



Superintendencia  
de Bancos de Panamá

# Summary of Banking Sector Operations

2024

Directorate of Financial Stability

## Agenda

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- 1 Economic Performance
- 2 Interest Rates
- 3 Financial Summary
- 4 Credit Evolution and Portfolio Quality
- 5 Financial Soundness Indicators and Stress-Testing

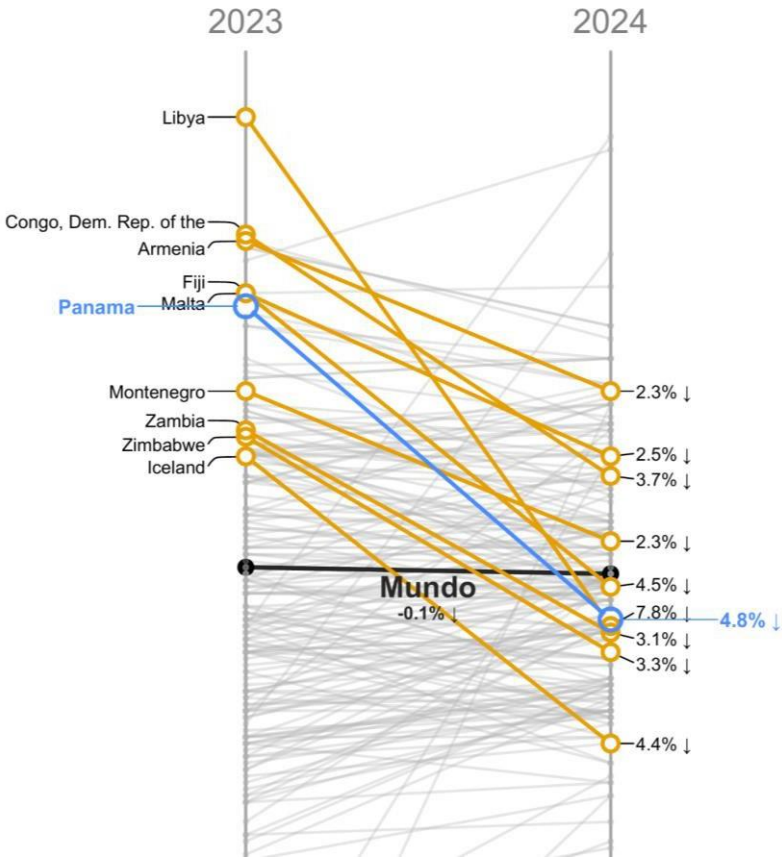


# Economic Performance - International

Global growth performance  
2023 – 2025  
(in percentage)

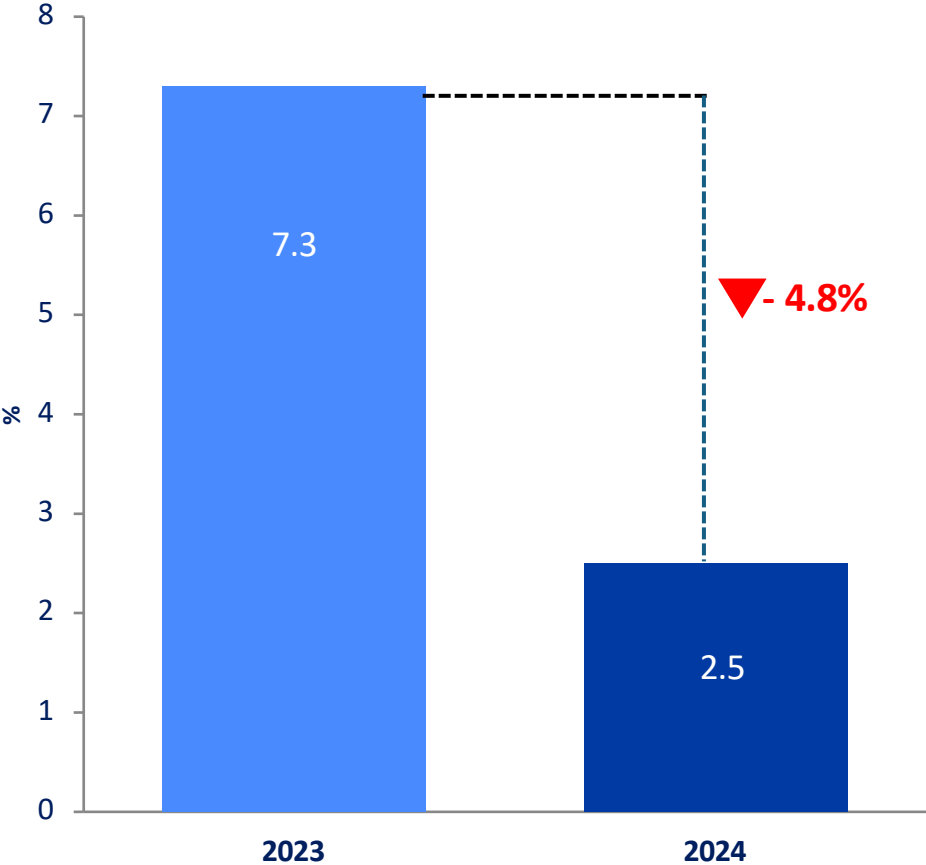
Country	2023	2024	2025	Δ p.p. 2023 - 2024	Δ p.p. 2024 - 2025
World	3.3	3.2	3.3	-0.1	0.1
<b>Economías Avanzadas</b>	1.7	1.7	1.9	0.0	0.2
USA	2.9	2.8	2.7	-0.1	-0.1
Canada	1.2	1.3	2.0	0.1	0.7
Japan	1.7	-0.2	1.1	-1.9	1.3
United Kingdom	0.3	0.9	1.6	0.6	0.7
<b>Zona Euro</b>	0.4	0.8	1.0	0.4	0.2
Germany	-0.3	-0.2	0.3	0.1	0.5
France	1.1	1.1	0.8	0.0	-0.3
Italy	0.7	0.6	0.7	-0.1	0.1
Spain	2.7	3.1	2.3	0.4	-0.8
<b>Otras Economías Avanzadas</b>	1.8	2.0	2.1	0.2	0.1
<b>Emerging Asia</b>	5.7	5.2	5.1	-0.5	-0.1
China	5.2	4.8	4.6	-0.4	-0.2
India	8.2	6.5	6.5	-1.7	0.0
<b>LATAM</b>	2.2	2.1	2.5	0.2	0.1
Brazil	2.9	3.7	2.2	0.8	-1.5
Colombia	0.6	1.6	2.5	1.0	0.9
Mexico	3.2	1.8	1.4	-1.4	-0.4
<b>Panamá</b>	7.3	2.5	3.0	-4.8	0.5

Cambio crecimiento  
2023 VS 2024



# Economic Performance - Domestic

GDP growth - Panama  
2023 VS 2024



Fuente: SBP with IMF and INEC data

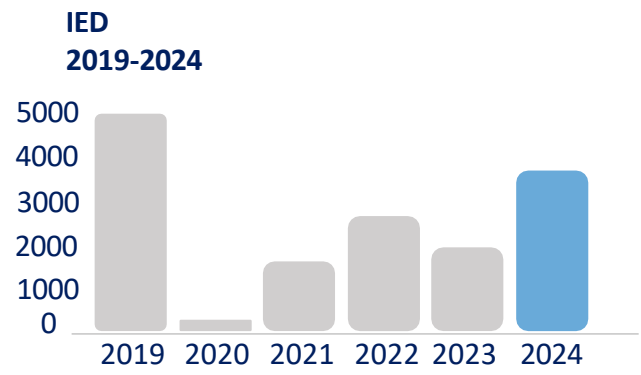
▲ 0.7%  
**Inflation**  
1.9% en 2023

▲ 9.5%  
**Unemployment**  
7.4% en 2023

**Informality**  
49.3% ▲  
Highest historical rate

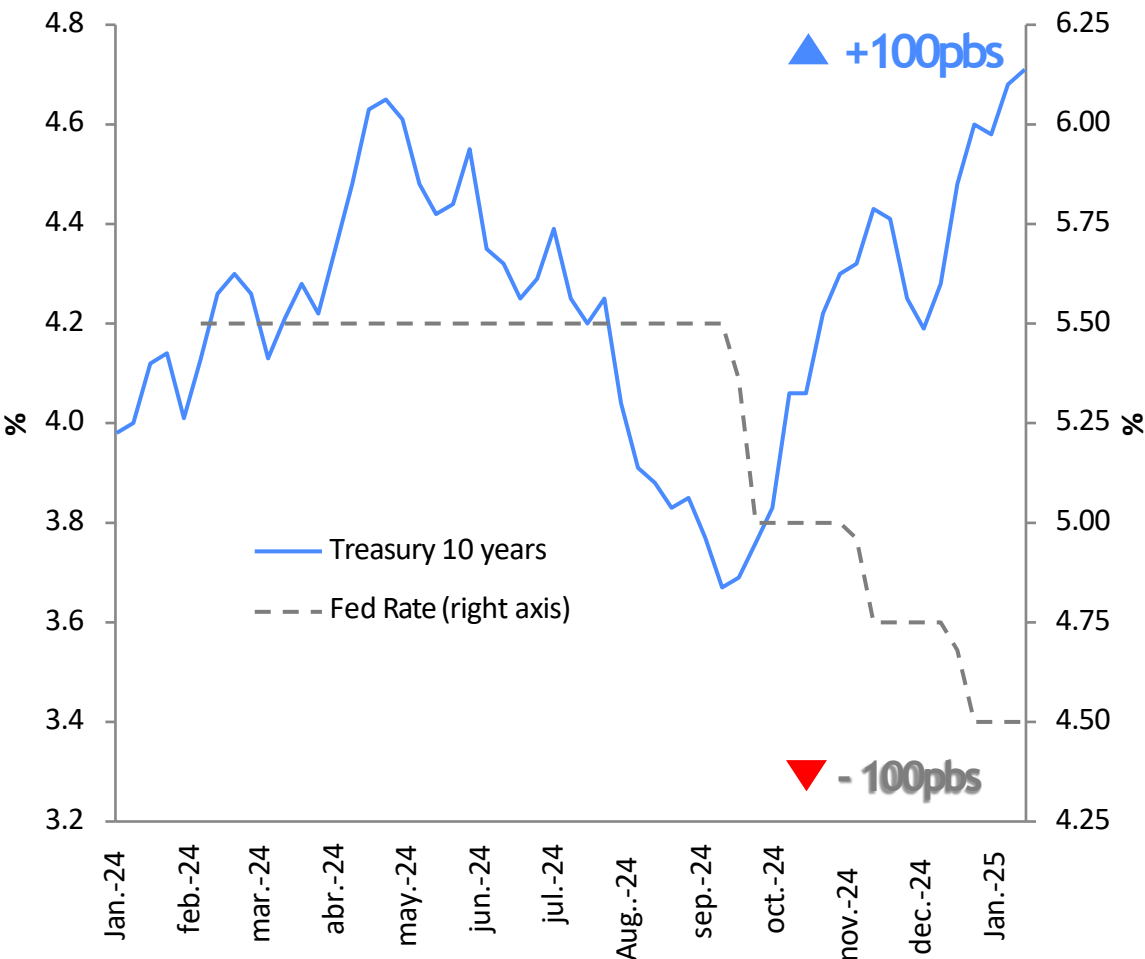
▼ -73.3%  
**Exportations**  
-7.8% en 2023

