

2018

Sustainability Report Multibank, Inc.



CONTENT

Message from our Executive President	4	STAKEHOLDERS, MATERIALITY AND	
About this Report	8	MANAGEMENT FOCUS	28
		1. Stakeholders	30
		2. Analysis of materiality	31
		3. Management focus	32
OUR COMPANY	9	ECONOMIC PERFORMANCE	35
1. Products and Services	10	1. Multibank Inc. in numbers	36
2. Multibank Brand	10	2. Ratings in the sector	37
3. Track record	12	3. Investment in infrastructure	38
4. Multibank Inc. in 2018	15	4. Investment in new technologies	39
5. Commitment to the SDGs and Principles of the Global Compact	18	5. Support to the economy of the country	40
6. Corporate Culture	20	6. Compliance and anti-corruption	43
7. CSR Global Strategy	21	7. Management of claims and requests	45
8. Governance Structure and Corporate Government	22		
9. Institutional Organization Chart	27		



CONTENT

ENVIRONMENTAL PERFORMANCE	48	6. Program of internship and first job	65
1. Management of environmental and social risk	49	7. Relation of entry level wage versus local minimum wage	65
2. Training for customers on environmental and social standards	52	8. Labor practices	66
3. Environmental assessment of suppliers	53	9. Financial education	69
4. Environmental management in our operations	53	10. Social investment/Community life	70
5. Environmental Education	55		
SOCIAL PERFORMANCE	56	GRI content index – Core Options	75
1. Our workforce	57		
2. Benefits to employees	59		
3. Health and safety	61		
4. Training of our employees	62		
5. Performance evaluation	64		



MESSAGE FROM OUR EXECUTIVE PRESIDENT



Isaac Btesh
Executive President

GRI 102-14 | STATEMENT FROM SENIOR DECISION MAKER

We publish this 2018 Sustainability Report with the purpose of communicating the most outstanding actions of our economic, social and environmental management, ratifying our commitment to our stakeholders and with Panama. We have continued to strengthen our business model, and strengthen the incorporation of principles of the initiatives and alliances to which we have joined, in this sense we ratify our commitment as signatories of the United Nations Global Compact and its local chapter, and we continue to align our strategy with the 2030 Agenda for Sustainable Development with actions that contribute to the achievement of its 17 objectives. We want to summarize our actions that although they integrate the three dimensions, respond to specific economic, environmental and social issues.

Economically, supported by being part of a financial group with almost 50 years of undertakings in the market of Panama with a historic financial strength, we have been able to contribute to the local economy and generating opportunities and growth, including:

- We continue to position ourselves as one of the Panamanian private banks with a high level of soundness and international investment rating. The three most important risk rating agencies in Panama: Fitch Ratings, Pacific Credit Rating (PCR) and Equilibrium, confirm our soundness and continue to place us at the highest level within the private banks of Panamanian capital that are nationally rated.
- We adapted and continuously strengthen the Corporate Governance structure with the best practices and local and international standards, highlighting the support, as a strategic partner, of the German Development Bank (SDR) and subsidiary of KfW.
- We support fundamental sectors of the economy such as construction, the agricultural sector and Small and Medium Enterprise (SMEs).
- We made significant investments in improvements to our commercial infrastructure that had an impact on the local economy, among which stand out new branches projects that include new facilities, relocations and internal modifications, installation of solar panels on the rooftop of the Prosperidad Building, improvements or remodelations



in corporate areas (Call Center in Brisas del Golf, training rooms in Plaza Concordia).

- We improved the infrastructure of services and processes, including Strengthening Security, Monitoring, Strengthening and Service Management, Attention Scheme, MOTI Project (Technology Operational Model), ASICOM and BPM Credit Card Project, New Online Banking Project and Documentary Manager Project.
- We boosted programs and projects through the Microfinance Institute contributing in 2018 to train 90 individuals for better guidance in managing their finances. Including the Financial Education Program of CSR of the Banking Association of Panama, lectures to employees of the Board of Nutrition, training for administrators of the Infoplazas in Chiriquí and Veraguas.
- We ensure that our purchasing management focuses on local suppliers; in 2018 our portfolio of suppliers consisted of 92% (608) of local origin.
- We carried out training sessions for employees at different levels of risk, as well as workshops specialized in the different obligations and due diligence procedures and knowledge of Client C (KYC). A total of 6,675 hours of training were carried out in the areas of prevention of money laundering, financing of terrorism, financing the proliferation of weapons of mass destruction.
- We have put our effort into the timely management of the incidents received through our control system of claims and requests received (JIRA).

In the environmental and social

- We evaluate the operations within the Environmental and Social Risk Analysis scheme, where we have incorporated environmental and social criteria in the financings.
- Likewise, we have also incorporated environmental criteria for purchases made that include the purchase of equipment highly efficient in energy consumption, purchase of products that are shipped in returnable or reusable containers and

made of recycled content.

- With the aim of reducing the greenhouse gas (GHG) emissions, helping to mitigate the effects of climate change and optimizing the good use of natural resources, we started the plan of installation and supply of clean energy, through solar panels at our Head Office in Vía España. Similarly, in our operations we continue with the handling of recycled material.
- We maintain alliances and participate through Multivolunteering with actions to improve the environment.
- We participate in the UNEP-FI Network that seeks to identify, promote and adopt the best environmental and sustainability practices at all levels of the operations of financial institutions.

In the social:

- We have carried out different actions associated with our Global Corporate Social Responsibility Strategy (CSR), in each of its pillars: Ethics and corporate development, Community Progress, Environment, Culture and education.
- Through the Alberto and Pamela Btsh Foundation we

provide support to charities that are responsible for assisting the most disadvantaged populations, many of them in a situation of extreme poverty. We have been working with this foundation since 1996. Currently, we support through donations to 20 institutions that provide social assistance and 2,783 beneficiaries.

- We encourage the strengths of our employees to benefit the social needs of the communities where Multibank Inc. works with 506 active Multivolunteers nationwide, 422 hours of Multivolunteering, with concrete actions in reduction of climate changes, reduction of poverty and child malnutrition in rural areas.
- Since 2011, together with the Board of Trustees of the National Nutrition Service, we support the Great Steps Farm El Entradero Program, whose objectives include providing energy through solar panels, to increase the production of farm families and improve the quality of life of its inhabitants, increase the productivity of crops for consumption and/or marketing, provide basic lighting to families in the communities near the farm, train families in the communities, to enhance their skills and abilities. There were 4 farms visited and 1,176 people benefited.
- And we close with our flagship project Multibank





illuminates, with which we seek the reduction of poverty through the use of renewable energy and preservation of the environment. Currently, a total of 271 farms are in the Great Steps Program, distributed throughout the country, where 1,239 members participate, with a total of 5,415 direct beneficiaries and 36,228 indirect beneficiaries, characterized by indices of extreme poverty.

Among the recognitions to highlight in our management during 2018 are:

- Multibank Inc. and subsidiaries continue consolidating within the select group of financial institutions of Latin American origin with double rating of international investment granted by the rating agencies Standard & Poors and Fitch Ratings.
- The 1st Cybersecurity Symposium is held.
- Under the “Seeding Risk Culture” framework, the V Risk Management Conference was held, a key event in the process of socialization of different types of risks, trends and controls.
- Multibank is part of the Sustainability Commission of the Banking Association of Panama.
- The results of the Multibank Illuminates project were presented, which benefits 1,176 people directly and indirectly. The farms visited were: Tulú Arriba, Santa Marta and Las Marías in Coclé and Los Martínez in Veraguas.
- Multibank implements solar energy production plan in its Head Office Company, through solar panels.

I invite you to browse through the report, where you can obtain more detailed information on our efforts to contribute to a better world.

Isaac Btsh
Executive President



ABOUT THIS REPORT

GRI 102-49 | CHANGES IN REPORTING

There have been no significant changes in the list of material topics and coverage of the topic in accordance with the GRI standards.

GRI 102-50 | REPORTING PERIOD

The report covers from January 1 to December 31, 2018, coinciding with the financial reports.

GRI 102-51 | DATE OF MOST RECENT REPORT

Our last report corresponds to the year 2017.

GRI 102-52 | REPORTING CYCLE

We prepare this report annually.

GRI 102-53 | CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

Questions regarding the content of the report can be requested from Melissa Valderrábano Díaz, responsible for the area of Corporate Image, Marketing and Advertising of Multibank Inc. through email: mvalderrabano@multibank.com.pa, Telephone No. (507) 294 -3500 ext. 1580.

GRI 102-54 | CLAIMS OF THE REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

“This report has been prepared in accordance with the Core Option of the GRI Standards, Global Reporting Initiative” and we consider the indicators of the Financial Services Sector Supplement of GRI. In addition, we rely on other guidelines consistent with these standards or with reporting frameworks recognized as the Global Compact guides, the International Standard ISO 26000: 2010 - Guidance on social responsibility and the SDG Compass: “The Guide for Business Action in the SDGs “.

GRI 102-55 | GRI CONTENT INDEX

At the end of the report, the GRI content index that specifies all the GRI standards used is presented and lists all the contents included in the report.

GRI 102-56 | EXTERNAL ASSURANCE

We have not verified the report externally: The contents have been verified by the responsible unit and by different managements responsible for coordinating the preparation of the report.

OUR ENTERPRISE



Products and Services

This report corresponds to the management of Multibank Inc. in matter of Sustainability.

GRI 102-1 | 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES

Multibank Inc. provides a wide variety of financial services, primarily corporate, investment, mortgage and consumer banking, as well as insurance, factoring and leasing services. On the website www.multibank.com.pa we publish complete information of our products and services.

Multibank Brand

The Multibank brand has reached a ranking of unquestionable prestige and reputation, which today highlights its years of experience. Our brand includes the image of the “Tree of Life”, where it stimulates action, trust, enthusiasm and provides a sense of protection. With three colors:

Blue: reliable, honorable and committed

Green: peace and ecology

Yellow: culture, optimism and a positive future

GRI 102-3 | LOCATION OF THE HEAD OFFICE

Our Head Office is located in Vía España, Prosperidad Building #27, Panama City, P. O. Box No. 0823-05267 in Panama, Republic of Panama.

GRI 102-4 | LOCATION OF OPERATIONS

Our license allows us to carry out banking business both in Panama and abroad. We have regional presence in Costa Rica (MB Créditos), Colombia (Banco Multibank, S. A.) and Peru (Representation Office).

GRI 102-5 | OWNERSHIP AND LEGAL FORM

Multibank is a wholly owned subsidiary of Multi Financial Group, Inc., both entities are incorporated in accordance with the laws of the Republic of Panama.

Multibank Inc. owns the entire shareholding of the following subsidiary companies:

COMPANY	ACTIVITY	COUNTRY OF INCORPORATION
Gran Financiera S.A.	Grants consumer loans.	Panama
Multi Securities, Inc.	Negotiate, execute and process the purchase and sale of securities, local and internationally and manage the investment portfolios.	Panama
Multi Trust	Promote, establish, administrate and manage trusts and provide services as trustee.	Panama
Banco Multibank, S.A.	Commercial banking business.	Colombia
Multi Capital Company, Inc.	Provide advisory services abroad.	Nevis Islands
Multibank Seguros, S.A. y Subsidiaria	Insurance business.	Panama
Multileasing Financiera, S.A.	Business of leasing personal property.	Panama
MB Créditos, S.A. y Subsidiaria	Financial leasing of personal property.	Costa Rica
Multibank Factoring Inc.	Factoring business.	Panama
Multibank Cayman Inc.	Commercial banking business.	Caiman Islands
Orbis Real Estate, Inc.	Purchase, sale and administration of real estate.	Panama

In our web page www.multibank.com.pa and in the 2018 Consolidated Financial Statements there are complete and updated information for consultation on the companies that makes up our business group.

GRI 102-10 | SIGNIFICANT CHANGES IN THE ORGANIZATION AND ITS SUPPLY CHAIN

In 2018 the changes referring to changes in ownership included:

COMPANY	ACTIVITY	COUNTRY OF INCORPORATION
Inversiones Prosperidad, S.A.	Purchase, sale and administration of real estate (Unincorporated in 2018)	Panama
Hemisphere Bank Inc. Ltd	Commercial banking business (in process of voluntary liquidation)	Turks & Caicos islands
Multi Facilities Holding Corporation	Management of collection and recovery British Virgin Islands of special credits and activities related to financial credits acquired from the subsidiaries. (Subsidiary closed during 2018)	British Virgin Islands

The closing of the subsidiary Multifacilities Holding Corp. was authorized on March 2, 2018 by the Superintendency of Banks of Panama, process that concluded with the issue of the certification of origin dated June 7, 2018. On December 19, 2018, the Bank ceded the shares of its Subsidiary Inversiones Prosperidad, S. A.

Track record

1990

Began operations under the commercial name of Multi Credit Bank.

1993

Incorporation of Hemisphere Bank, based in Turks & Caicos Islands of the Caribbean.

1998

- Instituto de Microfinanzas is founded with the aim of developing the micro and small entrepreneur.
- 1st private Bank to receive from Interamerican Development Bank (IDB) a development fund to be distributed in loans to entrepreneurs.

2003

We became signatory of the United Nations Global Compact, committing ourselves to the adoption of its 10 principles.

2005

- Conversion to a universal multiproduct bank. The great strategic goal is defined: to reach the rating of international investment grade with a positive perspective.
- 1st bank in Panama that provides the Verified by Visa service and Secure Code for Affiliation of Merchants/Point of Sales.

2007

- Acquisition of 70% of Macrofinanciera in Colombia.
- Creation of Multi Financial Group.

2009

Creation of Multileasing Financiero, S. A.

1991

1st Bank to support the Microenterprises.

1996

Creation of the Alberto and Pamela Btsh Foundation.

2002

Financing with the FMO (Netherlands Development Finance Company).

2004

- Creation of Multi Securities, Inc.
- We received the Award of Excellence granted by “Acción Empresarial”, for being the main implementer of the “Diálogo de Gestiones ” program in Latin America and the Caribbean.

2006

- Creation of Multi Trust, Inc.
- Opening of the Representation Office in Bogota, Colombia.

2008

- New image of Multibank, strengthening of Family Corporate Governance
- Creation of Multigiros, S. A., business of sending and paying money remittances.

2011

- Creation of Multibank Seguros, Inc. and MB Créditos (CR).
- We acquired all the shares of Macrofinanciera
- MB Créditos began officially its operations in Costa Rica.

2011

Recognition by the IFC-World Bank (International Finance Corporation) as the most active banking institution in Mexico, Central America and the Caribbean in the use of the GTFP Program (Global Trade Finance Program), aimed at financing international trade operations of small and medium enterprises customers.

2013

- 1st strategic alliance of DEG in Panama as the new shareholder of Multibank, through our holding, Multi Financial Group, Inc. with an investment of 30 million dollars.
- MB Créditos consolidates in the market of Costa Rica.

2015

- License of Banco Multibank Colombia
- OPEP Fund for International Development (OFID) grants financing for US\$20MM.
- Launching of Banca Diamante (Diamond Banking).

2017

- Issue debts in the International Debt Market.
- Multibank manages to make its first issue of senior bonds, not collateralized, for an amount of 100 million Swiss francs, equivalent to US\$103 million. Multibank Inc. issued successfully corporate bonds for US\$300 MM in international markets.

2018

- Multibank's assets grew 4.4% with a total of US\$4,896 million at the closing of 2018.
- Multibank maintained an important participation in financing in the automobile, agricultural and construction sectors, reaching a net profit of US\$56.9 million.

2012

Multibank signs financing facilities for US\$15 million and US\$10 million with Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), a subsidiary of KfW, and the CAF Banco de Desarrollo de America Latina, respectively.

2014

- Macrofinanciera obtains the license to become Banco Multibank (Colombia).
- Signs financing agreement with IFC for US\$40 million to expand access to financing for SMEs and support initiatives that help reduce climate change, such as energy efficiency and small renewable energy projects.
- Acquires the total shares of MB Credits in Costa Rica.

2016

- Exceeds: US\$4,000 MM of assets
- We received a new long-term loan from the IFC for US\$40 MM for the financing of SMEs and Mortgages.
- We received a medium-term syndicated loan of US\$55 MM structured by Standard Chartered and Commerzbank.
- The Corporate Social Responsibility Project is consolidated: Multibank Illuminates, in conjunction with the Board of National Nutrition Service and the ReFeel company.
- Opening of a Branch in Tortí, in the District of Chepo, to meet the needs of the agricultural and commercial sector, positioning ourselves as the first private bank in this region.
- MB Créditos opened the first branch in Costa Rica for customer service and business development.

We have included in the history the most significant changes in size, structure and ownership. Branch openings and changes in ratings are not detailed.

GRI 102-6 | MARKET SERVED

Our business model focuses on people and companies, providing a range of products and services according to individual needs and covering within the business market, the industrial, commercial, construction and agricultural sectors. At the level of segments and business composition, we keep the focus on those of consumer, SMEs, commercial and international.

