



# Executive Profile **2023**



# Trust

MetroBank Financial Group's profile provides a comprehensive overview of our key accomplishments and performance in 2022.

It was a year of achievements in which we reaffirmed our commitment to provide our customers with trustworthy, high-quality service. Additionally, we made an important contribution to Panama's key industries that needed financing to boost the country's economy.

MetroBank is proud to be a reputable bank. We distinguish ourselves as one of the most reliable financial institutions in the Nation with our stability, leadership, and support.

# Navigating This Report

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Clicking on the arrows at the bottom right takes you to the preceding or next page.



This document contains navigable features.  
For the best experience, open in Adobe Acrobat. If you don't have Acrobat it can be downloaded for free.



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# Economic and Regulatory Framework

# Economic Overview

According to IMF data, the performance of the Panamanian economy by the end of 2022 was estimated to be 7.5%, higher than the growth of Latin America and the Caribbean (LAC), which was expected to increase by 3.9%.

The COVID-19 pandemic affected the economy for a prolonged period due to population mobility restrictions; coupled with external factors, such as the increase in the price of fuel, causing protests to take place in the country at the beginning of the first quarter. Despite the effects, economic activities during the year will continue in their recovery process.

The projected potential growth of Panama for 2023 according to IMF is approximately 4%.

The expected decline in global growth is from 3.4% in 2022 to 2.9% in 2023. Russia's war with Ukraine and the increase in central bank rates to combat inflation keep having an effect on economic growth. Growth in 2022 was slowed by the quick spread of COVID-19 in China, but the reopening has created room for a quicker-than-anticipated rebound. Global inflation is predicted to decrease from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still higher than pre-pandemic levels of roughly 3.5% (2017–19).

In Latin America and the Caribbean, growth is projected to decline from 3.9% in 2022 to 1.8% in 2023. The forecast reflects growth improvements for Mexico due to unexpected resilience in domestic demand, higher-than-expected growth in major trading partner economies, and, in Brazil, higher-than-expected fiscal support.

According to the rating agencies, Panama has a favorable economic outlook from 2023 to 2025, due to activity being driven by the recovery of the economy, an increase in mining production, and ongoing investments in infrastructure that supports Panama's credit profile.

Panama reflects economic strength that continues to be supported by projections for strong and continued Gross Domestic Product (GDP) growth in 2023 and 2024 relative to its peers and the expectation that the government's debt would remain broadly stable around 60% of GDP and in line with that of its Baa2-rated peers.

The revision of the outlook to negative reflects the growing fiscal pressures derived from the current context, as well as the perspective of the Social Security Fund (CSS).

BBB

(Negative)

STANDARD & POOR'S

BBB-

(Stable)

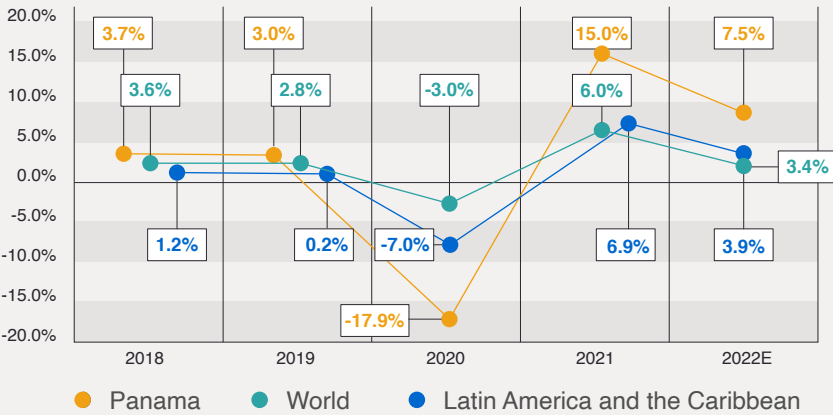
FitchRatings

Baa2

(Stable)

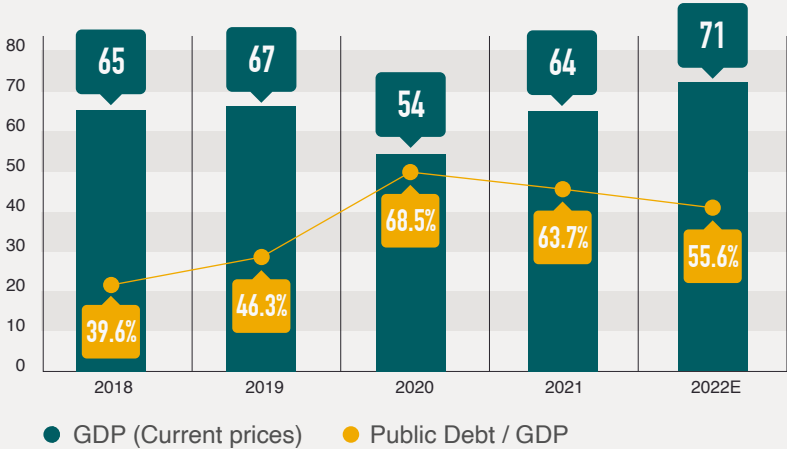
MOODY'S

## Economic Grow



\*International Monetary Fund, Jan 2022 and INEC.

## GDP (US\$ BLN) and Public Debt



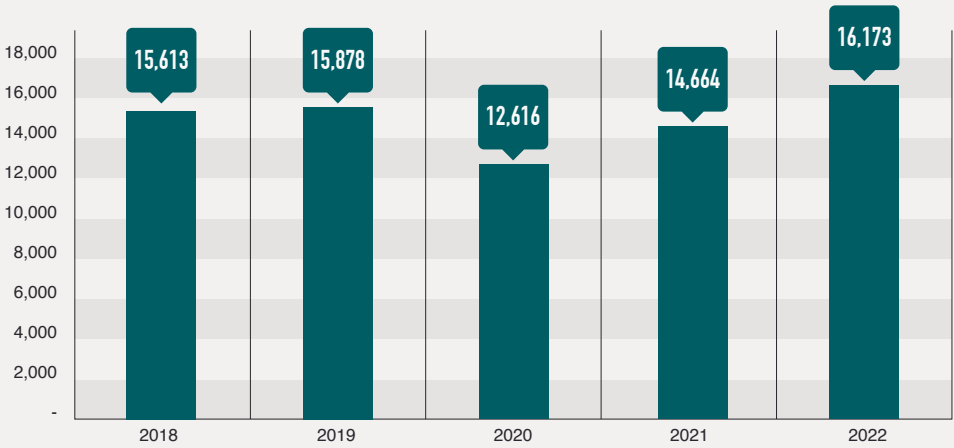
\*International Monetary Fund, Oct 2022 and INEC.

# Economic Overview

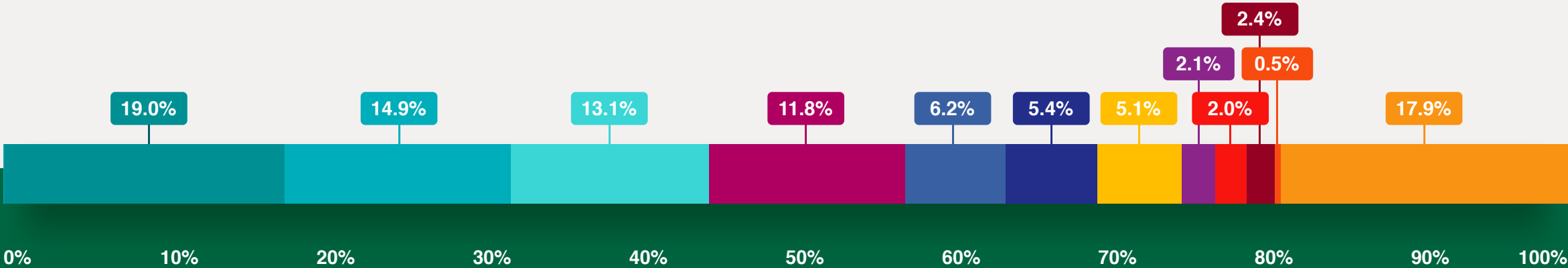
Panama’s GDP for 2022 reached US\$71 billion (US\$16,173 per capita). The internal economic activities that generated positive added values in this year were: Commerce, construction, transportation and communications, financial and real estate services, as well as manufacturing industries.

The Panama Canal, the operation of ports, air transportation, and the Colon Free Zone were among the global-related activities that experienced expansion. On the other hand, the income generated by the activities of mines and quarries related to the export of copper and its concentrates decreased.

GDP per Capita (Current Prices)



\*International Monetary Fund, Oct 2022 and INEC.



## Panama’s GDP Composition



- 19.0% - Commerce
- 14.9% - Construction
- 13.1% - Transportation, Warehouse and Telecommunications
- 11.8% - Rentals, Real Estate Development
- 6.2% - Financial Sector
- 5.4% - Mining
- 5.1% - Manufacturing
- 2.1% - Agriculture
- 2.0% - Energy - Gas - Water
- 1.8% - Hotels and Restaurants
- 0.5% - Fishing
- 17.9% - Others

# Regulatory Framework

## Regulations for Bearer Shares

- **Law No. 47 of August 6, 2013**, that creates a bearer shares custody regime.
- **Law No. 18 of April 23, 2015**, amended Law No. 47 of 2013.
- Agreement No. 307 of April 24, 2015 amended Law No. 47 of 2013 issued by the Supreme Court of Justice, requesting the registration of lawyers or law firms that act as custodians of shares certificates
- Agreement No. 004-2015 of May 11, 2015, of the Panamanian Banking Superintendency (SBP) that regulates the procedure for bearer shares registration & the custodians for financial institutions supervised by the SBP.
- **Law No. 129 of March 17, 2020**, creates a private and unique system for registration of (UBO's) final beneficiaries of legal entities and creates the Superintendence of obliged Non-Financial Subjects. Obligation to the Resident Agents (Lawyers) to identify the Final Beneficiaries of all entities. Panama implemented a modern technological platform that is now at the forefront of new trends in corporate transparency, providing an adequate balance between the duty to know their clients and avoiding abuses of the corporate system.

- **Law No. 23 of April 27, 2015**, Prevention of Money Laundering, Terrorism Financing, and Financing of Proliferation of Mass Destruction Weapons in Panama.

This law is the regulatory framework to the different supervisory bodies, as well as entities, natural and legal persons subject to supervision, establishes:

Requires identifying, assessing, and understanding the risk and consequences of money laundering, terrorism financing, and the financing of the proliferation of mass destruction weapons and to implement the appropriate controls for its mitigation, to protect the integrity of the country's financial system and other sectors of the economy.

- **Law No. 70 of January 31, 2019**, amends the Penal Code modifying Law No. 23 of 2015 where tax evasion became a preceding AML crime.
- **Law No. 47 of October 24, 2016**, intergovernmental agreement (IGA) between Panama and the United States.

Fiscal Compliance Law of Foreign Accounts (FATCA). To report to the United States, financial account information maintained by citizens, residents, entities incorporated in the United States and passive entities that have US shareholders.

- **Law No. 51 of October 28, 2016, common Reporting Regulatory Standards (CRS)**, developed by the OECD, implementing the exchange of information for tax purposes. CRS asks jurisdictions to obtain information

about tax residents in foreign jurisdictions from their financial institutions and to exchange the information with those jurisdictions. In compliance with CRS and legislation, MetroBank requires all clients that are considered as domestics, residents, or fiscal residents, to provide information in addition to the percentage of control that is held by any passive entity.

Information has to be provided to the Dirección General de Ingresos, (DGI), the equivalent of the Internal Revenue Service (IRS) and will be shared with those countries to which Panama has signed an automated exchange of information agreement.

- **Law 254 of 2021 Modifying the regulatory frame of AML/CFT/**, implements changes on accounting records requirements, adjustments in terms of fiscal transparency and prevention of money laundering, tax evasion and financing of the proliferation of mass destruction weapons.

Applies to Accounting Records, Due Diligence and a Registration System of Final Beneficiaries; however, it was the obligation of all Panama companies and foundations with operations or assets outside Panama, to maintain accounting records and supporting documentation, the law hardens these requirements, and mandates the legal entity to send at least a copy to the resident agent every year of records and supporting documentation; giving reporting obligations to the resident agent to inform to the Panama authorities which entities are in compliance with said requirements and which are not.

**Executive Decree 35 dated September 6, 2022 modifying Law 23 of Anti Money Laundering, Counter Terrorism Financing and Financing of Proliferation of Mass Destruction Weapons:**

**Most Relevant aspects:**

- 1 Clarifies final effective control: Natural persons with 10% or more of the voting rights, Private interest foundations, natural person who receives direct or indirect economic benefits from the foundation or any other that exercises control, corporate structures, legal entities, trusts, identity of the settlor, trustee, protector, beneficiaries, and any other natural person who exercises final effective control over the foundation. Legal persons in bankruptcy liquidation or bankruptcy, the natural person appointed liquidator or curator. In the event of the death of the shareholder, the person who would be the final beneficiary, a natural person who acts as executor or personal representative.
- 2 Due diligence changes.
- 3 Financial and transactional profile, request to have fixed and variable income from clients and the frequency on which said income is received during a monthly based period, the way in which said income is received, cash, quasi-cash, transfer checks.
- 4 Transactional profile, must demonstrate the contrast between financial profile and frequency of the actual transaction of a client in one or several periods of time.
- 5 Due diligence measures, it must be carried out when occasional transactions take place above the amount established by our regulator, even in situations where the transaction is a single operation.

- 6 Due diligence measures to electronic transfers.
- 7 For legal persons between 11 points, to request a tax identification number, and jurisdictions where it operates.
- 8 Final beneficiary, request the date on which the status of final beneficiary (new requirement) is acquired.
- 9 Simplified due diligence, after analyzing the client risk, it requires to verify the identity of the client and the final beneficiary after establishing a contractual, professional, or business relationship.
- 10 Enhanced due diligence, PEP, businesses with a high volume of cash operations, legal entities and other legal structures with bearer shares, contractual business relationships with a client or final beneficiary from high-risk countries, territories or jurisdictions, including those included by FATF. It forces us to have additional data on the reasons for the intended transactions of the client or carried out. Continuous monitoring of the contractual, professional, or business relationship, increasing the number and duration of controls applied and selection of transaction patterns that need further examination.
- 11 When a customer or final beneficiary does not facilitate the application of the measures, we must refrain from having a contractual, professional or business relationship.
- 12 Natural Persons: They require a document stating the client's address, receipt of public services, contracts of sale or lease, letter from the horizontal property administrator.

- 13 Legal Entities, banks must request a copy of the registry of shares or participations of current share certificates, in case of those that are public and listed on the stock exchange they must provide the evidence.