▲ 69.7%  
**IED**  
-30.7% en 2023



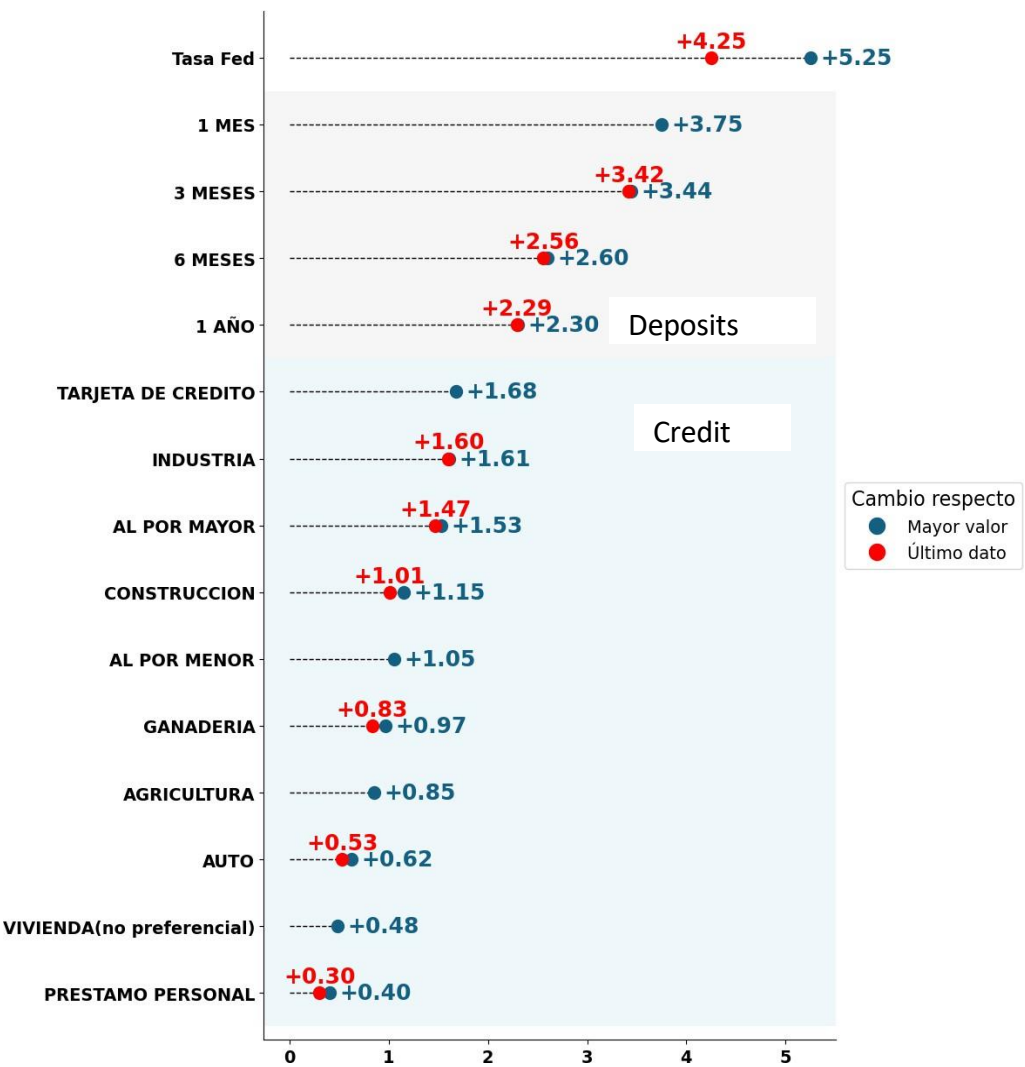
# Interest rates

Fed vs. Treasury Rate 10 years  
Jan 2024 - Jan 2025



Source: SBP data from Bloomberg

Interest rate change - Panama  
2022 - 2024

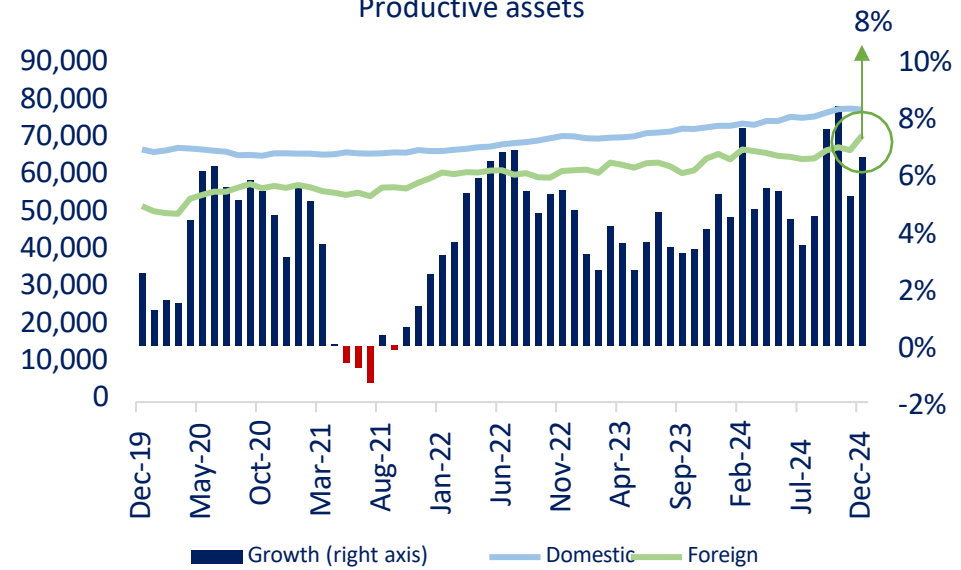


Source: SBP data

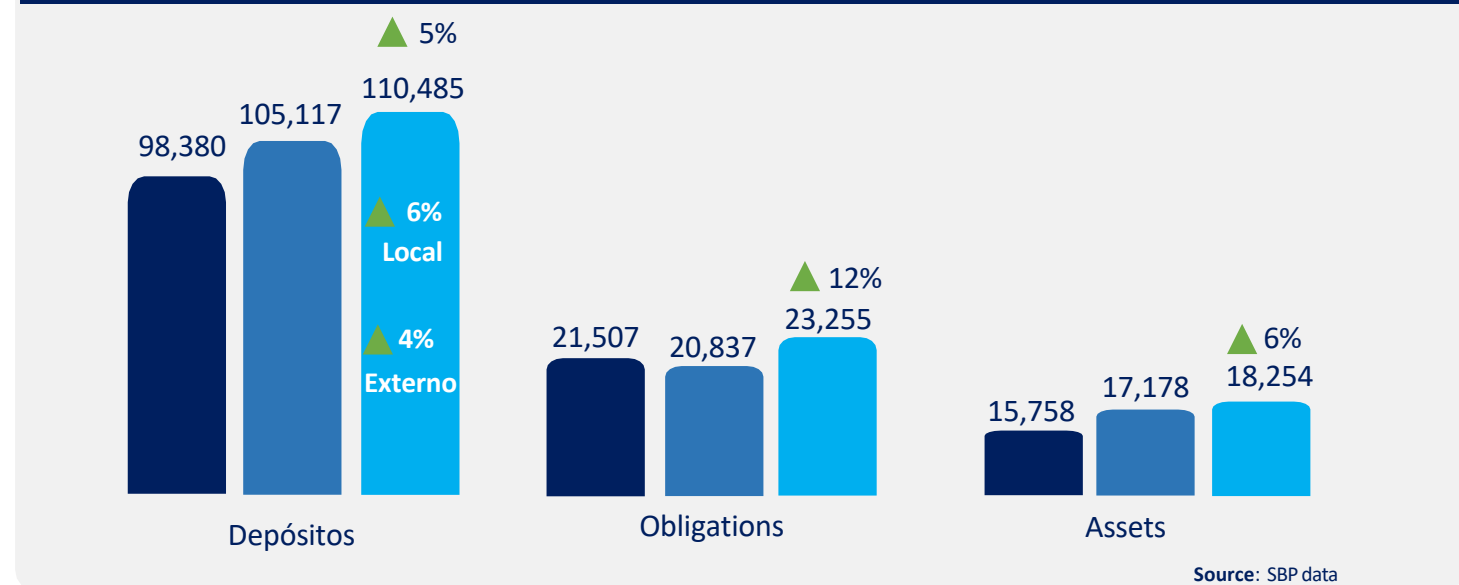
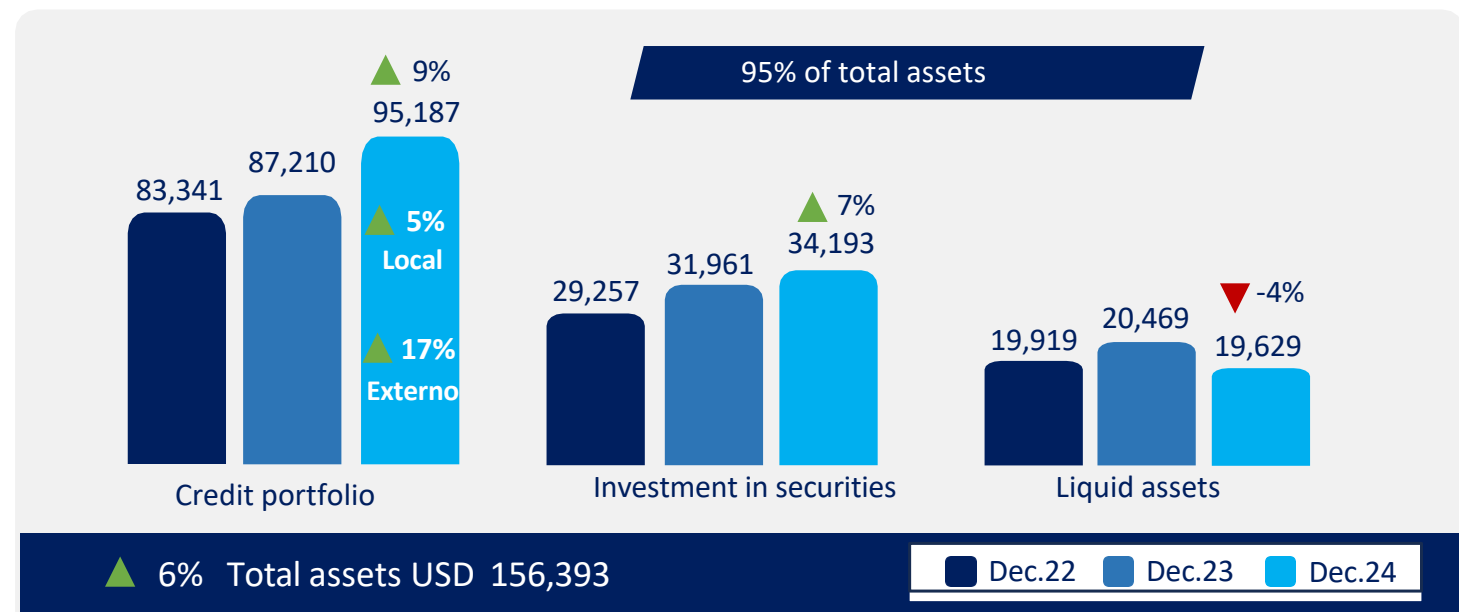
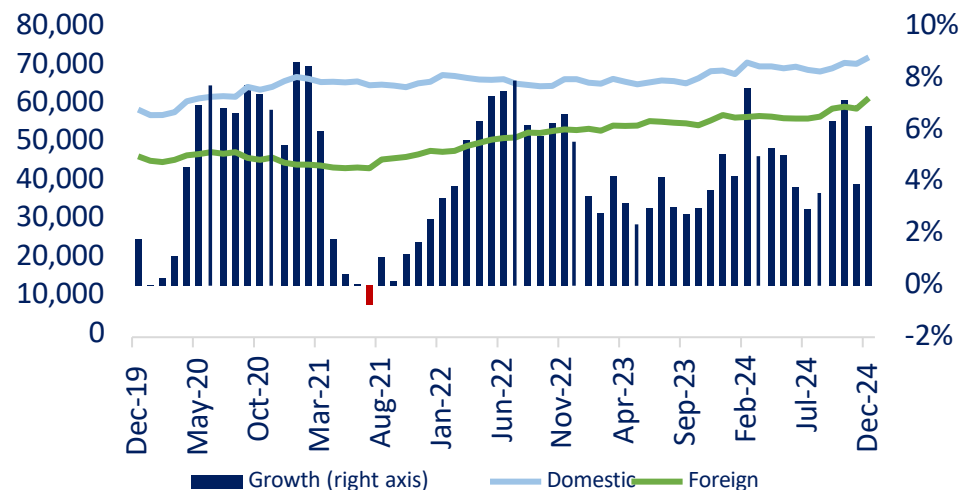
# International Banking Center: Balance sheet

## December 2024 (in million USD)

Productive assets



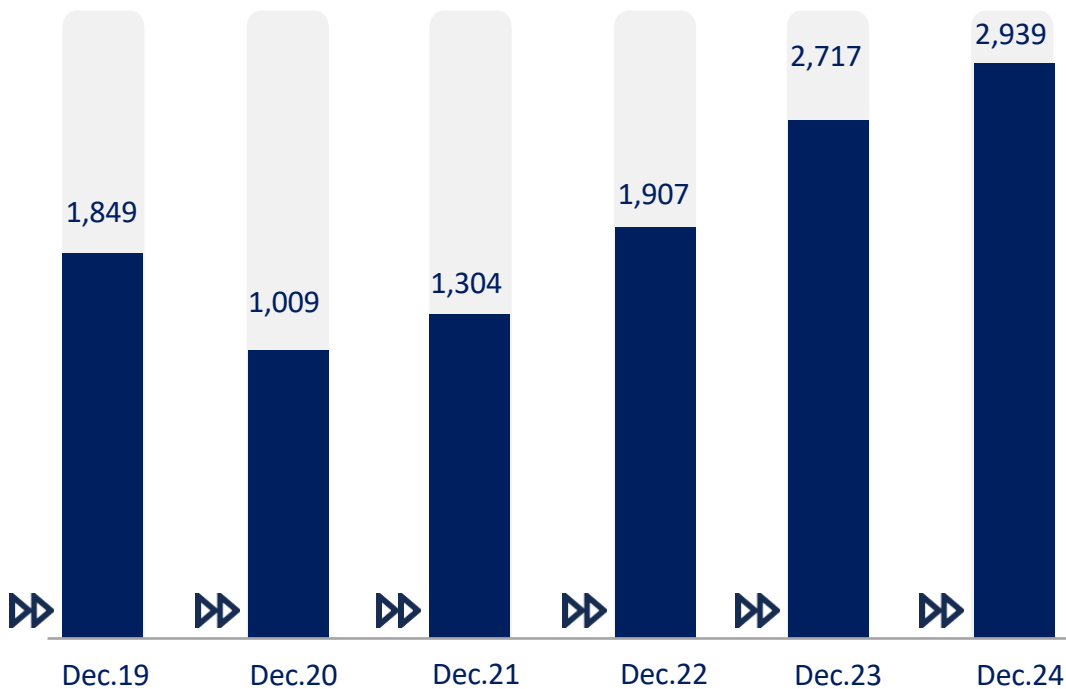
Liabilities with cost



# International Banking Center: Income statement

## December 2024 (in million USD)

Retained earnings  
Dec.19 – Dec.24

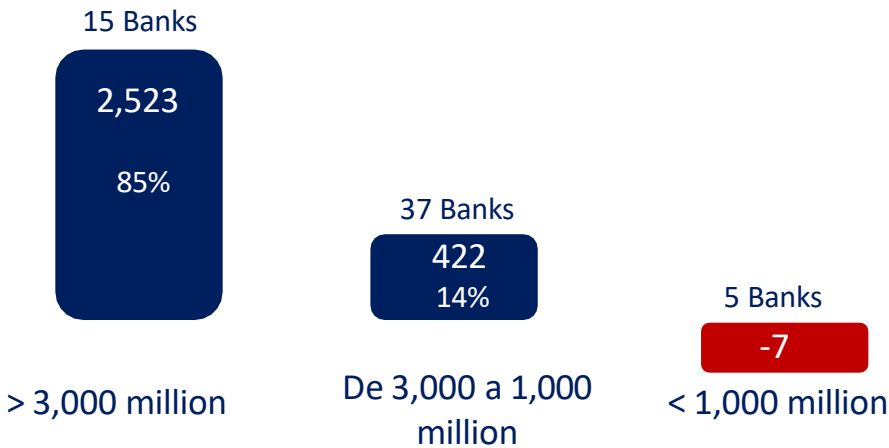


Interannual growth



International Banking Center	Jan- Dec 2023	Jan- Dec 2024	Var. % 12 months	Absolute Variation
Interest income	8,000	8,895	11.2%	896
Loans	6,064	6,755	11.4%	691
Deposits	800	811	1.3%	11
Investments	1,070	1,249	16.8%	180
Operating Expenses	4,596	5,429	18.1%	833
Interest Paid	4,230	5,022	18.9%	792
Fees Paid	366	407	11.1%	41
Net Interest Income	3,404	3,466	1.8%	63
Other income	3,044	3,401	11.7%	356
Operations income	6,448	6,867	6.5%	419
General expenses	3,222	3,346	3.8%	123
Earnings before provisions	3,226	3,522	9.2%	296
Bad accounts	509	583	14.5%	74
Period of Profit	2,717	2,939	8.2%	222