In Panama we have 26 branches (including the Head Office) and 3 loan centers, distributed as follows:

Branches	Area	Branches and Loan Centers
Panamá	Center / Metropolitan	Vía España (head office), Villa Lucre, Albrook Mall, Costa del Este, Vía Israel, Brisas del Golf, Transístmica, San Miguelito, Calle 50, El Dorado, Condado del Rey, Plaza Pacífica, Los Andes, Los Pueblos. Loan Center on Plaza Concordia.
	Colón	Plaza Millennium, Free Zone.
	East	Tortí.
	West	Loan Center in Vista Alegre, Chorrera, Coronado.
	Central	Penonomé, Chitré, Santiago, Las Tablas. Loan Center in Santiago.
	Occidental	David, Boquete, Changuinola.
ATM's	All the country	96 automatic teller machines. Consult location in www.multibank.com.pa
Drive-in teller	Metropolitan	Plaza Pacífica.

GRI FS13 | POINTS OF ACCESS BY TYPE IN AREAS OF LOW DENSITY POPULATION OR ECONOMICALLY DISADVANTAGES

Our Tortí Branch serves the agricultural sector which is the characteristic activity of the Chepo region.

Multibank Inc. in 2018

GRI 102-7 | SCALE OF THE ORGANIZATION



EMPLOYEES OF MULTIBANK INC.



4,895,936,449

(US \$) TOTAL ASSETS



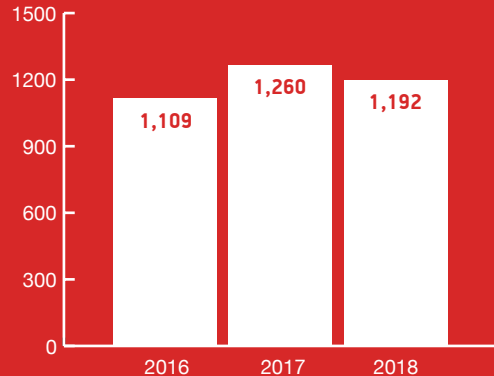
56,880,044

(US \$) NET PROFIT

522,966,100

(US \$) NET EQUITY

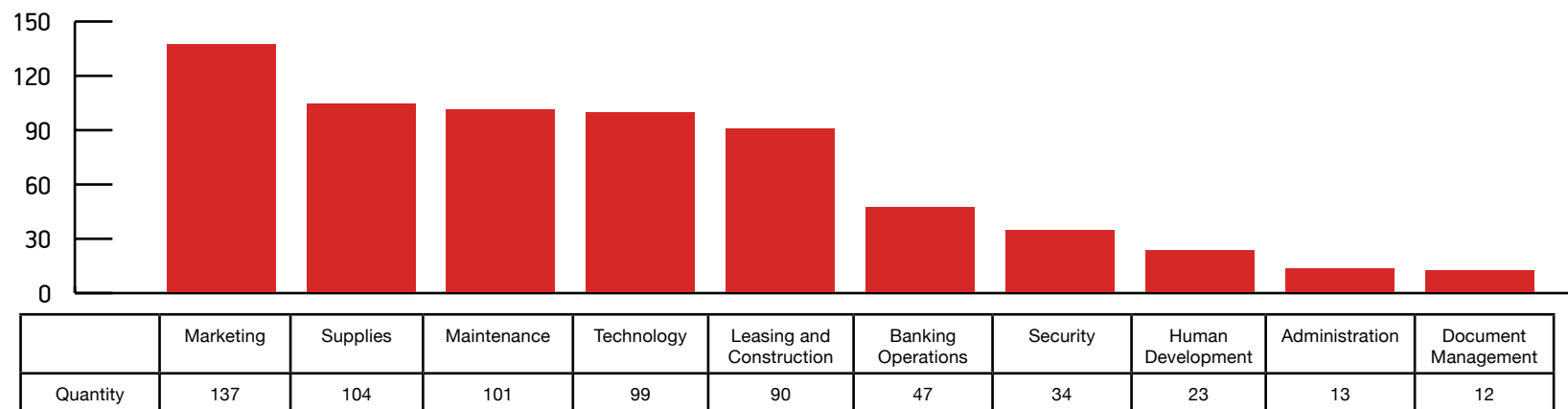
GRI 102-8 | INFORMATION ON EMPLOYEES AND OTHER WORKERS



	Employees	Total	Permanent	Temporary
Employees Multibank Inc.		1,192	1,163	29
Multibank Inc. and Subsidiaries		1,324	1,295	29

GRI 102-9 | SUPPLY CHAIN

The composition of our suppliers according to the type of services provided is as follows:














GRI 102-12 | EXTERNAL INITIATIVES

Among the external initiatives of an economic character, environmental and those to which we have subscribed or support voluntarily, the following are highlighted:

- United Nations Global Compact since 2013.
- 2030 Agenda for the Sustainable Development of the United Nations.
- Deutsche Investitions- und Entwicklungsgesellschaft mbH, (DEG), as the Group’s strategic partner since 2013.
- Environmental and Social Risk Management, aligned with the methodology proposed by the International Finance Corporation (IFC).
- UNEP FI, we joined on August 1, 2018 to this initiative that seeks to “identify, promote and adopt the best environmental and sustainability practices at all levels of the operations of financial institutions ”.

GRI 102-13 | MEMBERSHIPS OF ASSOCIATIONS

Within the main affiliations of the sector or other associations at national or international level are:











Entiti	
	Panama Banking Association, where we are part of the Sustainability Commission
	Board of the National Nutrition Service in the Great Steps Project
	SUMARSE, association that promotes social responsibility in Panama and meeting point for the sustainable development of the country.
	Chamber of Commerce, Industry and Agriculture of Panama
	Institute of Corporate Governance – Panama
	APEDE
	APC Group
	College of Public Accountants of Panama
	ANREH – National Association of Human Resources
	AMCHAM - American Chamber of Commerce of Panama
	Association of Colon Free Zone Users








Commitment to the SDGs and the Global Compact Principles

We support the 2030 Agenda for Sustainable Development promoted by the United Nations (UN) and the national priorities defined in the guidelines of the PEN 2030 National Strategic Plan. We strive that our financial operations and initiatives contribute to sustainable development and favor the creation of more sustainable and inclusive communities. We highlight our “Multibank Illuminate” initiative that, among other objectives, contributes to affordable and non-polluting energy.



Among the actions we have undertaken, aligned with the Sustainable Development Goals and the principles of the United Nations Global Compact the following stands out:

Sustainable Development Goal	Multibank Inc.'s Actions	Principles of the Global Compact			
		Human rights	Labor practices	Environment	Anti-corruption
 1. No poverty	<ul style="list-style-type: none"> Development of financial inclusion policies and programs. Generation of employment (direct and indirect) 	1,2	3, 4, 5, 6		
 2. Zero hunger	<ul style="list-style-type: none"> Support to food programs for disadvantaged populations. Strengthening of the agricultural portfolio 	1,2		7, 8, 9	
 3. Good Health and well being	Health and safety at work. Benefits to employees in health matters, including health clinics and fairs. Support to national health campaigns and initiatives.	1,2	3, 4, 5, 6		10
 4. Quality education	<ul style="list-style-type: none"> Support to educational projects and programs. Training for employability. 	1,2			
 5. Gender equality	<ul style="list-style-type: none"> Fair and equitable treatment. Non-discrimination based on gender. 	1,2	3, 4, 5, 6		
 6. Clean water and sanitation	Environmental criteria for financing.	1,2		7, 8, 9	
 7. Affordable and clean energy	Multibank Illuminates gives access to clean and accessible energy to vulnerable populations.	1,2		7, 8, 9	
 8. Decent work and economic growth	Productive work, Fair compensation, Socioeconomic benefits.	1,2	3, 4, 5, 6		
 9. Industry, innovation and infrastructure	Boost to the Small and Medium Enterprise		3, 4, 5, 6	7, 8, 9	
 10. Reduced inequalities	<ul style="list-style-type: none"> Financial services in disadvantage areas. Reduction of inequalities in our relationships and with our employees. 	1,2	3, 4, 5, 6		10

Sustainable Development Goal	Multibank Inc.'s Actions	Principles of the Global Compact			
		Human rights	Labor practice	Environment	Anti-corruption
 11. Sustainable cities and communities	Solidarity funds for acquisition of homes with basic services.	1, 2		7, 8, 9	
 12. Responsible production and consumption	<ul style="list-style-type: none"> Efficient use of the resources in our operations and energetic efficiency. Promotion of sustainable practices. 			7, 8, 9	
 13. Climate action	Environmental criteria for financing.			7, 8, 9	
 14. Life below water	Environmental criteria for financing.			7, 8, 9	
 15. Life on land	Environmental criteria for financing.	1, 2	3, 4, 5, 6	7, 8, 9	10
 16. Peace, justice and strong institution	Corporate governance, implementation of controls to prevent corruption, bribery, money laundering, terrorist financing, theft and tax fraud.	1, 2	3, 4, 5, 6		10
 17. Partnerships for the goals	<ul style="list-style-type: none"> Financing agreements with foreign bank for environmental and social sustainability. Partnerships and associations for a sustainable development 	1, 2	3, 4, 5, 6	7, 8, 9	10

The 10 principles of the Global Compact included as part of our fundamental bases of conduct:

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human right abuses.

LABOR STANDARDS

3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Business should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

ANTICORRUPTION

10. Business should work against corruption in all its forms, including extortion and bribery.

Corporate Culture

GRI 102-16 | DESCRIPTION OF THE VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOR OF THE ORGANIZATION

We serve with passion and enthusiasm oriented to be a more humane banking based on individuals, providing a warm, close and transparent treatment to our clients. Our mission, vision and values are our management philosophy that seals the commitments and responsibilities we have as an organization:



MISSION

Offer a full range of financial services efficiently, with ethical and moral principles, exceeding customer expectations; developing our commitment to the community through social and environmental responsibility practices; and maximizing the value of the group with the best talent and organizational climate.



VALUES

We maintain 8 values as fundamental pillars that define who we are and guide our actions:

- Integrity
- Innovation
- Transparency
- Solidarity
- Respect
- Responsibility
- Fairness
- Commitment to excellence



VISION

Be a leading financial group in the region, recognized for its strength, quality and prestige; in solidarity with the community and that adds value to its customers and shareholders.



CODE OF ETHICS AND CONDUCT

It seeks to establish the basis of conduct to manage the business in a responsible, ethical and sustainable manner. Available for employees on the corporate intranet, with a clear guide. All of the new employees have received induction on our Code of Ethics and Conduct.

CSR Global Strategy

We have carried out different actions associated with our Global Corporate Social Responsibility Strategy (CSR), in each of its pillars:

Community Progress

- Panama Food Bank.
- Casa Hogar La Semillita [The Little Seed Home].
- Arco Iris Custody Center.
- Alberto and Pamela Btsh Foundation.
- Fundación Valórate [Value Yourself Foundation].
- Day of the Good Action.
- Telethon 20-30.
- Santa's Race of Make a Wish Foundation.
- Multivolunteers support of Hogar Metro Amigo,
- Children's Home of the Panamanian Red Cross.
- Patients of the National Oncological Institute.
- Casa Hogar Mi Milagro [Mi Miracle Home].

Ethics and Corporate Development

- 1st. Symposium Corporate Governance Workshop.
- V Workshop of Risk Management.
- 1st. Cybersecurity Symposium
- Construction Banking Forum.
- XIX Investment Forum.
- XXIX National Poultry Growers Conference.
- IV Legal Risk Forum.
- 2018 Zebu Expo 2018.
- 1st. Foreign Trade Symposium.

Environment

- Multibank Illuminates.
- Recycling program.
- Beach cleaning by Multivolunteers.
- Training in Environmental and Social Risk Management.
- Solar Energy Production Plan in our Head Office.
- Environmental Forum of the Panamanian Chamber of Construction.
- Reforestation Day in the Camino de Cruces National Park.

Education

- Financial Education Program for students of the Richard Neumann High School.
- Financial Education and Security Risks to the students of Our Lady of Mercy High School.
- Training , dynamics and delivery of teaching material to students of the El Jagua School in Capira.
- Support for El Buen Pastor School - Pamela Btsh.
- Delivery of books and improvement of the library of the Monte Oscuro Educational Center in Capira.
- Support to the Science and Art Center - EXPLORA.
- Support for the professional growth and expansion of our team of employees in various areas.

Culture

- Participation in the International Fairs of Azuero, David, La Chorrera and the Fair of San Sebastián de Océ.
- Artistic presentations as part of the celebration of the month of the Homeland.



Corporate Governance Structure

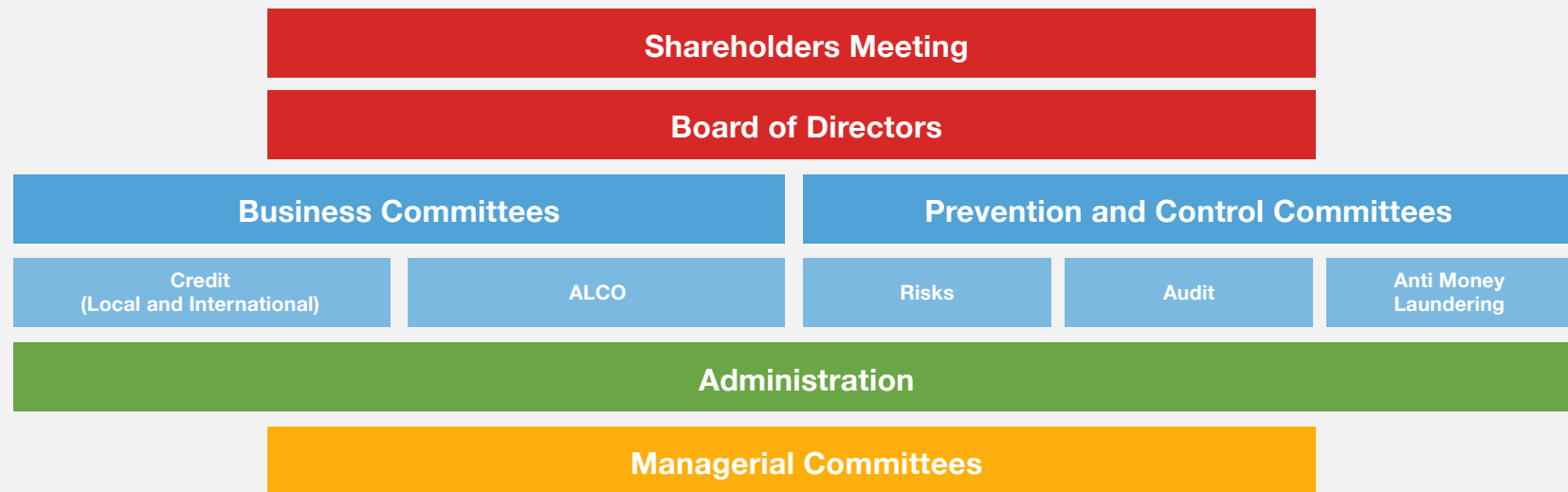
GRI 102-18 | GOVERNANCE STRUCTURE

Our corporate governance structure is based on the principles of: the right to be informed, fair treatment, personal responsibility and corporate responsibility.

We have different instruments for its functioning such as the Corporate Governance Manual, the Code of Ethics and Conduct, the Regulations of the Board of Directors and the General Shareholders' Meeting.

To improve and strengthen our Corporate Governance we seek to adopt best practices and local and international standards, complemented by the experience of the members and advisors of the committees, including the support of the Deutsche Investitions- und Entwicklungsgesellschaft mbH, (DEG), as a strategic partner of the Group.

The structure of our Corporate Governance is composed of:



In our Consolidated Financial Statements of 2018 and on our website: www.multibank.com.pa we provide complete information about our Corporate Governance structure.

Board of Directors

Responsible for promoting the security and soundness of the bank through an effective Corporate Governance framework, ensuring management and supervision of comprehensive risk management and constant monitoring of compliance with the strategic plan and the objectives of the entity.

Composition

Shareholder Director – Chairwoman	Yvonne Snaider
Independent Director - Vice President	Darío Berbey
External Director - Vice President and Treasurer	Jaime Mora
Shareholder Director – Secretary	Raquel Michaan
External Director	Steve Nahem
External Director	José Alemán
Independent Director (DEG Director)	Salvador Ortega
Independent Director	Rafael Reyes
Independent Director	Mario Garuz
Independent Director	A. Cecilia de Henríquez
Independent Director	Liliana Gómez
Alternate Director	Miguel León

The members of the Board of Directors have solid experience in the areas of risk, audit, law, local and international banking. They are chosen by the shareholders, prior to the presentation of a list of possible candidates. The list can be submitted by the Board of Directors or the Administration. The Board of Directors is governed by an internal regulation that contains the policies and procedures for the fulfillment of its functions, as well as those related to the desired actions, included in the Code of Ethics and Conduct, among which it is indicated that in no case the Board members may:

- Demand or accept payments or other benefits, for themselves or for third parties, for their decisions.
- Participate in the consideration of issues, or vote on them, in circumstances where they may have potential conflicts of interest. In these cases, the director must inform the other members of the Board of Directors in advance; otherwise, the directors must persuade the director to abstain.
- Pursue the attainment of personal interests with their decisions, nor use the business opportunities that correspond to the bank for their personal benefit.



