (CSA) in this report.

Links and references

IS22/23: Introduction to the report
Page 3

6.3 Outlook

What are the next steps your bank will undertake in the next 12-month reporting period (in particular on impact analysis¹⁴, target setting¹⁵ and governance structure to implement the PRB)? Please describe briefly.

Response

- Implementation of transition plan to achieve funded emissions reduction goals.
- Quantitative analysis of portfolio climate change risks including geographies.
- Improve the availability and quality of data for the:
 - calculation of portfolio GHG emissions, in order to be able to set targets based on sectoral emissions reduction science;
 - analysis of health and financial inclusion, and establish impact indicators;
 - broadening the scope of the portfolio's impact analysis.
- Active involvement of subsidiaries, which will enhance the responsible banking agenda, especially in investment and insurance activities (in this case in the insurance company as an institutional investor).
- Permanent reinforcement of the culture of sustainability and responsible banking among employees.
- Continue with the companion and sensitization of our customers in the application of sustainable practices.

Links and references

IS22/23: Responsible banking
Page 78

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



Principle 6: Transparency & Accountability

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> Embedding PRB oversight into governance. | <input type="checkbox"/> Choosing the right performance measurement methodology/ies. | <input type="checkbox"/> Data quality | <input checked="" type="checkbox"/> Other:
Implementing and monitoring targets |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank. | <input type="checkbox"/> Setting targets. | <input type="checkbox"/> Access to resources | |
| <input type="checkbox"/> Getting started: where to start and what to focus on at the beginning. | <input type="checkbox"/> Customer engagement. | <input type="checkbox"/> Reporting | |
| <input type="checkbox"/> Conducting an impact analysis. | <input type="checkbox"/> Stakeholder involvement. | <input checked="" type="checkbox"/> Assurance | |
| <input type="checkbox"/> Assessing negative environmental and social impacts. | <input checked="" type="checkbox"/> Data availability | <input type="checkbox"/> Prioritizing actions internally | |

If desired, you can elaborate on challenges and how you are tackling these:

Response

Implementation and monitoring of targets: involving different areas of the bank maintaining interest and commitment, establishing action plans with customers. More resources are required to implement transition plans. Targets for decarbonization represent a challenge in the country, considering that it is necessary to raise awareness among customers and support them in measuring GHG emissions and developing a plan to reduce them. Some indicators need to be designed and started to be measured to monitor the targets.

Data availability and quality: to improve targets and indicators, as well as the required analysis, we need to capture information from customers, as well as improve and update existing data in our databases. This requires an action plan that includes adapting fields in our databases, obtaining data from our customers, establishing procedures for capturing and updating information, and managing/evaluating the data. In addition, a more automated information system is required to streamline the performance of the different analyses, and the preparation of annual sustainability reports.

Assurance: We perform third party verification of the sustainability report which requires the participation of different areas of the bank, documented evidence and different interviews; which leads us to improve and automate the availability of information and documentation to speed up this type of verification and reporting processes.



Annex III

GRI Content Index

Section	Content	Description	Omission	Page(s)
GRI 1: Foundation 2021		It is applied throughout many aspects in the report.		
GRI 2: General Disclosures 2021				
The organization and its reporting practices	GRI 2-1	Organization details		10
	GRI 2-2	Entities included in the organization's sustainability reports		3
	GRI 2-3	Reporting period, frequency, and point of contact		3
	GRI 2-4	Restatement of the information		3
	GRI 2-5	External verification		3, 220
Activities and workers	GRI 2-6	Activity, value chain and other business relationships		10, 52
	GRI 2-7	Employees		108
	GRI 2-8	Non-employee workers	Not applicable. Global Bank works with its own employees.	
Governance	GRI 2-9	Governance structure and composition		10, 55
	GRI 2-10	Nomination and selection of the highest governing body		55
	GRI 2-11	President of the highest governing body		55
	GRI 2-12	Role of the highest governing body in overseeing impact management		30, 55
	GRI 2-13	Delegation of responsibilities for impact management		30, 55
	GRI 2-14	Role of the highest governing body in sustainability reporting		3
	GRI 2-15	Conflicts of interest		55
	GRI 2-16	Communication of critical concerns	Confidential, due to internal company guidelines.	55
	GRI 2-17	Collective knowledge of the highest governing body		55
	GRI 2-18	Performance evaluation of the highest governing body		55
	GRI 2-19	Remuneration policies		55



Section	Content	Description	Omission	Page(s)
Governance	GRI 2-20	Process to determine remuneration		55
	GRI 2-21	Annual total compensation ratio	Confidential, due to internal company guidelines.	
Strategy, policies and practices	GRI 2-22	Declaration on sustainable development strategy		5, 20
	GRI 2-23	Policy commitment		20, 72
	GRI 2-24	Incorporation of policy commitments		20, 72
	GRI 2-25	Process to mend negative impacts		72
	GRI 2-26	Mechanisms for seeking counseling and raising concerns		72
	GRI 2-27	Compliance with laws and regulations		72
	GRI 2-28	Associations in which it participates		145
Stakeholder engagement	GRI 2-29	Focus on stakeholder engagement		142
	GRI 2-30	Collective negotiating agreements	Exclusion, because banks in Panama are not subject to collective bargaining.	
GRI 3: Material Topics 2021				
	GRI 3-1	Process to determine material topics		147
	GRI 3-2	List of material topics		147
	GRI 3-3	Management of material topics	It is informed throughout the report. See table below.	

Material Topics	GRI Standard	Content	Description	Omission	Page/s
Economic Performance	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Direct economic value generated and distributed		140
		201-2	Financial implications and other risks and opportunities arising from climate change		40
		201-3	Defined benefit plant obligations and other retirement plans		118
		201-4	Financial assistance received from the government		140
	GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1	Investment in infrastructure and supported services		85
		203-2	Significant indirect economic impacts		
GRI 204: PROCUREMENT PRACTICES 2016	204-1	Share of spending on local suppliers		52	
Ethics and Anticorruption	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 205: ANTI-CORRUPTION 2016	205-1	Operations assessed for corruption related risks		52
		205-2	Communication and training about anticorruption policies and procedures	Information not available regarding the bank's communication to third parties. The company is working towards its inclusion in the next report.	72
		205-3	Confirmed corruption cases and measures takes		72
Regulatory Compliance	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1	Legal actions related to unfair competition, monopolistic practices and those against free competition		72
Eco-operational Efficiency	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 302: ENERGY 2016	302-1	Energy consumption within the organization		122
		302-2	Energy consumption outside the organization		122
		302-3	Energy intensity		122
		302-4	Reduction of energy consumption		122
302-5		Reduced energy requirements of products and services			