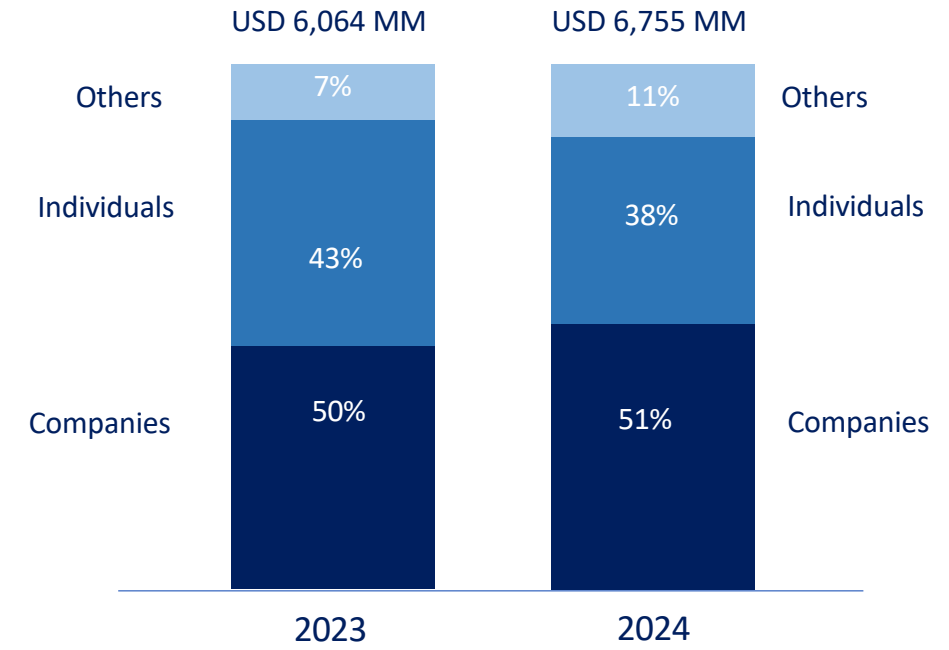
Bank earnings by asset



# International Banking Center: Profitability indicators

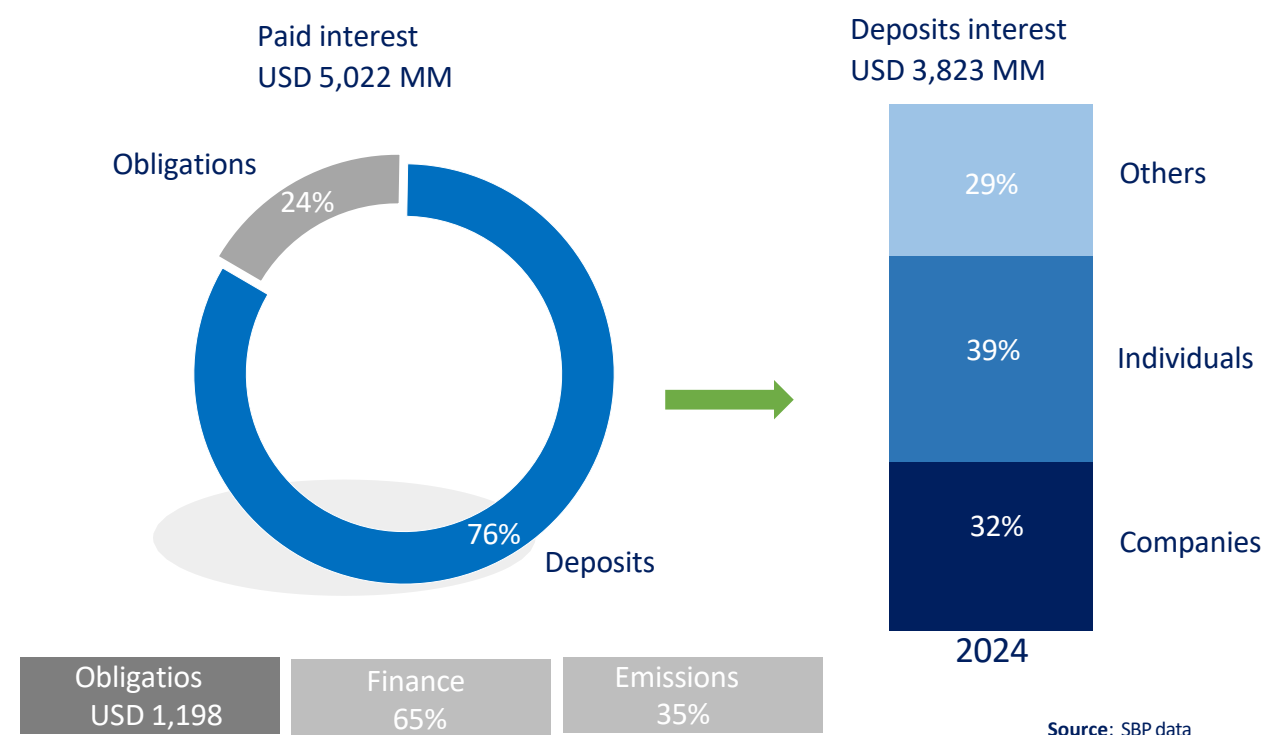


Loan yields



Others: includes financial sector and government

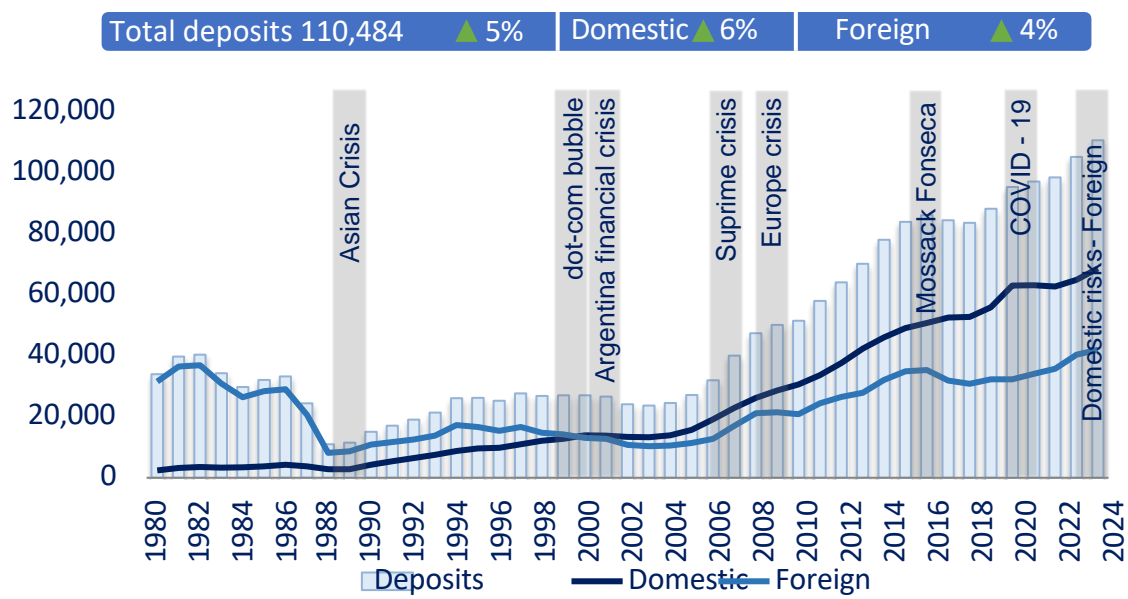
Funding cost – December 2024



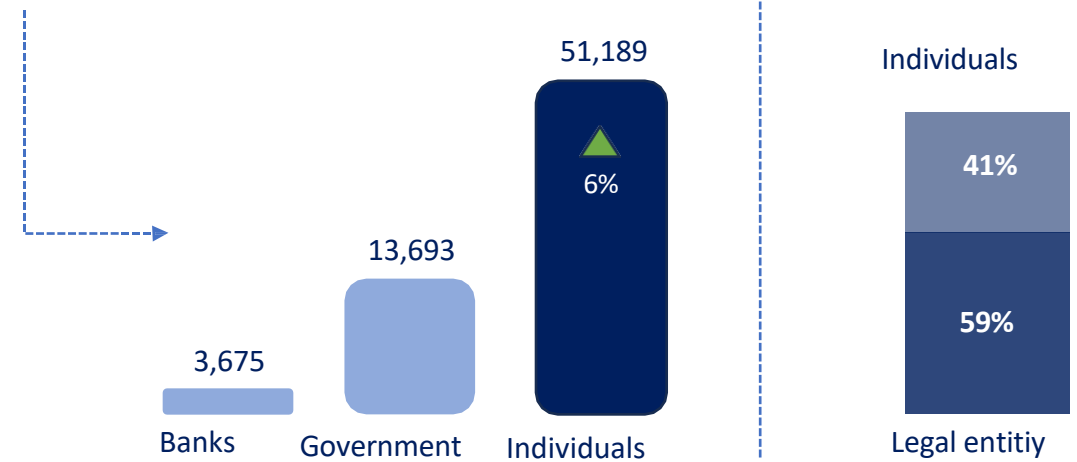
Source: SBP data



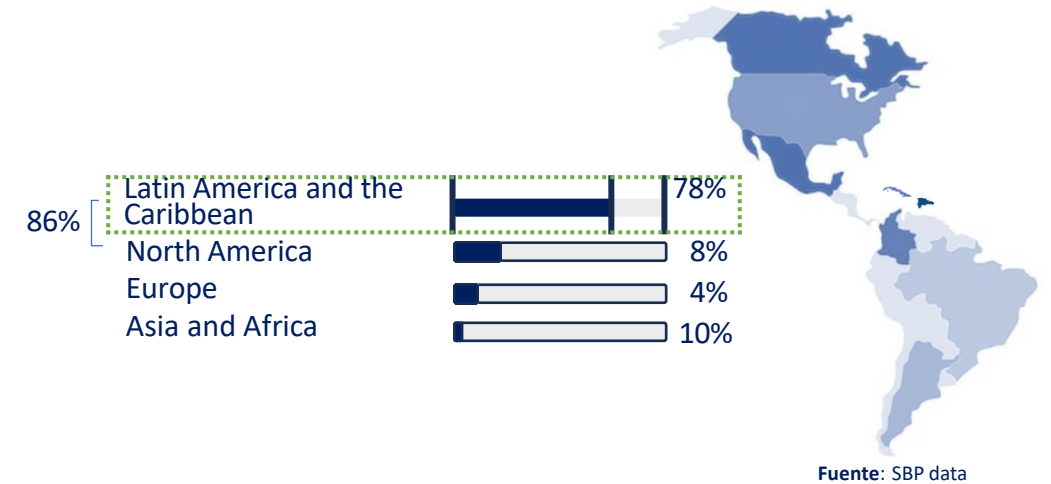
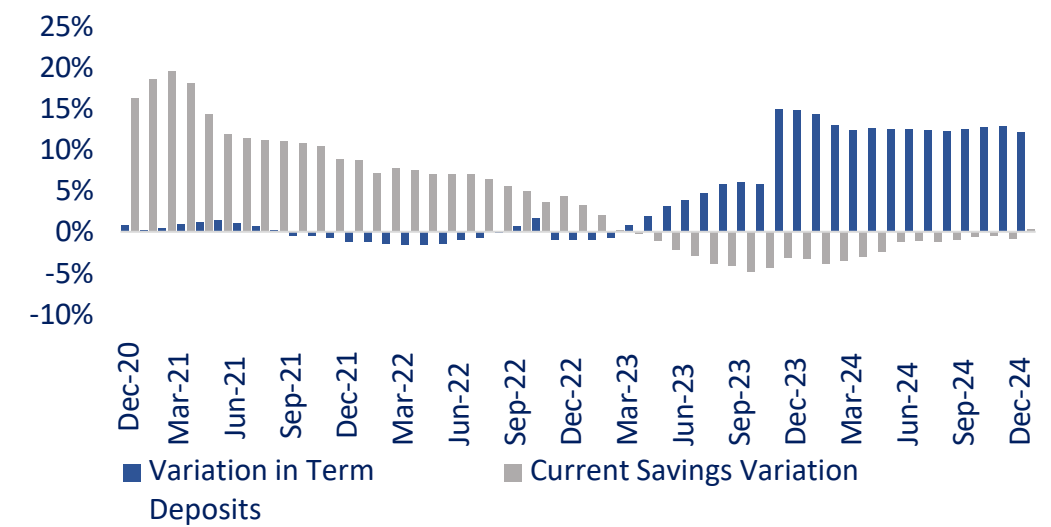
# International Banking Center: Deposits December 2024 (in million USD)



62% Domestic USD 68,557 Foreign USD 41,927 38%



Deposits migration

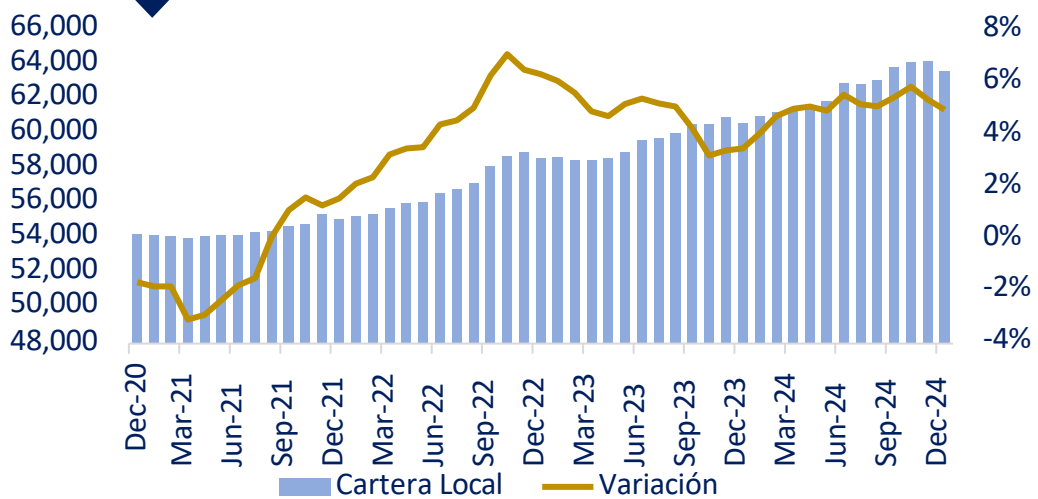


# National Banking System: Domestic sector credit performance

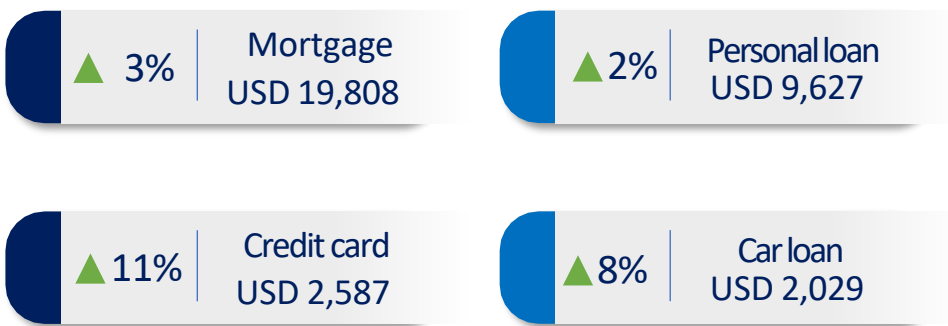
## December 2024 (in million USD)