Business Committees

Credit Committee (Local and International)

It is responsible for approving business and corporate loans, individual and of economic groups that, due to their inherent amount or risk, could be relevant in the management of the Bank.

Committee of Assets and Liabilities (ALCO)

Its function is to ensure that liquidity levels, balance sheet structure, terms and interest rates, and other issues of high financial impact on assets and liabilities intermediation operations are managed appropriately and efficiently.

Directors	Local Credit	International Credit
Independent		Rafael Reyes
Independent		Darío Berbey
External		Steve Nahem (P)
Shareholder		Yvonne Snaider

Directors	ALCO
Independent	Rafael Reyes
Independent	Darío Berbey (P)
External	José Miguel Alemán
Shareholder	Yvonne Snaider

Committees of Prevention and Control

• Risk Committee

This committee aims to define policies, control procedures; and ensure that all areas of the Group correctly execute the risk management strategy approved by the Board of Directors; guaranteeing the compliance established in the in existing regulations.

• Corporate Committee of Audit

The objectives of this committee are to support the Board of Directors in fulfilling its responsibilities regarding the management of the Group's financial and accounting information. The committee should ensure the effectiveness of the Group systems, controls and procedures.

• Money Laundering Prevention Committee

This committee aims to support the Board of Directors in preventing bank transactions from being used for money laundering, terrorist financing and financing for the proliferation of weapons of mass destruction, in the Group's operations and transactions.



Risks	Prevention of Money Laundering	Audit
Liliana Gómez (P) Mario Garuz A. Cecilia de Henríquez Raquel Michaan	A. Cecilia de Henríquez (P) Mario Garuz Jaime Mora Raquel Michaan	Mario Garuz (P) A. Cecilia de Henríquez Jose Miguel Alemán Raquel Michaan

The main management committees that the Group maintains are the following:

Executive Committee

It is the highest level of governance and administration, whose primary objective is to ensure the continuity of the Group's operations, under the best banking and corporate governance practices.

- CEO and Strategic Director - Multi Financial Group Inc.
 - First Vice President and General Manager
 - First Vice President – New Business Development - Multi Financial Group, Inc.
 - Senior Vice President - Finance
- Permanent Invitees:
- Chairman of the Board of Directors of Multi Financial Group, Inc.
 - Chairman of the Board of Directors of Multibank Inc.
 - Shareholder Director
 - Corporate Advisor

Committee of Assurance of Corporate Governance

It aims to ensure compliance with the fundamental principles of Corporate Governance and the adoption of best practices at strategic, organizational and macro level. It has permanent specialist in this area as external advisors, with voice and vote.

- CEO and Strategic Director - Multi Financial Group Inc.
 - Senior Vice President - Finance
 - Assistant Vice President - Corporate Governance
 - Assistant Vice President - Risk Rating and Investor Relations
 - Manager - Legal and Reputational Risk
 - Seven (7) External Advisors
- Permanent Invitees:
- Director (Sponsor)
 - Vice President - Audit
 - Vice President - Compliance



Committee of Social and Environmental Responsibility

It aims to promote solidarity and social inclusion by ensuring compliance with the Social and Environmental Responsibility Program. It's conformed by:

- PChairman of the Board of Directors of Multi Financial Group, Inc.
- CEO and Strategic Director - Multi Financial Group, Inc.
- Vice President - Human Development
- Assistant Vice President - Corporate Image, Marketing and Advertising
- Manager - Environmental and Social Risk Management

Permanent Invitees:

- First Vice President - New Business Development- Multi Financial Group Inc.
- Vice President – Retail Banking
- General Manager - Multibank Insurance
- Regional Manager – Inland branches and small business
- Manager – Credit Portfolio Quality and Follow-up
- Assistant Manager - Corporate Communication and CSR

Other Managerial Committees of the Group

- New Business Development Committee
- Committee for the Implementation of the Strategic Plan
- Human Development Committee
- Committee on Budget and Financial Management
- Local Corporate Credit Committee
- Treasury and Investment Committee
- Managerial Committee of Risk
- Technology, Processes and Projects Committee
- Profitability, Productivity and Efficiency Committee
- Administration and Purchasing Committee
- Image, Brand and Disclosure Committee
- Regulatory Assurance and Control Committee

Institutional Organization Chart



STAKEHOLDERS, MATERIALITY AND MANAGEMENT APPROACH

Stakeholders

GRI 102-40 | LIST OF STAKEHOLDER GROUPS

GRI 102-44 | KEY TOPICS AND CONCERNS RAISED

We have identified our interest groups based on those that have the greatest impact on our business, based on the risks and expectations involved, from a social, environmental, economic and public point of view. We describe the key issues and concerns for each of our stakeholders in the following table:


Stakeholders Groups	Keys topics and concerns
Shareholders	Information transparency and continuous dialogue.
Employees	Professional and personal development, quality of life.
Customers	Satisfaction and quality of customer service through innovative products and services, adapted to their needs and requirements.
Suppliers	Efficient and fair purchasing processes.
Community and Environment	Contribute actively to the sustainable development of society and the environment.
Regulatory Entities	Act with integrity and comply strictly with the regulatory frameworks of the sector.
Communications Media	Truthful and timely information.
Charitable organizations and NGOs	Generate spaces for dialogue and participation in order to contribute to the communities in economic, social and environmental issues

GRI 102-41 | COLLECTIVE BARGAINING AGREEMENTS

No unions have been established, however, we maintain active communications channels with our employees seeking shared decision making.

GRI 102-42 | IDENTIFYING AND SELECTING STAKEHOLDERS

We have different communication channels with our stakeholders, providing us with strategic information in order to manage our business in a responsible, ethical and sustainable manner.

- Intranet
 - Boards, committees
 - Organizational Climate Surveys
 - Performance Evaluation
 - Employment Orientation (Human Development)
 - Committees and extended meetings
 - Training sessions
 - Communication with immediate Supervisors
 - Human Development contact person
 - Internal complaints channel (“Fraud Alert”)
 - Open channels with benefits office
 - Contact person of the Purchasing Department and Bidding processes.
 - Contact persons of CSR Committees
 - Environmental and Social Risk Committee
 - Contact person of the Multivolunteering group
 - Evaluation of social-environmental programs by the beneficiaries
 - Meetings and events
 - Website www.multibank.com.pa
 - Email: info@multibank.com.pa
 - Daily messages and Multinotas
 - Social Networks: @MultibankPanama, LinkedIn, YouTube
- 
- Direct attention in Branches and Loan Centers
 - Telephone support line: 800-3500
 - SMS text messages
 - Multibank Mobile
 - Press releases
 - Meetings, forums, gatherings
 - Satisfaction surveys
 - Focus Groups on expectations
 - Advertising and marketing
 - External channel for complaints.



GRI 102-43 | APPROACH TO STAKEHOLDERS ENGAGEMENT

As sources for the participation of our stakeholders we have:

1. Analysis of the most relevant topics that arise from the studies or consultancies that we carry out on our management.
2. Analysis of stakeholders feedback in media and social networks.
3. Perceptions of stakeholders, through consultation tools such as surveys, climate studies.
4. Analysis of auditors information, committee meetings and other instances.
5. Analysis of our results compared to the regulatory entities of the sector.

With this report, we inform our stakeholders and society in general about the management of Multibank Inc. regarding sustainability. It includes our operations in Panama and contextual information of the other countries where we have a presence. Our stakeholders and the general public can consult it, both in its Spanish and English version on our website: www.multibank.com.pa, on the Global Compact website www.unglobalcompact.org, and on the Global Reporting Initiative GRI website www.globalreporting.org

GRI 102-45 | ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Our consolidated financial statements correspond to Multibank Inc. and Subsidiaries, and Multi Financial Group, Inc. and Subsidiaries are presented separately. This information can be consulted on our website www.multibank.com.pa

GRI 102-46 | DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

Employees from different areas participated in the preparation of this report, whom were in charge of the selection, definition and validation of the contents and accompanied by the consulting firm AceNat, S.A. The process for defining the contents of the report and the coverage of the topics can be summarized as follows:

1. Identification: review and analysis of the bank's strategy and importance for our stakeholders.
2. Prioritization: preparation of the materiality matrix.
3. Validation: validation of the results obtained by our different organizational units.
4. Review: feedback of the report from the stakeholders.

We have considered the GRI principles for the preparation of the report, including:



Principles on the content of the report

Inclusion of stakeholders, context of sustainability, materiality, completeness.



Principles with respect to the quality of the report

Precision, balance, clarity, comparability, reliability and timeliness.

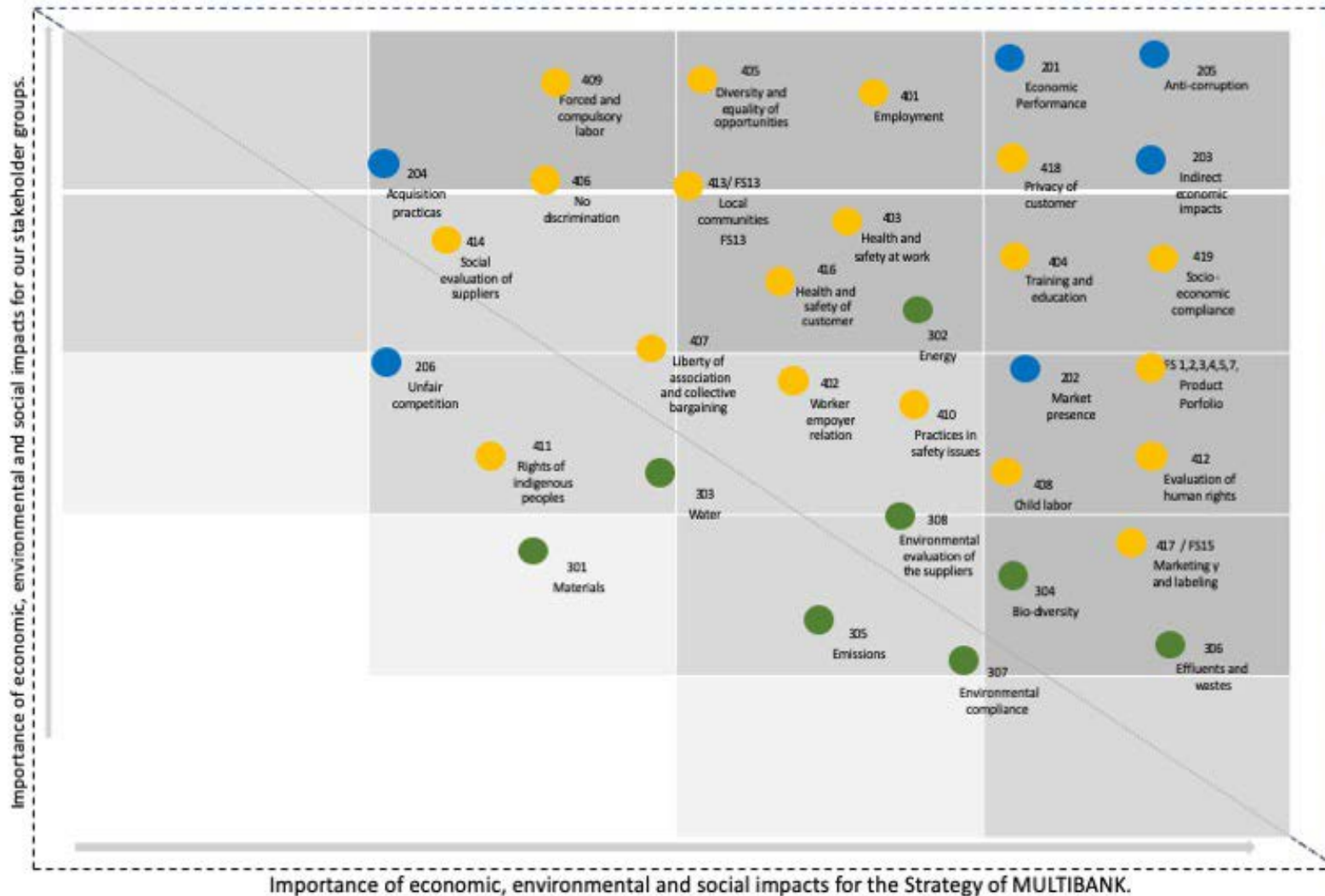
GRI 102-48 | RESTATEMENTS OF INFORMATION

The structure of the report has not changed from that of last year.

Analysis of materiality

GRI 102-47 | LIST OF MATERIAL TOPICS

We have carried out the materiality analysis to identify the most relevant economic, environmental and social topics in relation to our sustainability strategy and in accordance with the importance for our stakeholders. Material topics are those that are located above the dotted line.



Management approach

GRI 103 | MANAGEMENT APPROACH

In the following table we summarize what is related to the material topics that we have identified and our management approach, including specific GRI content.

FOR ALL THE MATERIAL TOPICS			GRI 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY GRI 103-2 MANAGEMENT APPROACH AND ITS COMPONENTS	GRI 103-3 EVALUATION OF THE MANAGEMENT APPROACH	
CATEGORY	GRI STANDARD	CONTENT	WHERE THE IMPACT IS PRODUCED - DESCRIPTION	COVERAGE	LINKAGE
Economic Performance	201	Economic performance	The economic performance is fundamental in the financial sector represented by the direct economic value, highlighting the relevant figures of profit, equity and portfolio, also the results of independent ratings.	Shareholders Employees Customers Suppliers Community	Directly linked to our activities
	202	Presence in the market	We try to improve the entry level wage of our employees with respect to local minimum wage.	Employees Community	Directly linked to our activities
	203	Indirect economic impact	We influence indirectly the conditions of investments in the local economy, and when we support local businesses and hire local suppliers.	Shareholders Employees	Indirectly linked to our activities
	204	Acquisition practices	Responsible contracting is key to promote sustainability.	Employees Suppliers Community	Directly linked to our activities
	205	Anti-corruption	It is vitally important to maintain information on the risks of bribery and corruption, paying special attention to undue influence in decision making.	Shareholders Employees Customers Community	Directly linked to our activities
	FS 13	Community	We seek to have a coverage that allows access to financial products and services in areas of low population density or economically disadvantaged.	Shareholders Employees Customers Community	Directly linked to our activities
	FS 15	Labelling of products and services	We monitor the responsible marketing of our products and services, including the attention to claim cases in a fair and timely manner.	Shareholders Employees Customer	Directly linked to our activities

FOR ALL THE MATERIAL TOPICS			GRI 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY GRI 103-2 MANAGEMENT APPROACH	GRI 103-3 EVALUATION OF MANAGEMENT APPROACH	
CATEGORY	GRI STANDARD	CONTENT	WHERE THE IMPACT IS PRODUCED - DESCRIPTION	COVERAGE	LINKAGE
Environmental Performance	302	Energy	Due to the type of activity, electricity is the only significant type of energy consumed in our operations. For the number of sites and branches where we operate, we consider that practices in reducing this consumption are important.	Shareholders Community	Directly linked to our activities
	305	Emissions	We make sure to avoid equipment that generates emissions of substances that deplete the ozone layer (ODS).	Environment	Directly linked to our activities
	306	Waste by type and method of elimination	Due to the type of business, our main waste is paper and computer products, we have given importance to this topic and we strive to reduce consumption and implement recycling practices.	Environment	Directly linked to our activities
	308	Environmental evaluation of the suppliers	We consider that they must be aligned with our principles.	Suppliers	Indirectly, related to the products and services acquired
Social Performance	401	Employment	The generation of employment contributes to the economic well-being of people and countries. Likewise, the payment of decent wages according to national reality.	Employees Shareholders	Directly linked to our activities
	403	Health and safety at work	We attach special importance to the issue of health and safety, including both damage prevention and promotion of health and wellness.	Employees Customers Suppliers Community	Directly linked to our activities
	404	Training and teaching	Training is key to achieving our goals, creating awareness of the banking style we want and for the people who receive it to take advantage of that knowledge as personal growth.	Employees Suppliers	Directly linked to our activities
	405	Diversity and equal opportunity	We believe in the value of maintaining a payroll of employees with a balance in terms of gender and age at different levels of the organization.	Employees Suppliers	Directly linked to our activities

FOR ALL THE MATERIAL ISSUES			GRI 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY GRI 103-2 MANAGEMENT APPROACH AND ITS COMPONENTS	GRI 103-3 EVALUATION OF MANAGEMENT APPROACH	
CATEGORY	GRI STANDARD	CONTENT	WHERE THE IMPACT IS PRODUCED - DESCRIPTION	COVERAGE	LINKAGE
Social Performance	406	No discrimination	We consider it material because they are ratified commitments of our organization at being signatory of the United Nations Global Compact, these 6 issues correspond to the principles of the Global Compact in the axes of Human Rights and Labor Practices, we know that we must identify potential risks in both the financing we grant, as well as in the negotiations we carry out with others. Our Environmental and Social Risk system contains environmental and social policies and procedures applied to the business lines.	Shareholders Employees Customers Suppliers Community Environment	Directly linked to our activities and indirectly with the financing and acquisitions.
	407	Freedom of association and collective bargaining			
	408	Child labor			
	409	Forced and compulsory labor			
	412	Evaluation of human right			
	413	Local communities	We strive to generate positive impacts on communities and countries where we operate.	Community Environment	Directly linked to our activities
	416	Health and safety of customer	In the provision of our services, we evaluate the potential impacts on the health and safety of customers.	Shareholders Employees Customers	Directly linked to our activities
	418	Customer's privacy	Due to the nature of our operations, we handle confidential information. For no reason can we disclose confidential information of our clients	Employees Customers	Directly linked to our activities
	419	Socio-economic compliance	We consider it essential to act with integrity, ensuring compliance with the regulatory framework of the sector.	Shareholders Employees Customers Community	Directly linked to our activities
	FS-1,2,3,4,5,7	Portfolio of products	Our Environmental and Social Risk system contains environmental and social policies and procedures applied to the business lines.	Customers Community Environment	Directly linked to our activities

ECONOMIC PERFORMANCE

Our economic performance is made up of actions that contribute to development, promote income, generate jobs and build trust, these pillars being essential for peace and prosperity. In our economic performance we incorporate with special emphasis principles 1, 2 and 10 of the United Nations Global Compact.