**Agreement 2-2023 dated March 28, 2023 modifies Corporate Governance Agreement 5-2011**, banks must ensure that they have clear corporate governance standards that ensuring good internal control, establishing basic guidelines on the integrity of shareholders, members of the board of directors, senior management and key personnel, so that banking entities and the owner of bank's shares, of whom supervisor of origin is the Panamanian banking superintendency, adopt integrity policies, procedures and control mechanisms that allow them at all times to manage the reputation, moral and economic solvency of said persons; as well as any natural or legal person legally linked to any of them, in order to mitigate the risks that may affect the continuity of the bank's operation or place its depositors' funds at risk, and that may affect the stability, sustainability, reputation, security of the bank, the banking group or the banking system.

Includes new responsibilities for the Board of Directors of banking entities and owners of bank shares, to adopt policies and procedures that allow them to mitigate any risks that may affect the continuity of the bank's operation or put in jeopardy, risk the funds of its depositors; generated by its shareholders, senior management or senior management, its directors, or its dignitaries.





# Banking System





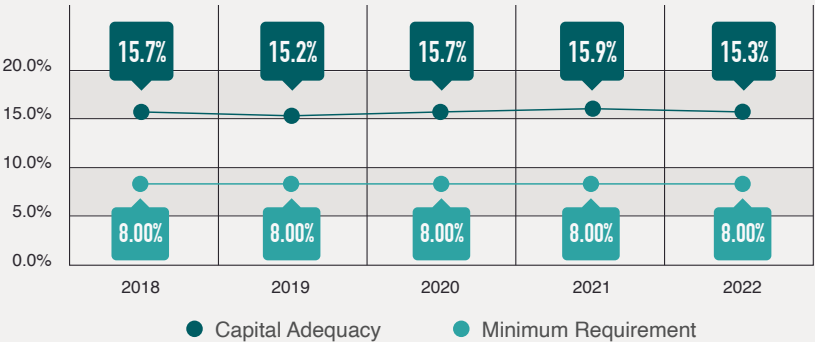


# Panama Banking Regulations

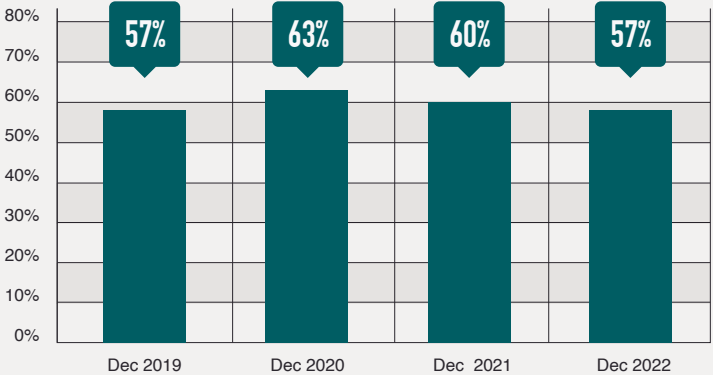
The Liquidity Coverage Ratio (LCR) and the standards for managing liquidity risk were established by Banking Rule No. 002-2018, published by the Superintendence of Banks of Panama (SBP). In order to meet this ratio, banks must keep high-quality, liquid assets that can be quickly and readily converted into cash. These assets must be able to cover 30 days' worth of cash outflows. The minimum requirement as of December 2022 for the LCR ratio was 100%.

The National Banking System's Capital Adequacy Ratio, as of December 31, 2022 was 15.3%, down from the 15.9% of the previous year.

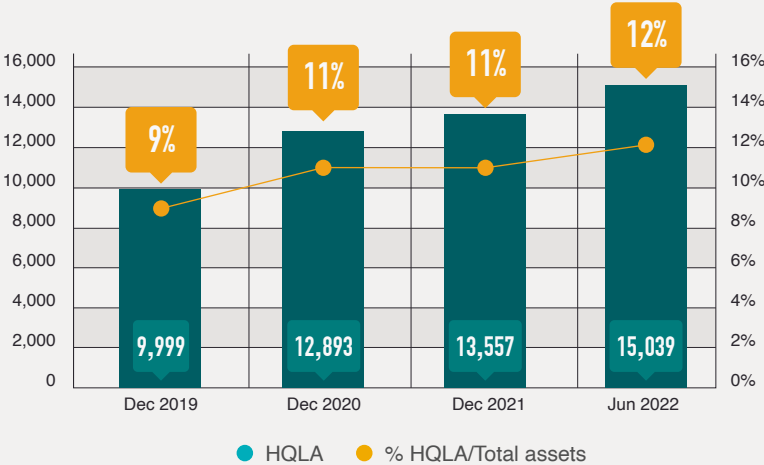
Capital Adequacy Ratio (%)



Local Regulatory Liquidity Ratio  
(Minimum requirement 30%)



High Quality Liquidity Asset/Total Assets







# Vision

Business Model  
and Strategy



# Corporate Structure

## Metro Holding Enterprises, Inc.

Metro Holding Enterprises, Inc. is a publicly traded company, registered under the Superintendencia del Mercado de Valores de Panama (Superintendency of Market Securities) and is 100% owner of MetroBank, S.A. and subsidiaries.

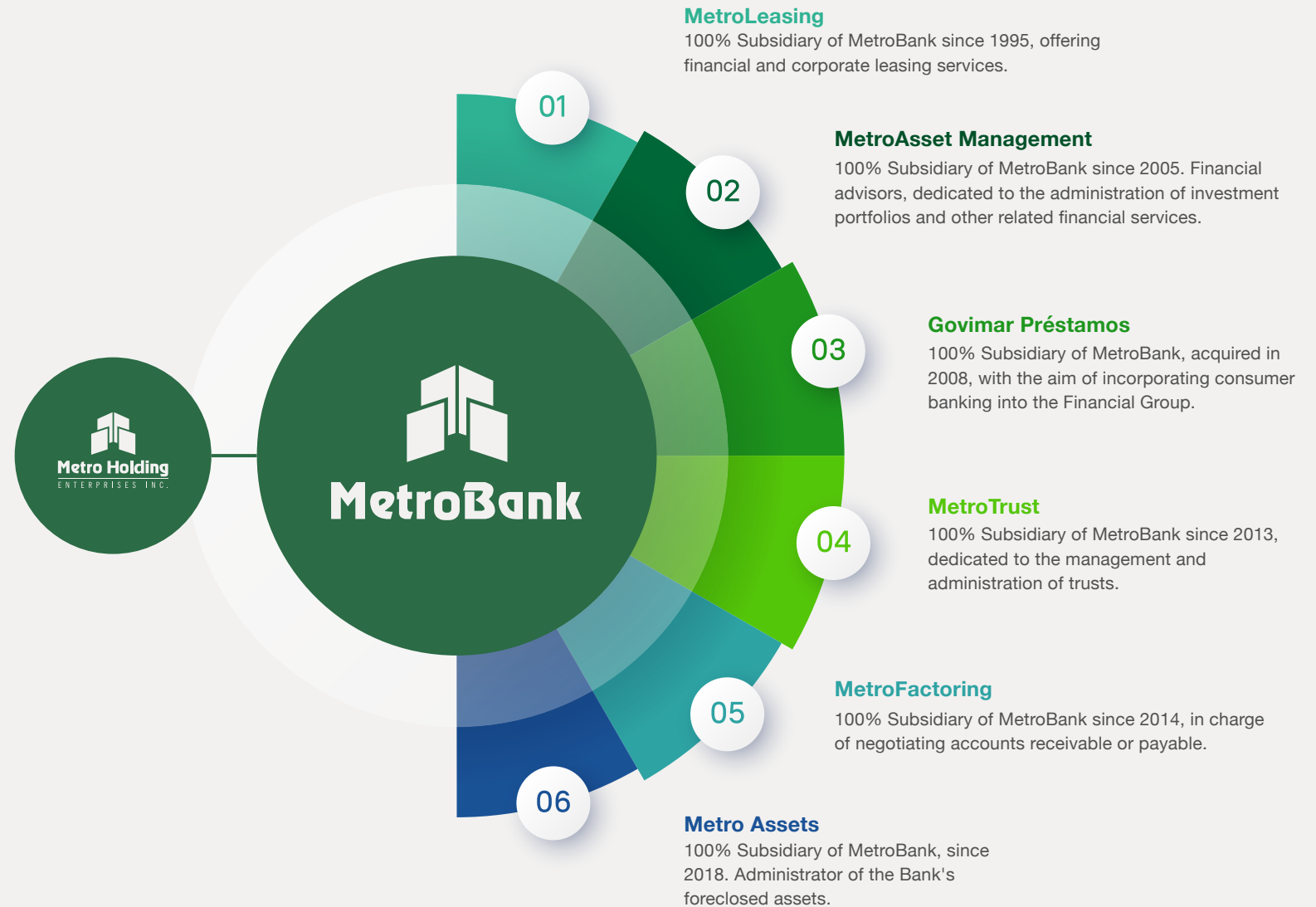
## MetroBank, S.A.

MetroBank, S.A. was established in 1991 and operates under a general license granted by the Superintendency of Banks of Panama which allows it to conduct banking business in or from Panama, both for the local and foreign market.

## Subsidiaries

MetroBank S.A. owns 100% participation of all its subsidiaries. Each subsidiary offers unique products that complement the banking products and services offered by the bank.

The main activities of its subsidiaries are as follows:





# MetroBank at a glance

MetroBank has a solid banking history spanning more than 30 years, with overall asset growth of 8% on average over the last 10 years.

The organization operates under the following four main business segments: Corporate and Commercial Banking, Private Banking, Retail Banking, and Digital Banking.

Four MetroBank locations are strategically placed: two in Panama City, one in the Colon Free Zone, and one in David, Province of Chiriqui, which is the hub of the commercial cattle and agro-industrial activities. In order to specifically target its major consumer segment, Financiera Govimar has 15 locations across the Nation.

**A-(pan)** **Fitch**Ratings  
(Stable)

**A-.pa** **MOODY'S**

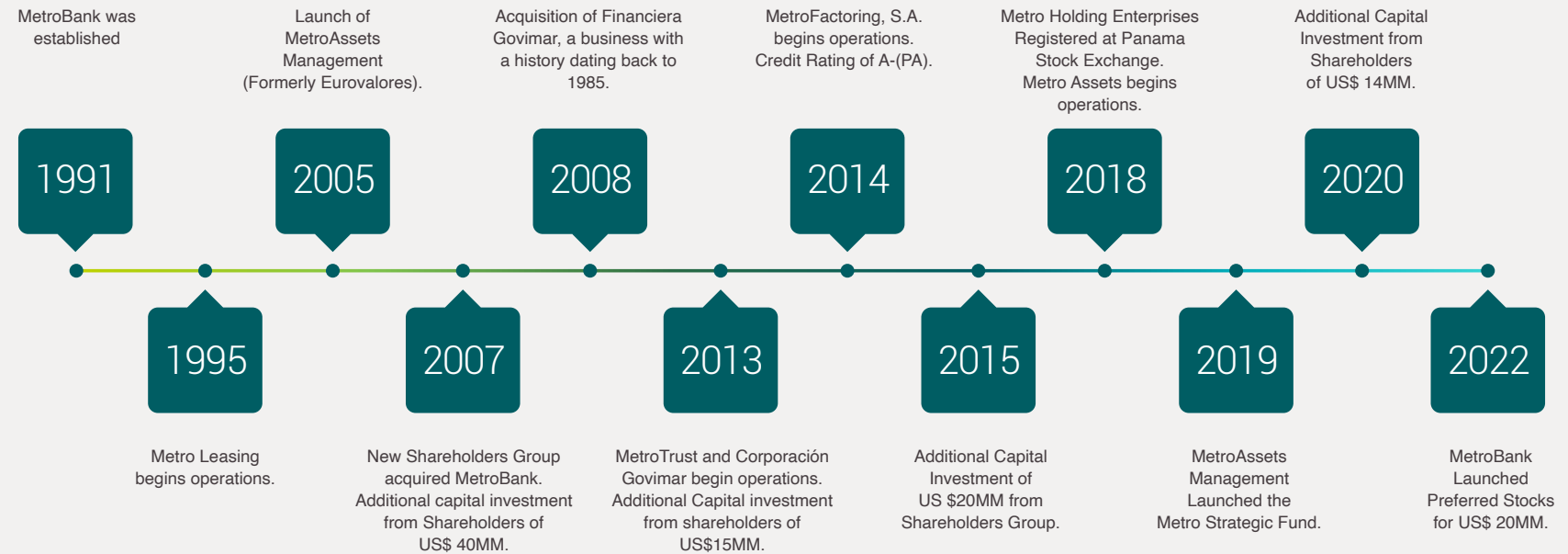
## Amount in US\$MM

	'18	'19	'20	'21	'22
Total Assets and Asset Under Management and Custody	2,381	2,783	2,918	2,940	3,117
Total Assets	1,414	1,515	1,605	1,528	1,746
Asset Under Management and Custody	967	1,268	1,313	1,412	1,371
Net Loan Portfolio	966	1,018	1,005	984	1,078
NPLs (90d) / Total Loans	1.13%	1.30%	0.57%	1.47%	2.90%
Deposits	1,089	1,168	1,224	1,188	1,260
Total Funding	1,230	1,320	1,400	1,316	1,512
Shareholder's Equity	161	174	186	190	211

Net Interest Income	39.8	40.5	39.2	38.7	47.1
Net Interest Margin	2.8%	2.8%	2.6%	2.5%	3.1%
Efficiency Ratio (%)	54.8%	56.4%	61.6%	62.1%	55.7%
Net Profit After Tax	12.9	14.5	4.3	9.0	11.6
Distributed Dividends	3.3	5.5	6.5	2.8	4.7