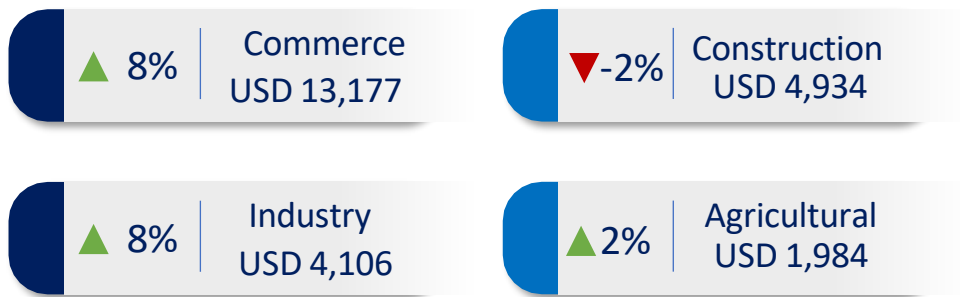
Domestic portfolio  
USD 63,586 ▲ 4.9%



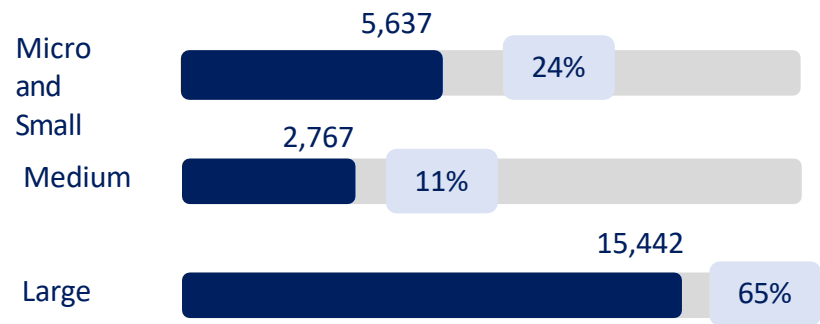
Housing USD 34,051  
(53% Participation)



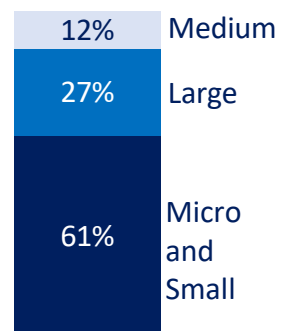
Non-financial business sector USD 24,201  
(38% Participation)



Company size balance



Number of credits

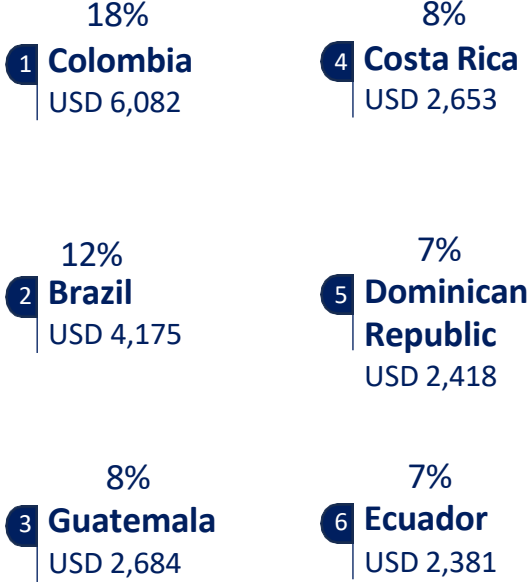
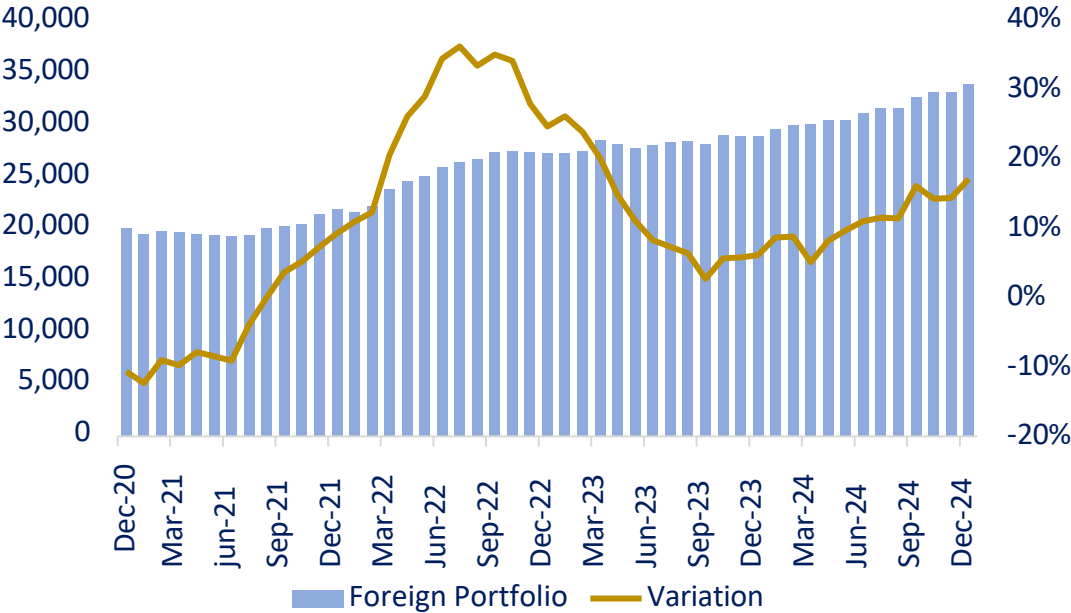


# International Banking System: Foreign credit exposure

## December 2024 (in million USD)

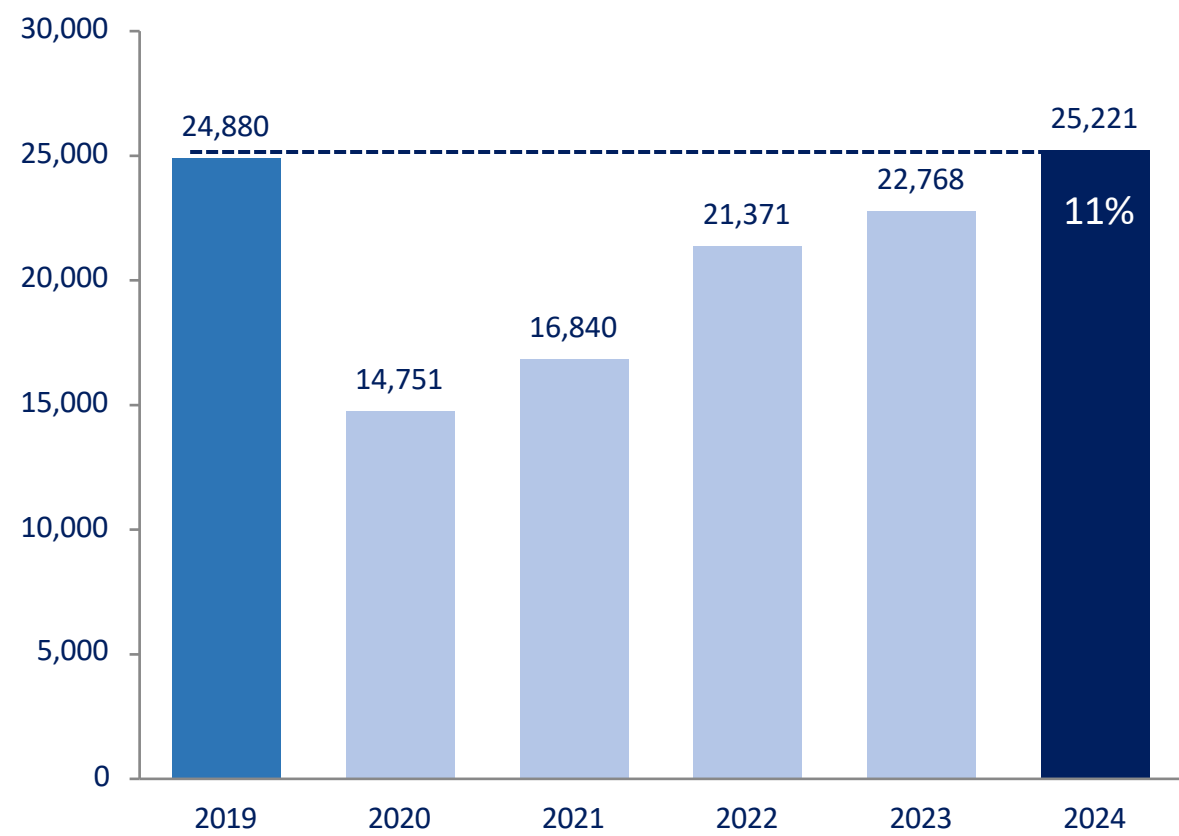


Foreign  
Portfolio  
USD 33,834

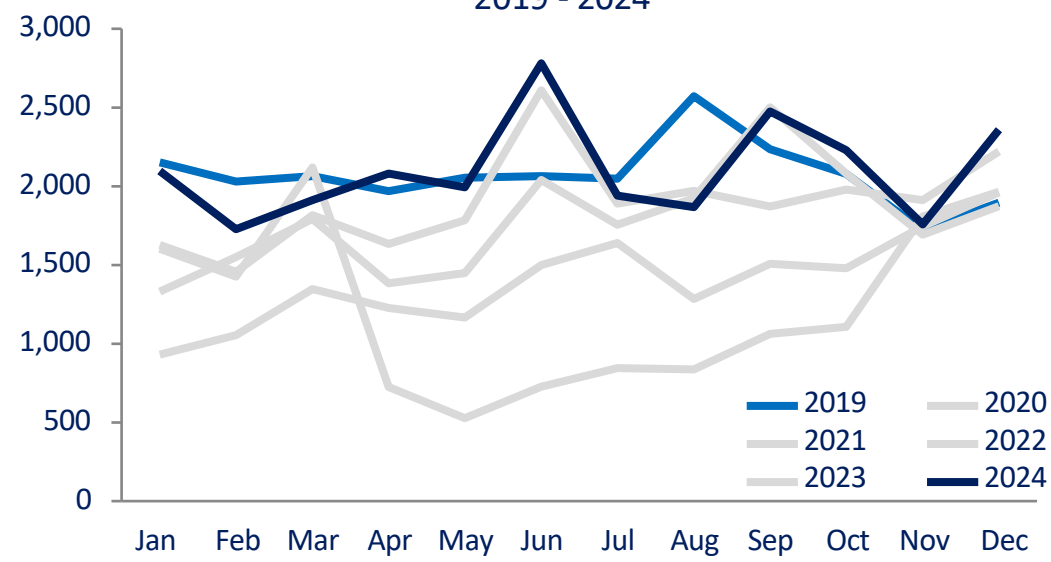


# National Banking System: Disbursement of new loans December 2024 (in million USD)

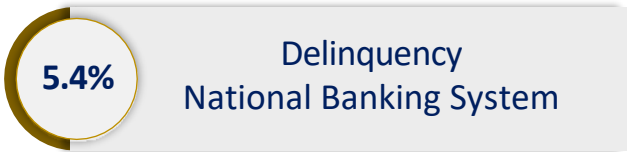
New loans – Annual cummulative  
2019 - 2024



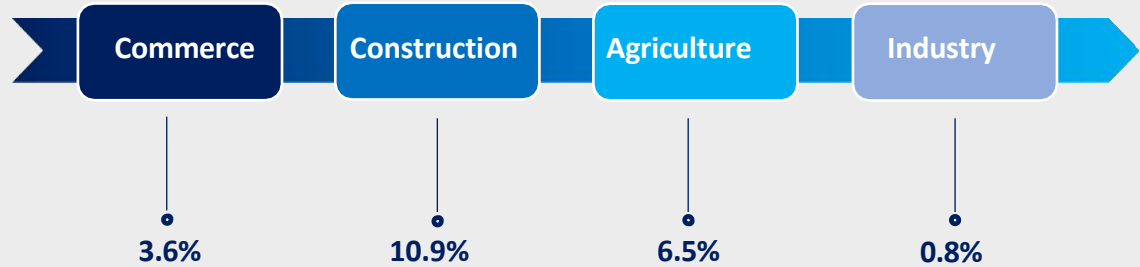
New loans - month  
2019 - 2024



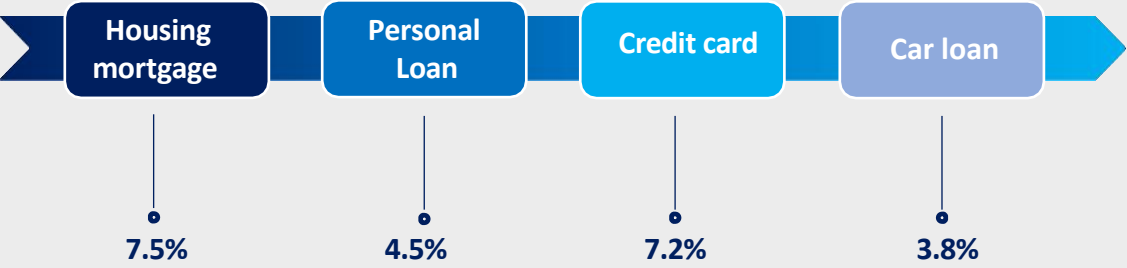
# National Banking System: Credit Risk Delinquency indicator