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

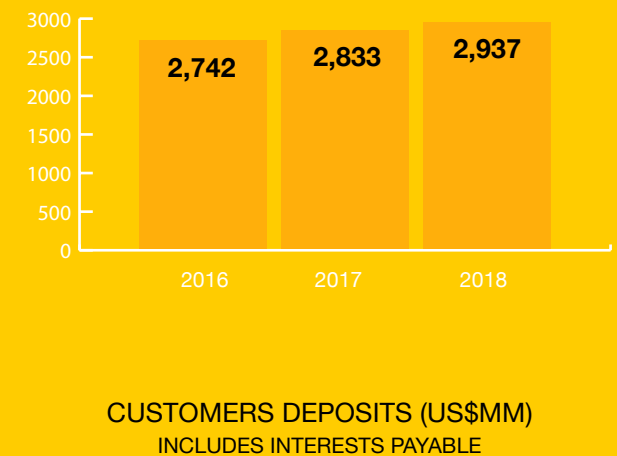
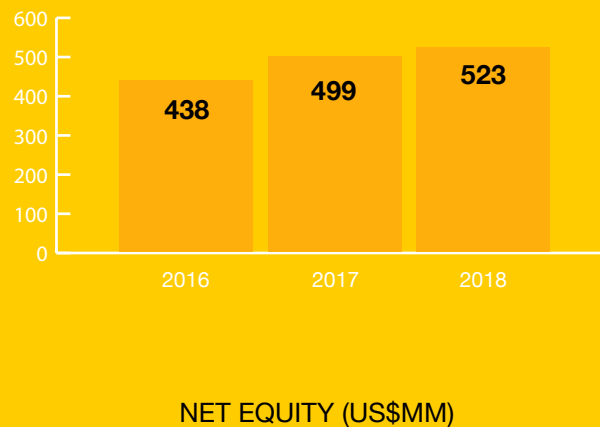
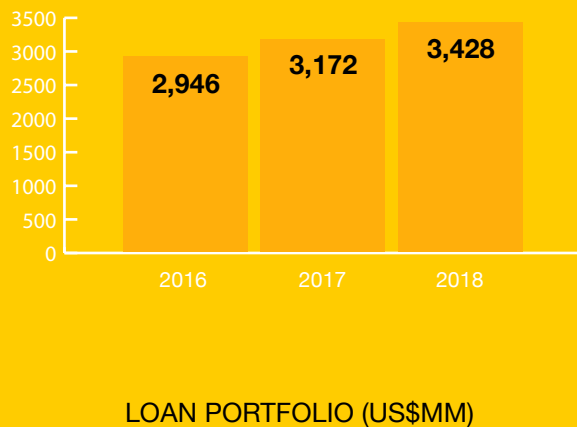
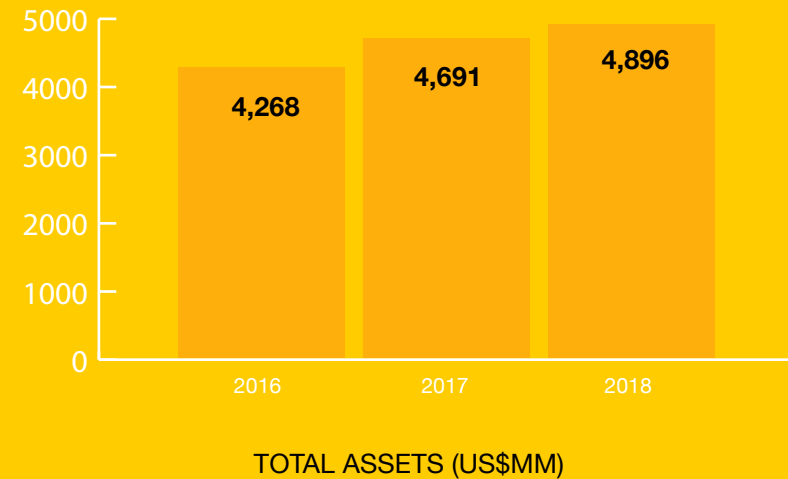
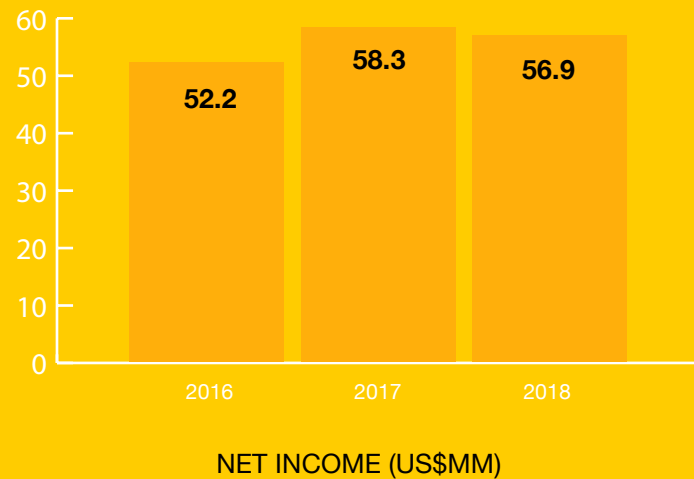
Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Multibank Inc. in Figures

GRI 201-1 | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The most relevant financial results of the year 2018 can be summarized in the following graphs, where we reach a net income of US\$56,880,044 and assets of US \$ 4,895,936,449.



Ratings in the Sector

We continue to position ourselves as one of the Panamanian private banks with a high level of soundness and international investment grade:

- The three most important risk rating agencies in Panama: Fitch Ratings, Pacific Credit Rating (PCR) and Equilibrium, confirm our soundness and continue to place us at the highest level within the private banks of Panamanian capital that are rated at the national level.
- Multibank is one of the 11 financial institutions, within the nearly 300 private banks of Latin American origin, which has at least two international investment grade risk ratings.

Supporting factors:

- Strong commercial positioning due to the increase in market share backed by a solid corporate governance structure and business diversification.
- Sustainable growth of loans with adequate metrics of asset quality and prudent level of risk.
- Strong level of capitalization.
- Consistent and adequate profitability.
- Prudent management and liquidity profile.
- Diversification and adequate funding level.

Our ratings obtained in 2018, both internationally and nationally:

INTERNATIONAL RATINGS			NATIONAL RATING		
Rating Agency	Rating	Perspective	Rating Agency	Rating	Perspective
Fitch Ratings May 2018	BBB-	Stable	Fitch Ratings May 2018	AA. (pan)	Stable
Standard & Poor's December 2018	BBB-	Positive	Equilibrium October 2018	AA.pa	Positive
			Pacific Credit Rating December 2018	pa.AAA	Stable

The full report of these rating agencies can be consulted at www.standardandpoors.com, www.fitchratings.com and www.equilibrium.com.pa or in our website: www.multibank.com.pa.

Investment in infrastructure

In 2018 we made significant investments in improvements to our commercial infrastructure that had an impact on the local economy, as follow:

Project	Improvements made
New branches delivered	<ul style="list-style-type: none"> • MB Seguros in David
Delivery of relocation of branches	<ul style="list-style-type: none"> • MB Calle 50 Marbella • MB Penonomé
Internal remodeling of existing branches	<ul style="list-style-type: none"> • MB Santiago • MB Chitré • MB Vía España (planned delivery in February 2019)
CSR impact	<ul style="list-style-type: none"> • Solar panels in the rooftop of Prosperidad Building
New corporate area	<ul style="list-style-type: none"> • Call Center Brisas del Golf • Training rooms in Plaza Concordia
Improvements or remodeling in corporate areas	<ul style="list-style-type: none"> • Pouches • Custody of Plastics • Repossessed Assets • Legal, Audit, Alternate Channels and the IMF. • Marketing
New projects under development by Multi Financial Group (planned for delivery by 2020)	<ul style="list-style-type: none"> • MB50 • Corotú Plaza



Investment in new technologies

As part of the improvement of the infrastructure of services and processes, we carried out the following initiatives in technological matters:

Initiative of New Technologies	Description of the New Initiative.
Strengthening of Security	Optimization of the existing platforms and implementation of new security technologies, to close the gaps and reduce significantly the risks related to technology.
Service Management and Monitoring	Implementation of technology service management platforms, to obtain an increasing benefit related to the services that the Bank contracts with suppliers.
Strengthening of Services	Update of hardware and software platforms to increase the level of availability of the services and allow the benefit of new technologies
Attention Scheme	Redesign of the strategy of attention and redistribution of technology resources, to offer a better service to the users and customers of the Bank.
MOTI Project (Operational Model of Technology)	The VP of Technology, as part of its strategic plan, has made a significant investment to improve the processes of attention to projects and requirements, as well as the quality of control process, which are an essential part of the services that IT provides the different areas of the business. The improvement includes process diagnosis and adoption (implementation) of new, more efficient forms of development, oriented to agile methodologies. To this end, two providers were hired who made the corresponding diagnoses and designed the implementation plan. To date, two pilot projects are being implemented using Agile SCRUM methodology.
Project ASICOM and BPM Credit Card	Automation of the mortgage application process and credit card application for branches and fairs, to streamline services and improve response times to our customers.
New Online Banking Project	Implementation of the new Multibank personal and business Omnichannel platform, which involves Internet Banking, Mobile Banking and Social Networking Banking services.
Documentary Management Project	Updating of the document management system and reordering of the customers' digital files to improve the administration of MFG documents.

Support to the economy of the Country

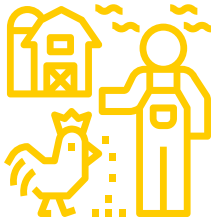
Support to the small and medium enterprise

GRI 203-2 | SIGNIFICANT INDIRECT ECONOMIC IMPACT

Our loan portfolio maintains an important participation in the SME segment, we offer a wide range of financial solutions to small and medium enterprises, to boost and enhance their creation and development with financing options and support for entrepreneurs and micro-entrepreneurs (these financing are subject to socio-environmental criteria that ensure that negative impacts are minimized or mitigated).

National producer support

For the third consecutive year, we supported the III National Zebu Cattle Exhibition 2018, an activity that encourages best practices and promotes work of the national producer, positively increasing the local economy and the self sustainable development.



We participate in the main national fairs: International Azuero Fair, David International Fair, La Chorrera International Fair, San Sebastian Fair in Ocú, highlighting the work of artisans and exhibitors, supporting the tourist, cultural and economic movement, and contributing to spread the traditions and customs of the region.



Institute of Microfinance (IMF)

GRI 203-2 | SIGNIFICANT INDIRECT ECONOMIC IMPACTS

In 2018, as part of the programs and projects executed by the Microfinance Institute to contribute to train individuals for a better orientation in the management of their finances, carried out the following projects:

**90 participants in our IMF
Projects and Programs**

Project / Program	Activities	Participants
CSR Financial Education Program of the Banking Association of Panama	Lectures on financial guidance to 11th grade students of Richard Newman high school.	32
Lectures to employees of the Nutrition Board	Lectures on financial guidance to employees of the Nutrition Board	34
Training to administrators of the Infoplazas in Chiriquí and Veraguas	Training on financial guidance to the administrator of the Infoplazas as part of the regional meetings.	24

These projects and programs are based on ethical and moral behaviors.

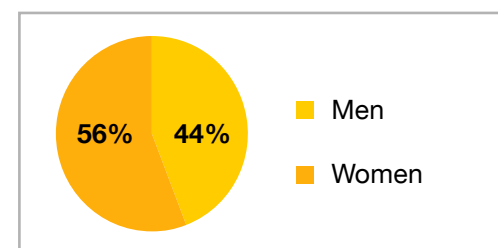


Facilities for housing

GRI FS7 | MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC SOCIAL BENEFIT FOR EACH BUSINESS LINE BROKEN DOWN BY PURPOSE

Of the total loans granted of USD183.8 M, those disbursed with preferential interest were USD131.1M corresponding to 71% of this amount, including to 17 employees for USD1.4 M:

Beneficiaries	N° of persons	Amount	%
Men	556	USD 50.8 M	44%
Women	876	USD 80.4 M	56%
Total	1,432	USD 131.1 M	100%



Support to local suppliers

GRI 204-1 | PROPORTION OF SPENDING IN LOCAL SUPPLIERS

We ensure that our purchasing management focuses on local suppliers; in 2018, our portfolio of suppliers is made up of 92% (608) of local origin and 8% (52) foreigners.

We strive to have our procurement practices positively redound in the economy and boost those who make up the supply chain. We have the Purchasing Committee, responsible for analyzing and approving all purchase requests and with policies and procedures which define a transparent and auditable purchase process, with the controls and documentation required, according to international best practices.

Compliance and Anti-corruption

GRI 205-1 | OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

GRI 205-2 | COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Our policies, standards and procedures for Prevention of Money Laundering and Financing of Terrorism are aligned with international regulations and good practices. These are included in our Code of Ethics and Conduct and in the Operational Manuals.

Our ethical commitment is to perform due diligence to:

- Prevent our operations from being carried out with funds from illegal activities that threaten peace and well-being worldwide, as is the financing of terrorism.
- Comply with the regulations issued by the regulators, the recommendations of the Financial Action Task Force (FATF) and the best banking practices in anti-corruption matters.

We maintain our “Know Your Customer” Policy, in order to avoid relationships that represent a risk for our financial institution and use it as a means for illegal activities, such as fraud, capital legitimization, scams or acts of corruption of any kind.

It is our obligation to collaborate and provide the information that is required to the Superintendency of Banks of Panama (SBP), the Financial Analysis Unit and the Public Ministry, as established in the existing laws.

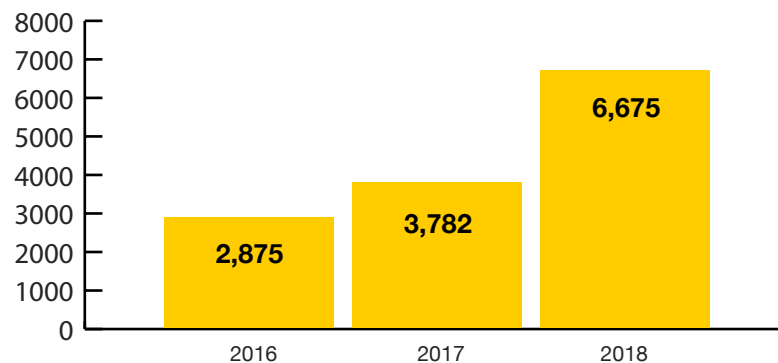
In 2018, several training sessions were held for the different levels of risk of the employees, as well as specialized workshops in the different obligations and management of due diligence and Know your Customer (KYC).

Within the 2019 Plan, there are contemplated seminars and/or training for the technical development of employees in the issues of Anti Bribery and Corruption (ABC Program).



Hours of Training

in Prevention of Money Laundering,
Financing of Terrorism and Proliferation
of Weapons of Mass Destruction.



Man hours of Training Prevention of Money Laundering and Terrorism Financing

The Bank, in its continuous strengthening process, has initiated the definition of the Anti-Bribery and Corruption Policy of Multibank and Subsidiaries to be implemented in 2019, which is framed in the set of guidelines adopted by the Board of Directors of Multibank and subsidiaries, to ensure that their business practices are conducted in compliance with current regulations and international best practices, which in each case, are applicable to the commitments made with third parties and the ethical principles and behavioral guidelines contained in the Code of Ethics and Conduct. This Policy aims to:

- Establish the strategy of Multi Financial Group, Inc. for the management and control of the risk of bribery and corruption and identify the critical processes for the Prevention, Detection and management of situations that could question the integrity with which the Group conducts its internal relations and businesses.
- Its scope is of full compliance by the members and advisors of the Board of Directors, Senior Management and Employees of the subsidiaries and affiliates that make up Multi Financial Group, as well as stakeholders whom may be required to adhere to the Code of Ethics and Conduct of the Group.