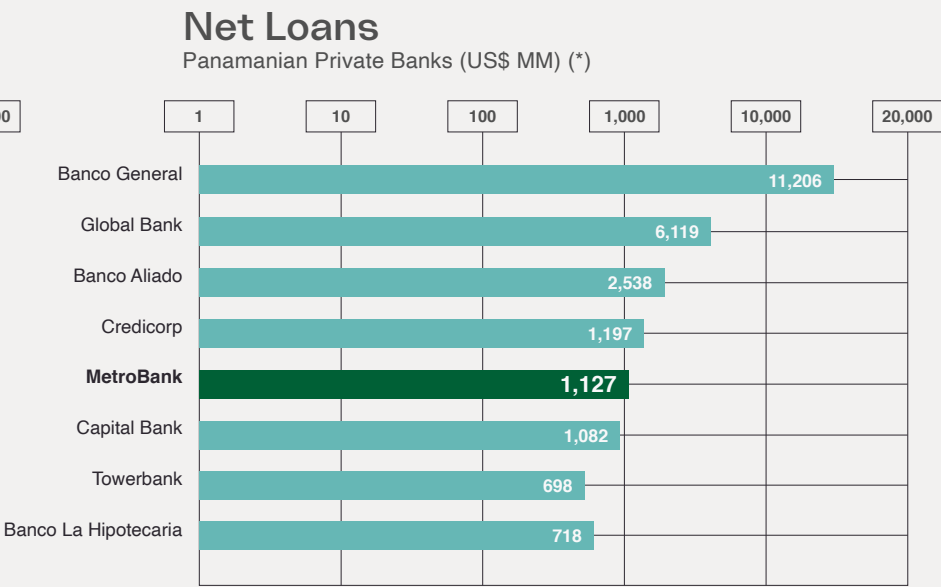
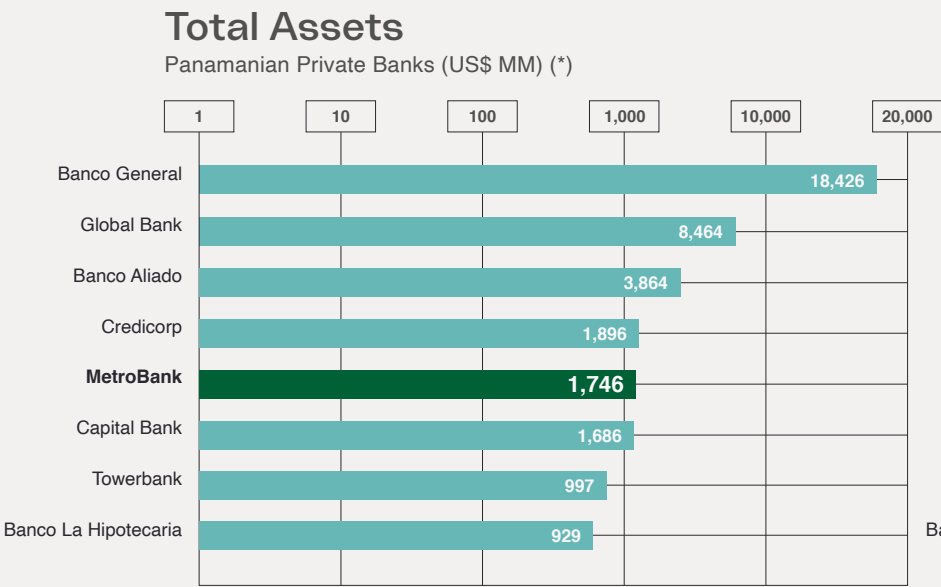
ROAA (%)	0.91%	0.99%	0.27%	0.58%	0.71%
ROAE (%)	8.35%	8.62%	2.37%	4.79%	6.02%

# Milestone

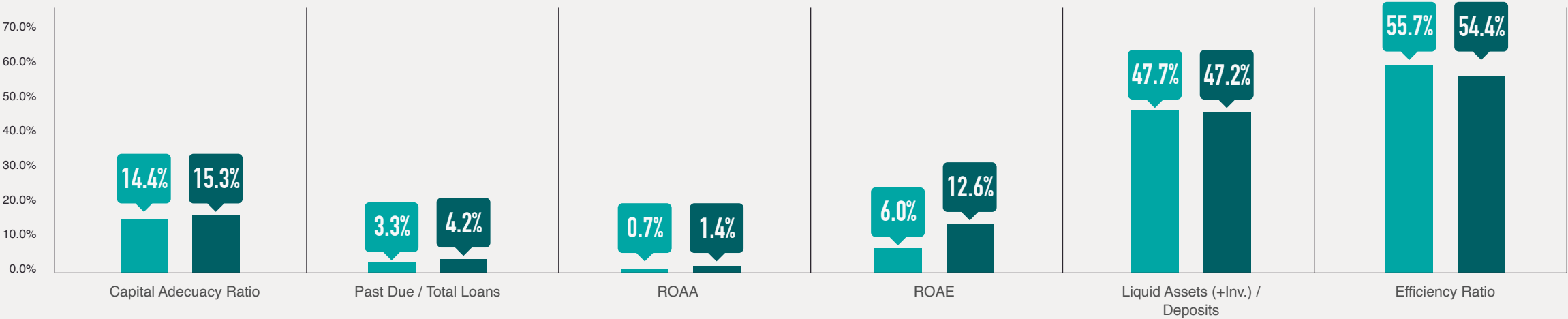


# Market Positioning

Panamanian Private Banks = 13



## MetroBank vs National Banking System (\*)



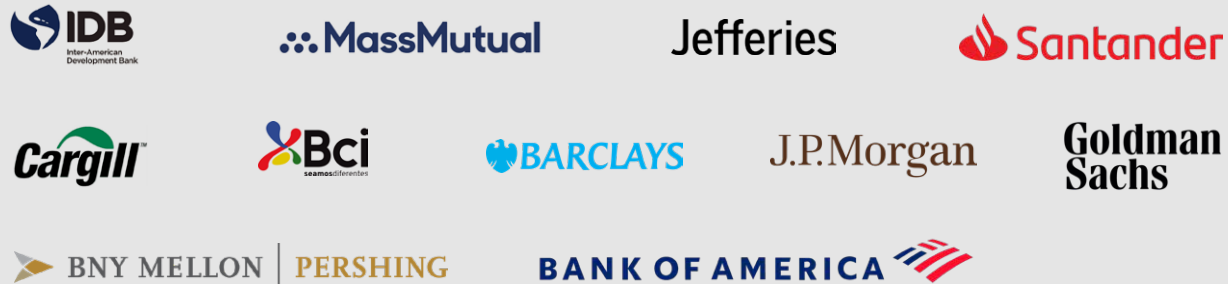


# Strategic Business Partners

## Correspondent Banks



## Counterparties Financial Institutions



## Local Banks



## Rating Agencies



## External Auditors



## Principal member of





# Integrity

Corporate  
Governance



# Corporate Governance

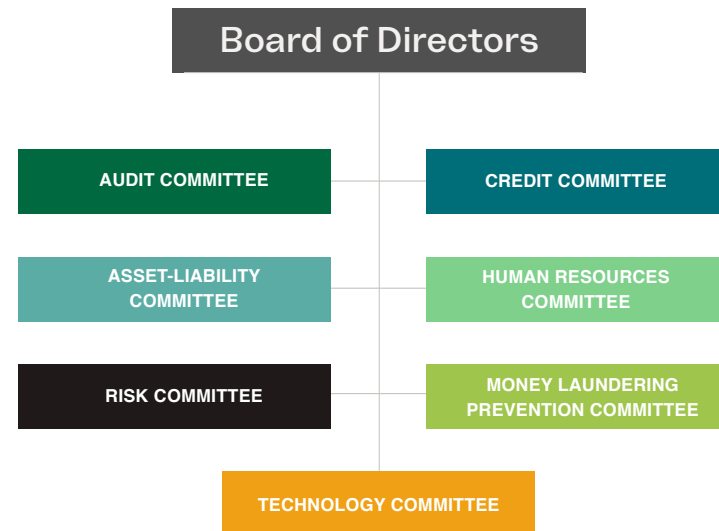
The Board of Directors is comprised of nine (9) members, and two (2) independent members.

The Board of Directors meets once a month, and each mandatory committee has a minimum of three members.

MetroBank has a highly experienced management team and a committed Board of Directors, composed of top professionals with extensive experience in different industries, provides a tremendous added value to MetroBank Financial Group.

Internal Audit, Risk, and Compliance report directly to the Board of Directors.

External Audit is conducted by KPMG.



## Board of Directors

Eric Cohen Solís	Chairman
Abraham Assis	Vice President
Juan Pablo Fábrega Polleri	Secretary
Eduardo Orillac Motta	Treasurer
Oscar López Arosemena	Deputy Secretary
Ernesto A. Boyd Sasso	Deputy Treasurer
Ricardo Delvalle Paredes	Director
Murad Harari Dabah	Director
Juan Endara Martínez	Director
Robert J. Boyd Burgos	Independent Director
Nathalia Quirós Gomez	Independent Director

## Management Team

Ernesto A. Boyd Jr.	CEO
Helmy Chamorro	Head of Private Banking
Gustavo García de Paredes	Chief Technology Officer
Lina de la Guardia	Head of Retail Banking
Alexander Crisan	Head of Corporate and Commercial Banking
Lai Chan	Chief Financial Officer
Emanuel Bósquez	Head of Treasury and Investments
Marisol Sierra	Head of Corporate Governance and Compliance
Carlos Barrios	Chief Operations Officer
María Teresa Jaramillo	Head of Human Resources and Corporate Affairs

# Integrated Risk Management Framework

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Working with niche markets where the Bank and/or its commercial allies have a thorough understanding of those markets is one of the main strategies MetroBank employs to build confidence in its customers. This enables the optimization of the risk return of each operation, and works in conjunction with a strong integrated risk management system based on a set of objectives, policies, procedures, and risk limits.

The Financial Group has a Corporate Governance structure in which the Board of Directors, through its Risk Committee, is the highest instance in the decision-making process regarding risk management, and where the principles of an adequate risk culture, a precise assessment of the risk profile, and a clear definition of limits, permeate for each of the risks listed below:

**Credit and Environmental Risk:** The Bank bases its policy on four business lines: Corporate and Commercial Banking, Private Banking, Consumer Banking, and Digital Banking, offering its products to a high-end customer segment.

**Market and Liquidity Risk:** The Group maintains instruments of the highest quality and low risk with a short to medium-term maturity profile to maintain robust liquidity levels, where a significant proportion of investments is focused on investment-grade instruments.

**Operational and Technological Risk:** The MetroBank Financial Group is governed by a principle of continuous improvement of processes and controls; therefore, each of the MetroBank Financial Group's employees is responsible for identifying, managing, and controlling the operational risks that occur in their daily activities.

Therefore, please refer to the notes to the Financial Statements published on our website at [www.metrobanksa.com](http://www.metrobanksa.com) for more information about the activities and principles that the Financial Group employs related to risk management of the aforementioned and other types of risks associated with the business.

Note: For further information, please refer to the notes to the Financial Statements.



# Compliance

As per Law No. 23 of April 27, 2015, MetroBank Money Laundering Prevention manual includes a list of warning signals in accounts openings or monitoring existing ones, as well as a high standard defining Know Your Customer, Know Your Supplier, and Know Your Employee Policies.

MetroBank assigns a risk category to each client, duly supported by the individual risk analysis profile, based on multiple criteria, either for legal entities or individuals.

In this sense, in compliance with the FAFT 1 recommendation, the bank's anti-money laundering is based on risk assessment, where the executives have the responsibility to design methodologies, models and indicators to ensure compliance with said policies.

## Foreign Account Tax Compliance Act (FATCA)

MetroBank is FATCA & Common Reporting Standard (CRS) compliant through an outsourced highly experienced specialist.

MetroBank uses the following monitoring tools:



### (ECS) Enhanced Compliance System

To analyze accounts behavior patterns that help to detect suspicious activities to prevent money laundering schemes by generating early alerts.



### Lexis Nexis

To check clients and prospects against international restriction lists and negative news.



### Retina

An automated software monitor to check transfer transactions such as SWIFT and ACH on a real-time basis prior to their release to protect the bank against fraudulent activities or high-risk country transactions.





# Excellence

Lines of Business





# Business Model

Through differentiated services focused on specific market segments, MetroBank and its subsidiaries offer products to the following customer segments:



## Corporate and Commercial Banking

- Top Tier Corporate Clients.
- Small and Medium Enterprises (SMEs)



## Private Banking

- High net worth individuals, successful entrepreneurs and institutional clients.



## Retail Banking

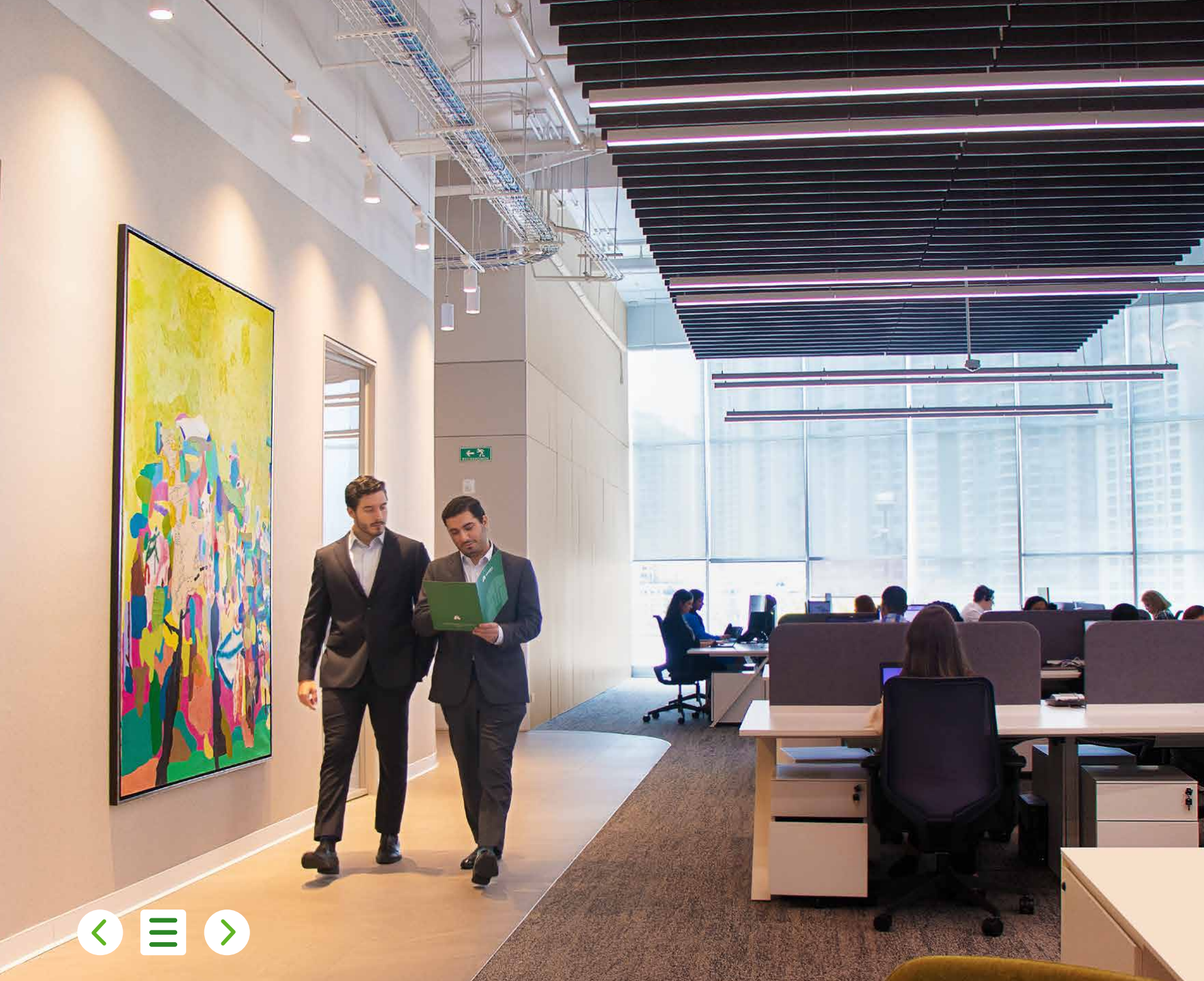
- Premium Banking targets working professionals, and cross-selling to existing customers.
- Customers with lower to intermediate income levels, primarily retirees and government employees with steady wage income.