Material Topics	GRI Standard	Content	Description	Omission	Page/s
Eco-operational Efficiency	GRI 305: EMISSIONS 2016	305-1	Direct GHG emissions (scope 1)		125
		305-2	Indirect GHG emissions from power generation (scope 2)		125
		305-3	Other indirect GHG emissions (scope 3)		125
		305-4	GHG emission intensity		125
		305-5	GHG emission reduction		126
		305-6	Emissions of ozone-depleting substances (ODS)	Not applicable, Global Bank's activity essentially generates GHG emissions and not any other type.	
		305-7	Nitrogen oxides (NOX), Sulphur oxides (SOX) and other significant emissions in the air	Not applicable, Global Bank's activity essentially generates GHG emissions and not any other type.	
Attraction and retention of employees	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 401: EMPLOYMENT 2016	401-1	New hires of employees and staff turnover		110
		401-2	Benefits for full-time employees not given to part-time or temporary employees		118
		401-3	Parental leave		119
Work Health and Safety	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational health and safety management system		115
		403-2	Hazard identification, risk assessment, and incident investigations		115
		403-3	Occupational health services		115
		403-4	Worker participation, consultation and communication on occupational health and safety		115
		403-5	Training of workers on occupational health and safety		115
		403-6	Promoting employee health		115
		403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked to business relationships		115
		403-8	Coverage of the occupational health and safety management system		115
		403-9	Injuries of job-related accidents		115
403-10	Occupational ailments and diseases		115		



Material Topics	GRI Standard	Content	Description	Omission	Page/s
Training and development of employees	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee		111
		404-2	Employee skills enhancement programs and transition assistance programs		111
		404-3	Percentage of employees who receive periodic performance appraisals and professional development		111
Diversity and Equal Opportunities	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1	Diversity in governing bodies and employees		106
		405-2	Ratio of basic salary and of female remuneration versus men		118
GRI 406: NON-DISCRIMINATION 2016	406-1	Cases of discrimination and corrective actions taken		108	
Relations with Authorities	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 415: PUBLIC POLICY 2016	415-1	Contributions to political parties and/or representatives		72
Customer Service	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	Assessment of health and safety impacts of product or service categories		104
		416-2	Cases of non-compliance relating to health and safety impacts of product and service categories		72
	GRI 417: MARKETING AND LABELING 2016	417-1	Requirements for information and labelling of products and services		104
		417-2	Cases of non-compliance related to information and labelling of products and services		72
417-3		Cases of non-compliance related to marketing communications		72	
Customer Privacy	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	GRI 418: CUSTOMER PRIVACY 2016	418-1	Substantiated claims regarding breaches of customer privacy and loss of customer data		106



Material Topics	GRI Standard	Content	Description	Omission	Page/s
FINANCIAL SERVICES SECTOR SUPPLEMENT					
ESG Financing and Investing	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	Financial services sector supplement	FS1	Policies with specific environmental and social aspects applied to business lines		85, 90, 95
		FS2	Procedures for the assessment and control of social and environmental risks in business lines		95
		FS3	Procedures for monitoring clients' implementation of social and environmental requirements included in contracts or transactions		95
		FS4	Process(es) to improve employee competence in implementing environmental and social policies and procedures applied to lines of business		95
		FS9	Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures		95
		FS10	Percentage and number of companies in the institution's portfolio with which the organization has interacted regarding environmental or social issues.		95
		FS11	Percentage of assets subject to environmental or social criteria.		95
Products and Services with Environmental benefits	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	Financial services sector supplement	FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities		95
		FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector		135
		FS7	Monetary value of products and services designed to provide a specific social benefit for each line of business broken down by its purpose		85
		FS8	Monetary value of products and services designed to provide a specific environmental benefit for each line of business divided by purpose.		90



Material Topics	GRI Standard	Content	Description	Omission	Page/s
Financial Inclusion	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	Financial services sector supplement	FS13	Access points by type in sparsely populated or economically disadvantaged areas		15, 104
		FS14	Initiatives to improve access to financial services for disadvantaged people		85, 104
Sales Practices	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	Financial services sector supplement	FS15	Policies for the correct design and offering of financial products and services		12
Financial Education	GRI 3: MATERIAL TOPICS 2021	3-3	Material topic management		
	Financial services sector supplement	FS16	Financial education programs		99

Annex III

SASB Metrics Index

SASB Standard: Commercial Banks 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Activity Parameter				
Activity Metric	FN-CB-000.A	(1) Number and (2) monetary value of the checking and savings accounts per segment: (a) personal and (b) small businesses		135
	FN-CB-000.B	(1) Number and (2) monetary value of loans per segment: (a) personal, (b) small businesses and (c) corporate		135
Accounting Parameter				
Data Security	FN-CB-230a.1	Number of information leaks		106
	FN-CB-230a.2	Description of the approach to identify and address data security risks		106
Financial inclusion and capacity generation	FN-CB-240a.1	Number of qualified loans pending for programs designed to promote small businesses and community development		85
	FN-CB-240a.2	Number of qualified loans cancelled and unproductive for programs designed to promote small businesses and community development	Information not available	
	FN-CB-240a.3	Number of free retail checking accounts provided to previously unbanked or underbanked customers	Information not available	
	FN-CB-240a.4	Number of participants in financial education of unbanked, underbanked or unattended customers		99
Incorporation of environmental, social and governance factors into credit analysis	FN-CB-410a.1	Commercial and industrial credit exposure by sector		135
	FN-CB-410a.2	Description of the approach to incorporate environmental, social and governance (ESG) factors in credit analysis		95
Business Ethics	FN-CB-510a.1	Total amount of monetary losses resulting from court proceedings regarding fraud, use of privileged information, antitrust laws, unfair competition, market manipulation, malpractice, or other related laws or regulations of the financial industry.		72
	FN-CB-510a.2	Description of policies and procedures regarding the report of irregularities (whistleblowing)		72
Systemic Risk Management	FN-CB-550a.1	Score in the assessment of global systemic importance banking (G-SIB), by category.	Information not available	
	FN-CB-510a.2	Description of the approach to incorporate the results of mandatory and voluntary stress results into planning of capital adequacy and long-term corporate strategy.	Information not available	