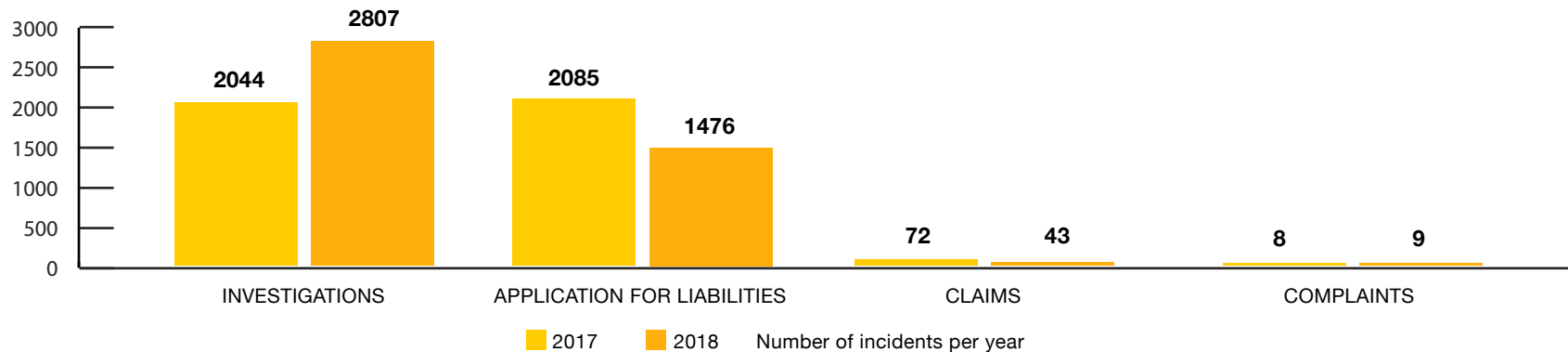
Channels are currently enabled that allow employees to make anonymous reports of irregular or unusual events, where they can submit their reports, both on prevention issues as well as suspicion of fraud.

Currently, the Bank has undertaken the implementation of a specific external channel for the treatment of complaints, which will allow monitoring and control of compliance with the ABC Program Policies.

Management of claims and requests

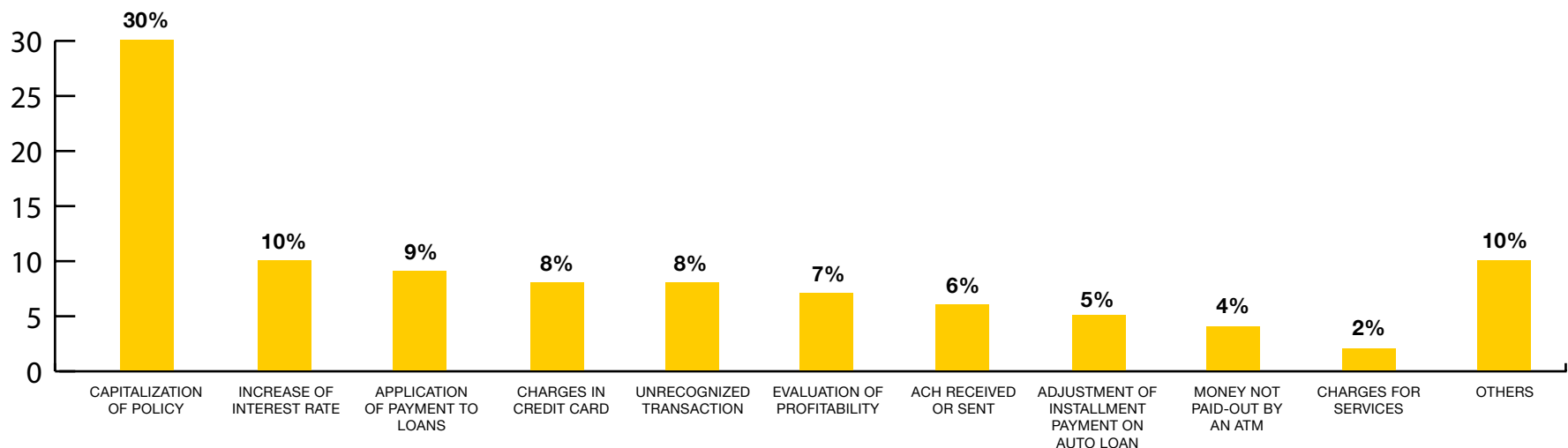
GRI FS15 | POLICIES FOR THE FAIR DESIGN AND SALE OF FINANCIAL PRODUCTS AND SERVICES

In order to offer our customers products and services correctly and as appropriate, resolve their requests in an expedited and timely manner, we have a system for controlling complaints and requests received (JIRA). In 2018, the incidents received from our customers had an increase of 3% compared to 2017, fundamentally in investigations carried out.

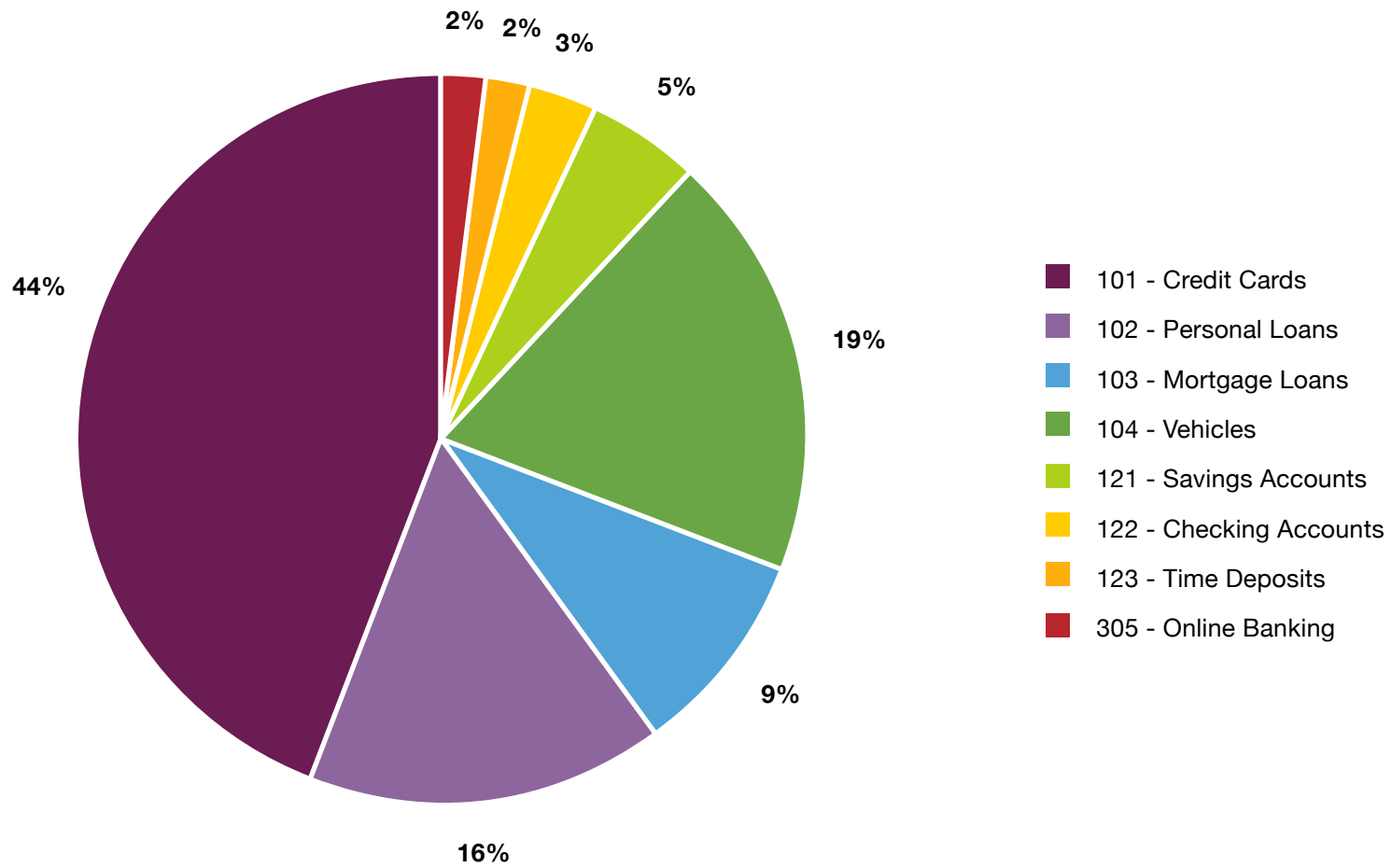


90% of the investigations carried out correspond to:

- Capitalization of policy
- Increase of interest rate
- Application of payment to loans
- Charges in credit card
- Unrecognized transaction
- Evaluation of profitability
- ACH received or sent
- Adjustment of installment payment on auto loan
- Money not paid-out by an ATM
- Charges for services

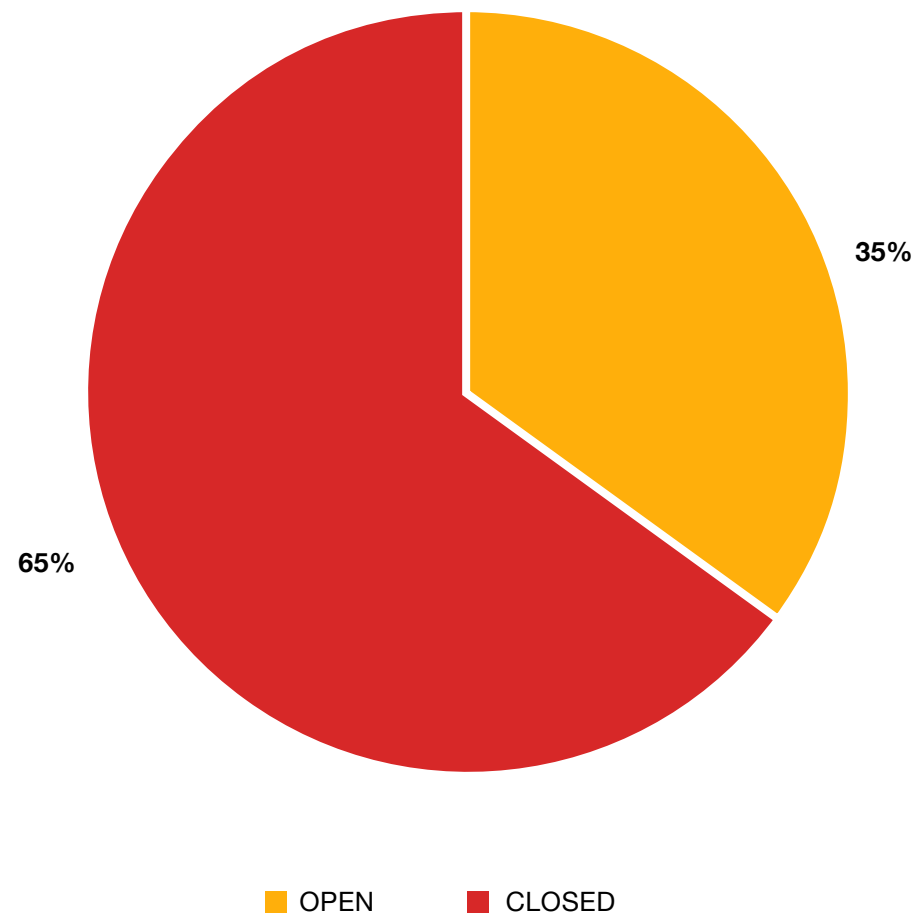


4,335 incidents were received and attended by the SAR, all of them were followed up until their resolution and notification to the customer, as appropriate. Only 43 of these incidents were classified as “claims” that are reported quarterly to the SBP.



Percentage of claims per product

Of the claims dealt with by Legal Counsel, 65% was normally closed because the client withdrew the claim or dismissed it.



Management of claims

ENVIRONMENTAL PERFORMANCE

The financial services, due to the activities carried out, can affect the environment directly and indirectly, therefore, our management seeks to control and prevent the environmental impacts arising from financing and our operations. In our environmental performance we incorporate principles 7, 8, 9 of the United Nations Global Compact.



Environment Area

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Management of environmental and social risk

GRI 412-1 | OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVISIONS OR IMPACT ASSESSMENT

As part of our commitment to respect and promote fundamental human rights, we give comprehensive treatment to environmental and social issues in the processes of risk analysis and decision making for the granting of credits and other financing operations.

GRI 102-29 | IDENTIFYING AND MANAGING ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS GRI 102-31 | REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

Our comprehensive risk management follows regulations and good practices of the financial sector in accordance with international standards, this allows us to identify, evaluate, monitor and control or mitigate the different types of risks to which we are exposed as a bank. The risks include: credit risk, liquidity or financing risk, market risk, operational risk and business continuity, including environmental and social risk.

We have a Comprehensive Risk Management System (SIAR), based on a set of policies, principles, standards, procedures and mechanisms for prevention, verification and evaluation of environmental and social risks. We permanently train our staff in their application.

GRI FS1 | POLICIES WITH SPECIFIC ENVIRONMENTAL AND SOCIAL COMPONENTS APPLIED TO BUSINESS LINES

Environmental and Social Risk Management is an essential part of our evaluation, this risk identification seeks to avoid incurring losses due to the negative environmental and social impacts caused by the granting of credits for project financing; as well as activities from the environment in which it operates, significantly affecting the economic, social or environmental system.

At Multibank Inc., we are committed to ensuring that our customer and investment portfolio has the least negative impact on the environment, as well as on society, for the economic activities carried out in the various sectors where each of our debtors operate. Additionally, the bank in its growth will be at the forefront of the search for opportunities while maintaining a positive environmental impact on society, having as a frame of reference the IFC (International Financial Corporation) Performance Standards, this through new products, services and internal management.

GRI 102-11 | PRECAUTIONARY PRINCIPLE OR APPROACH

We apply the precautionary principle or approach in the analysis of environmental and social risk, in order to protect the environment and health and avoid irreversible damages that may involve our employees, customers, or communities.

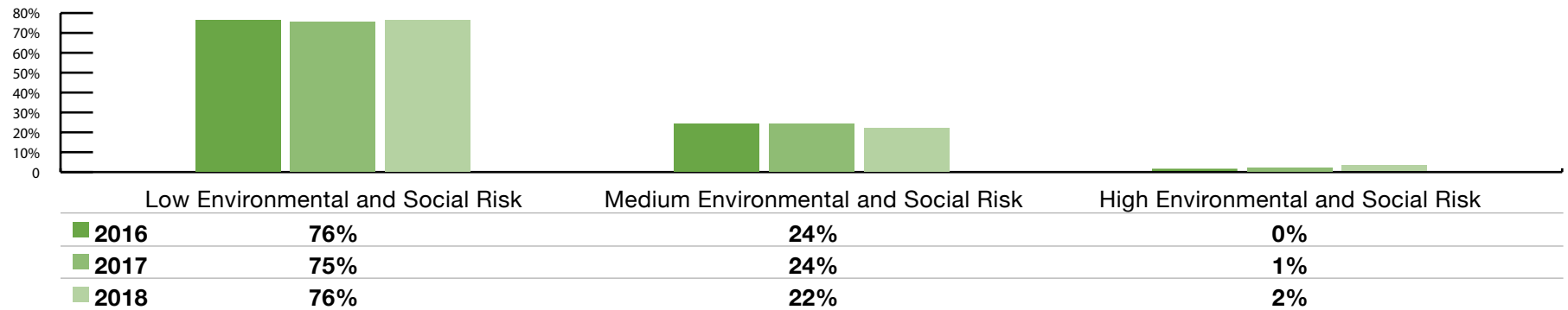
GRI FS2 | PROCEDURES FOR ASSESSING AND SCREENING OF ENVIRONMENTAL AND SOCIAL RISKS IN THE BUSINESS LINES

Environmental and social management is fully integrated into our credit processes. Although the treatment of the environmental and social aspects of a loan means an additional activity, environmental and social management will take relatively little time for the personnel involved since the procedure is efficiently integrated into the bank's risk management.