## Digital Banking

- Individuals and commercial clients that seek payment solutions through secured technological platforms.





# Expertise

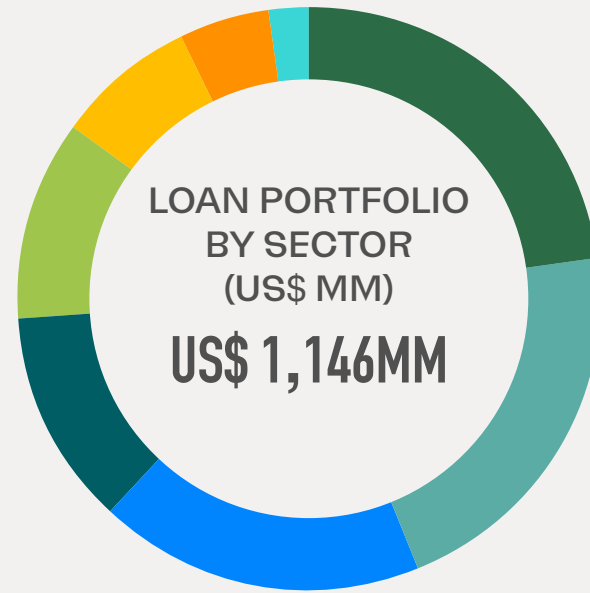
Corporate and  
Commercial  
Banking



# Corporate and Commercial Banking

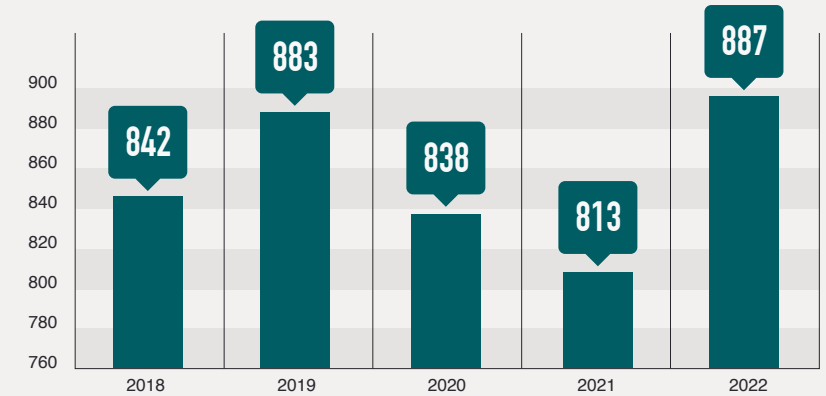
The loan portfolio for corporate and commercial banking represents 77% of the total overall Loans to Customers. These lendings are mainly to large and midsize businesses with relevant positions in the commercial, manufacturing and service industries.

As local markets and the economies of the rest of Latin America begin to recover, Corporate Banking established significant long and short-term goals while maintaining growth expectations for main productive assets, such as loan portfolio and corporate bonds.

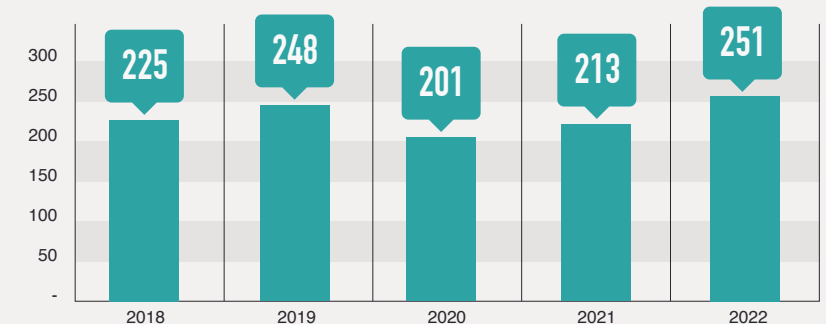


- 23% - Services
- 21% - Consumer
- 18% - Commercial
- 12% - Construction
- 11% - Industrial
- 8% - Others
- 5% - Agriculture
- 2% - Commercial Leasing

Corporate Banking Portfolio (US\$ MM)



Foreign Loan Portfolio (US\$ MM)



# Commercial SMEs Loans

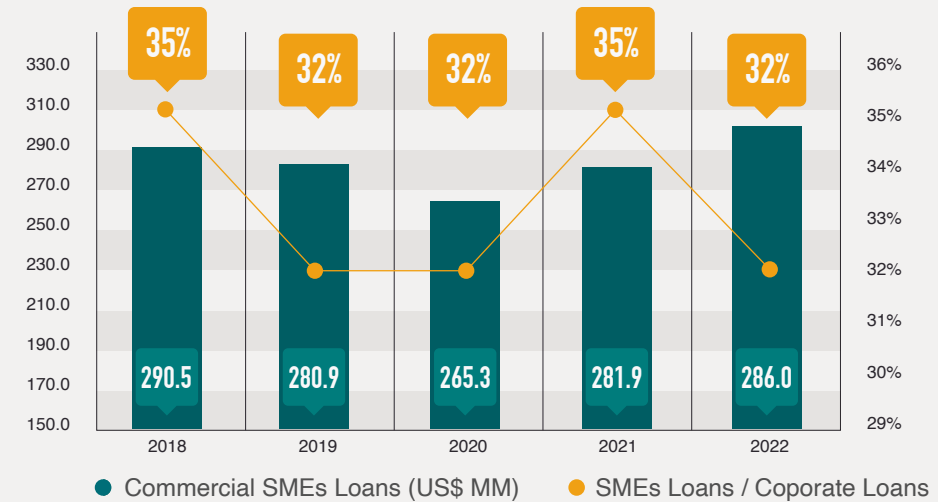
MetroBank's SMEs Portfolio represented at year-end, 32% of the total Corporate Loans Portfolio. SMEs loans portfolio is well distributed and with a healthy performance throughout the years.



68% - Non SMEs  
Corporate Loans

32% - SMEs

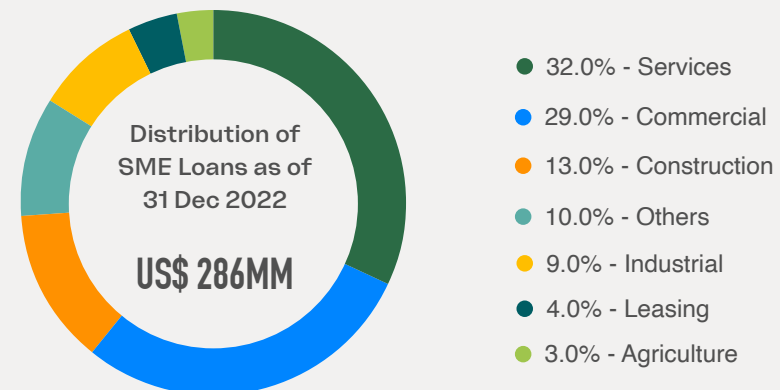
## Commercial SMEs Loans



**US\$ 420k**

Average disbursement  
balance per SMEs loans

**AVERAGE LOAN TERM OF 5 YEARS**





# Proximity

Private Banking





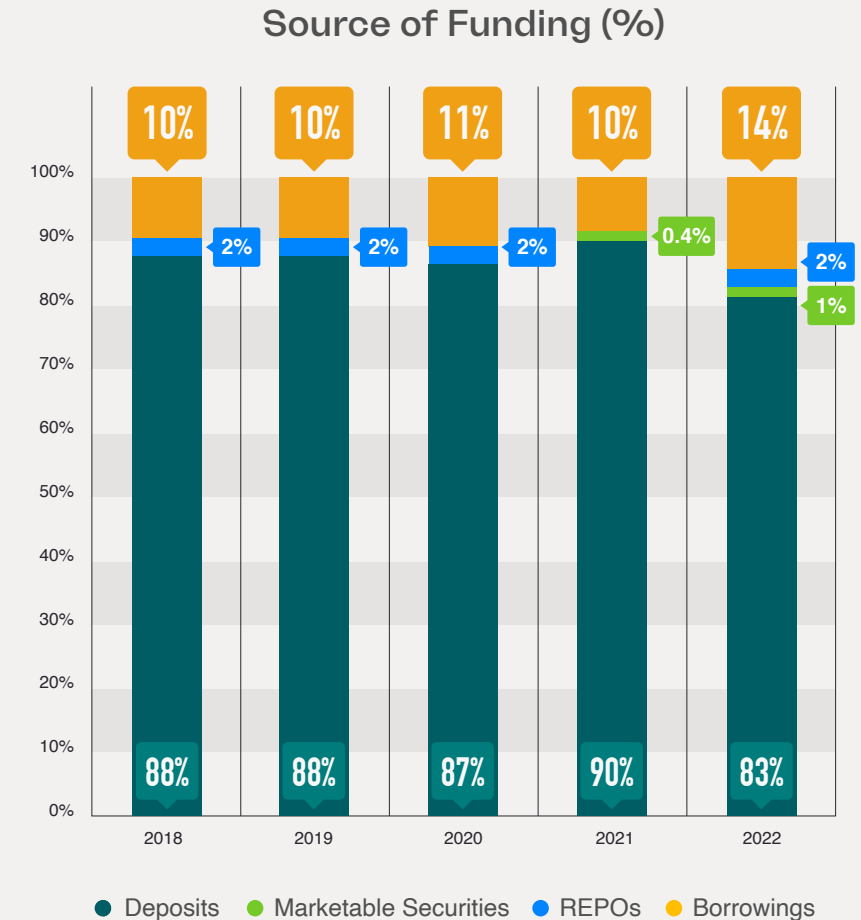
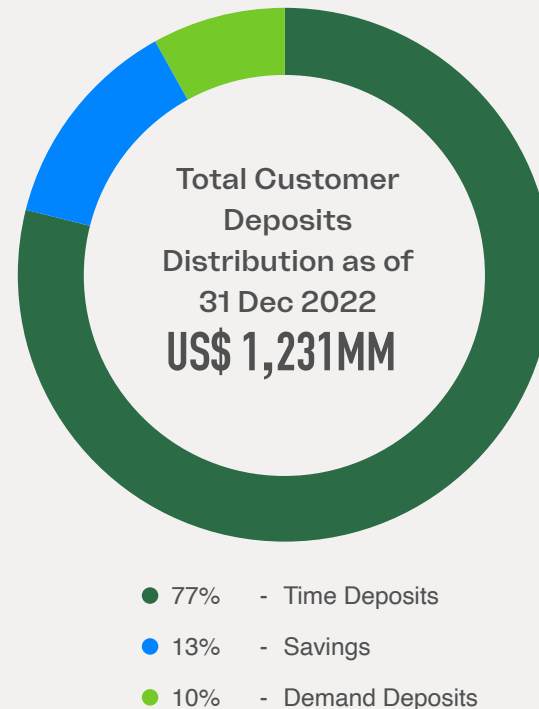
# Personalized Wealth Management

In MetroBank's Private Banking we have a team of specialists to serve high net worth individuals and institutional clients who are focused on building and preserving capital by investing in curated products to match their financial goals.

We offer a personalized service understanding the financial goals of our clients and recommending our different products such as Deposits, Investments, Residential Mortgage Loans, Credit Cards, and others.

Private clients provide the bank a reliable source of funding, historically accounting for more than 80% of the Group's overall funding.

MetroBank's Private Banking customers are required to maintain a minimum balance of US\$500,000.



# Assets Under Management

Through its subsidiary Metro Asset Management (previously Eurovalores), MetroBank's Private Banking provides private clients with solutions for wealth management and capital markets.

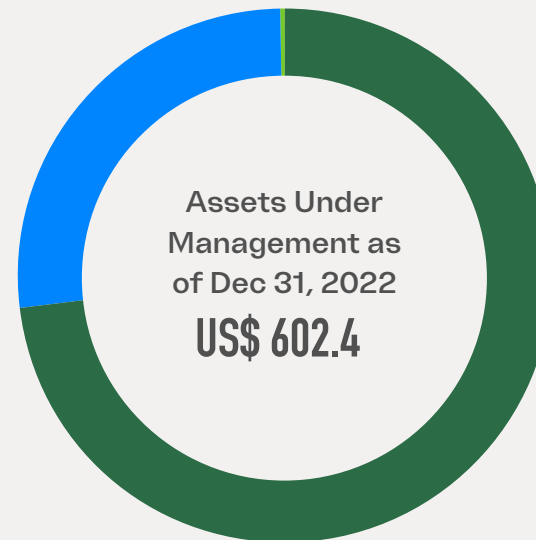
International brokerage and custody services are provided by Metro Asset Management through Pershing LLC, a subsidiary of Bank of New York Mellon, since 2007.