## Companies

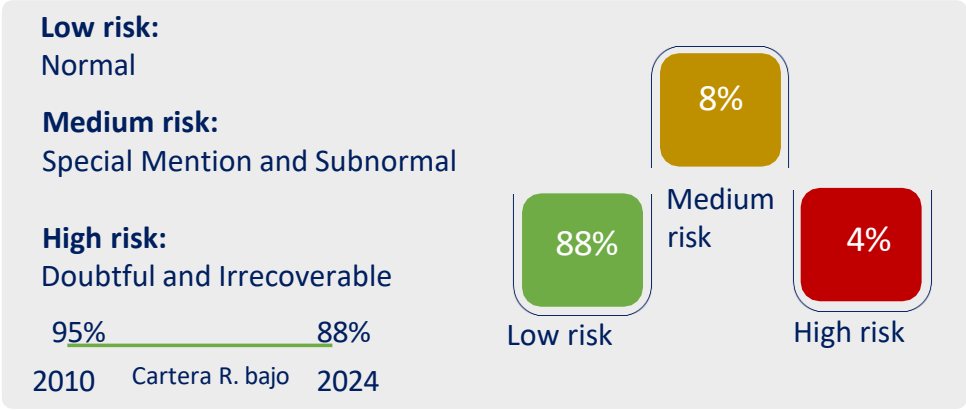


## Housing

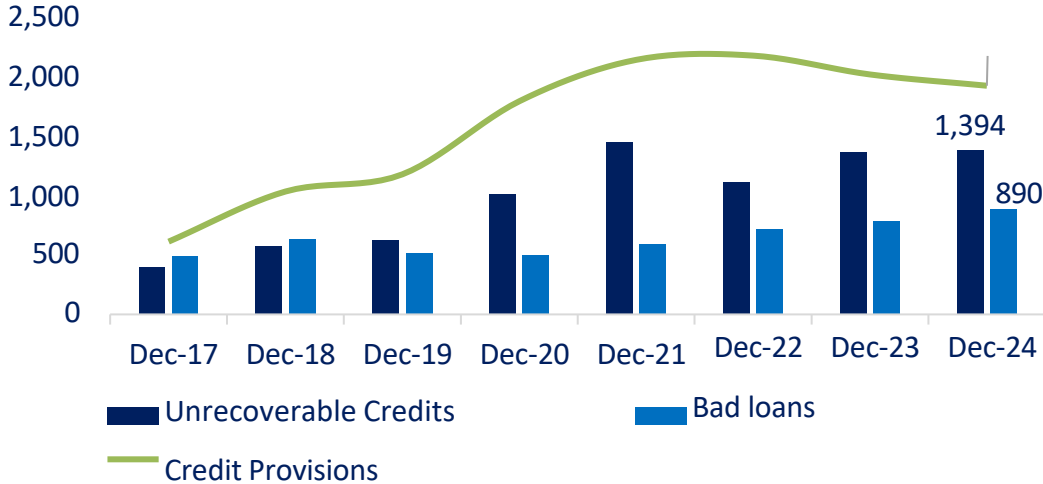


Fuente: con datos de la SBP

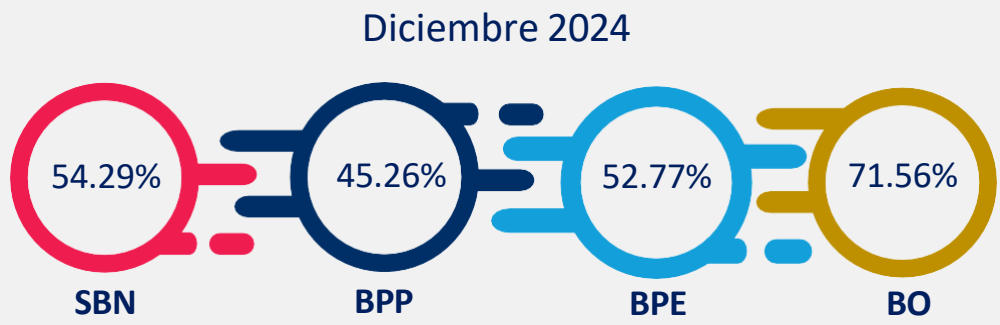
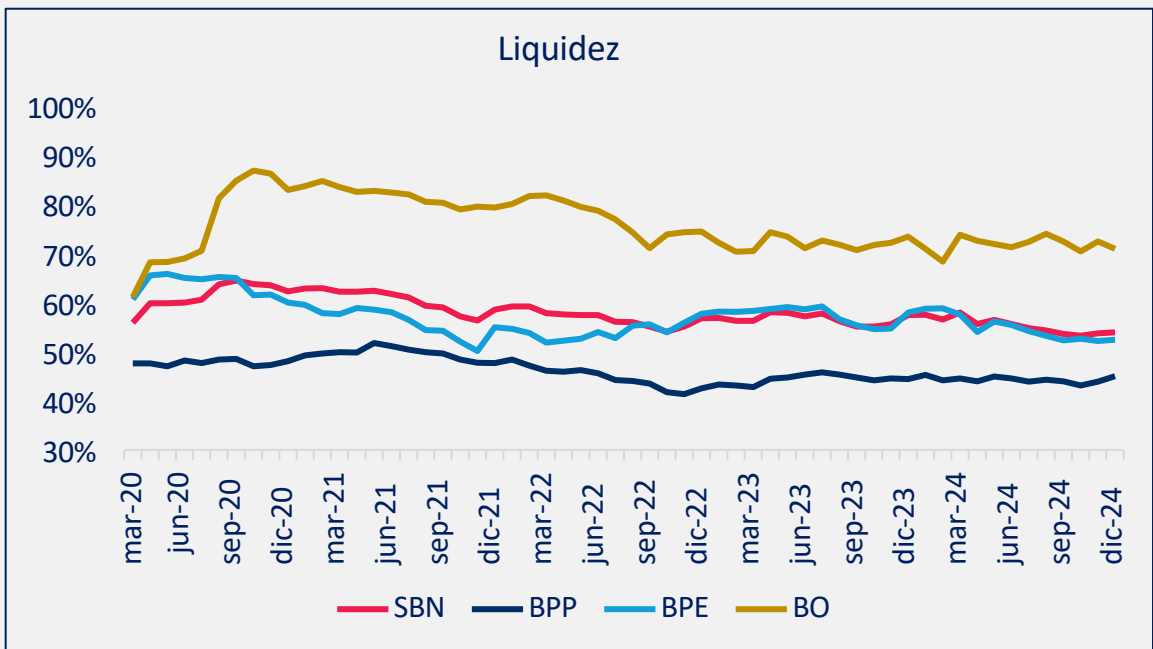
## Classification by Credit Risk



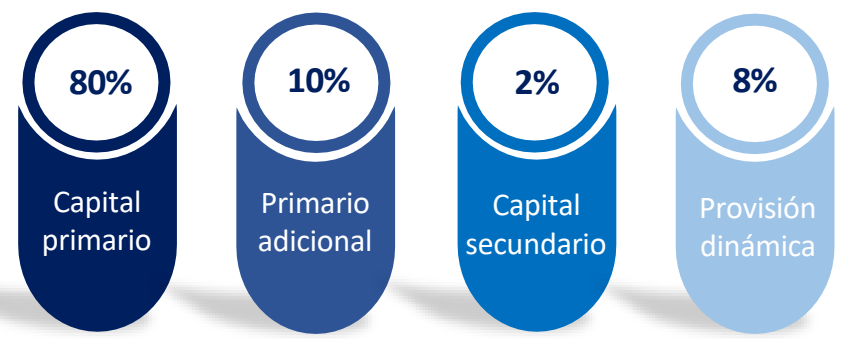
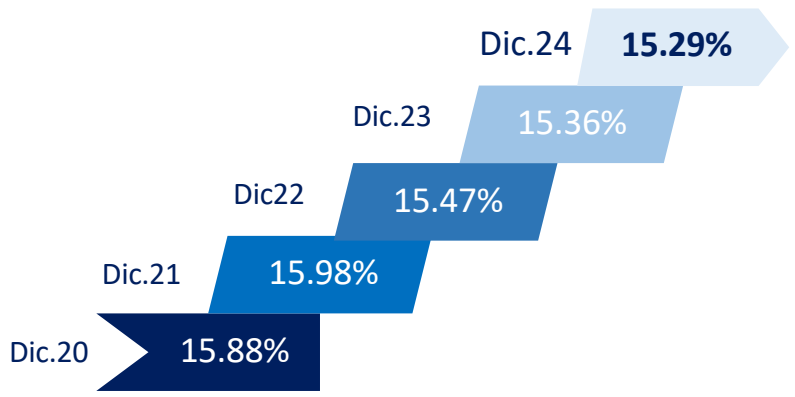
Performance of the written-off portfolio vs. the  
irrecoverable portfolio 1,935



# Indicadores de Solidez Financiera



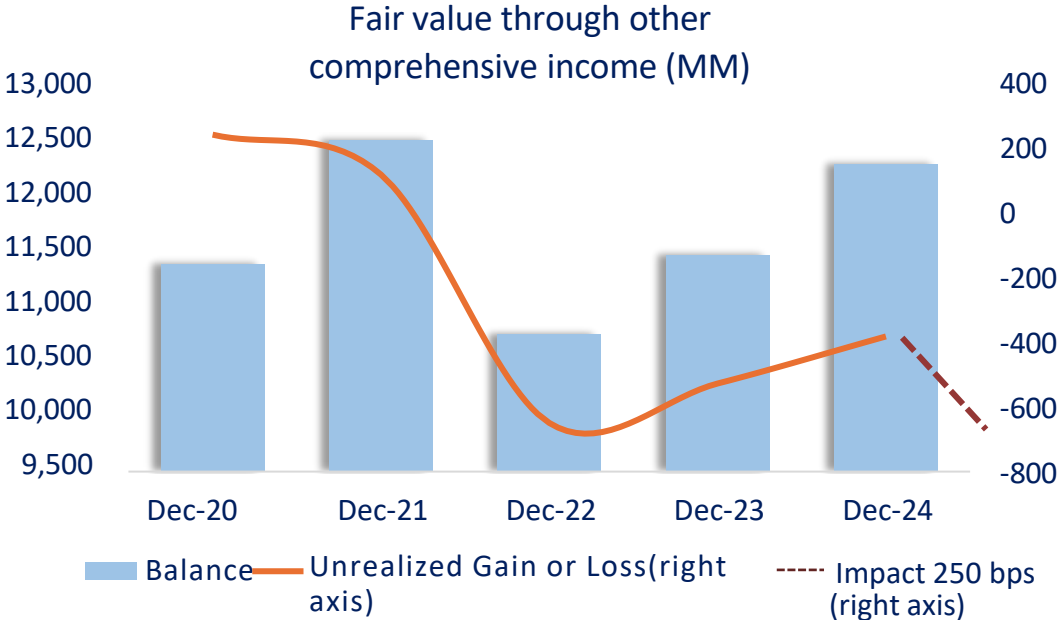
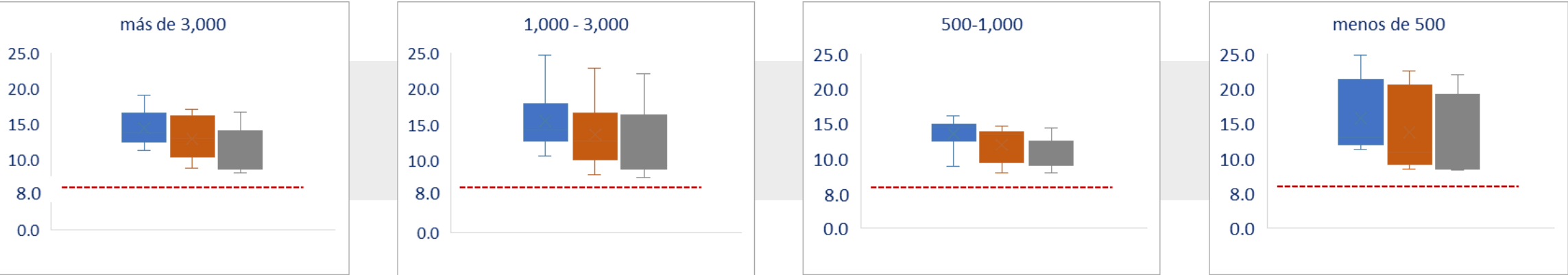
Centro Bancario Internacional: Adecuación de capital  
Diciembre 2020 - 2024



# Macroprudential stress-testing

December 2024  
Credit stress  
Market stress

Asset size (in million USD)



## Assumptions:

- ✓ Withdrawal of demand and term deposits of 5% per month
- ✓ Investment impairment of 5% per month

Rank	Legal liquidity January-2025	Liquidez estresada		
		1 month after	2 months after	3 months after
Less than 30%	0	0	0	0
30%-35%	0	0	0	3
35%-40%	0	4	8	8
40%-45%	7	8	7	7
45%-50%	9	6	3	2
más de 50%	22	20	20	18
<b>TOTAL</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>

## Banking in Panama and some progress in ESG



## Agenda

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- 1 Banking and Financial Inclusion
- 2 Where are we in terms of banking inclusion?
  - Infraestructure
  - Access and Profile
  - Use of Banking Services
- 3 Some considerations from the sustainable finance taxonomy

# Bancarization and Financial Inclusion



## Financial inclusion

Access to various **financial products and services**

- **Conducted in a responsible and sustainable manner.**
- **Contributes to increasing income, reducing poverty and gender gaps**
- **Generates economic development and financial stability**



## Bancarization

Access to and use of **banking services** by resident.

Access

Availability

Use

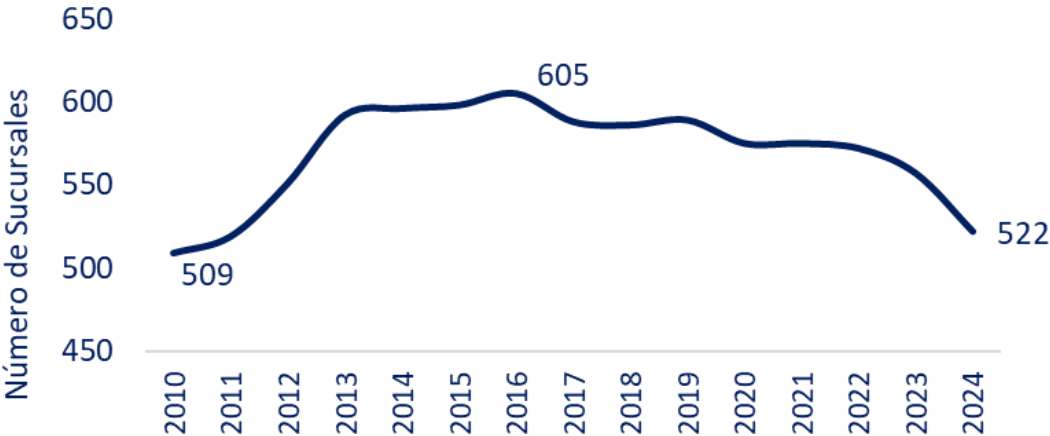
# Where are we in terms of banking inclusion?