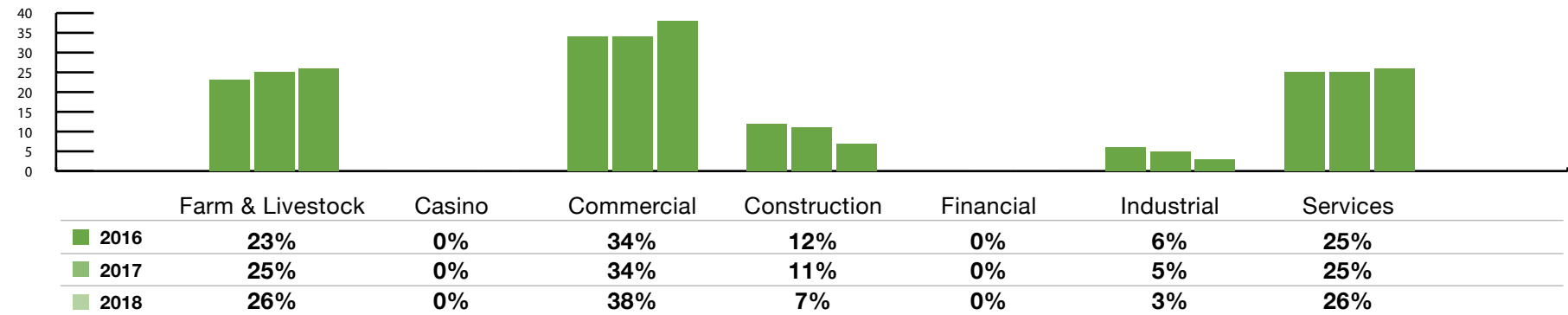
The projects are categorized according to environmental and social risk in low, medium and high, following the standards developed by the IFC. This categorization allows measures and controls to be applied in accordance with the nature, magnitude and stage in which the project is located, with the level of environmental and social risks and impacts, in general this categorization has been established as follows:

Categorization	Due Diligence	Environmental and social clause	Environmental and social evaluation
A & S Rating Low Risk	Not required.	Included in its formalization and compliance	Not required
A & S Rating Medium Risk	Required on a regular basis	Required, including measures of mitigation in case its necessary	Required on a regular basis
A & S Rating High Risk	Required comprehensively		Required comprehensively
A & S Rating High Risk in transactions above US\$1,000,000.		Must involve an external expert. Can use the IFC Performance Standards as a reference. It includes checking the implemented environmental and social management model, recognition schemes or certifications.	

76% of our portfolio remains within the low rating, 98% between low and medium, and only 2% high, with similar behavior in years previous years:



The composition of operations with A&S 1 and 2 Rating by sectors are distributed as follows:



GRI FS4 | PROCESS(ES) FOR IMPROVING STAFF COMPETENCY TO IMPLEMENT THE ENVIRONMENTAL AND SOCIAL POLICIES AND PROCEDURES AS APPLIED TO BUSINESS LINES.



Our employees in the business areas are permanently trained, and certified annually to perform the Environmental and Social Risk assessment of our credit processes.

GRI FS5 | INTERACTIONS WITH CUSTOMERS / INVESTEES / BUSINESS PARTNERS REGARDING ENVIRONMENTAL AND SOCIAL RISKS AND OPPORTUNITIES

The Department of Environmental and Social Risk Management has the support of the contractor Delca Consultants, for the diagnosis of compliance of the regulations.

GRI FS10 | PERCENTAGE AND NUMBER OF COMPANIES HELD IN THE INSTITUTION'S PORTFOLIO WITH WHICH THE REPORTING ORGANIZATION HAS INTERACTED ON ENVIRONMENTAL OR SOCIAL ISSUES

All clients and companies in the bank's loan portfolio are evaluated in relation to environmental and social issues with the involvement of business areas: Business Banking (Commercial, Corporate and Construction), Leasing, Factoring and International Banking

Training to customer in environmental and social standards

GRI FS3 | PROCESSES FOR MONITORING CUSTOMERS' IMPLEMENTATION OF AND COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL REQUIREMENTS INCLUDED IN AGREEMENTS OR TRANSACTIONS

The monitoring of agreements of financed infrastructure projects is planned and carried out based on the identified level of risk of legal compliance.

Customers of the Construction Banking of the central provinces and Chiriquí were part of the training carried out by our Department of Environmental and Social Management, with the purpose of being updating them in the latest regulations and trends of the sector on good environmental management and occupational safety within the framework of compliance with the IFC Performance Standards. This training was aimed at construction foremen, in-charge of occupational health and safety, who handle compliance with the Ministry of Environment regulations and occupational safety standards in construction works.



Environmental evaluation of the suppliers

GRI 308-1 | SUPPLIERS ENVIRONMENTAL ASSESSMENTS

We have incorporated environmental criteria for purchases that include:

- Energy efficiency: purchase of highly efficient equipment in energy consumption.
- Packaging material: purchase of products that are delivered in returnable or reusable containers and made of recycled content. Bulk packaging is also requested, when several products are ordered for delivery at the same time.
- Recycled content: purchase of products with recycled content, suitable for use.

Environmental management in our operations

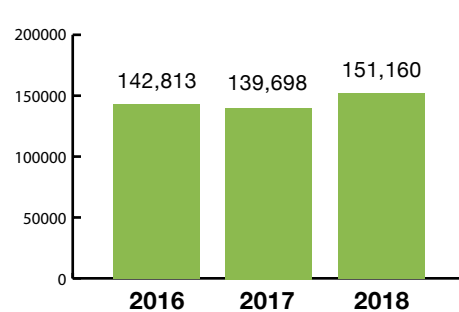
In our operations we strive to act according to the principles we have subscribed maintaining a preventive approach that favors the environment.

Electricity Savings

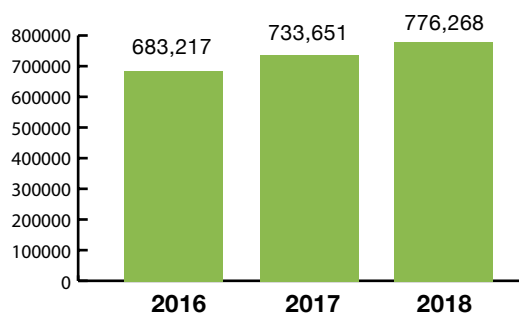
GRI 302-4 | REDUCTION OF ENERGY CONSUMPTION

We promote good practices that contribute to energy efficiency in our premises.

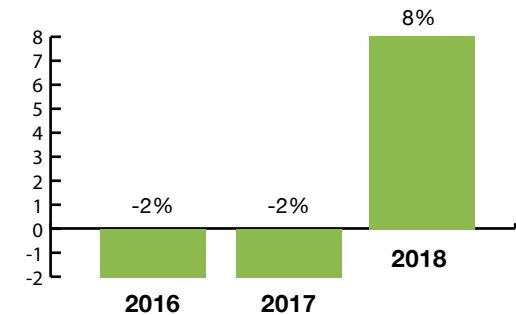
The 2018 results reflected an 8% increase in energy consumption, this variation was analyzed and attributed to the increase in activities as a result of infrastructure and technology projects underway, since they demanded an increase in activities and added new areas to our operation. The results were:



Monthly average in KWH - branches



Electrical energy expenditure per year (US\$)



Variation of energy consumption in KWH

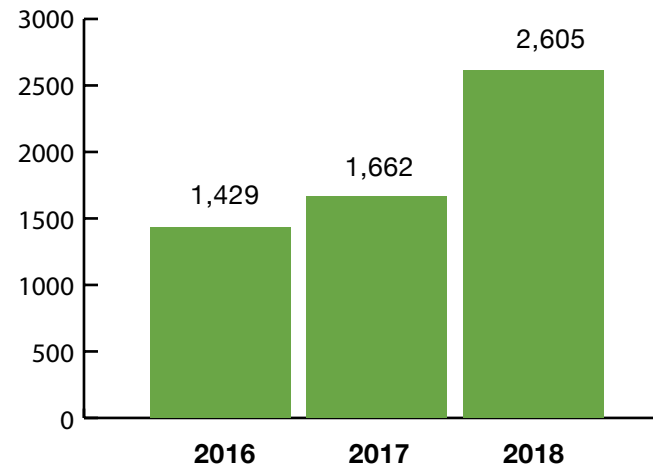
Plan of solar energy production in our Head Office

Joining efforts to reduce greenhouse gas emissions, helping to mitigate the effects of climate change and optimizing the proper use of natural resources, we started the plan for the installation and supply of clean energy, through solar panels at our Head Office on the Via España.

Recycling of paper, cardboard, newspaper and plastic

GRI 306-1 | WASTE BY TYPE AND DISPOSAL METHOD

The management of recycling of material classifies the waste from our operations and this year the total recycled material weighted 2,605 kg, including paper, cardboard, newspaper, cans, electronics and plastic.



Material recycled in kilos 2016-2017-2018

Environmental Education

In our social networks and in the corporate intranet we publish periodically ecological contents aimed at raising awareness about the preservation of natural resources.

World Environment Day

Within the framework of World Environment Day, the beach cleaning day was held in the community of Veracruz. With the motto Without Pollution by Plastics, the Multivolunteers, made a call to action, to face together the most important environmental factors of our times.



SOCIAL PERFORMANCE

In our social performance, we emphasize the development of human resources and the communities where we operate. We pay special attention to fundamental rights at work, we are aware that practices such as discrimination, forced labor and child labor reduce the level of productivity and retards the economic growth of society as a whole. In our social performance we incorporate with special emphasis the principles 1, 2, 3, 4, 5 and 6 of the United Nations Global Compact.



Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2. Make sure that they are not complicit in human rights abuses.

Labor Practices

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4. The elimination of all forms of forced and compulsory labour.

Principle 5. The effective abolition of child labour.

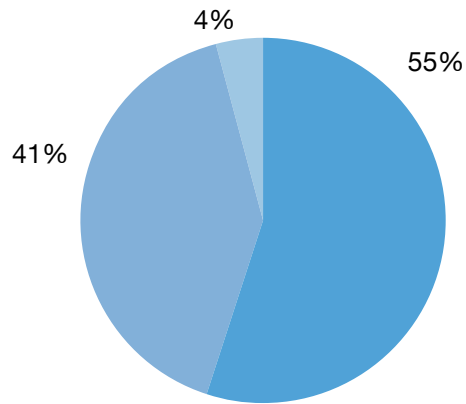
Principle 6. The elimination of discrimination in respect of employment and occupation.

Our workforce

The jobs we maintain and generate contribute to the social and economic development of the country.

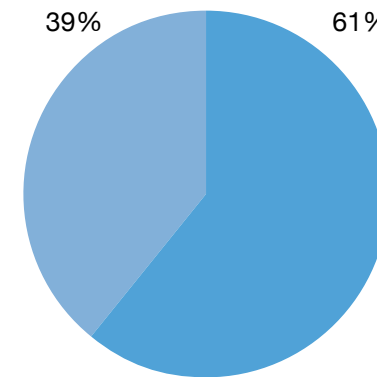
GRI 401-1 | NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

The total number of new hires was 254 employees during the reporting period, distributed as follows:



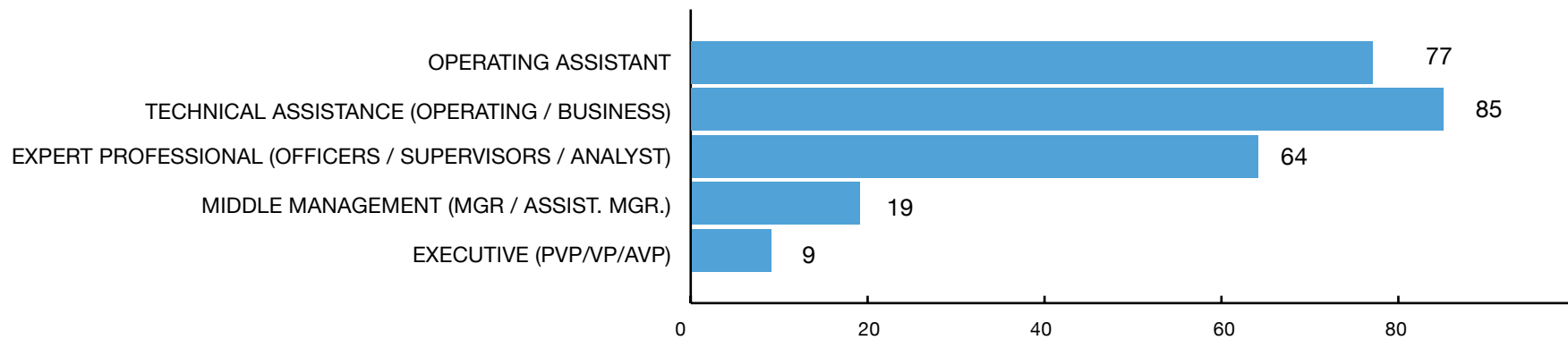
■ Less than 30 years ■ 30 to 50 years ■ Over 50 years

New hires by range of age



■ Female ■ Male

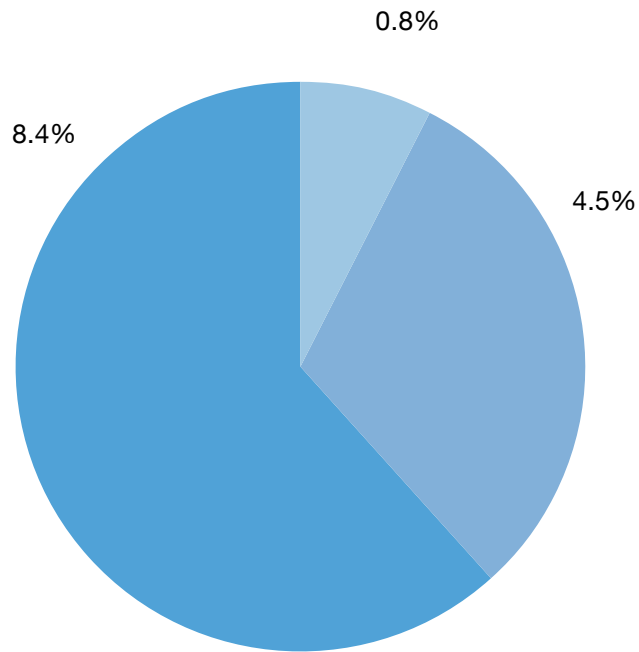
New hires by gender



■ Number of employees
Hires per level

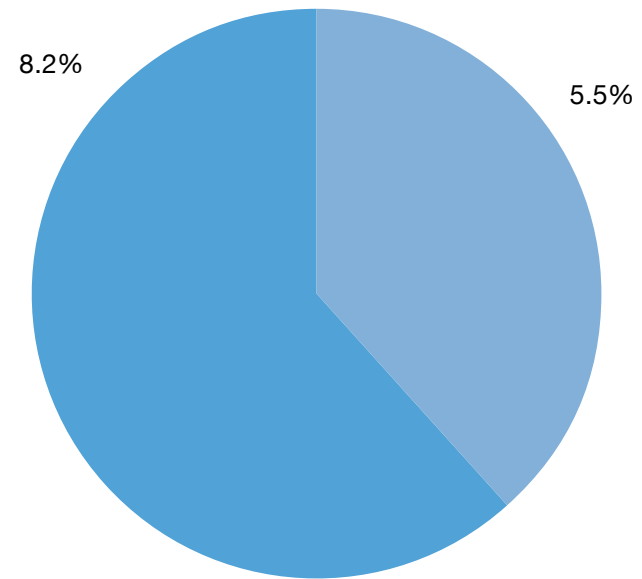


The total number of outgoing employees was 177 for a turnover rate of 13.7%, distributed as follows:



■ Less than 30 years ■ 30 to 50 years ■ Over 50 years

Rotation rate by range of age



■ Female ■ Male

Rotation rate by gender

Benefits to Employees

GRI 401-2 | BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

The benefits to our employees include:

Area	Benefits
Health	Life and Health Group Policy
	Multi-clinic
	Dental Multi-Clinic
	First aid kit / Head Office / Gran Morrison and Plaza Concordia
Nutrition	Food vouchers
Other Benefits	Coffee shop
	Parking spaces
	Free Saturdays
	Marriage Benefit
	Support for Demise
	Annual Bonus Plan
	Child Birth Bonus
	Parking Property / Gran Morrison and Plaza Concordia
End of the Year Party	

Benefits granted 2015-2017

Our employees enjoy benefits that allow them to obtain products and services at a lower cost:

- School Fair
- Health Fair
- End of the Year Fair
- Shopping Days with special promotions.



Internal recreation, sport and culture program

We celebrate the month of the homeland, an opportunity for our Multivolunteers to make various artistic presentations, highlighting folklore and infecting customers and colleagues with Panamanian culture.



We organize various activities aimed at promoting the recreation and leisure of our employees such as: Men's and Women's Soccer League, Mixed Bowling League and Softball League.

Health and Safety

Occupational Health and Safety

GRI 403-1 | WORKERS REPRESENTATION IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEE

Our Occupational Health and Safety Policy integrates the culture of prevention, both physical and mental. In compliance with the Occupational Risk Prevention Plan, the Committee in which the workers are represented, establish the protocols to be followed for the prevention and management of risks, occupational accidents, emergency procedures, first aid and work-related illnesses.

We carry out different activities that promote the health and well-being of our collaborators, such as: health fairs, mammograms, PSA exams, glucose, electrocardiogram, test for lead, nutrition program, Multi-clinic of general medicine, dental and optometry.

Health and safety of customers

GRI 416-1 | ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

No cases of breach of safety regulations have been reported.

We maintain a constant supervision of the security personnel for them to comply with the regulations established in the treatment of customers and protection of our facilities.

Security practices

The training of the units that guard our branches is related to police procedures, such as keep your position, shooting range and security seminar offered by Multibank.