SASB Standard: Consumer Finance 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Activity Parameter				
Activity Metric	FN-CF-000.A	Number of unique consumers with one active (1) credit card account and (2) prepaid debit card account		137
	FN-CF-000.B	Number of (1) credit card accounts and (2) prepaid debit card accounts		137
Accounting parameter				
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Information not available	
	FN-CF-220a.2	Total amount of monetary losses as a result of court proceedings regarding customer privacy		72, 106
Data Security	FN-CF-230a.1	Number of data leaks		106
	FN-CF-230a.2	Losses due to card-related fraud without the physical card	During the fiscal year, we did not incur losses from card-related fraud or other types of fraud.	106
		Losses due to card-related fraud with the physical card and other types of fraud		106
	FN-CF-230a.3	Description of the approach to identify and address data security risks		106
Sale Practices	FN-CF-270a.1	Percentage of total remuneration of covered that is variable and linked to the quantity of products and services sold	Information not available	
	FN-CF-270a.2	Credit approval rate (1) for prepaid products and (2) for applicants with FICO score above or below 660	Information not available	
	FN-CF-270a.3	(1) Average complementary product commission, (2) average APR, (3) average age of accounts, (4) average quantity of commercial lines, and (5) average of annual commissions for pre-paid products for customers with FICO scores above and below 660	Information not available	
	FN-CF-270a.4	1.1 Number of complaints filed with the Consumer Financial Protection Bureau (CFPB)		72
		1.2 Percentage of these with monetary or non-monetary compensation		
1.3 Percentage of these challenged by consumers				
FN-CF-270a.5	1.4 Percentage of these that resulted in an investigation by the CFPB			
	FN-CF-270a.5	Total amount of monetary losses as a result of court proceedings regarding customer privacy		



SASB Standard: Insurance 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Activity Parameter				
Activity Metric	FN-IN-000.A	Number of policies in force, by segment: (1) property and accidents, (2) life, and (3) assumed reinsurance		139
Accounting parameter				
Transparent information and just counseling to clients	FN-IN-270a.1	Total amount of monetary losses as a result of court proceedings related to marketing and communication of information related to insurance products to new and already existing customers		72
	FN-IN-270a.2	Relationship between complaints and claims		
	FN-IN-270a.3	Customer retention rate	Information not available	
	FN-IN-270a.4	Description of the approach to inform customers about the products		104
Incorporation of environmental, social, and governance factors in investment management	FN-IN-410a.1	Total assets invested, by sector and type of asset		139
	FN-IN-410a.2	Description of the approach to incorporate environmental, social and governance (ESG) factors in the processes and strategies of investment management.	Information not available	
Policies designed to encourage responsible conduct	FN-IN-410b.1	Net issued premiums related to energy efficiency and low carbon emission technology	We are still developing specific products for this type of projects.	
	FN-IN-410b.2	Analysis of products or product characteristics that encourage health, safety, and actions or behaviors that are environmentally responsible.		85
Exposure to environmental risk	FN-IN-450a.1	Maximum probable loss (MPL) of insured products due to climate related natural disasters	Information not available	
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payments (compensation) for (1) modeled natural disasters and (2) unmodeled natural disasters, by type of event and geographic segment (before and after reinsurance)	Information not available	
	FN-IN-450a.3	Description of the approach to incorporate environmental risks in (1) the process of underwriting individual contracts and (2) risk management at the level of the company and capital adequacy	Information not available	
Systemic Risk Management	FN-IN-550a.1	Exposure to instruments derived by category (1) Total potential exposure to by-products without central compensation, (2) total reasonable value of accepted guarantees accounted in the central clearing house, and (3) total potential exposure to by-products with central compensation.	Information not available	
	FN-IN-550a.2	Reasonable total value of guarantees for securities lending	Information not available	
	FN-IN-550a.3	Description of the approach to risk management related to capital and liquidity, associated to non-insured systemic activities	Information not available	



SASB Standard: Asset Management and Custody Activities 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Activity Parameter				
Activity Metric	FN-AC-000.A	(1) Total registered assets and (2) total unregistered assets under management (AUM)	Information not available	
	FN-AC-000.B	Total assets under custody and supervision		137
Accounting Parameter				
Transparent information and just counseling to clients	FN-AC-270a.1	(1) Number and (2) percentage of employees covered with a history of investigations related to investments, customer claims, private civil litigations, or other regulatory procedures	Information not available	
	FN-AC-270a.2	Total amount of monetary losses resulting from court proceedings related to marketing and communication of information related to financial products to new and already existing clients.		72
	FN-AC-270a.3	Description of the approach to informing customers about products and services		104
Diversity and inclusion of employees	FN-AC-330a.1	1.1 Percentage of gender and racial/ethnic group representation in executive administration		108
		1.2 Percentage of gender and racial/ethnic group representation in non-executive administration		
		1.3 Percentage of gender and racial/ethnic group representation in professional groups		
		1.4 Percentage of gender and racial/ethnic group representation in all other employee groups		
Incorporation of environmental, social, and governance factors in counseling of investment management	FN-AC-410a.1	Number of assets under management, by type of asset, which employ (1) integration of environmental, social, and governance (ESG) topics, (2) sustainability themed investments, and (3) screening	Information not available	
	FN-AC-410a.2	Description of the approach to incorporate environmental, social, and governance (ESG) factors in the processes and strategies of investment or asset management.	Information not available	
	FN-AC-410a.3	Description of the policies and procedures of voting by proxy and of intervention in the participating companies	Information not available	
Business Ethics	FN-AC-510a.1	Total amount of monetary losses resulting from court proceedings related to fraud, use of privileged information, antitrust laws, unfair competition, market manipulation, malpractice, and other laws and regulations related to the financial industry		72
	FN-AC-510a.2	Description of policies and procedures for reporting irregularities (whistleblowing)		72



SASB Standard: Investment Banking and Brokerage 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Activity Parameter				
Activity Metric	FN-IB-000.A	(1) Number and (2) value of (a) underwriting transactions, (b) counseling and (c) securitization		138
	FN-IB-000.B	(1) Number and (2) value of investments and property loans by sector		138
	FN-IB-000.C	(1) Number and (2) value of market creation transactions of (a) fixed income, (b) shares, (c) currencies, (d) by-products, and (e) commodities		138
Accounting Parameter				
Diversity and inclusion of employees	FN-IB-330a.1	1.1 Percentage of gender and racial/ethnic group representation in executive administration		108
		1.2 Percentage of gender and racial/ethnic group representation in non-executive administration		
		1.3 Percentage of gender and racial/ethnic group representation in professional groups		
		1.4 Percentage of gender and racial/ethnic group representation in all other employee groups		
Incorporation of environmental, social, and governance factors in activities of investment banking and brokerage	FN-IB-410a.1	Income from transactions of (1) underwriting, (2) counseling and (3) securitization which incorporate the integration of environmental, social, and governance factors (ESG), by industry	We currently do not have products with the specific focus on the environment; however, we are working on their development	
	FN-IB-410a.2	(1) Number and (2) total value of the investments and loans that incorporate the integration of environmental, social, and governance (ESG) factors, by industry		
	FN-IB-410a.3	Description of approach to incorporate environmental, social and governance (ESG) factors in the activities of investment banking and brokerage		
Corporate Ethics	FN-IB-510a.1	Total amount of monetary losses resulting from court proceedings related to fraud, use of privileged information, antitrust laws, unfair competition, market manipulation, malpractice, and other laws and regulations related to the financial industry		72
	FN-IB-510a.2	Description of policies and procedures for reporting irregularities (whistleblowing)		72
Professional integrity	FN-IB-510b.1	(1) Number and (2) percentage of employees covered with a history of investigations related to investments, customer claims, private civil litigations, or other regulatory procedures	Information not available	
	FN-IB-510b.2	Number of mediation and arbitration cases related to professional integrity, including due diligence		
	FN-IB-510b.3	Total amount of monetary losses resulting from court proceedings related to professional integrity, including due diligence		
	FN-IB-510b.4	Description of the approach to ensure professional integrity, including due diligence		



SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Systemic Risk Management	FN-IB-550a.1	Score of the assessment of global systemic importance banking (G-SIB), by category	Information not available	
	FN-IB-550a.2	Description of the approach to incorporate the mandatory and voluntary stress tests in planning capital adequacy, long-term corporate strategy, and other business activities		
Employee Incentives & Risk Taking	FN-IB-550b.1	Percentage of the total remuneration that is variable for the material risk takers (MRT)	Information not available	
	FN-IB-550b.2	Percentage of the variable remuneration of material risk takers (MRT) to those who were applied penalization or recuperation clauses		
	FN-IB-550b.3	Analysis of policies related to the supervision, control, and price validation of the operators of assets and liabilities of level 3		

SASB Standard: Mortgage Financing 2018

SASB Topic	Code	Topic Description	Omissions and/or Modifications	Page
Activity Parameter				
Activity Metric	FN-MF-000.A	(1) Number and (2) value of mortgages opened by category: (a) residential and (b) commercial		137
	FN-MF-000.B	(1) Number and (2) value of mortgages acquired by category: (a) residential and (b) commercial	Information not available	
Accounting parameter				
Loan practices	FN-MF-270a.1	(1) Number and (2) value of residential mortgages by the following types: (a) variable rate mortgages, hybrid or optional, (b) with a fee for anticipated cancellation, (c) or of a more elevated type, (d) total with FICO (Fair Isaac Corporation) score above or below 660	Information not available	
	FN-MF-270a.2	(1) Number and (2) value of (a) modifications to residential mortgages, (b) mortgage executions and (c) short selling or delivery of deeds instead of a mortgage execution, according to FICO scores above or below 660		
	FN-MF-270a.3	Total monetary losses resulting from legal proceedings related to communication to clients or to remuneration of the loan originators		72
	FN-MF-270a.4	Description of the payable structure of loan originators	Information not available	
Discriminatory Loan	FN-MF-270b.1	(1) Number, (2) value and (3) pondered average of the loan to value ratio (LVR) of the mortgages granted to borrowers belonging to minorities and (b) all other borrowers, with arrangement to the FICO scores above or below 660	Information not available	
	FN-MF-270b.2	Total amount of monetary losses resulting from court proceedings related to discriminatory mortgage loans		
	FN-MF-270b.3	Description of the policies and procedures to ensure opening mortgages without discrimination		
Environmental risk of mortgaged properties	FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	Information not available	
	FN-MF-450a.2	(1) Total expected loss and (2) loss given default (LGD) attributable to non-payment of mortgage loans and delinquency resulting from natural disasters related to climate, by geographic region		
	FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage opening and underwriting		



Annex III – REPORTING FRAMEWORK

Table of recommendations according to TCFD




Recommended disclosure	Code	Page(s)	Additional Information
a) Describe the Board Oversight of Climate-related Risks and Opportunities.	GEN-GOV.a	40	<p>The Board of Directors annually oversees progress in sustainability, including risks and opportunities related to climate change. It is responsible for approving related policies, strategies, and action plans.</p> <p>Likewise, the Risk Management Steering Committee oversees environmental, social, and corporate governance (ESG) risks, including those related to climate change.</p> <p>The Corporate Governance Steering Committee oversees sustainability-related issues. It approves policies and corporate governance on climate-related matters in general.</p>
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	GEN-GOV.b	40, 66	<p>The Sustainability Commission ensures compliance with the Sustainability Policy, develops and monitors the execution of the sustainability strategy, and oversees the implementation of the UNEP FI Principles for Responsible Banking. As part of the Commission’s agenda, it tracks risks and opportunities related to climate change and reports to the Risk Management Steering Committee.</p> <p>Likewise, the Sustainability, Risk, Credit Management, and Business areas are responsible for the identification, monitoring, and implementation of prevention, remediation, and mitigation plans for the same.</p> <ul style="list-style-type: none"> • Sustainability Area: Proposes, develops, implements climate strategy and policy. • Risk Area: Supports the definition of strategy and policy related to climate risks. • Business Area: Supports transition plans with clients and the development and implementation of climate strategy and policy. • Credit Management: Identifies climate risk in Corporate/Enterprise Banking credits. Supports compliance with climate-related policies and processes.



 STRATEGY

Recommended disclosure	Code	Page(s)	Additional Information
<p>a) Describe the climate-related risks and opportunities identified by the organization has identified over the short, medium, and long term.</p>	<p>GEN-STRAT.a</p>	<p>40-51</p>	<p>The risks and opportunities related to the climate are described in the Risk Management chapter, classified as:</p> <ul style="list-style-type: none"> • Transition Risks: political and legal, technological, marketing, and reputation. • Physical Risks: acute and chronic. • Legal Liability Risks: legal proceedings. • Opportunities: resource efficiency, energy sources, and products and services.
<p>b) Describe of the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.</p>	<p>GEN-STRAT.b</p>	<p>40-51</p>	<p>The financial impact of risks and opportunities is described in the Risk Management chapter, along with the portfolio sectors affected, related initiatives, and the short, medium, and long-term time horizon.</p>
<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>GEN-STRAT.c</p>	<p>80, ND</p>	<p>We have set an initial target for funded emissions reduction (Scope 3, category 15); we are progressing with the transition plan for some portfolio sectors towards a 1.5°C scenario (zero emissions reduction by 2050). Additionally, we have a plan for emissions reduction and carbon neutrality by 2050 (Scope 1 and 2) for the bank's operations.</p> <p>We began with an initial analysis of real estate collateral in the Corporate Banking segment, at the geographical level of districts. We evaluated which collaterals were located in districts highly vulnerable to climate change, according to information available from the Ministry of Environment, resulting in 5.6% of Corporate Banking credits (by balance volume) having collaterals located in these districts. It is worth noting that these collaterals may potentially be exposed to negative impacts of climate change due to the combination of sector sensitivity to climate-related hazards and the intensity of those hazards in the region where they are located; however, the actual underlying assets within this sector may not actually be exposed or vulnerable to hazards. This information will serve as input to define thresholds and other characteristics that would be considered for establishing risk methodology and climate strategic policies of the portfolio.</p> <p>We plan to conduct analysis for vulnerable locations according to the country's scenario analysis, both for bank facilities and credit portfolio, verifying the availability of data according to geographical destination.</p>