Access

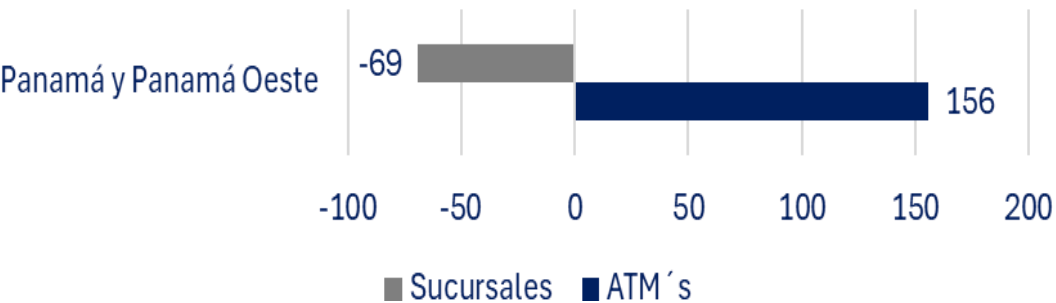
Availability

Use

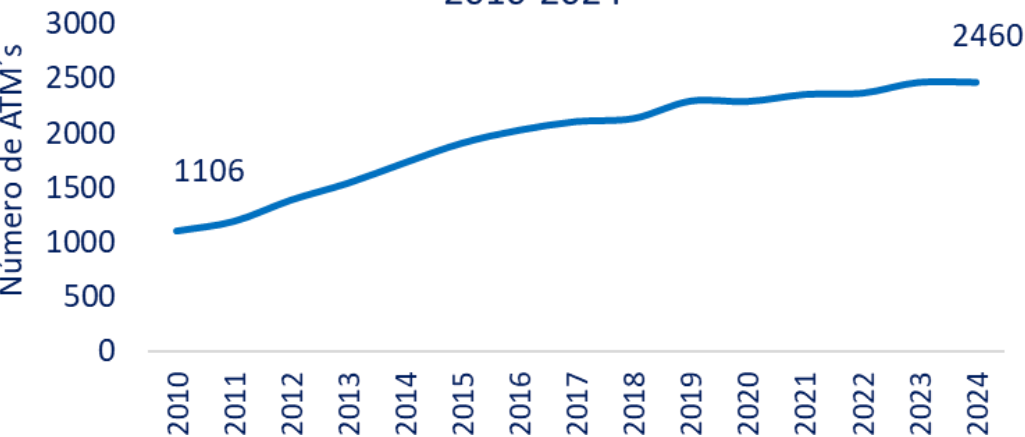
Banking Branches  
2010-2024



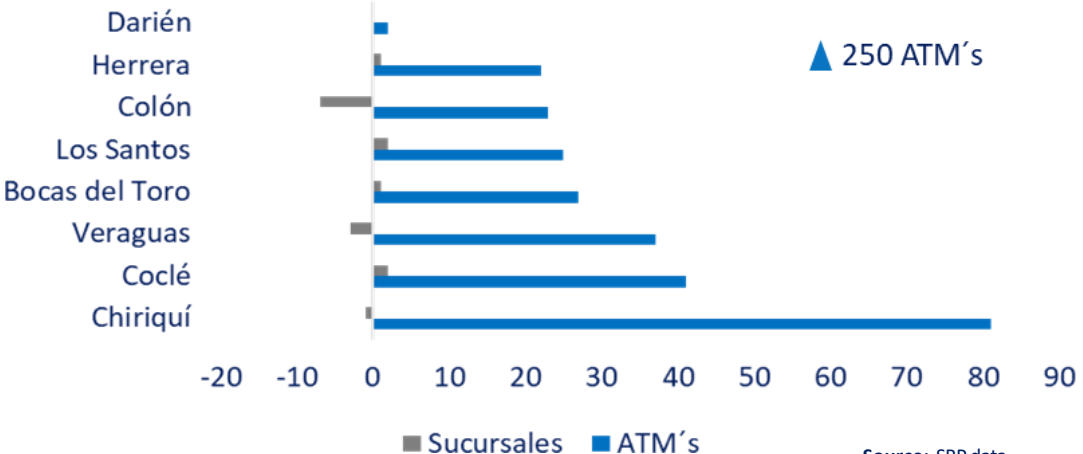
Branches variation and ATMs  
2024 vs 2016



ATM's  
2010-2024



Branches variation and ATMs  
2024 vs 2016



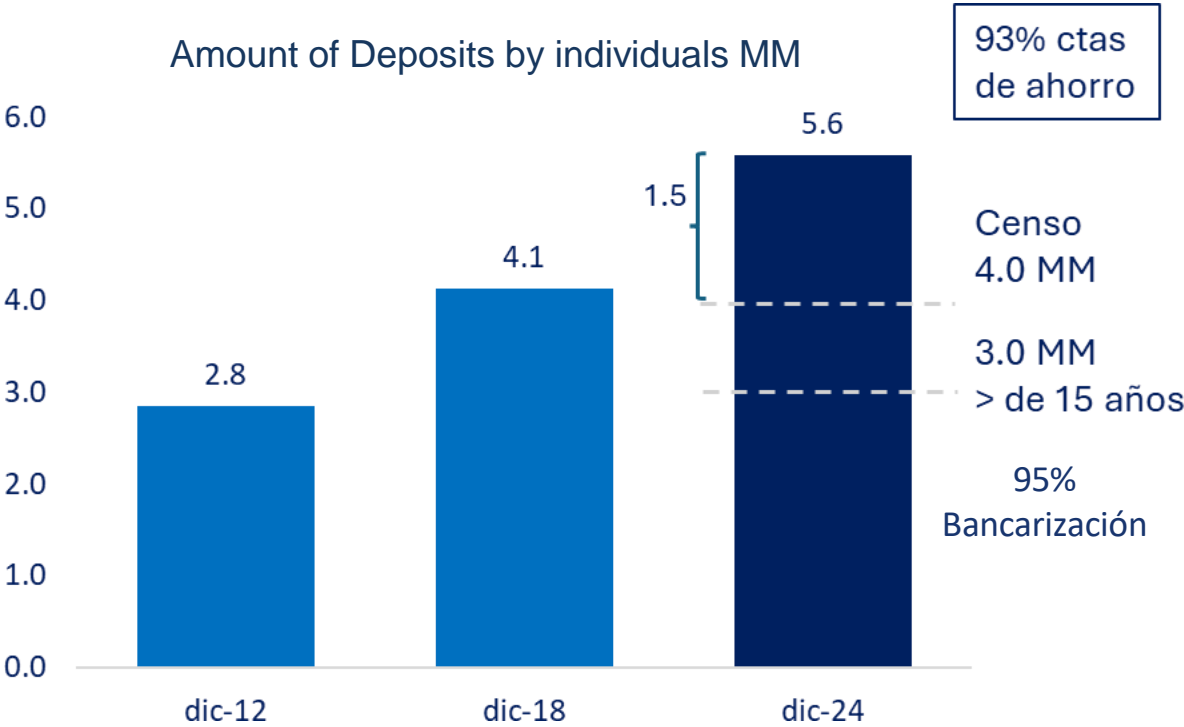
# Where are we in terms of banking inclusion?

## Access

Access

Availability

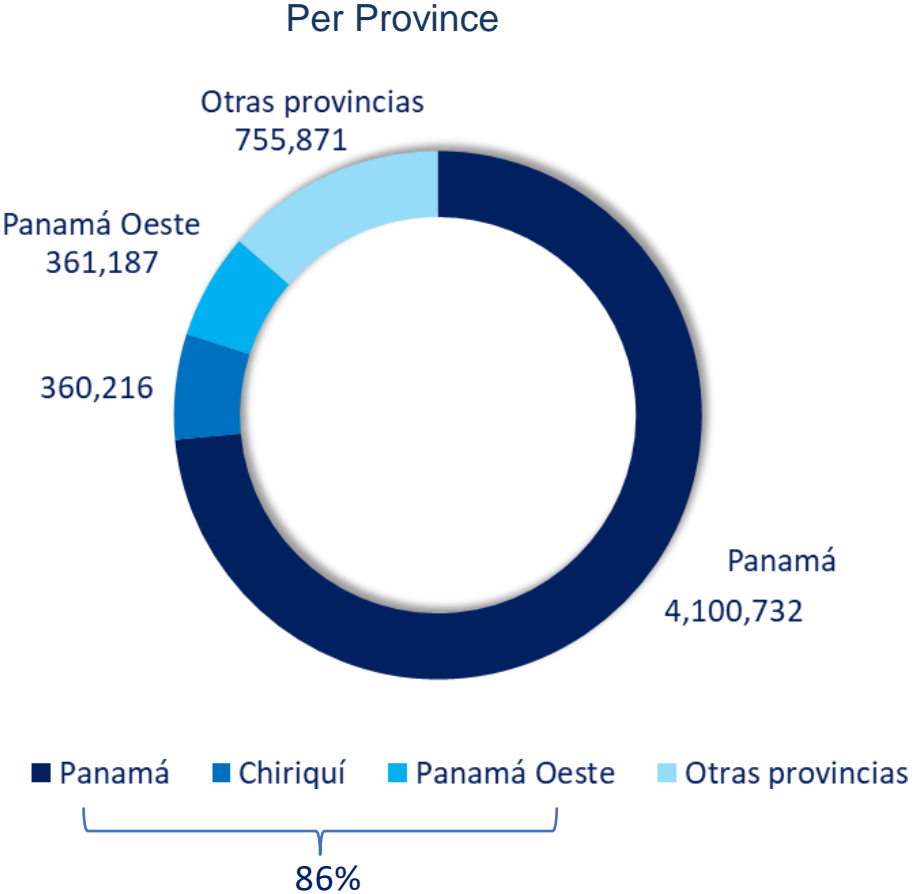
Use



14

Request for authorization to open accounts digitally

2020 y 2024



17

ACH Express Product



# Where are we in terms of banking inclusion?

## Access

Access

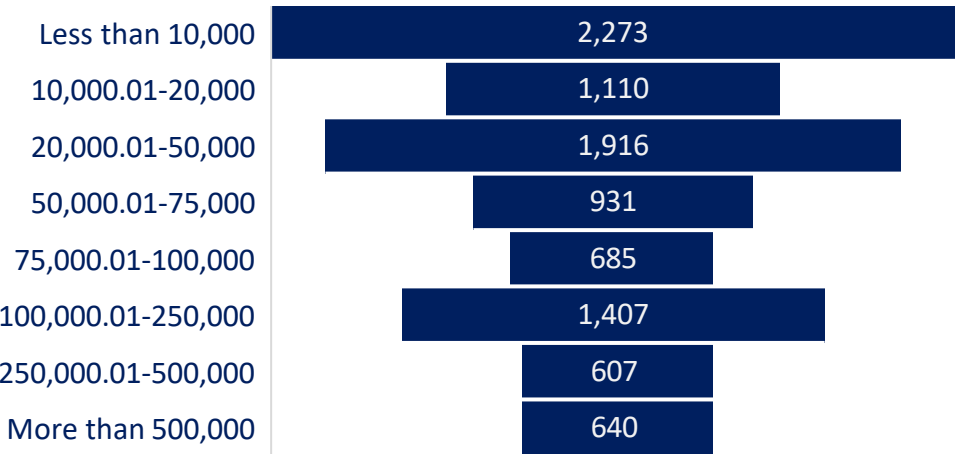
Availability

Use

Total balance of individual deposits 51,189 MM

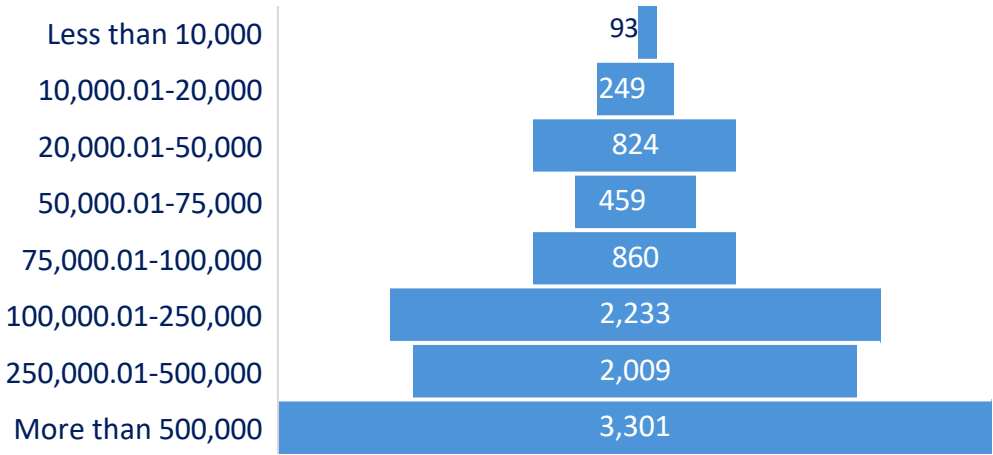
96% Up to 50,000

Savings deposits: Balance (MM)



Número de Depósitos  
en rango de  
hasta USD 50,000

Fixed Term Deposits: Balance (MM)



Número de Depósitos  
en rango de  
hasta USD 100,000



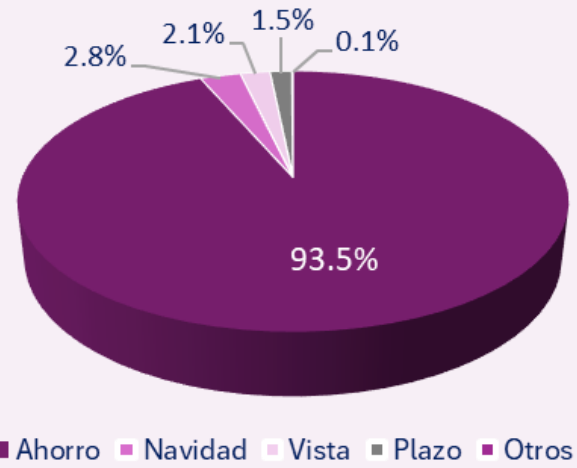
# Where are we in terms of banking inclusion? Access and Profile