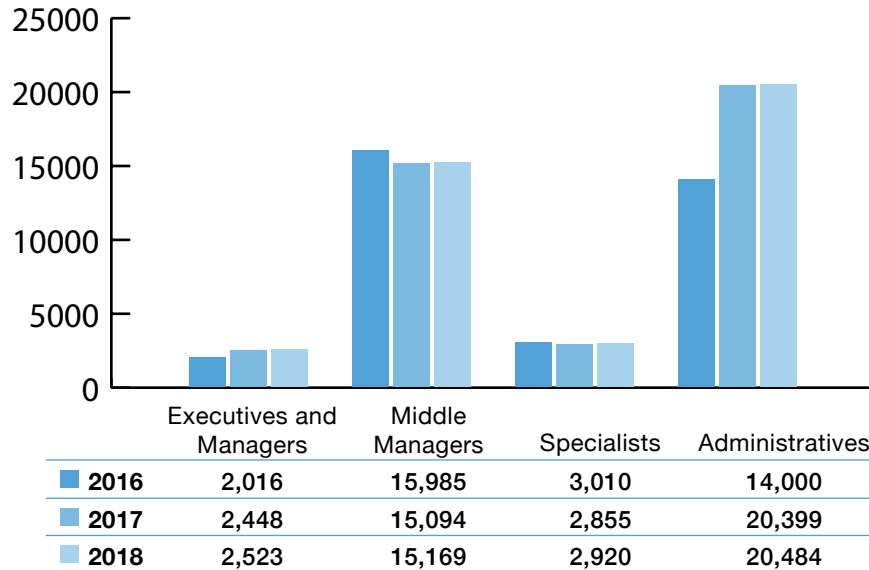
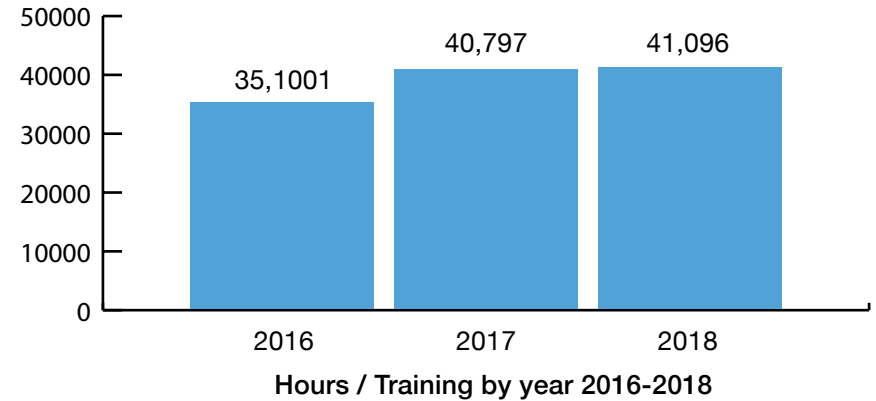


Training of our employees

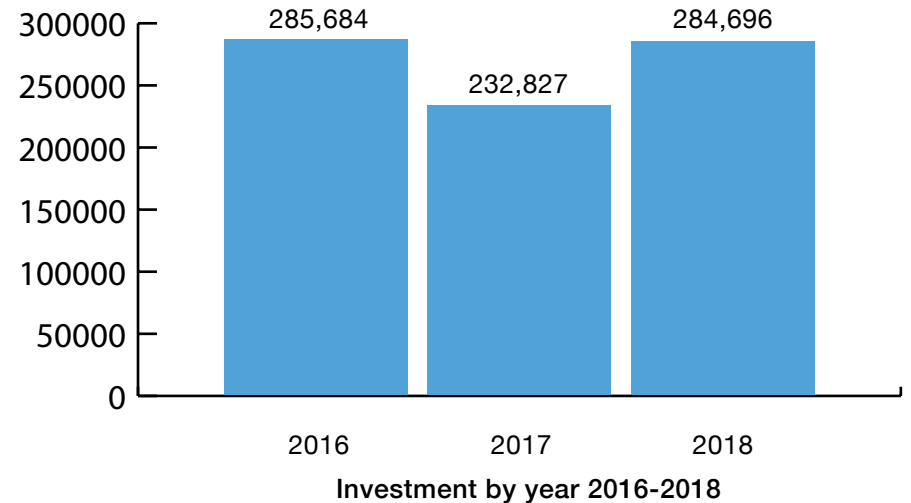
GRI 404-1 | AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE, BROKEN DOWN BY GENDER AND BY LABOR CATEGORY

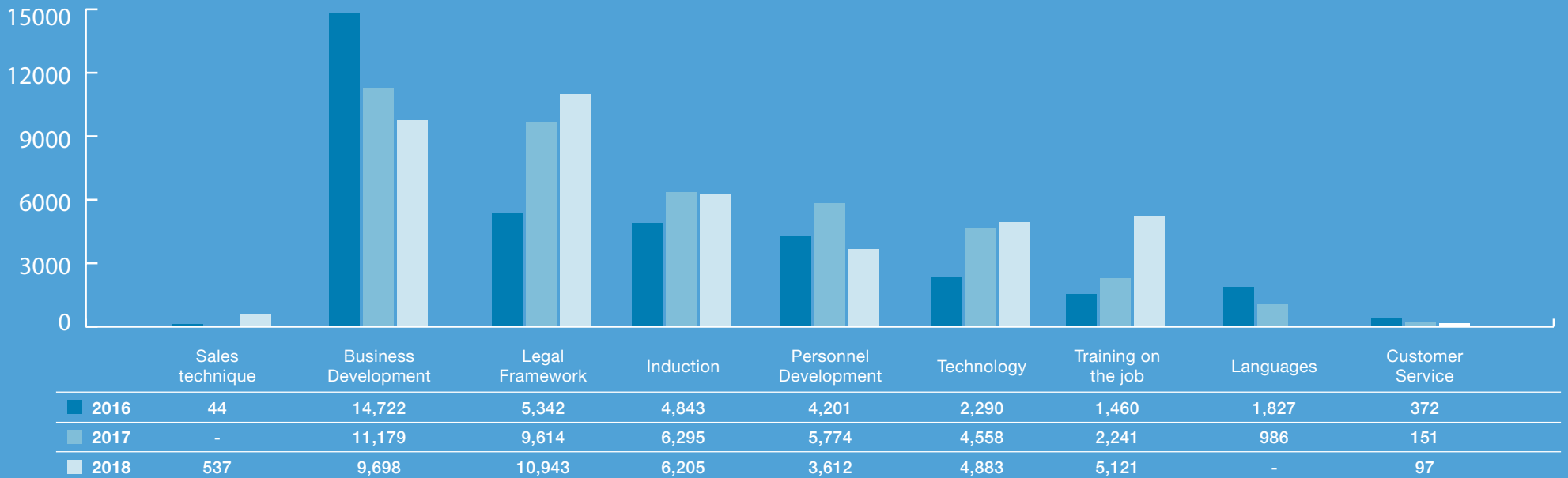
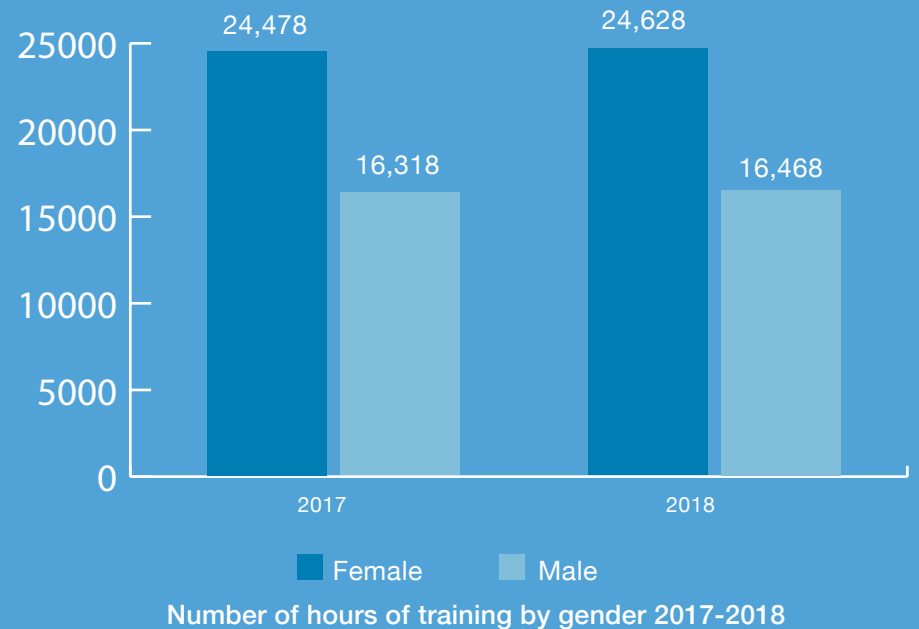
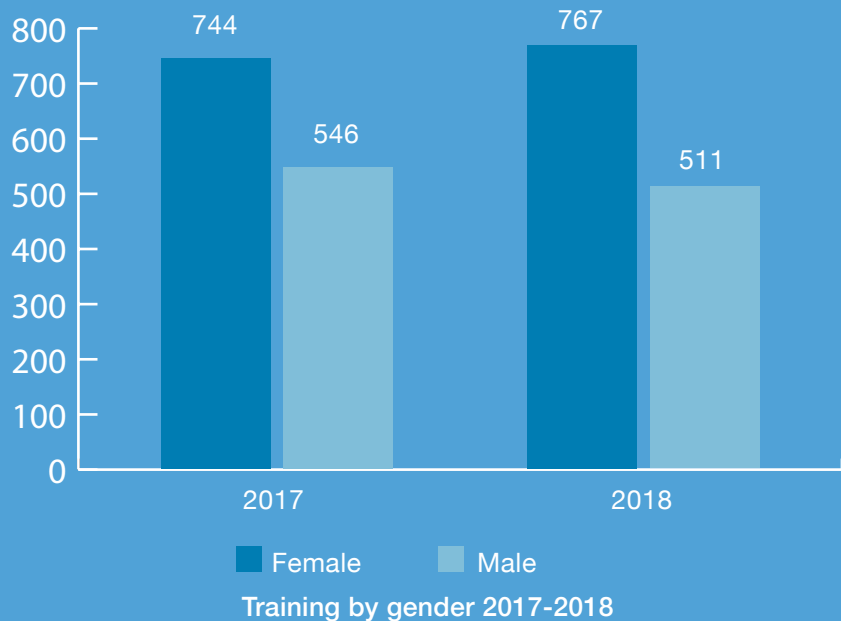
We continue with our Program of education, updating and training of human talent aimed at guiding and enhancing the development of skills, which favor productivity, linking individual objectives with those of the organization, an appropriate work environment, as well as the motivation of the persons.

The training hours per year, category, by gender have remained stable, increasing the investment made. The variation by thematic group obeys the priority themes to strengthen our competences.



Hours / Training by labor categories 2016-2018



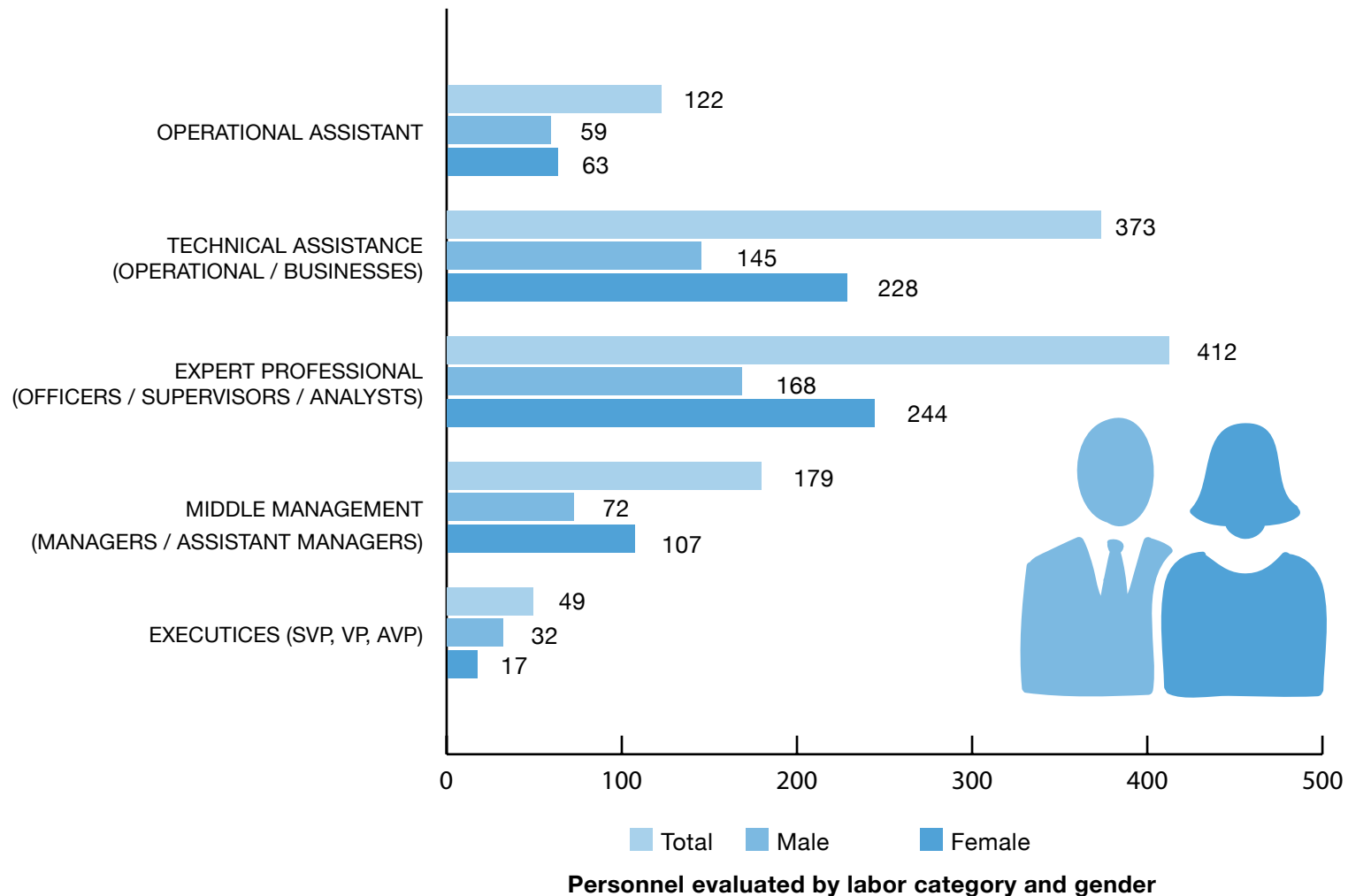


Training Program hours/training per thematic cluster 2016-2018

Performance evaluation

GRI 404-3 | PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BROKEN DOWN BY GENDER AND BY PROFESSIONAL CATEGORY

The Vice Presidency of Human Development is responsible for the planning and administration of the Performance Evaluation program as a mechanism for systematic, objective and comprehensive measurement of professional conduct and the performance or achievement of results of employees. This program seeks to provide opportunities for career development, growth and participation conditions to all members of the organization, considering both the business as well as the individual objectives. Of the total employees of the Group, 89% of the total payroll were evaluated distributed in the following:



Program of Trainee and First Job

GRI 404-2 | PROGRAM FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAM

As a support in the transition and insertion of young people into the labor market, the Trainee Program that we developed provides participants with the skills demanded by the labor market, in addition to contributing to the first employment of those who excel in their performance. The results obtained with this program are presented below.

Trainee programs	2016	2017	2018
University	44	53	28
High Schools	36	57	44
Total Trainees	80	110	72
Employed as First Job	8	7	13

Results of Trainee Program and employed as First Job

Relation of entry level wage versus the local minimum wage

GRI 202-1 | RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

The relationship with respect to official wage is as follows:

Indicator	Amount
Entry level wage paid by Multibank Inc.	US\$625.00
Official minimum wage	US\$604.39 (\$3.17 x hrs. x 44 hrs. weekly)
Percentage paid by Multibank Inc. above the minimum wage	3.41%

Relation between official minimum wage/entry level wage salary paid by Multibank Inc. in 2018

The entry level wage of employees is established in accordance with the legislation or regulation on minimum wages and on the wage scale of the bank, always trying to set wages above the minimum wage and equal opportunities in the workplace that contribute to the economic well-being of our employees. The impacts of wage levels are immediate and directly affect people, organizations, countries and economies.



Labor Practices

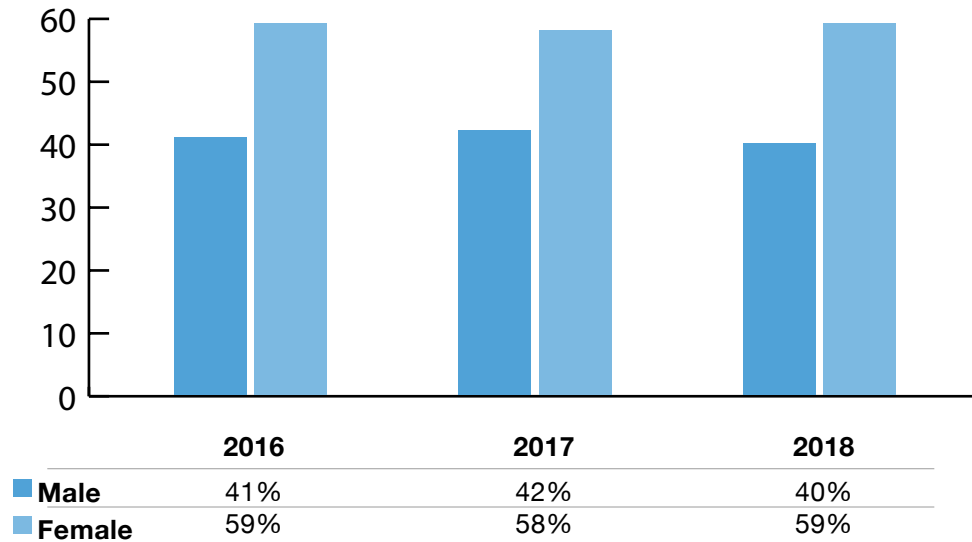
Diversity and equal opportunities

GRI 405-1 | DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

We believe in maintaining a diversity and equal opportunities within our organization and in the environment where we operate and where we endeavor to offer opportunities in a balanced way. We strive to maintain equality and balance in terms of gender and age, this composition is represented graphically below.