 RISK MANAGEMENT			
Recommended disclosure	Code	Page(s)	Additional Information
<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	GEN-RISK.a	40	<p>Climate risks were identified through a comprehensive process, involving different areas of the bank. The identification and assessment of risks considered:</p> <ul style="list-style-type: none"> • Climate Change Vulnerability Index of the Republic of Panama, • Climate Change Scenarios Study of the Republic of Panama - Vision 2030-2050-2070, • Fourth National Communication on Climate Change. • Our operation and the activities carried out by our clients, particularly analyzing which credit recipient sectors had the highest vulnerability and their nature, and those with the highest GHG emissions (quantified under the PCAF standard). <p>These efforts are part of the initiatives established in the sustainability strategy and the comprehensive risk map of the Group. Prevention and mitigation initiatives that are proposed will be gradually included.</p>
<p>b) Describe the organization's processes for managing climate-related risks.</p>	GEN-RISK.b	40-51, 78, 82, 92-98, 126	<p>The initiatives we carry out to manage climate-related risks are described in the corresponding sub-chapter, with the most important ones listed below:</p> <ul style="list-style-type: none"> • Controls established in the SARAS. • Creation of green products to finance low-emission technologies or sustainable methods. • Green product placement targets. • Funded emissions reduction transition plan. • Support to clients transitioning to a low-carbon economy with green products, awareness-raising, emission measurement, and reduction plan. • Carbon neutrality plan by 2050, with intermediate target by 2030, in our direct operations (Scope 1 and 2).





RISK MANAGEMENT

Recommended disclosure	Code	Page(s)	Additional Information
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>GEN-RISK.c</p>	<p>40</p>	<p>The results of the climate change risk analysis have been integrated into the Comprehensive Risk Policy and in the comprehensive risk matrix. In turn, climate-related risk is included in the Communication Plan and in reports to the Risk Management Committee. The results of the climate change risk analysis were reviewed by the Risk team to be integrated into the risk maps of the Banking Group (climate risk taxonomy). These results will be regularly updated by the Sustainability department along with specialists from different business units and presented to the corresponding Management Committees.</p>





METRICS AND TARGETS

Recommended disclosure	Code	Page(s)	Additional Information
<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>GEN-METRIC.a</p>	<p>80, 82, 90, 122-124</p>	<p>The main indicators are presented throughout the report, and include the analysis of social and environmental risks in the Corporate Banking portfolio, financial products with a social and environmental focus, and the calculation of loan portfolio emissions. Additionally, we report metrics on our energy consumption and Scope 1, 2, and 3 CO₂e emissions.</p>
<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 of greenhouse gas (GHG) emissions and their related risks.</p>	<p>GEN-METRIC.b</p>	<p>125, 92-94</p>	<p>We calculate our Scope 1, 2, and 3 emissions (GHG Protocol methodology), as well as those of our loan portfolio (Scope 3 - category 15) under the PCAF standard, which utilizes the GHG Protocol methodology. This includes Personal Banking (individual auto loans, residential mortgage loans) and Corporate Banking (loans for construction, agriculture, commerce, transportation, energy, and industrial sectors).</p>
<p>c) Describe the targets used by the organization to manage climate and performance-related risks and opportunities and performance against targets.</p>	<p>GEN-METRIC.c</p>	<p>80, 82, 126</p>	<p>We have an action plan within the framework of our carbon neutrality initiative by 2050, with an intermediate target by 2030, in our direct operations (Scope 1 and 2). As part of this plan, we monitor key indicators related to climate change. For the loan portfolio, we have goals for emissions reduction and placement of green credits placement. Progress is published in the Responsible Banking section of the sustainability report. We have created three green products aimed at supporting our customers in transitioning to a low-carbon and climate-resilient economy. These are: distributed solar energy (solar panels), sustainable agriculture, and electric vehicles.</p>



Annex III

Stakeholder capitalism contents – WEF

Pillar: Principles of Governance

Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Governing Purpose	Setting purpose	Central	The purpose established by the company, as an expression of the means used by the company to propose solutions to economic, environmental, and social problems. The corporate purpose must create value for all stakeholders, including the shareholders.		10, 19
	Purpose-led management	Expanded	How is the company's purpose included in its strategies, policies, and objectives.		10, 19
Quality of Corporate Government	Composition of Corporate Government	Central	Composition of senior management and its committees, including their responsibilities.		54
		Expanded	Progress measured against goals.	Not available	
		Expanded	Remuneration (directors and senior management)		
Stakeholders Engagement	Material issues impacting stakeholders	Central	List of topics that are material to stakeholders and to the company, how are these issues identified, and how the stakeholders are committed to them		147
Ethical Behavior	Anticorruption	Central	1) Total percentage of senior management members, employees and business partners who have received training in the organization's anticorruption policies and procedures, broken down by region.		73
			1.a) Total number and nature of confirmed indicating events related to corruption issues during this year, in relation to previous years.		77
			1.b) Total number and nature of confirmed indicating events related to corruption issues during this year, in relation to this year.		77
			2. Discussion of initiatives and commitment of stakeholders to improve the environment of operations and its culture, to fight against corruption.		76



Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Ethical Behavior	Protected ethics advice and reporting mechanisms	Central	An internal and external description of mechanisms to: 1. Seek advice on ethical and legal behavior, as well as organizational integrity 2. Report concerns about unethical or illegal conduct and lack of organizational integrity.		72
		Expanded	Alignment of strategy and policies with lobbying positions		72
	Monetary losses as a result of illegal conduct.			72	
	Monetary losses from unethical behavior	Expanded	Total amount of monetary losses as a result of illegal conduct associated with fraud, influence peddling, anti-competitive behavior, market manipulation, malpractice, or violations of other related laws and regulations.		72
Risk and Opportunity Oversight	Integrating risks and opportunity into business process	Central	Information about risk factors and opportunities that the company clearly identifies in the main risks and material opportunities that it specifically faces (as opposed to the generic risks of the sector, the appetite of the company with regards to these risks, how these risks and opportunities have shifted over time, and the response to these changes. These opportunities and risks must integrate material economic, environmental and social issues, including climate change and data administration.		30
		Expanded	Economic, environmental and social issues in the framework of capital allocation (how the highest governance body views economic, environmental and social issues when overseeing major capital allocation decisions, such as expenses, acquisitions, and disinvestments).	Not available	NA