**US\$ 602.4 MM**

Total assets under management, at year-end 2022

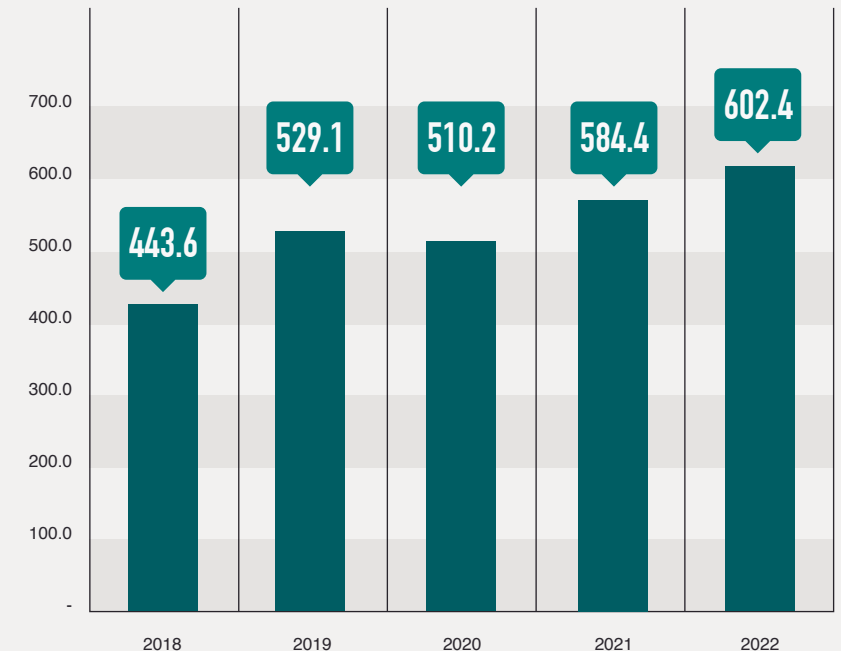
**27%**

Represented fixed-income investments.



- 73.2% - Variable Income
- 26.6% - Fixed Income
- 0.2% - Money Market

Assets Under Management (US\$ MM)



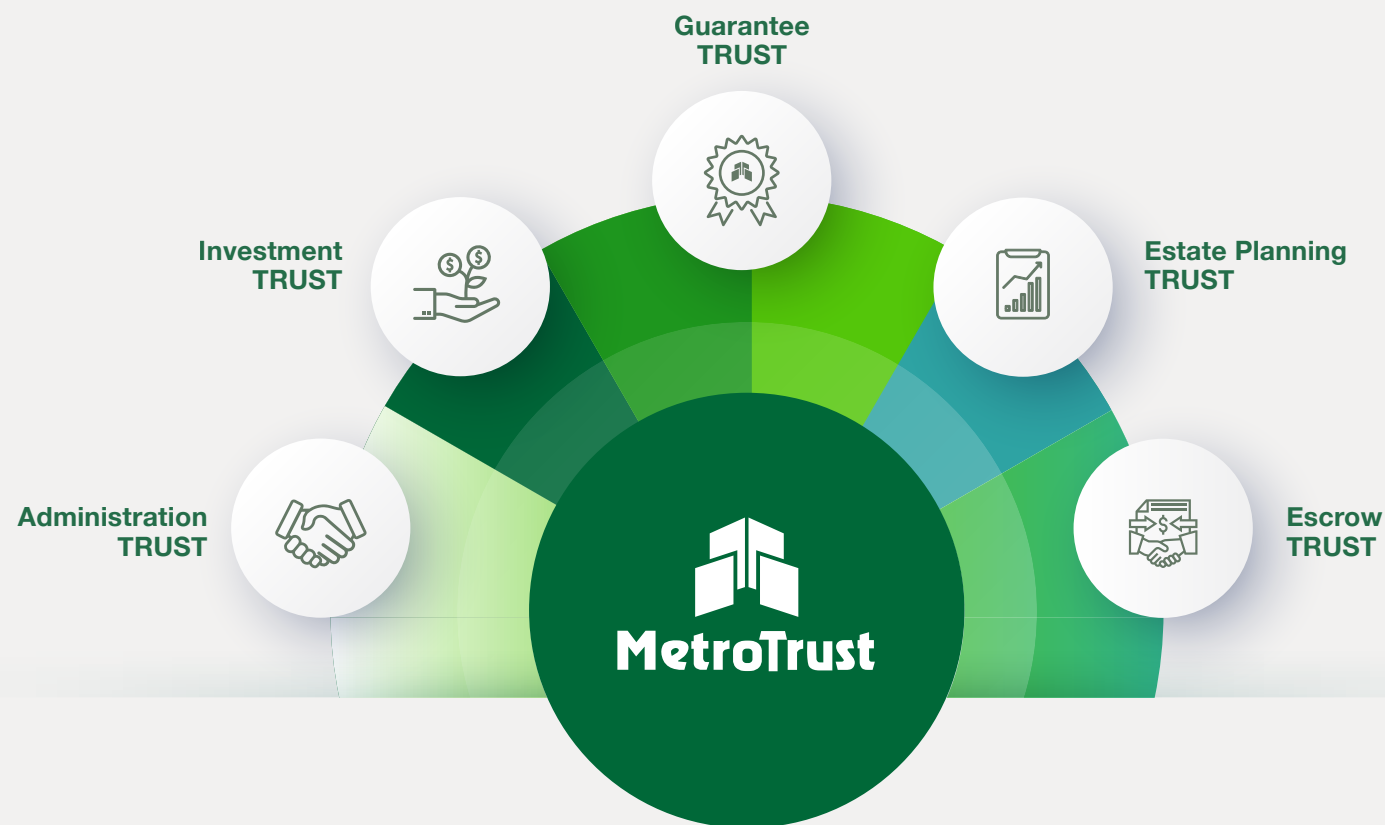
# MetroTrust

Since 2013, we have been providing our trust services through our trustee MetroTrust, a business entity duly established and licensed to conduct trust management operations by the Superintendence of Banks of Panama.

Our clients, both individuals and legal entities, have access to a variety of specialized services as an alternative to managing their assets.

Total Assets under  
Custody as of  
December 31, 2022

**US\$ 768MM**



Types of Trusts we offer



# Development

## Retail Banking



# Premium Banking

Premium Banking at MetroBank has developed over the past few years, and was officially launched in 2020 as a business unit. We have consolidated our strategy in 2021 and set a greater focus on this market segment.

We are focused on expanding both our current and new customers in this market by offering a variety of products, such as credit cards, car loans, personal loans, and home mortgage loans.

Through MetroBank Premium Banking, we aim to strengthen relationships, identify opportunities, and increase our cross-selling opportunities.

## Retail Banking Total Portfolio (US\$ thousands)

PRODUCTS	BALANCE	%
Home Mortgage Loans	60,684	25%
Personal Loans	29,352	12%
Credit Cards	7,816	3%
Leasing	7,548	3%
Consumer Finance (Govimar)	141,470	57%
<b>TOTAL</b>	<b>246,870</b>	<b>100%</b>

Composition of Consumer Banking products as of December 31, 2022



## Loan Portfolio by Customer Type %

# Govimar

To respond to the diversification strategy and enter the retail consumer market niche, MetroBank acquired Financiera Govimar in 2008, a Financial Institution that offers low-risk credit and direct payroll discount loan products.

Govimar has 15 branches strategically located across the country and serves customers with steady incomes, such as retirees and qualified government employees. Govimar is one of the top 3 largest non-banking consumer finance institutions in the country, with a total loan portfolio of US\$141 million, as of December 31, 2022.

As a result of the effectiveness of credit policies, the delinquency indicator of 90D+, as of December 31, 2022 was 0.12%, below than its peers.

Total Loan  
Portfolio

**US\$ 141 MM**



**60%**

**Government Employees**



**40%**

**Retirees**



# Innovation

## Digital Banking



# Digital Banking

As a leading organization with a focus on digital financial services, MetroBank has been promoting a digital transformation process both internally and externally for fifteen years.

MetroBank provides its customers with cutting-edge digital banking services by diversifying its processes and incorporating new technologies.

All of the bank's digital services were enhanced with the design and implementation of an innovative Online Banking and Mobile Banking platforms. Additionally, we strengthened our security measures, to increase protection for customers while transacting through the bank's digital channels.

For our Private and Commercial Banking clients, we continue to focus on strengthening our relationships by offering a wide range of products and services through our new MDS (MetroBank Digital Solutions) platform.

## Some of our clients



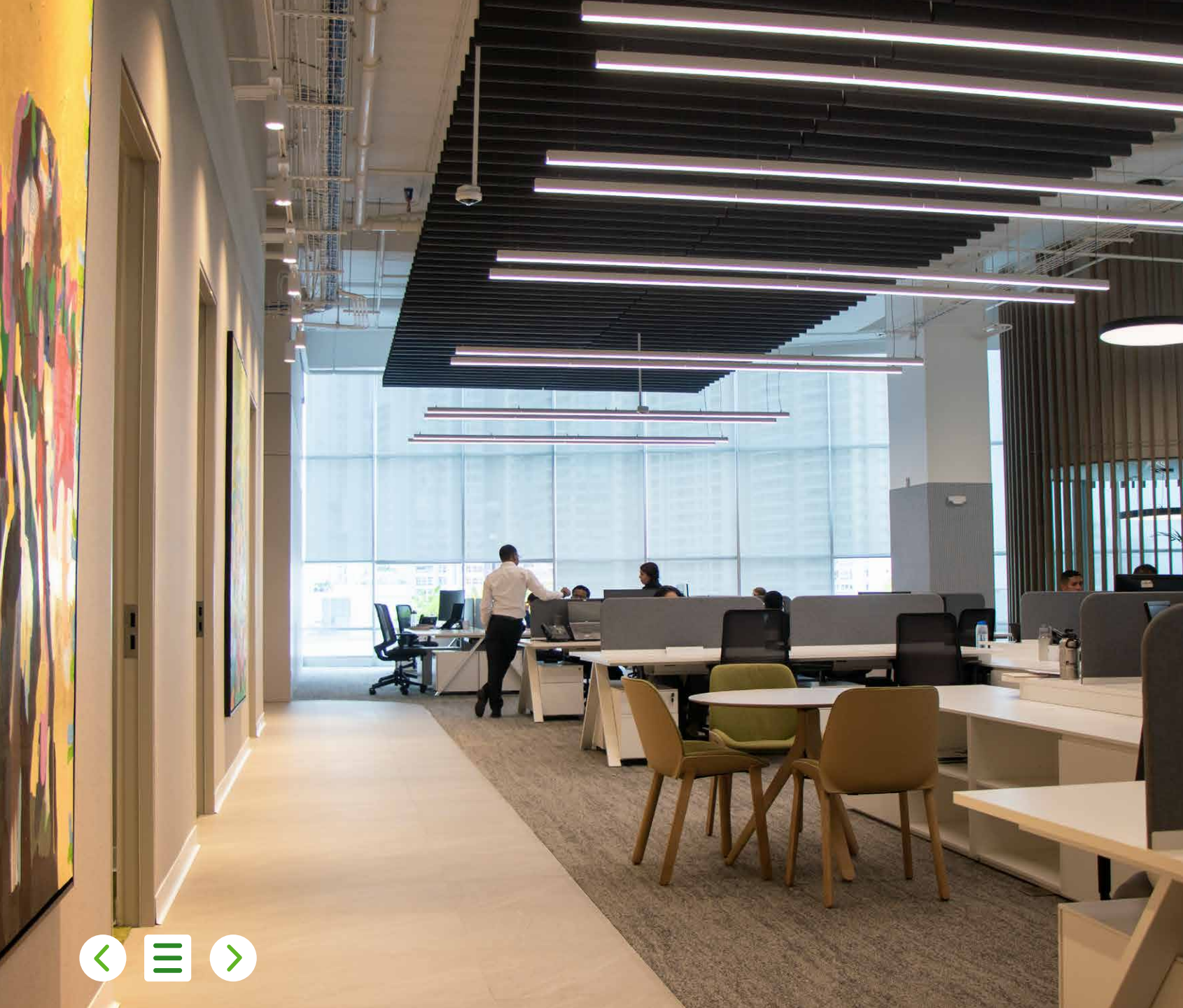
e-Commerce

Recurrent Payments

POS Point of Sale

Mobile POS





# Diversification

Overview of Loan  
Portfolio



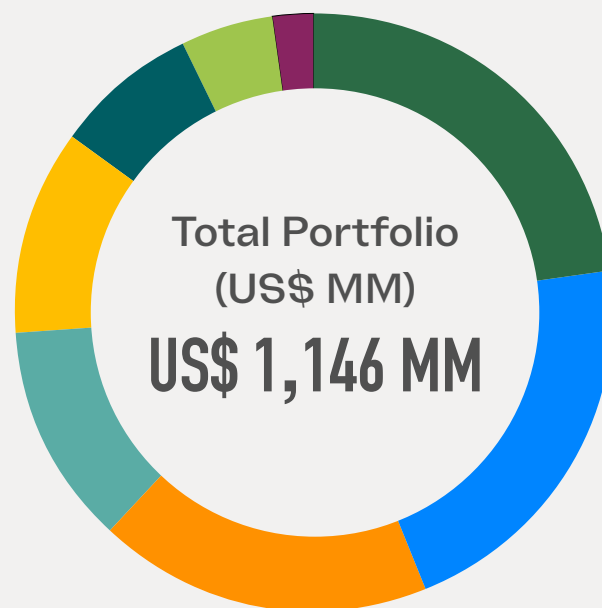


# Overview of Loan Portfolio

## Credit Risk Management

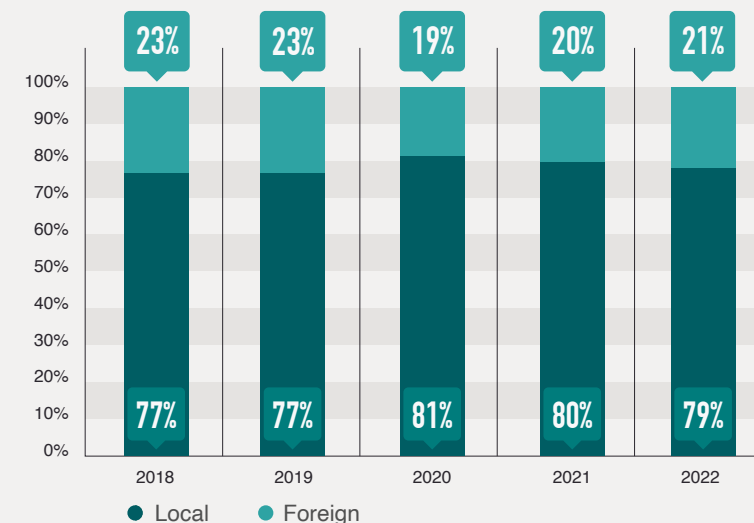
Since 2012, MetroBank has shifted its risk management strategy through diversification of country risk exposure by lending to International and Regional top-tier clients through participation in syndicated loans that are structured by respected international financial institutions.

This strategy has helped, in the past years, to maintain sustainable growth of our loan portfolio, despite the headwinds caused by the COVID 19 pandemic, affecting our local economic environment.