Principle 6.

The elimination of discrimination in respect of employment and occupation.

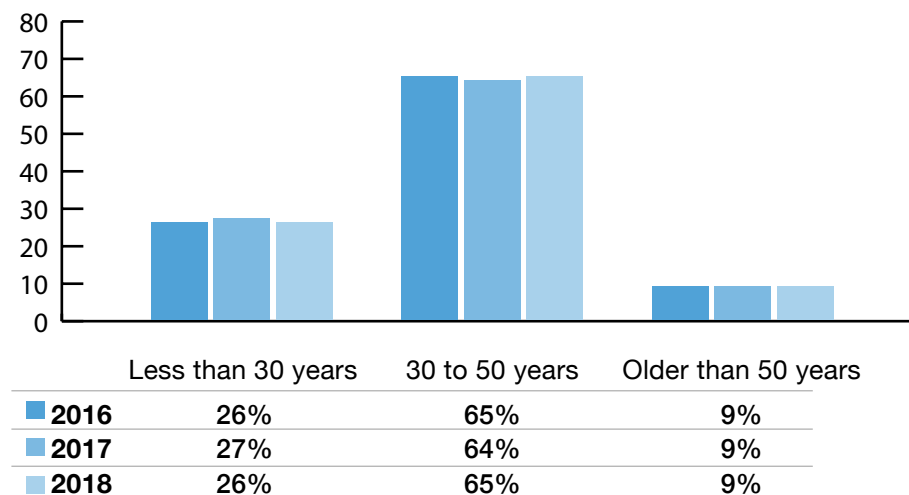


Percentage of employees by gender 2016-2017-2018

Total number of employees per gender			
Category	Permanent		
	2016	2017	2018
Male	44	53	28
Female	36	57	44
Total	80	110	72



The percentage of employees by range of age and their distribution into the different level maintain the following composition:



Distribution of employees by range of age

GRI 406-1 | DISTRIBUTION OF EMPLOYEES BY RANGE OF AGE

Our selection, hiring and performance evaluation processes include non-discrimination and equal opportunities. We have the mechanisms to deal with any matter related to this issue. During the period no cases of discrimination claims have been reported.

Forced labor

GRI 409-1 | OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR

As part of our commitment to contribute to the elimination of forced or compulsory labor in all its forms, we condemn all types of work that is carried out in a forced or coerced manner.

In accordance with our values, we promote a positive work environment and the professional and personal development of our employees.

In our analysis of environmental and social risk we assess these risks with respect to our financings, we are also careful not to hire suppliers with significant risk of forced or compulsory labor cases.

Principle 4.

The elimination of all forms of forced and compulsory labour.

Child labor

GRI 408-1 | OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR

Education is a strategic priority of our social programs, promoting social integration and values, attending programs that can contribute to the inclusion and permanence of children and adolescents in the education system. We reaffirm our commitment to support the eradication of all forms of work that deprive children of their potential and dignity, and that is detrimental to their physical and psychological development. We condemn, above all, the so-called “worst forms of child labor”.

Principle 5.

The effective abolition of child labour.

Negotiation

GRI 407-1 | FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We have established communication channels with our employees in order to favor shared decision making in matters of common interest. We have not identified operations and suppliers whose right to freedom of association and collective bargaining could be at risk.

Principle 3.

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Financial Education

Program of Financial Education

In alliance with the Banking Association of Panama and the Ministry of Education, Multibank, for the second consecutive year participated in the Financial Education Program, training young students of the 11th grade of Richard Neumann High School, with the objective of implementing the correct management of their finances, which allows them to build an adequate life project.



Financial Education to students

With the objective of guiding students about security risks and the good habit of saving and managing their finances; training was given to 50 students, between the ages of 14 and 15 of the Colegio Nuestra Señora de la Merced, located in El Chorrillo.



Social investment / Living in Community

Alberto and Pamela Btsh Foundation

GRI 413-1 | OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMS

Through this foundation we provide support to charities that are responsible for assisting the most disadvantaged populations, many of them in extreme poverty. We have been working with this foundation since 1996. Currently, we support through donations to 20 institutions that provide social assistance:



- | | |
|-----------------------------------|--|
| 1. Aldeas S.O.S. | 11. Fundación Ayudando a Vivir |
| 2. Comedor Hossana en Curundú | 12. Hogar San José de Malambo |
| 3. Comedor María Reina en Curundú | 13. Fundación REMAR |
| 4. Hogar Bolívar | 14. Fundación San José Pesé |
| 5. Hogar Fátima | 15. Salamanca Colón |
| 6. Hogar Infancia | 16. Comedor Jehová Jiret |
| 7. Años Dorados | 17. Fundación Solidaridad y Desarrollo de Panamá |
| 8. Centro de Orientación Familiar | 18. Comunidad Evangélica Jesús el Rey |
| 9. Comedor Chorrera | 19. Asociación Luz y Vida |
| 10. Comedor La Vid Verdadera | 20. Iglesia Loma Bonita |



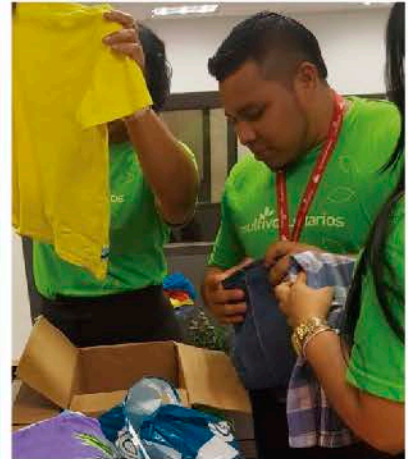
Program of donations of Alberto and Pamela Foundation		
<p>20</p> <p>Charities</p>	<p>+2,783</p> <p>Beneficiaries</p>	<p>Donations and/or Services:</p> <p>Food Training</p> <p>Clothes and shoes Medical health</p> <p>Furniture Kitchen care appliances.</p> <p>Computers</p>

Multivolunteerism

We encourage the strengths of our employees to benefit the social needs of the communities where Multibank Inc. works. In 2018, the results were as follows:

Activities carried out	Location	Multi-volunteers	Hours	Beneficiary
El Jagua School	Capira	35	71	24
Centro Educativo Monte Oscuro	Capira	12	114	110
Reutilization Workshop. World Recycling Day – Association of Friends of the Earth	Multibank Vía España	33	8	Action for reducing climate change
World Environment Day. Beach cleaning - Association of Friends of the Earth	Veracruz	33	10	Action for reducing climate change
Fundación Adopta tu Bosque	Parque Nacional Camino de Cruces	33	8	500 tons of carbon capture Climate change action.
Fundación Banco de Alimentos Panamá	Mañanitas	8	5	500 rations of food. Children's dining rooms.
Hogar de la Infancia	Terraplén del Casco Antiguo	27	59	36
Fundación Valórate	Ciudad del Saber	21	8	79 childrens / 316 persons
Parque Natural Metropolitano	Ancón	17	19	Visitors
Centro de Custodios Arco Iris	Tocumen	16	26	32
Casa Hogar La Semillita	La Chorrera	10	17	42
Casa Hogar Mi Milagro	Las Cumbres	20	7.3	20
Recycling of technological equipment	Multibank Vía España	2	4	Action for the environment
Hogar Metro Amigo	Tocumen	65	21	58
Instituto Oncológico Nacional de Panamá	Ancón	12	10	150
Hogar del Niño de la Cruz Roja	Villa Guadalupe	17	16	20
First Cleaning Workday of the Recycling Center	Recycling Center – Head Office	17	4	Action for the environment
Nutrition Board Walking Race	Parque Omar	13	4	Reduce infant poverty and malnutrition in rural areas
Second Workday of paint in the Center of Recycling	Recycling Center – Head Office	6	3	Action for the environment
Painting Day	Recycling Center – Head Office	8	8	Action for the environment

The Day of Good Actions is an initiative that unites 75 countries around volunteering, thanks to the promotion of the Panamanian Jewish Foundation (Jupá) and the B'nai B'rith Charitable Society of Panama. The Day of Good Actions serves as an encouragement for companies, civil organizations, foundations and government entities to collaborate with those who need it most.



422

Hours of
Multivolunteering

506

Active Multivolunteers at
national level

700

Enrolled
Multivolunteers



Since 2011, in conjunction with the National Nutrition Service Board, we support the Great Steps Program:

El Entradero Farm, whose objectives include:

- Provide energy through solar panels, to increase the productivity of the families of the farm and improve the quality of life of its inhabitants.
- Increase crop productivity for consumption and/or marketing, improving inputs and/or diversifying their products.
- Provide basic lighting to families in the communities near the farm, for their safety and usefulness.
- Train the families of the communities to strengthen their skills and abilities.



Great Steps 2018 Program

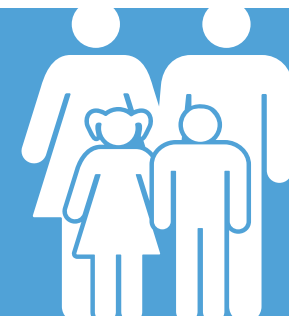


4 farms visited

1. Tulú Arriba (Coclé)
2. Santa Marta (Coclé)
3. Las Marías (Coclé)
4. Los Martínez (Veraguas)

1,176

Persons benefited
(direct and indirect)



Multibank Ilumina Project

Framed in the Policies of the National Energy Plan 2015-2020, the Multibank Ilumina project seeks to reduce poverty through the use of renewable energy and preservation of the environment. In general, its objectives are:

- Provide energy through solar panels to the Multipurpose Centers of the Self-Sustainable Farms of the Great Steps Program of the National Nutrition Service Board, so that, through their use, the program's partner families can increase their production and improve their quality of life.
- Grant commercial reinforcement, through supplies, to Self-Sustainable Farms that have an impact on the improvement of the productivity of their crops and the diversification of their products, for their consumption and/or marketing.
- Provide basic lighting to families in the communities near the farm that do not have electricity, through the use of basic solar energy kits, for their safety, usefulness and decrease in school dropout.

Currently, there is a total of 271 farms in the Great Steps Program, distributed throughout the country, where 1,239 members participate, with a total of 5,415 direct beneficiaries and 36,228 indirect beneficiaries, characterized by indices of extreme poverty.



Support for the Telethon 20-30

We support through our employees and Mutivolunteers to raise funds through different activities. This year they were able to raise US\$20,000. The funds for this activity in favor of Panamanian children were raised for the Pro Integration Foundation - dedicated to help adults and children with disabilities in the locomotor system and hearing faculties - and for the First ProEd Educational Innovation Center 20-30.

GRI CONTENT INDEX - CORE OPTIONS

GRI STANDARD	CONTENT	PAGE N°	Omission
GRI 102: General Disclosures 2016	Profile of the Organization		
	GRI 102-1 Name of the organization	10	
	GRI 102-2 Activities, brands, products and services	10	
	GRI 102-3 Location of Head Office	10	
	GRI 102-4 Location of operations	10	
	GRI 102-5 Ownership and legal form	10	
	GRI 102-6 Markets served Points of Access by type in areas of low density population or economically disadvantages	14	
	GRI 102-7 Scale of the organization	15	
	GRI 102-8 Information on employees and other workers	15	
	GRI 102-9 Supply chain	16	
	GRI 102-10 Significant changes to the organization and its supply chain	11	
	GRI 102-11 Precautionary principle or approach	50	
	GRI 102-12 External initiatives	16	
GRI 102-13 Membership of associations	17		

GRI STANDARD	CONTENT	PAGE N°	Omission
	Strategy		
	GRI 102-14 Statement from senior decision-maker	4	
	Ethics and integrity		
	GRI 102-16 Values, principles, standards, and norms of behavior	20	
	Governance		
	GRI 102-18 Governance structure	22	
	GRI 102-29 Identifying and managing economic, environmental, and social impacts	59	
	GRI 102-31 Review of economic, environmental, and social topics	17	
	Participation of stakeholders		
	GRI 102-40 List of stakeholder groups	28	
	GRI 102-44 Key topics and concerns raised	28	
	GRI 102-41 Collective bargaining agreements	28	
	GRI 102-42 Identifying and selecting stakeholders	29	
	GRI 102-43 Approach to stakeholder engagement	29	
	Practices in preparation of reports		
	GRI 102-45 Entities included in the consolidated financial statements	30	

GRI STANDARD	CONTENT	PAGE N°	Omission
	GRI 102- 46 Defining report content and topic boundaries	30	
	GRI 102-47 List of material topics	31	
	GRI 102-48 Restatements of information	30	
	GRI 102-49 Changes in reporting	8	
	GRI 102-50 Reporting period	8	
	GRI 102-51 Date of most recent report	8	
	GRI 102-52 Reporting cycle	8	
	GRI 102-53 Contact point for question regarding the report	8	
	GRI 102-54 Claims of reporting in accordance with the GRI Standards	8	
	GRI 102-55 GRI content index	8	
	GRI 102-56 External assurance	8	
GRI 103 Management approach (for all significant aspects)	GRI 103-1 Explanation of the material topic and its boundary	32	
	GRI 103-2 The management approach and its components	32	
	GRI 103-3 Evaluation of the management approach	32	
MATERIAL TOPICS			

GRI STANDARD	CONTENT	PAGE N°	Omission
Strategy			
GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed	38	
GRI 202: Presence in the Market 2016	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	65	
GRI 203: Indirect Economic Impact 2016	GRI 203-2 Significant indirect economic impacts	41	
GRI 204: Purchasing Practices 2016	GRI 204-1 Proportion of spending on local suppliers	42	
GRI 205: Anti-corruption 2016	GRI 205-1 Operations assessed for risks related to corruption	43	
	GRI 205-2 Communication and training about anti-corruption policies and procedures	43	
Environmental			
GRI 302: Energy 2016	GRI 302-4 Reduction of energy consumption	53	
GRI 306: Effluents and Waste 2016	GRI 306-1 Waste by type and disposal method	56	Not quantified
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1 New suppliers that were screened using environmental criteria	53	
Socials			
GRI 401: Employment 2016	GRI 401-1 New employee hires and employees turnover	57	
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.	59	

GRI STANDARD	CONTENT	PAGE N°	Omission
GRI 403: Occupational Health and Safety 2016	GRI 403-1 Workers representation in formal joint management-worker health and safety committees	61	
GRI 404: Training and Education 2016	GRI 404-1 Average hours of training per year per employee	62	Not available with the required detail, will be evaluated to have it for future periods
	GRI 404-2 Programs for upgrading employees skills and transition assistance program	65	
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	64	
GRI 405: Diversity and Equal Opportunity	GRI 405-1 Diversity of governance bodies and employees	66	
GRI 406 Non-discrimination 2016	GRI 406-1 Incident of discrimination and corrective actions taken	67	
GRI 407: Freedom of Association and Collective Bargaining	GRI 407-1 Freedom of association and collective bargaining	68	
GRI 408: Child Labor 2016	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	68	Not available with the required detail, will be evaluated to have it for future periods
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	68	
GRI 412: Human Rights Assessment 2016	GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	49	
GRI 413: Local Communities 2016	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	70	
GRI 416: Customer Health and Safety 2016	GRI 416-1 Assessment of the health and safety impacts of product and service categories	61	

GRI STANDARD	CONTENT	PAGE N°	Omission
GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	34	
GRI 419: Socioeconomic Compliance 2016	GRI 419-1 Non-compliance with laws and regulations in the social and economic area.	34	
Financial Supplement			
Sustainability Reporting Guidelines - Financial Services Sector Supplement FSSS Version 3.0	Product Portfolio		
	GRI FS1 Policies with specific environmental and social components applied to business lines.	49	
	GRI FS2 Procedures for assessing and screening environmental and social risks in business lines.	50	
	GRI FS3 Processes for monitoring clients' implementation of and compliance with environmental.	52	
	GRI FS 4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	51	
	GRI FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	52	
	GRI FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	42	

GRI STANDARD	CONTENT	PAGE N°	Omission
	Shareholder activism		
	GRI FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	52	
	Community		
	GRI FS13 Access points in low-populated or economically disadvantaged areas by type.	14	
	GRI FS15 Policies for the fair design and sale of financial products and services.	45	