Pillar: People

Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Dignity and Equality	Diversity and inclusion (%)	Central	Percentage of employees by job category, age group, gender, and other diversity indicators (e.g. ethnicity)	The 99% of employees are Panamanian. 68% of employees are women. 1% of employees have a disability. 28% of female employees hold STEM positions (positions such as analysts, programmers, database, and project engineers are considered).	108-109
	Pay equality (%)	Central	Relation/Ratio between base salary and remuneration of each category of employee, by significant places of operation for priority equality areas: women and men, main majority and minority ethnic groups, and other relevant equality areas.	Available the gender pay gap by professional category. The differences also represent the gender proportion within the different profiles in each category and take into account other aspects, such as seniority.	118
	Wage level (%)	Expanded	1. Ratio of the standard starting wage by gender to the local minimum wage 2. Ratio of the CEO's total annual compensation to the median annual total compensation of all employees, except the CEO.	Point 2. is not available due to confidentiality reasons.	118
	Incidents of discrimination and harassment (#) and the total number of monetary/economic losses	Expanded	1. Number of incidents of harassment and discrimination, status of the incidents and the actions taken. 2. Total amount of economic losses resulting from legal proceedings associated with: a) violations of laws b) Discrimination against employees		109
	Freedom of association and collective bargaining at risk (%)	Expanded	1. Percentage of workers active under collective negotiation agreements. 2. An explanation of the assessment made to suppliers that the right of association and collective negotiations is at risk, including the measures taken by the organization to address these risks.	1. In Panama, there is no collective bargaining in banking. 2. In future fiscal periods, we will work to integrate the evaluation of social and environmental performance of suppliers into this process.	
	Risk of incidents of child, forced, or mandatory labor.	Central	Explanation of operations and suppliers deemed to a significant risk of child, forced, or mandatory labor.		
	Human rights review, grievance, impact, and modern slavery (#,%)	Expanded	1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 2. Number and type of reported complaints associated with impacts related to a prominent human rights issue in the reporting period and an explanation of the type of impacts. 3. Number and percentage of operations and suppliers that are considered to have a significant risk of incidents of child, forced or obligated labor.	In upcoming fiscal periods, we will work to integrate the evaluation of the social and environmental performance of suppliers into this process.	



Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Health and Wellbeing	Health and safety (%)	Central	The number of deaths and death rate as a result of work-related accidents, work-related injuries of serious consequences (excepting death), recorded work-related injuries, main types of work-related injuries, and the number of hours worked. An explanation of how an organization facilitates access to non-occupational medical and health services, and the coverage provided to employees and workers.	During this fiscal period 2022-2023, no occupational illnesses or fatalities were reported.	116-117
	Monetized impacts of work-related incidents on organization (#, \$)	Expanded	Multiplying the number and type of workplace incidents by direct costs to employees, employers per incident (including actions and/or fines of the regulating agencies, damage to properties, healthcare costs, and employee compensation costs)	Due to the type of activity, it is not a material topic for Global Bank.	NA
	Well-being (%)	Expanded	1. The number of deaths resulting from work-related health problems, recordable injuries due to work-related poor health, and the main types of work-related illnesses for all employees and workers. 2. a) Percentage of employees that participate in programs of health and wellness "best practices", and b) Absentee rate (AR) of all employees		116-117
Skills for the future	Training provided (#,\$)	Central	1. Average hours of training per person that employees of the organization have received during the reporting period, by gender and employee category (total number of training hours provided to employees, divided by the number of employees) 2. Average expenditure on training and development per full-time employee (total cost of the training provided to employees divided by the number of employees)		111-112
	Number of unfilled skilled positions (#, %)	Expanded	1. Number of unfilled qualified posts (#). 2. Percentage of the unfilled qualified posts for which the company will have to recruit and train unqualified candidates. (%)		NA
	Monetized impacts of training . Increased earning capacity as a result of the training intervention. (% , \$)	Expanded	1. Investment in training as a percentage (%) of payroll. 2. Effectiveness of training and development through increase in revenue, productivity, employee engagement and or internal hiring rates.	Not available.	NA



Pillar: Planet

Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Climate Change	Greenhouse Gas Emissions (GHG)	Central	For all relevant greenhouse gases (e.g.: carbon dioxide, methane, nitrous oxide, F-gases, etc.): (1) report in metric tons of carbon dioxide equivalency (tCO2e)/Greenhouse Gas (GHG) protocol Scope 1 and Scope 2. (2) Estimate and report material emissions upstream and downstream (GHG Protocol Scope 3) where appropriate	Calculation of loan portfolio emissions. / Calculation of corporate carbon footprint.	92, 125
	TCFD Implementation		Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	Qualitative analysis of risks and opportunities.	40
	Emission objectives aligned with the Paris Agreement	Expanded	Define and report the science-based and time-bound advances regarding the GHG emission objectives, in accordance with the objectives of the Paris Agreement.	Decarbonization target for the portfolio using SBTi methodology.	80, 82
Loss of Nature	Land use and ecological sensitivity	Central	Report the number and area (in hectares) of the sites owned, leased, or managed in or next to protected and/or key biodiversity areas (KBAs)	Por el tipo de actividad, no resulta un tema material para Global Bank.	NA
			Operation report (if applicable) and complete supply chain (if material): <ul style="list-style-type: none"> • Year-on-year change in the area of land used for the production of plant, animal or mineral commodities. • Percentage of land area in point 1 above or the total of vegetable, animal and mineral supply by mass or cost, covered by a standard of sustainability certification or a formalized sustainability management program. Disclosure of certifications standards or description of sustainable management programs along with the percentage of total land area, mass, or cost covered by each standard/certification program.. 	Due to the type of activity, it is not a material topic for Global Bank.	NA
Fresh/potable water availability	Water consumption and withdrawal in water-stressed areas	Central	Report for operations where it is material: megaliters of withdrawn water, megaliters of consumed water, and the percentage of each in regions with high or extremely high baseline water stress, according to the WRI Aqueduct Water Risk Atlas Tool. Estimate and report the same information for the entire value chain (upstream and downstream) where appropriate.	Due to the type of activity, it is not a material topic for Global Bank.	NA
		Expanded	Inform any material along the value chain: the assessed impact of freshwater consumption and withdrawal.		NA