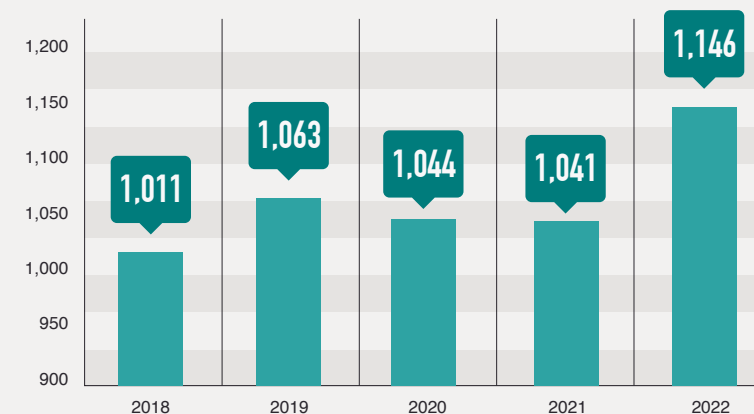


- 23% - Services
- 21% - Consumer
- 18% - Commercial
- 12% - Construction
- 11% - Industrial
- 8% - Others
- 5% - Agriculture
- 2% - Leasing

Exposure %



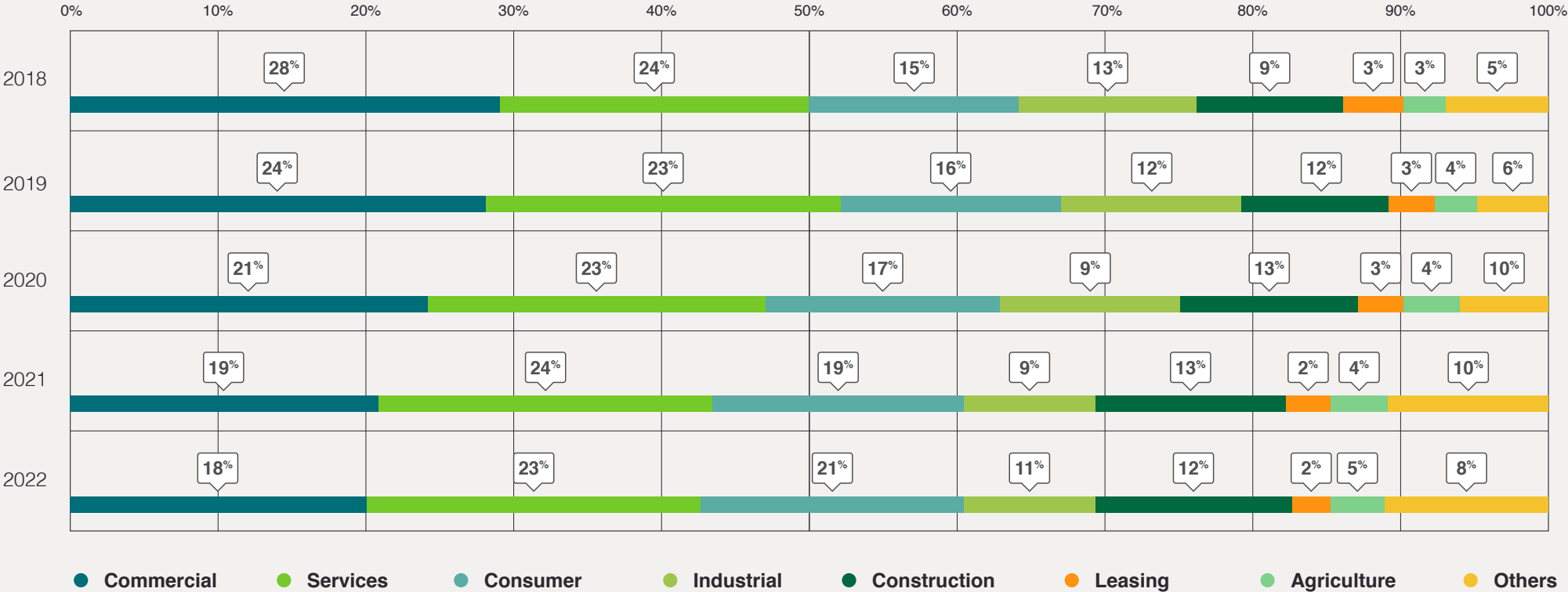
Gross Loan Portfolio (US\$ MM)



# Loan Portfolio by Economic Sector

Distribution of Loan Portfolio by Economic Sector is consistent throughout the years.  
Commercial loans represented an average of 22% in the last five years.

Gross Loan Portfolio by Economic Sector(%)



# Credit Quality

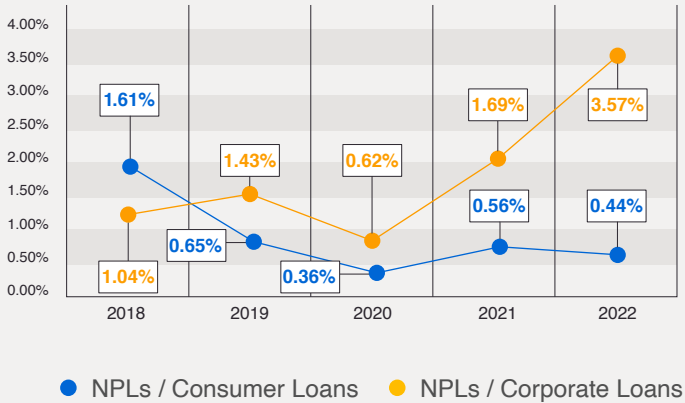
MetroBank high credit quality of total Loan Portfolio is supported by the low non-performing loans (NPLs) ratio reported on both the corporate and consumer loan portfolios when compared the National Banking System indicator.

In response to the economic and social impact caused by the COVID-19 pandemic, the Superintendence of Banks of Panama adopted temporary measures regarding the application of Rule 4-2013, allowing banks to modify the original agreed conditions of corporate and consumer loans, in order to provide economic relief to customers whose payments capacities were affected by the current pandemic.

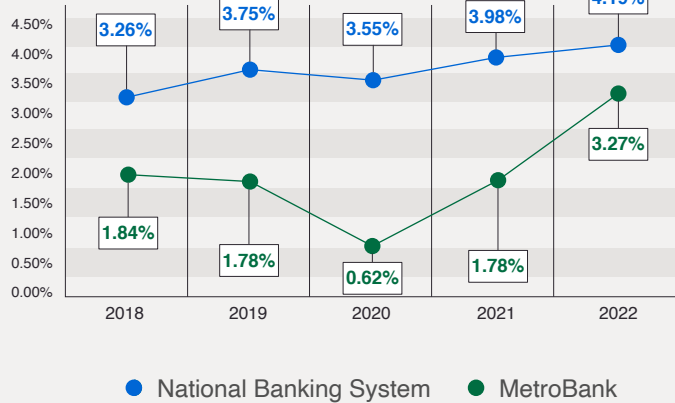
Several Rules were issued during 2020, 2021 and 2022 regarding to the treatment of these credits that are called “modified loans”. These rules established the minimum reserve level requirements, and also a new definition for the loan classification. In compliance with these new rules, the classification of debtor risk level according to Rule 4-2013 and Rule 2-2021, the percentage of total loans classified as per SBP as “Normal” decreased to 79% in 2021. Nevertheless, the application of these temporary measures was suspended, and full application of Rule 4-2013 was effective since December 31, 2022. Loans classified as “Normal” rose to 95% at the end of 2022, back to historical trends.

As of 31 December 2022, the Total Reserve Coverage over NPLs was 116%.

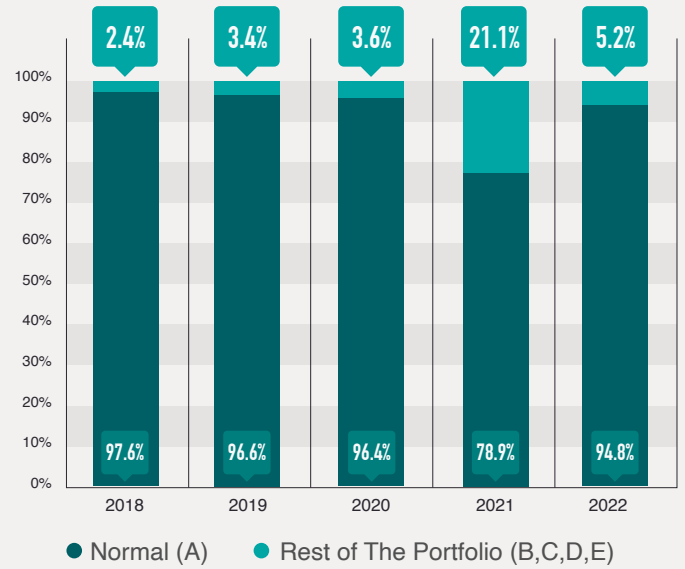
NPLS (90D+) By Business Line (%)



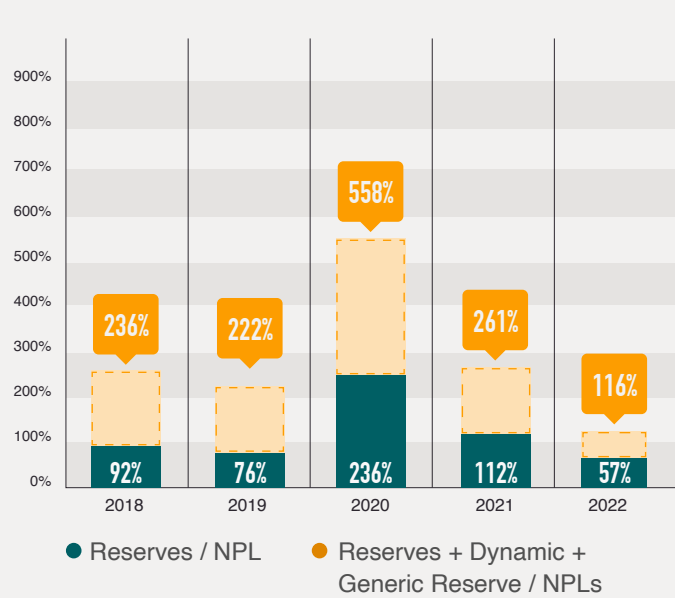
Past Due Loans vs Banking System (%)

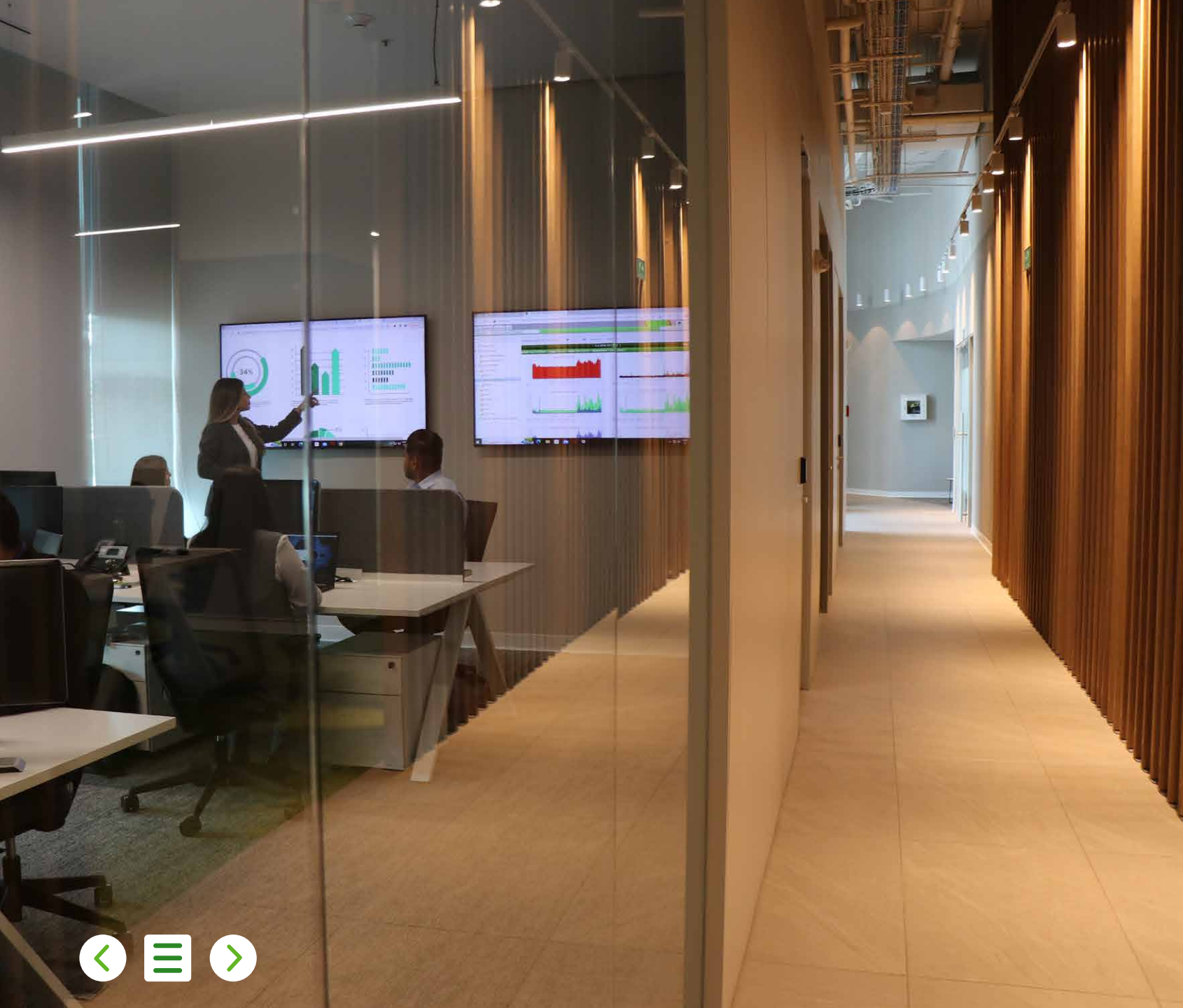


Loan Portfolio By Risk Category



Reserve Coverage Ratio (%)