Access

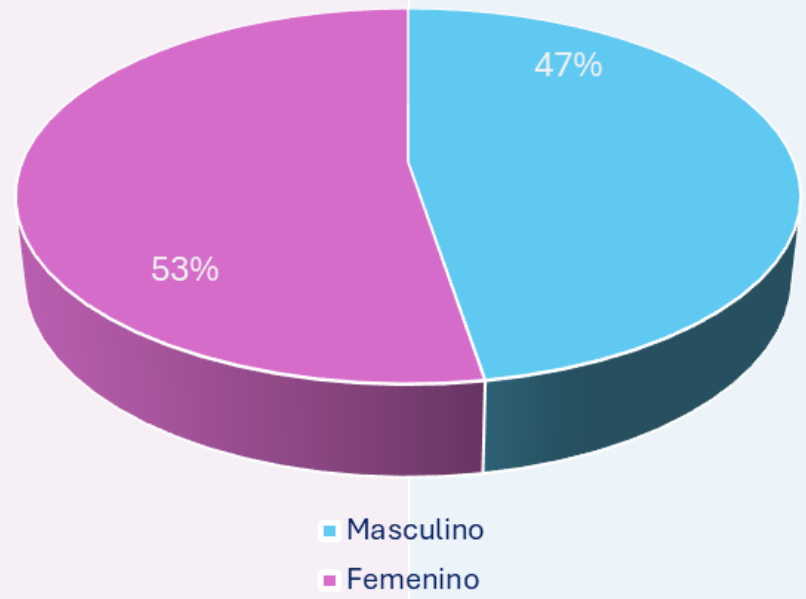
Availability

Use

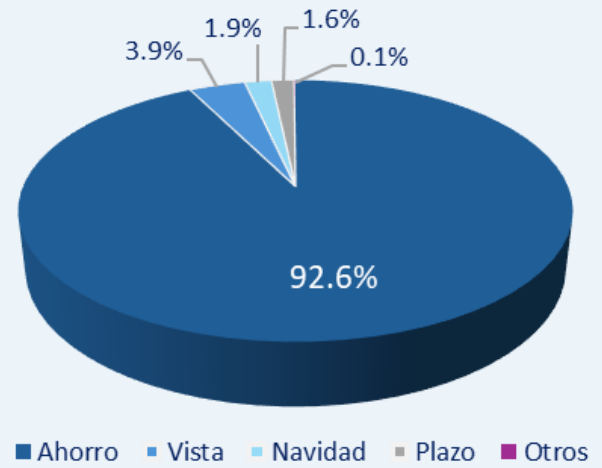
### Femenino - Tipo de Depósito



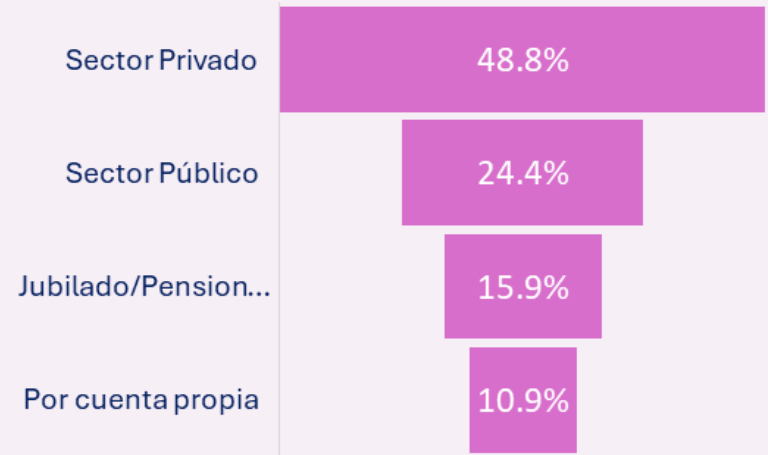
### Número de cuentas de depósito de persona natural por género



### Masculino - Tipo de Depósito

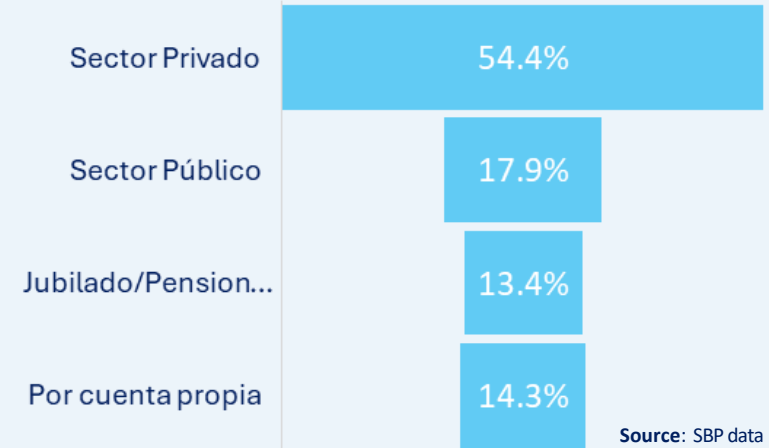


### Femenino



Balance  
44% 56%

### Masculino





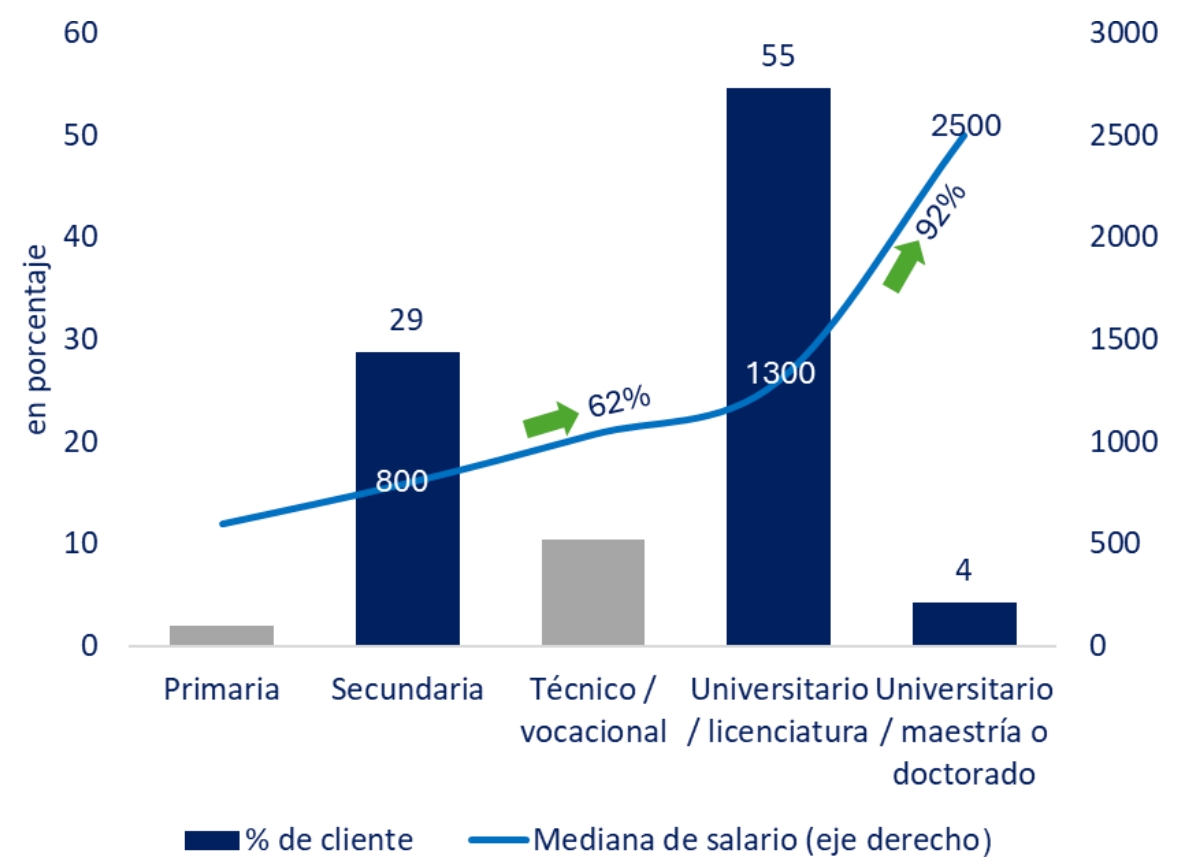
# Where are we in terms of banking inclusion? Access and Profile

Access

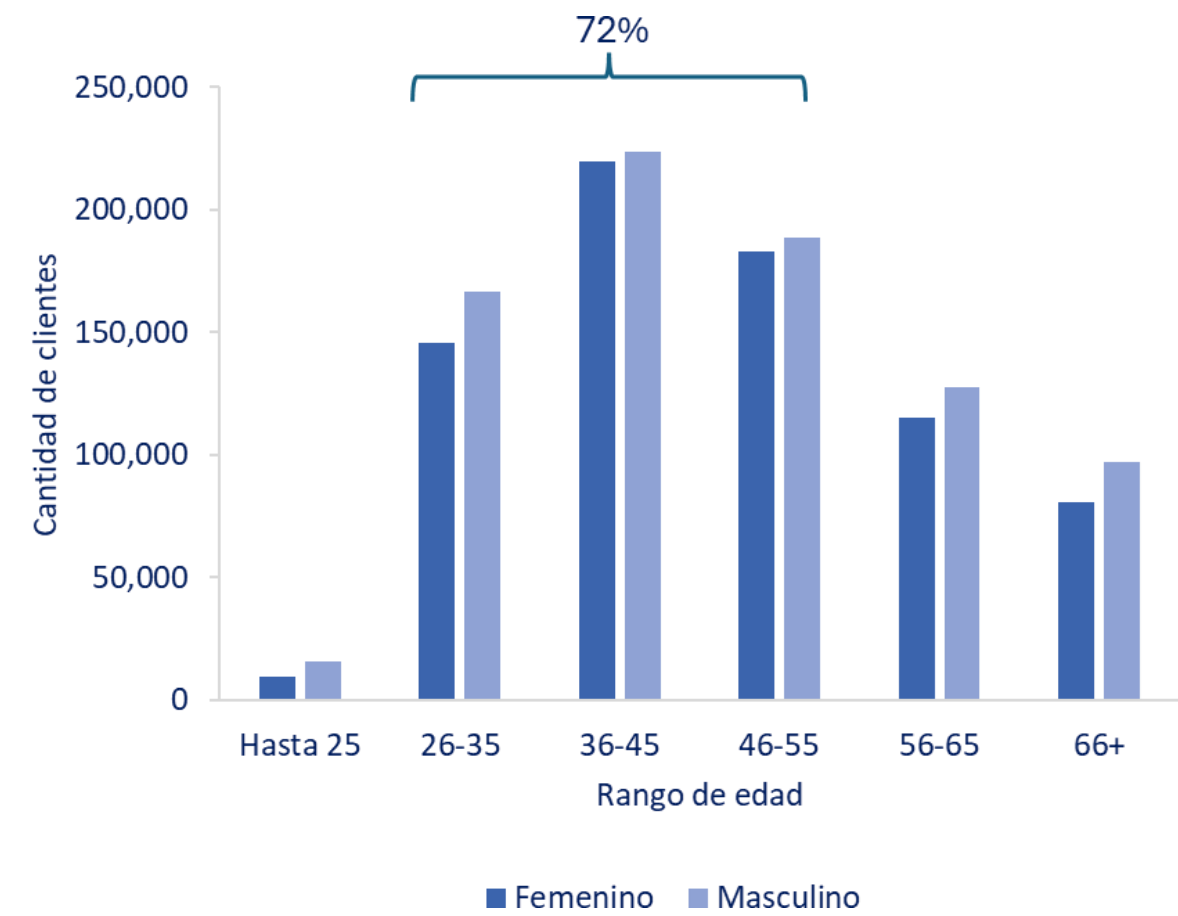
Availability

Use

Educational level and median wage



Clients by age



# Where are we in terms of banking inclusion?

## Banking service use

Access

Availability

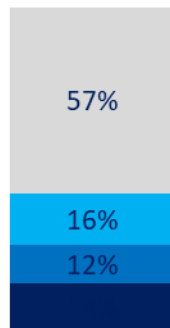
Use

### Applications processed through electronic channels

Products	2020	2021	2022	2023	2024 (P)
Loans	82,231	70,696	93,071	459,986	1,002,651
Debit card	191,861	240,377	229,205	190,980	158,871
Credit card	150,966	92,877	80,841	47,501	97,225
<b>Total</b>	<b>425,058</b>	<b>403,950</b>	<b>403,117</b>	<b>698,467</b>	<b>1,258,747</b>

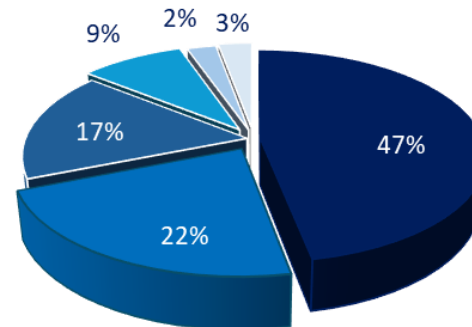
### Use of electronic channels

#### Solicitudes



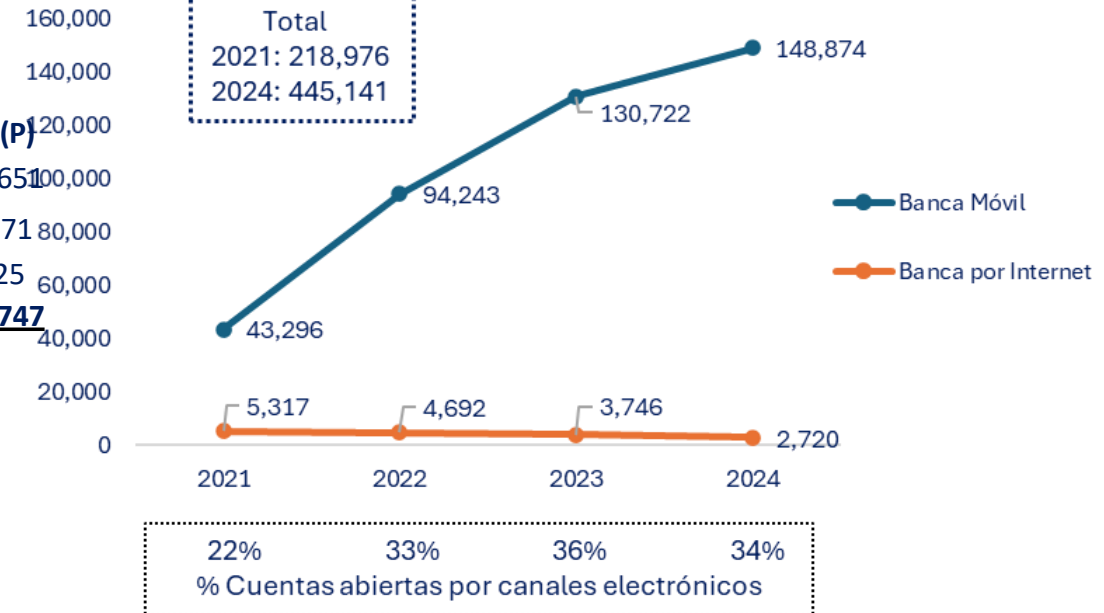
■ Banca Móvil ■ Banca Telefónica  
■ Banca por Internet ■ Otros

#### Transacciones



■ Banca Móvil ■ Banca Internet  
■ POS ■ ATM's  
■ ACH ■ Otros

### Número de Cuentas de Navidad por canal



- ✓ 47% of operational transactions were through the Mobile Banking channel. 69% if we include Internet Banking.
- ✓ The number of Christmas Savings Account openings has doubled (2021 vs. 2024). On average, 30% are opened through electronic channels.