Pillar: Prosperity

Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Generation of employment and wealth	Absolute number and rate of employment	Central	1. Total number and rate of new hires of employees during the reporting period, by age group, gender, and other diversity and regional indicators. 2. Total number and rate employee turnover during the reporting period, by age group, gender, and other diversity and regional indicators.		110
	Economic Contribution	Central	1. Direct economic value generated and distributed, on an accrual basis, covering the building blocks for the organization's global operations. 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.		140
	Contribution for Financial Investment	Central	1. Total capital expenditures, minus depreciation, supported by a narrative to describe the company's investment strategy. 2. Share repurchases plus dividend payments, supported by a narrative to describe the company's strategy for capital return to shareholders.		134-139
	Infrastructure Investments and service supported	Expanded	Qualitative information to describe the following components: 1. Scope of development of significant infrastructure investment and support services. 2. Current or expected impacts on local communities and economies, including positive and negative impacts where relevant. 3. If these investments and services are commercial, report the commitments in kind or pro bono.		140
Innovation of better products and services	Total R&D Expenses (\$)	Central	Total expenses related to research and development	In the fiscal year 2022-2023, Global Bank invested USD\$1,524,930 in technology and USD\$2,381,060 in innovation.	18
	Social value generated (%)	Expanded	Percentage of revenue from products and services designed to deliver specific societal benefits or to address sustainability challenges	Investment in communities	129, 140
	Vitality index	Expanded	Percentage of gross revenue from product lines added in the last three (or five) years, calculated as sales of products that have been launched in the last three (or five) years divided by total sales, supported by a narrative describing how the company innovates to address specific sustainability challenges.	Not available.	N/A



Topic	Metric	Central/Expanded	Description	Supplementary Response	Page(s)
Community and Social Vitality	Total tax paid (\$)	Central	The total global tax payable by the business, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, payroll taxes paid by the employer, and other taxes that constitute costs to the business, by tax category.		140
	Social investment	Expanded	The total social investment that adds up a company's resources used for the "S" in ESG efforts defined by the CECV Valuation Guide.	Not available.	NA
	Additional tax remitted		The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes, that are withheld by the company on behalf of customers or employees, by tax category	Amount of ITBMS withheld and paid to the DGI during the fiscal year 2022-2023 = USD\$ 2,048,337. Income tax deducted from employees from July 2022 to June 2023 = USD \$4,560,594.	140
	Total tax paid breakdown by country for significant locations		Total tax paid and, if declared, additional tax remitted, by country for significant locations	Global Bank only has significant operations in Panama.	NA



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Page 2

Independent Limited Assurance Report on the Contents of the Standards of the Global Reporting Initiative (GRI Standards), Standards of the Sustainability Accounting Standards Board (SASB Standards) and the Principles for Responsible Banking Self-Assessment of the United Nations Environment Programme Finance Initiative (UNEP FI), included within the Global Bank Corporation's Sustainability Report 2022 - 2023 (Non-Financial Information)

To management
of Global Bank Corporation

We were engaged by management of Global Bank Corporation (hereinafter, the "Bank") to report on the Contents of the Standards of the *Global Reporting Initiative* (GRI Standards), Standards of the *Sustainability Accounting Standards Board* (SASB Standards) and the Principles for Responsible Banking Self-Assessment of the *United Nations Environment Programme Finance Initiative* (UNEP FI), prepared and presented by the Sustainability Assistant Vice President of the Bank, included within the Global Bank Sustainability Report 2022 - 2023 of the Bank (hereinafter, "the Contents") for the period from July 1, 2022 to June 30, 2023, which are detailed in Appendix A, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared, in all material respects, in accordance with the GRI Standards, SASB Standards and the Principles for Responsible Banking Self-Assessment of the UNEP FI and its guidance document.

Management responsibilities

The Bank's management, through its Assistant Vice President of Sustainability, is responsible for preparing the Contents that are free from misstatements and for the information contained therein. Management is also responsible for ensuring that the Contents comply with the requirements of GRI Standards, SASB Standards and the Principles for Responsible Banking Self-Assessment of the UNEP FI and its guidance document.

The Bank's management is responsible for designing, implementing and maintaining internal control relevant to the preparation and presentation of the Contents subject of our review that is free from material misstatement, whether due to fraud or error.

The Bank's management, through its Assistant Vice President of Sustainability, is also responsible for preventing and detecting fraud and for identifying and ensuring that the Bank complies with the laws and regulations applicable to its activities. The Bank's management, through its Assistant Vice President of Sustainability, is also responsible for ensuring that staff involved with the preparation of the Contents is properly trained, systems are appropriately updated and that any changes in data presentation and/or the way of reporting encompass all significant reporting units.

Our responsibilities

Our responsibility is to examine the Contents prepared by the Bank and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the *International Auditing and Assurance Standards Board*. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Contents are prepared, in all material respects, in accordance with the criteria of the GRI Standards, SASB Standards and the Principles for Responsible Banking Self-Assessment of the UNEP FI and its guidance document, which are detailed in Appendix A of this report. Also, in performing our engagement, we have considered the requirements indicated in the *Assurance Guidance to undertake limited assurance on principles reporting*, issued by UNEP FI.

KPMG Panama ("the Firm") applies International Standard on Quality Management 1 (ISQM 1) and, consequently, we maintained a quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence requirements that are relevant to assurance engagements in the Republic of Panama and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Contents and other engagement circumstances, and our consideration of areas in which material misstatements are likely to arise.

In obtaining an understanding of the Contents and other engagement circumstances, we have considered the process used to prepare the Contents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Bank's internal control over the preparation and presentation of the Contents.

Our engagement also included assessing the appropriateness of the Contents, suitability of the criteria used by the Bank in preparing the Contents in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Contents.

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Pág. 3

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Contents could occur and not be detected. Our work is not designed to detect all weaknesses in internal controls over the preparation and presentation of the Contents, since our work has not been carried out continuously throughout the period and the procedures were performed on a sample basis.

Criteria

The criteria on which the preparation of the Contents has been evaluated refer to the established requirements in the GRI Standards, SASB Standards and the Principles for Responsible Banking Self-Assessment of the UNEP FI and its guidance document, which are detailed in Appendix A.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared, in all material respects, in accordance with the GRI Standards, SASB Standards and the Principles for Responsible Banking Self-Assessment of the UNEP FI and its guidance document, which are detailed in Appendix A.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Assistant Vice President of Sustainability and the Bank's Board of Directors for any purpose or in any other context. Any party other than the Assistant Vice President of Sustainability and the Bank's Board of Directors who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Bank for our work, for this independent limited assurance report, or for the conclusions we have reached.

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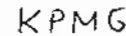
Pág. 4

Our report is released to the Bank on the basis that it shall not be copied, referred to or disclosed, in whole or in part without our prior written consent.