# Transparency

## Financial Highlights

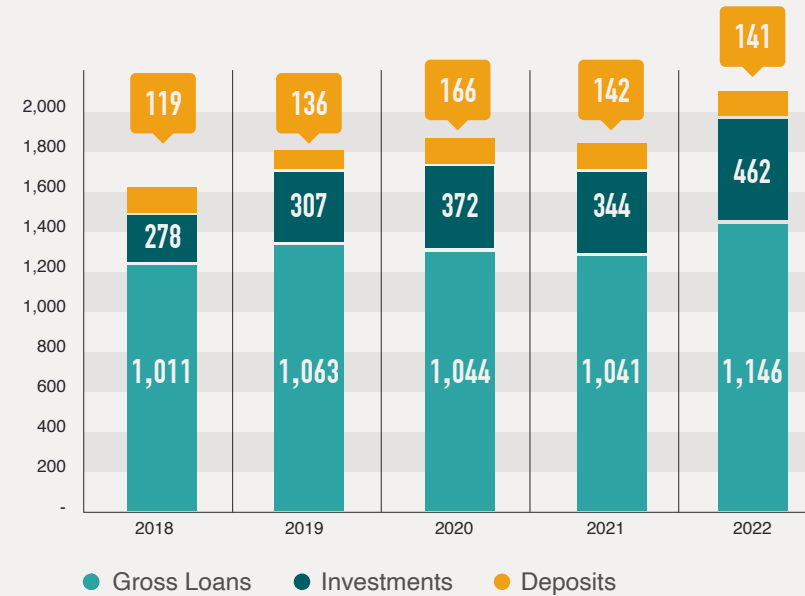




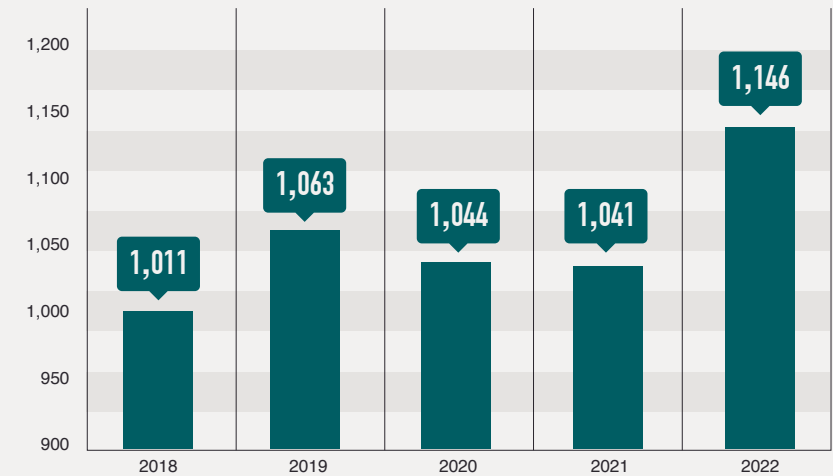
# Financial Highlights

The composition of earning assets have been consistent throughout the years. Loans to customers represented 68% and investments 23% of total earning assets on average for the last five years.

## Earning Asset Composition (US\$ MM)



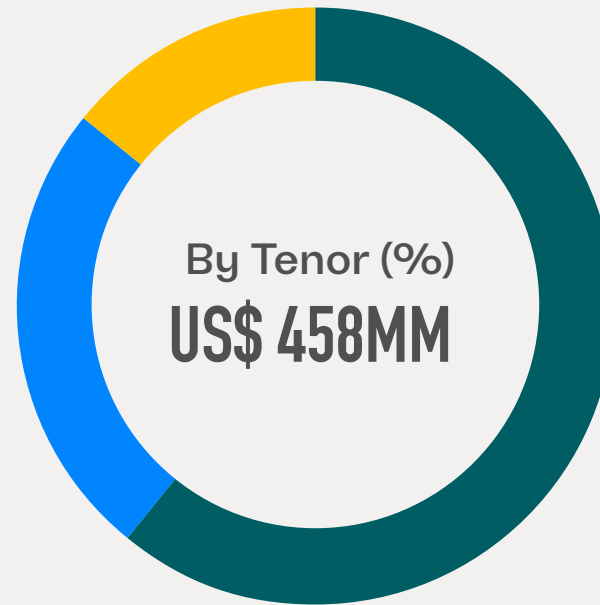
## Gross Loan Portfolio (US\$ MM)



# Investment Portfolio

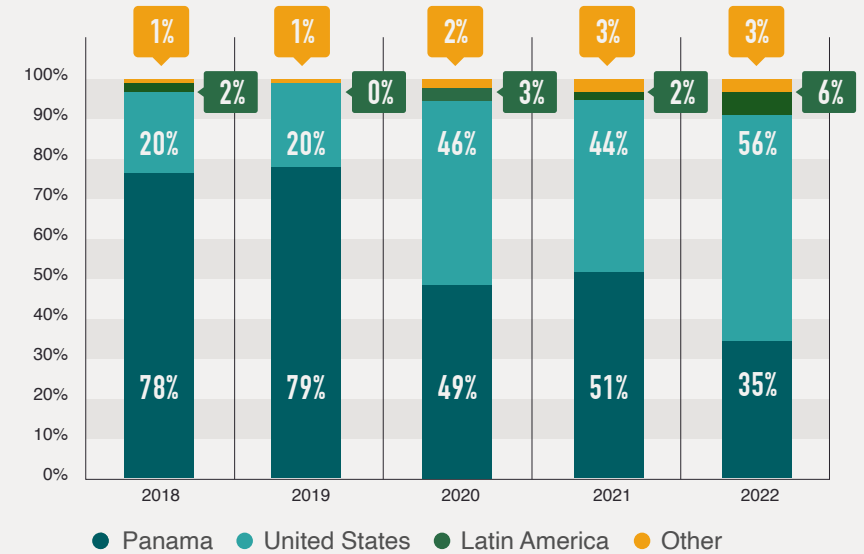
As of December 31, 2022, MetroBank holds US\$458MM in total investment portfolio. The bank has diversified its investment portfolio over the past three years by reducing its overall exposure to the Panamanian capital market.

As of December 31, 2022, 42% of the total outstanding investment portfolio is classified as investment grade. Debt securities in the private sector consist of a balance between local bonds from top-tier Panamanian corporate clients secured by real estate assets, and mainly U.S. Middle Market credits typically secured by total enterprise value.

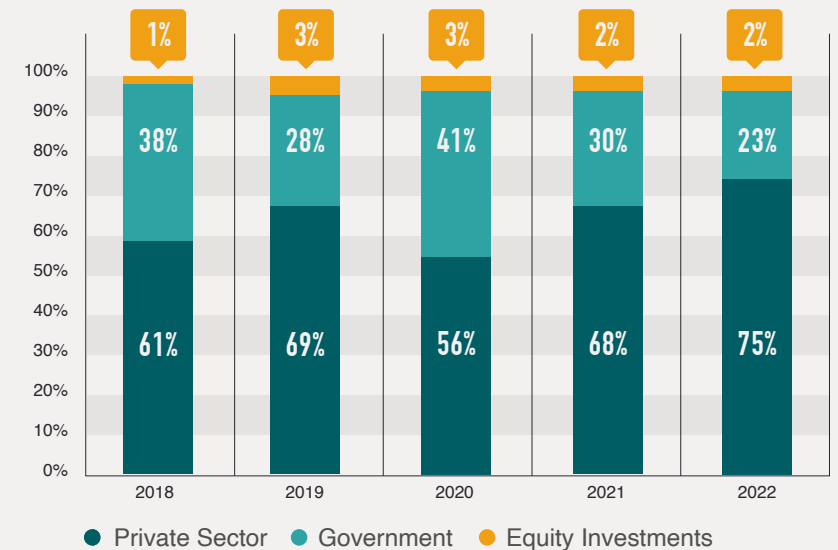


- 61% = <1 year
- 25% = Between 1-5 Years
- 14% = >5 years

## Exposure



## Distribution by Type of Security (%)

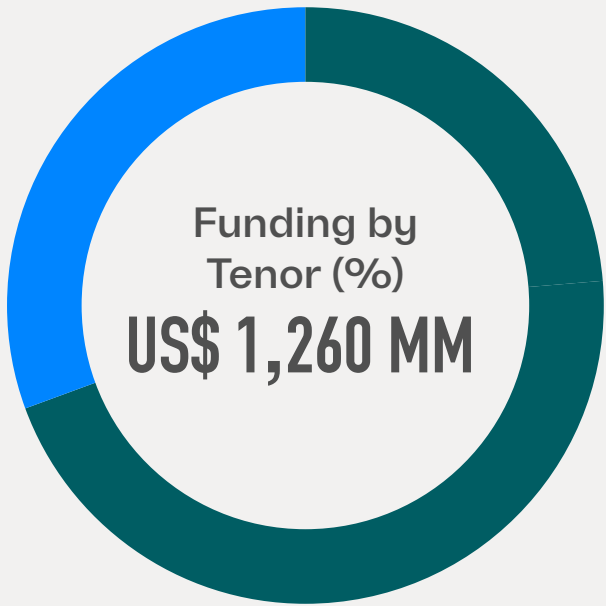


# Source of Funding

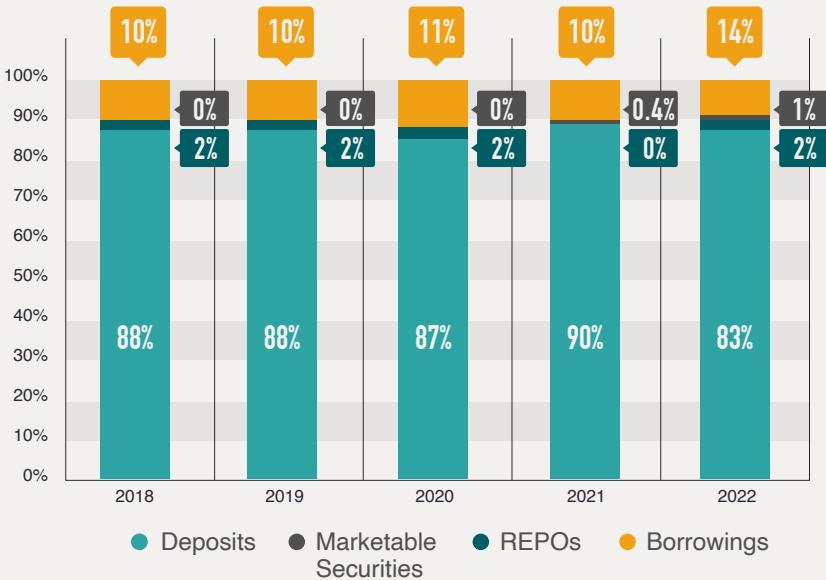
Customer deposits represents 83% of MetroBank’s total source of funding, out of which 77% are term deposits.

Top 20 depositors represent 21% of the total deposits base as of December 31, 2022, considering that these deposits are principally Private Banking customers.

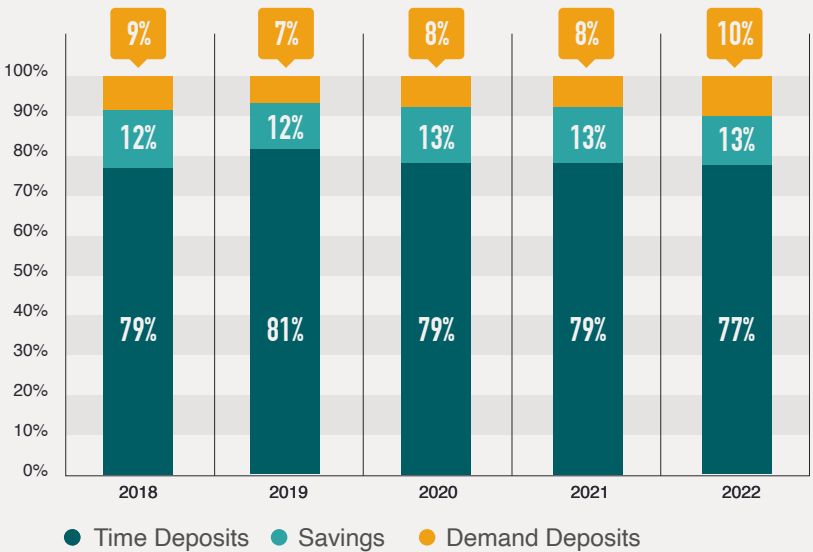
Since 2016, MetroBank has started to diversify its funding sources by obtaining new credit financing lines from reputable international and local financial institutions, thus increasing the contribution to 14% of this type of funding source.



Main Funding Sources (%)



Deposit Breakdown (%)

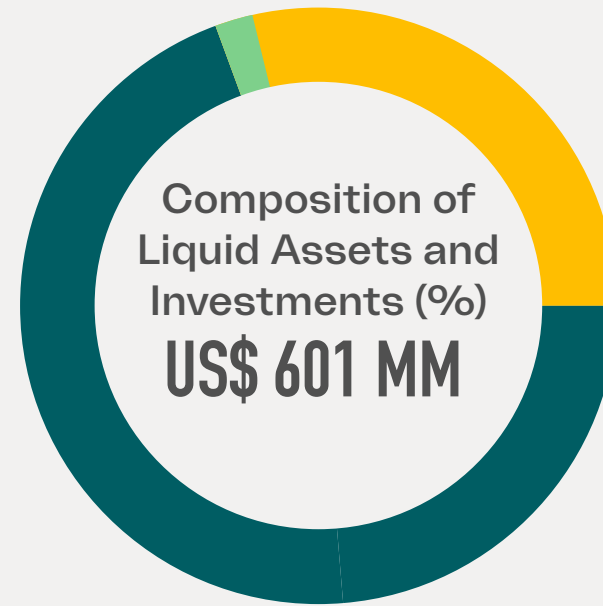


# Liquidity Management

As of December 31, 2022, MetroBank's total liquid assets amount to US\$601MM, representing 34% of total assets.

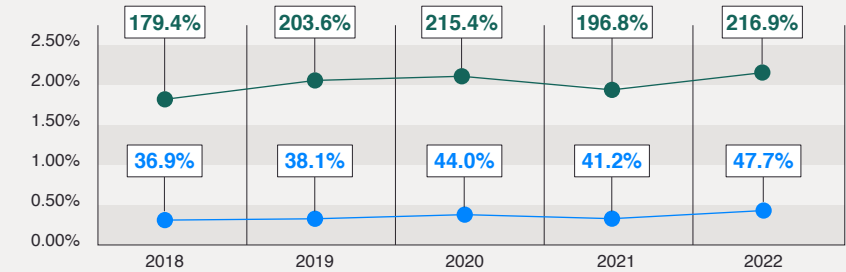
MetroBank has a well managed liquidity ratio as reflected in its regulatory liquidity indicator which has trended an average of 54.3% in 2022, above the minimum requirement of 30%.

Furthermore, in accordance with Basel III requirements, the Superintendence of Banks of Panama (SBP) issued Rule No. 2-2018, which mandates that banks maintain a Short Term Liquidity Coverage Ratio (LCR) of at least 25% in 2018 and a progressive target to reach 100% by 2022. Since 2018, MetroBank has reported a LCR ratio greater than 100%.



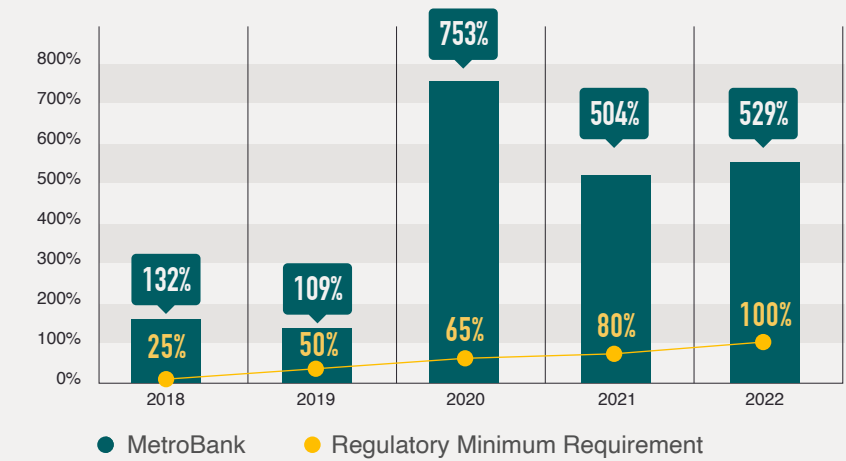
- 76% - Investments
- 23% - Deposits on Banks
- 1% - Cash

## Liquid Assets and Investments to Total Deposits (%)



- Liquid assets + Inv. / Demand + Saving Deposits
- Liquid assets + Inv. / Total Deposits

## Short Term Liquidity Coverage Ratio (%)



- MetroBank
- Regulatory Minimum Requirement



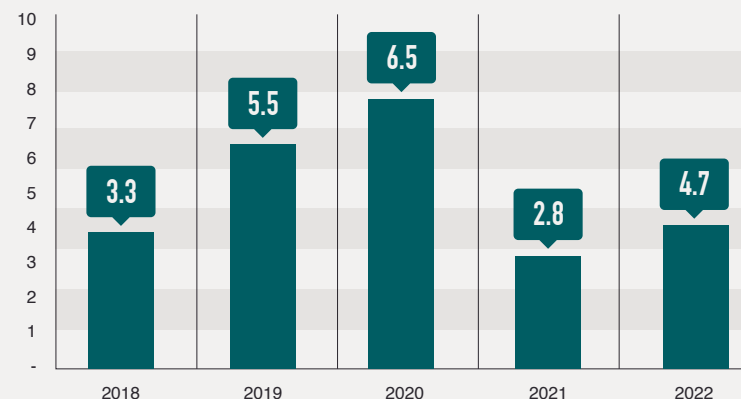
# Shareholders Equity

Shareholders have received dividend payments since 2011 for a total amount of US\$38.8MM. The dividend payout ratio for the last three years was approximately 54%.

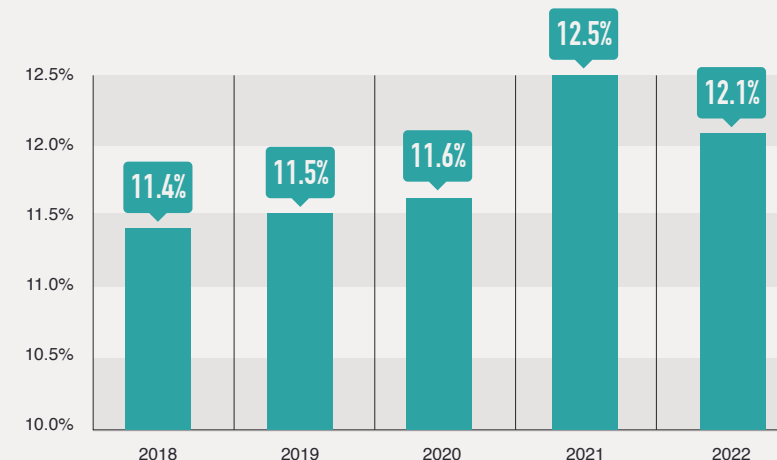
MetroBank's capital adequacy ratio (CAR) has consistently been above the minimum requirement and as of December 31, 2022, the CAR of 14.4% was almost double the minimum requirement of 8%.

During 2022, as part of our corporate strategy, MetroBank has launched preferred shares for US\$20 million and are listed in the Panama Stock Exchange. These preferred shares are included in Tier 1 Capital calculations.

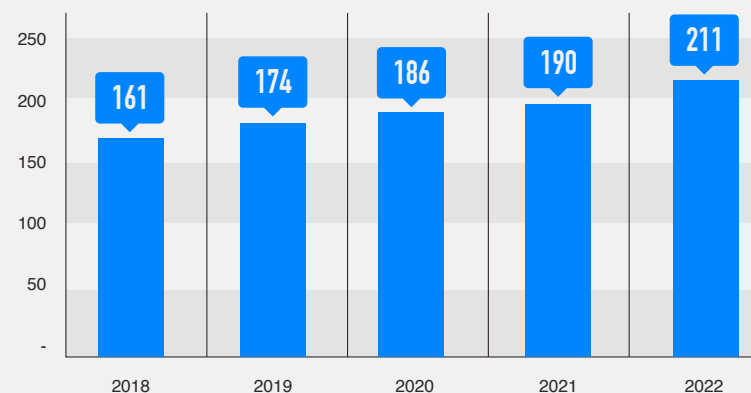
## Distributed Dividends (US\$ MM)



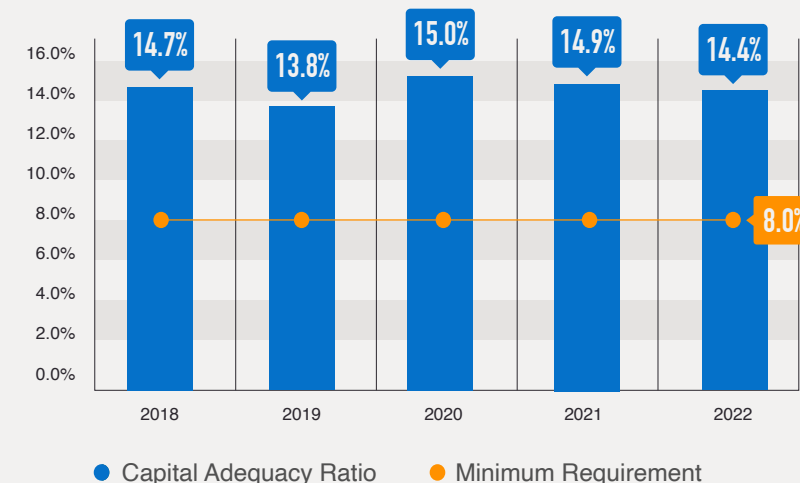
## Total Equity / Total Assets (%)



## Total Equity (US\$ MM)



## Capital Adequacy Ratio (%)



● Capital Adequacy Ratio ● Minimum Requirement

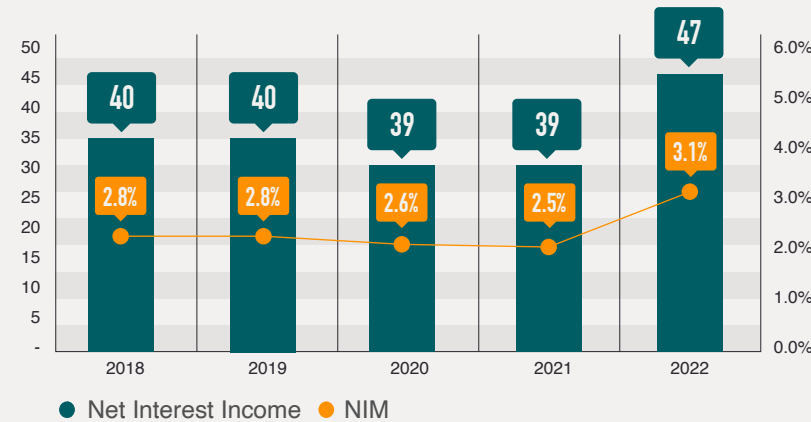


# Financial Indicators

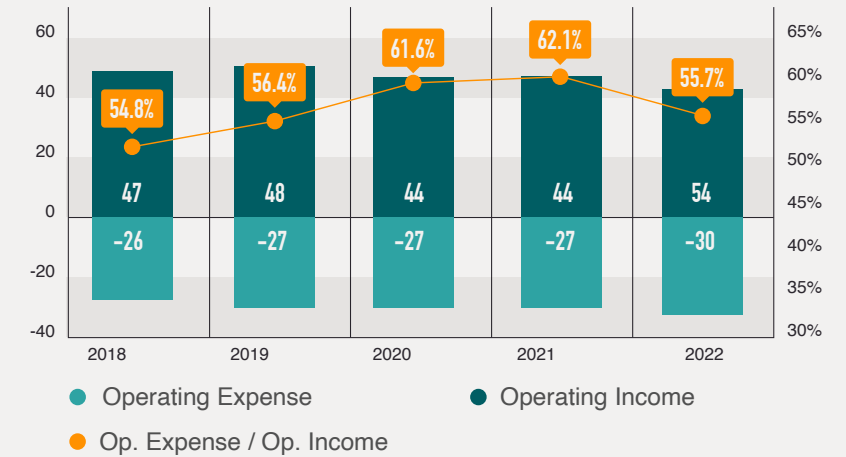
MetroBank has demonstrated consistent performance over the years, reaching an outstanding Net Interest Margin in 2022 of 3.1%, which resulted in a remarkable efficiency ratio of 55.7%.

Despite the negative impact caused by the COVID-19 pandemic on the global economy, MetroBank has maintained a steady income stream and strong liquidity and capital ratio, as a result of prudent strategic management. The financial results in 2022 showed a significant improvement compared to 2021, with a Net Profit after tax of US\$11.6MM, 29% greater than previous year.

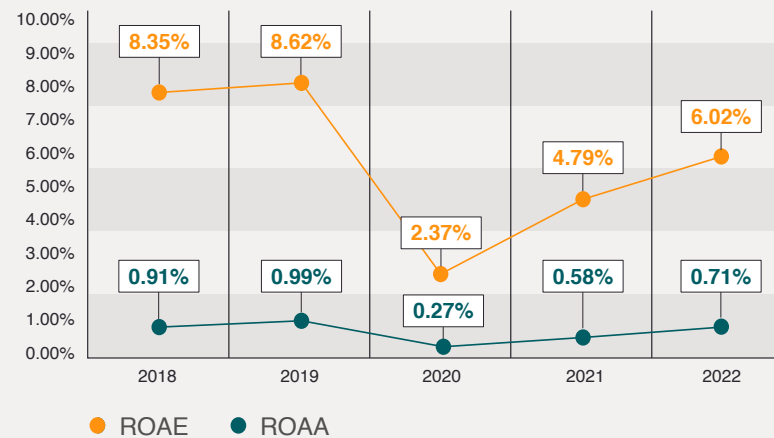
## Net Interest Income (US\$ MM)



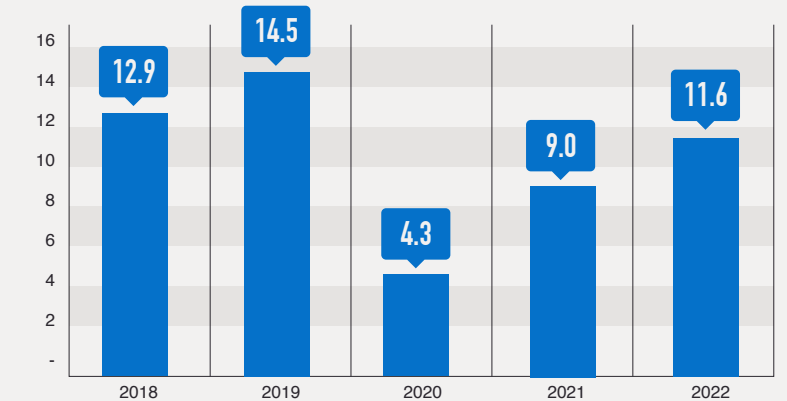
## Efficiency Ratio (%)



## ROAE / ROAA (%)



## Net Profit after Tax (US\$ MM)





# Commitment

Corporate  
Affairs





# Corporate Social Responsibility

## METROBANK'S CONTRIBUTION TO SOCIETY

As participants of the Global Compact and members of Sumarse, at MetroBank we work for sustainability through our four pillars: Education, Culture, Health and Environment, as engines of economic and social growth. For more than 30 years, we have been expanding and consolidating our CSR strategy to have a significant impact on these fundamental pillars.

This contribution influences the fulfillment of the global sustainable development goals (SDG) in a positive way. It also allows us to become agents of change for the sustainable development of our country, through the work of our corporate volunteers "Raíces del Cambio" in different activities with our Flagship Projects: Escuela República de Alemania in Panama City and Santa Rita Social Complex, located in the province of Chiriquí.

Year after year, we renew our commitment to Corporate Social Responsibility through different actions for our community, highlighting the most outstanding from last period.







## Education

- Financial Education, Comprehensive Reading, Excel and Mental Health programs.
- Renewal of agreement with Universidad Santa Maria la Antigua, offering full scholarship plans to three low-income students.
- Educational activities with students from Escuela de República de Alemania.
- Donation of technological equipment to Universidad Tecnológica de Panamá.
- Participation in renovation of schools Richard Newman, Jose A. Ramon Cantera and Professional Isabel Herrera de Obaldia.
- Honoring our history through educational capsules shared with the community through social networks, in celebration of Panama independence commemoration.

## Culture

- Art exhibitions by local artists such as Cisco Merel, Alfredo and Olga Sinclair, Lucio Lopez Kansuet and Achu.
- Supporting young talent by sponsoring plays from different schools and international projects.
- Sponsored a Christmas Concert for to community by Orquesta Sinfónica Nacional de Panamá.





## Health

- Participation in Sustainable Families program to educate mothers in self-sustainability through different activities.
- Support to of different organizations focused on helping children with different needs.



## Environment

- Cleaning of the Cerro Ancón trails.
- Development of different recycling activities.



# Our commitment to stay close to our customers

At MetroBank, our service culture focuses on the client, which is why we not only advise them but also make them part of our cultural activities by offering unforgettable experiences. Painting, and music by the best Panamanian talents were part of the exclusive events that our clients have enjoyed as part of our commitment to promoting culture.

They have learned about the work and life of Olga Sinclair, a Panamanian painter with an internationally recognized career; the artists Kansuet and Achu, the greatest exponents of Panamanian Guna art, decorated the new Calle 50 branch with their original works and the Sinfónica Nacional closed the year with Christmas melodies for clients, employees, and the community in general.