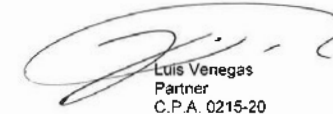
Other legal reporting requirements

In compliance with Law 280 of December 30, 2021, which regulates the certified public accounting profession in the Republic of Panama, we declare the following:

- The direction, execution and supervision of this assurance work has been physically performed in the Panamanian territory.
- The partner that has prepared this independent limited assurance report is Luis Venegas.



Panama, Republic of Panama
April 16, 2024



Luis Venegas
Partner
C.P.A. 0215-20

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Appendix A

Description of the Contents subject of the limited security assurance work:

Standards	Contents	
GRI 2: General Disclosures 2021	2-9-a	Governance structure and composition
	2-9-b	Governance structure and composition
	2-9-c-i	Governance structure and composition
	2-9-c-ii	Governance structure and composition
	2-9-c-iii	Governance structure and composition
	2-9-c-iv	Governance structure and composition
	2-9-c-v	Governance structure and composition
	2-9-c-vi	Governance structure and composition
	2-9-c-vii	Governance structure and composition
	2-12-a	Role of the highest governance body in overseeing the management of impacts
	2-12-b-i	Role of the highest governance body in overseeing the management of impacts
	2-12-b-ii	Role of the highest governance body in overseeing the management of impacts
	2-12-c	Role of the highest governance body in overseeing the management of impacts
	2-14-a	Role of the highest governance body in sustainability reporting
	2-14-b	Role of the highest governance body in sustainability reporting
	2-27-a-i	Compliance with laws and regulations
	2-27-a-ii	Compliance with laws and regulations
	2-27-b-i	Compliance with laws and regulations
	2-27-b-ii	Compliance with laws and regulations
	2-27-c	Compliance with laws and regulations
2-27-d	Compliance with laws and regulations	
GRI 205: Anti-corruption 2016	205-2-a	Communication and training about anti-corruption policies and procedures
	205-2-b	Communication and training about anti-corruption policies and procedures
	205-2-c	Communication and training about anti-corruption policies and procedures
	205-2-d	Communication and training about anti-corruption policies and procedures
	205-2-e	Communication and training about anti-corruption policies and procedures
	205-3-a	Confirmed incidents of corruption and actions taken
	205-3-b	Confirmed incidents of corruption and actions taken
	205-3-c	Confirmed incidents of corruption and actions taken
205-3-d	Confirmed incidents of corruption and actions taken	

Appendix A, continued

Standards	Contents	
GRI 305: Emissions 2016	305-1-a	Direct (Scope 1) GHG emissions
	305-1-b	Direct (Scope 1) GHG emissions
	305-1-c	Direct (Scope 1) GHG emissions
	305-1-d-i	Direct (Scope 1) GHG emissions
	305-1-d-ii	Direct (Scope 1) GHG emissions
	305-1-d-iii	Direct (Scope 1) GHG emissions
	305-1-d-iv	Direct (Scope 1) GHG emissions
	305-1-e	Direct (Scope 1) GHG emissions
	305-1-f	Direct (Scope 1) GHG emissions
	305-1-g	Direct (Scope 1) GHG emissions
	305-2-a	Energy indirect (Scope 2) GHG emissions
	305-2-b	Energy indirect (Scope 2) GHG emissions
	305-2-c	Energy indirect (Scope 2) GHG emissions
	305-2-d-i	Energy indirect (Scope 2) GHG emissions
	305-2-d-ii	Energy indirect (Scope 2) GHG emissions
	305-2-e	Energy indirect (Scope 2) GHG emissions
	305-2-f	Energy indirect (Scope 2) GHG emissions
	305-2-g	Energy indirect (Scope 2) GHG emissions
	305-3-a	Other indirect (Scope 3) GHG emissions
	305-3-b	Other indirect (Scope 3) GHG emissions
305-3-c	Other indirect (Scope 3) GHG emissions	
305-3-d	Other indirect (Scope 3) GHG emissions	
305-3-e-i	Other indirect (Scope 3) GHG emissions	
305-3-e-ii	Other indirect (Scope 3) GHG emissions	
305-3-e-iii	Other indirect (Scope 3) GHG emissions	
305-3-f	Other indirect (Scope 3) GHG emissions	
305-3-g	Other indirect (Scope 3) GHG emissions	
GRI 406: Diversity and Equal Opportunity 2016	406-1-a-i	Diversity of governance bodies and employees
	406-1-a-ii	Diversity of governance bodies and employees
	406-1-a-iii	Diversity of governance bodies and employees
	406-1-b-i	Diversity of governance bodies and employees
	406-1-b-ii	Diversity of governance bodies and employees
406-1-b-iii	Diversity of governance bodies and employees	
406-1-c-i	Diversity of governance bodies and employees	
406-1-c-ii	Diversity of governance bodies and employees	
406-1-c-iii	Diversity of governance bodies and employees	
406-1-d-i	Diversity of governance bodies and employees	
406-1-d-ii	Diversity of governance bodies and employees	
406-1-d-iii	Diversity of governance bodies and employees	

Appendix A, continued

Standards	Contents	
GRI 418: Customer Privacy 2018	418-1-a-i	Substantiated complaints concerning breaches of customer privacy and losses of customer data
	418-1-a-ii	Substantiated complaints concerning breaches of customer privacy and losses of customer data
	418-1-b	Substantiated complaints concerning breaches of customer privacy and losses of customer data
	418-1-c	Substantiated complaints concerning breaches of customer privacy and losses of customer data
FS1	FS1	Policies with specific environmental and social components applied to business lines
FS2	FS2	Procedures for assessing and screening environmental and social risks in business lines
FS3	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions
FS4	FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines
FS5	FS5	Interactions with clients/investors/business partners regarding environmental and social risks and opportunities
FS11	FS11	Percentage of assets subject to positive and negative environmental or social screening
SASB-FN-CB-410a.1	SASB-FN-CB-410a.1	Commercial and industrial credit exposure, by industry
SASB-FN-CB-410a.2	SASB-FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis
SASB-FN-CB-510a.2	SASB-FN-CB-510a.2	Description of whistleblower policies and procedures
UNEP FI Principles for Responsible Banking	PRB UNEP-FI 2.1	Impact Analysis
UNEP FI Principles for Responsible Banking	PRB UNEP-FI 2.2	Target Setting
UNEP FI Principles for Responsible Banking	PRB UNEP-FI 2.3	Target Implementation and Monitoring
UNEP FI Principles for Responsible Banking	PRB UNEP-FI 5.1	Governance Structure for Implementation of the Principles

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GRI 2-3

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