[www.tubalboaconsentido.gob.pa](http://www.tubalboaconsentido.gob.pa)

  
Basic Financial  
Concepts

  
Mini  
series

  
Balboa  
tips

  
Podcast

  
Free online  
courses

  
Financial  
Glossary



## Financial Education Program

➤ “Better Decisions, starting today”



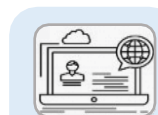
Apoyo técnico:



## Free workshops and webinars

- Personal finance
- Savings and Financial Planning
- Income and Expense Management
- Responsible Credit use
- Financial Consumer Rights

2020 - 2024



10,594

Workshop and  
webinar participants



7,776

Trade fair  
visitors



4,417




Online courses  
enrolles

22,787

Total

## Definition

It is a classification system that defines clear, science-based criteria for identifying economic activities that contribute to the country's transition to a sustainable, resilient, and inclusive economy.

It is...	It's not...
 <p>It is a transparency tool based on a classification system that <u>identifies economic activities</u> that can be considered environmentally sustainable.</p>	<ul style="list-style-type: none"> <li>It is not a list of economic activities that forces companies and investors to invest</li> </ul>
 <p>It uses <u>clear</u>, science-based criteria.</p>	<ul style="list-style-type: none"> <li>It is not a mandatory requirement for public investment.</li> </ul>
 <p>It enables investors, companies, and other stakeholders to make <u>informed decisions</u> about environmentally sustainable investments.</p>	<ul style="list-style-type: none"> <li>It is not a mandatory environmental performance requirement for companies or financial products.</li> </ul>

## Interoperability



Taxonomies should be based on guiding principles, objectives, classification systems, and similar activities that are comparable, and similar in the approaches and methodologies used for eligibility.



Common Framework for Taxonomies of LAC



Taxonomy of the EU, Central America, Colombia and Mexico, Central America



Considering the local context

# Survey on ESG and Climate-Related Financial Risks

General banking  
license

Effectiveness  
100%

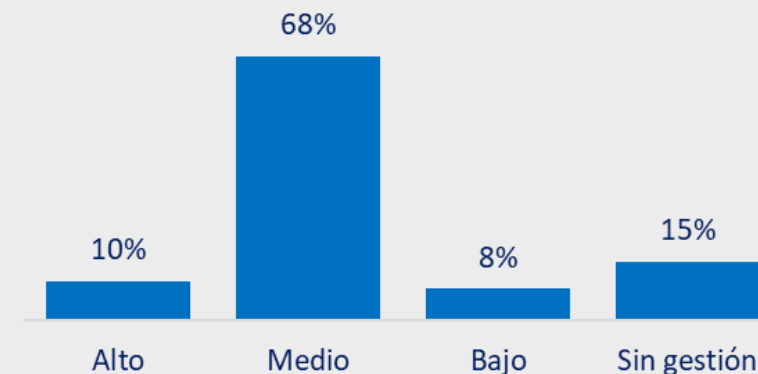
Items assessed:

- ✓ Corporate Governance
  - Business models and strategies
  - Risk management
  - Disclosure
- Survey guidelines:
- ✓ Guides for the design of a SARAS for financial institutions (IDB 2021)
- ✓ Task Force recommendations and nature-related financial disclosures
- ✓ Principles published by the BIS (2022) for the effective management and supervision of climate-related financial risks.

## ESG Risk management

- ✓ Banks with policies: 34
- ✓ Incorporation into strategies:
  - Total 8
  - Partial 23
- ✓ Management oversight: 33
- ✓ Methodological standards: 31
- ✓ Specialized unit: 24

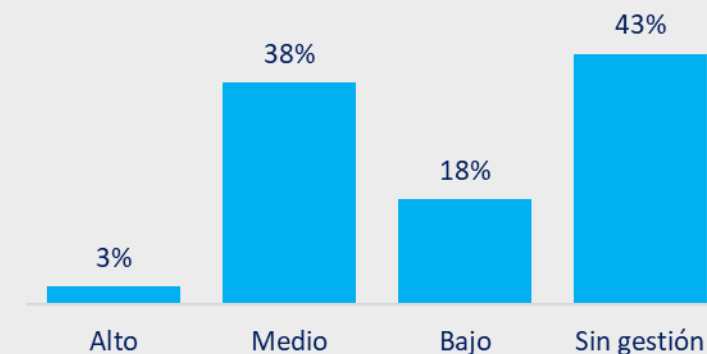
## Valoración resultados ASG



## Climate-related financial risk management

- ✓ Banks with policies: 23
- ✓ Incorporation into strategies
  - Total 3
  - Partial 11
- ✓ Management supervision: 4
- ✓ Estándares metodológicos 15
- ✓ Unidad especializada 15

## Valoración resultados Clima



# Main macrofinancial risks and regulatory outlook 2024-2025



# Agenda

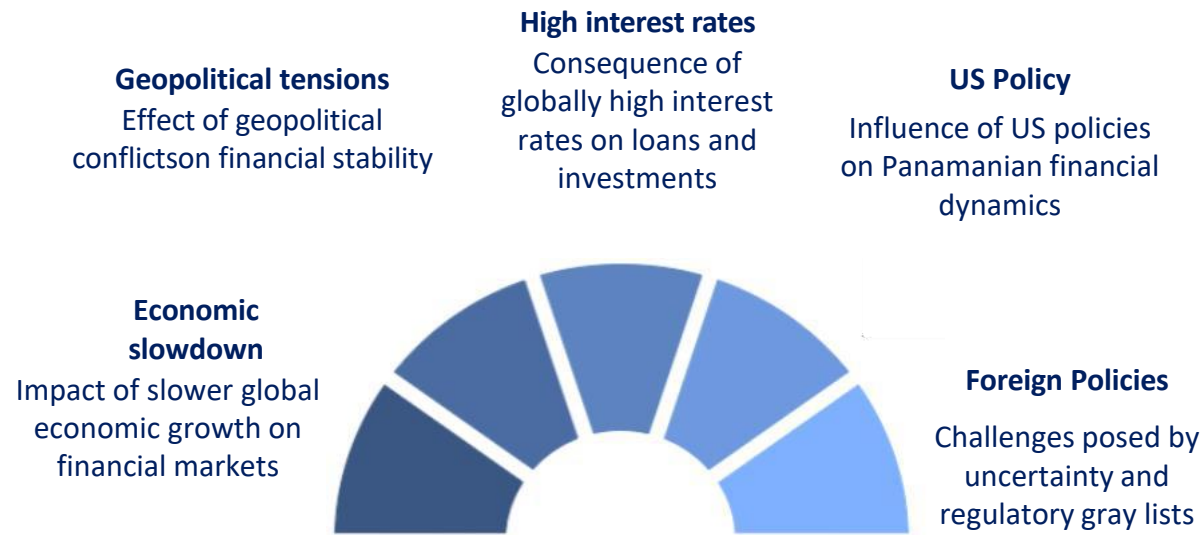
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- 1 Economic and Financial Risks
- 2 Debt indicator
- 3 Regulatory framework 2025 – 2026

# Main Risks

## External challenges



## Local financial risks

**Loss of investment rating**  
Political instability and social conflicts

**Reforms to the CSS**  
Lack of approval of CSS reforms

**Economic Perfomance**  
Declining economic performance

**Public debt**  
High levels of public debt and fiscal sustainability

## Financial and economic impacts

**Real sector**

- Reduction in FDI
- Stagnation in consumption
- Slow recovery of employment

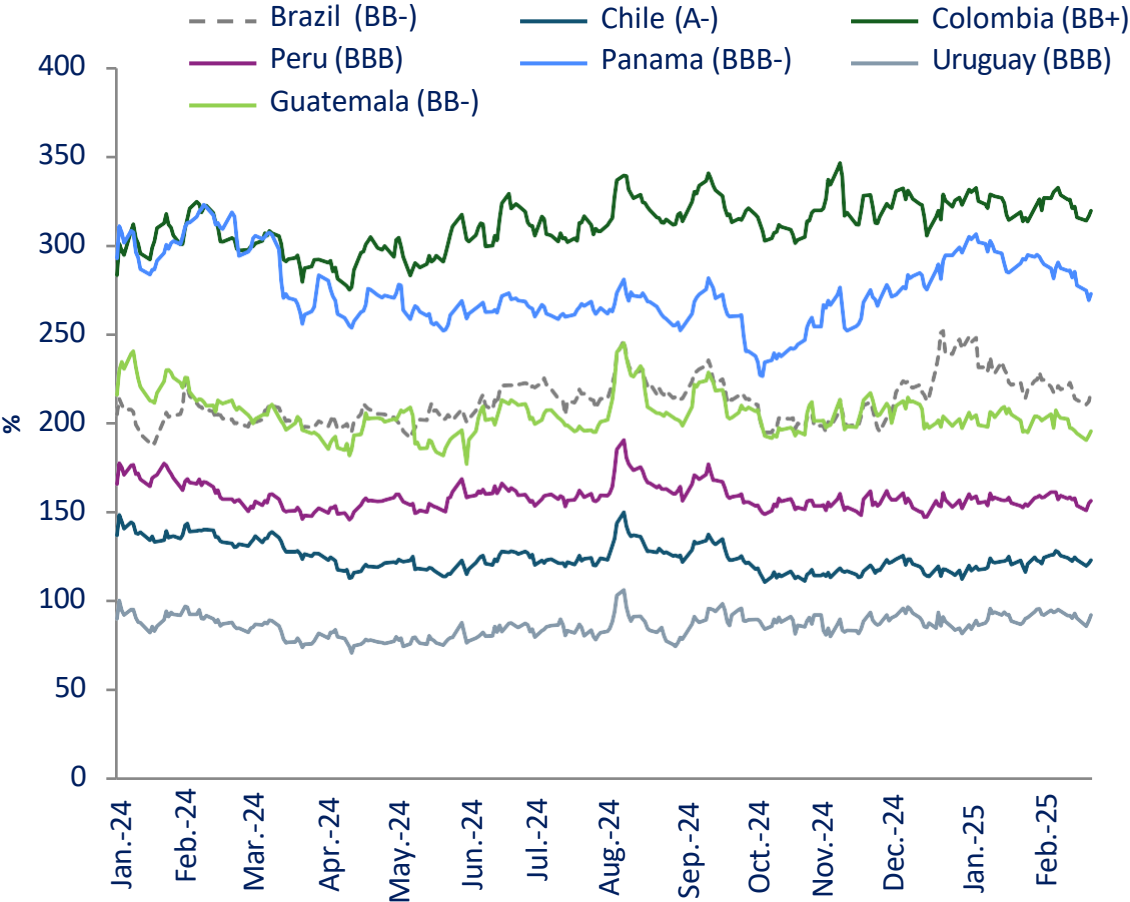
**Bank**

• Reduction in correspondent relationships	• Rising interest rates
• Slow lending	• Decreasing financial income
• Increasing cost of funds	• Reduction in external financing

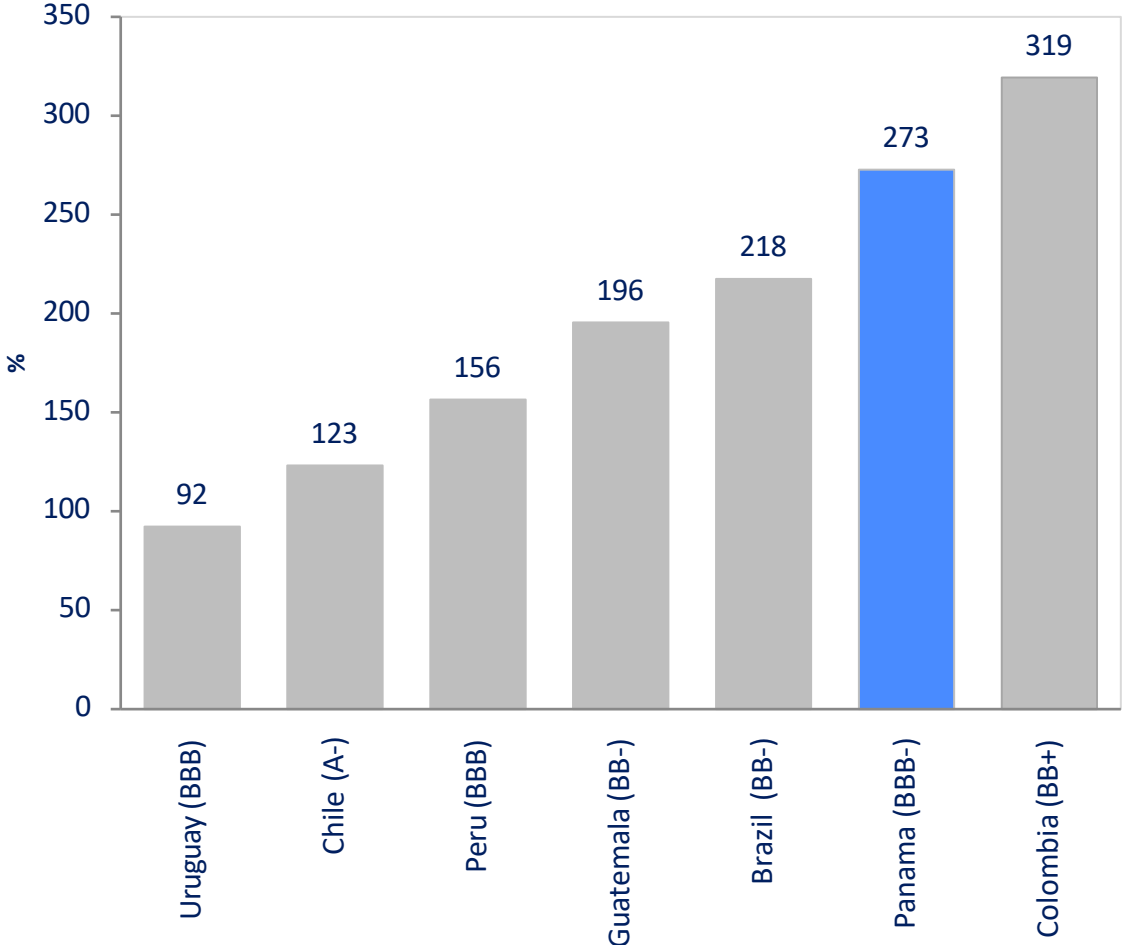
Note: RC: correspondent relationships

# Country risk performance

EMBI – Some LATAM countries  
Jan 2024 - Feb 2025



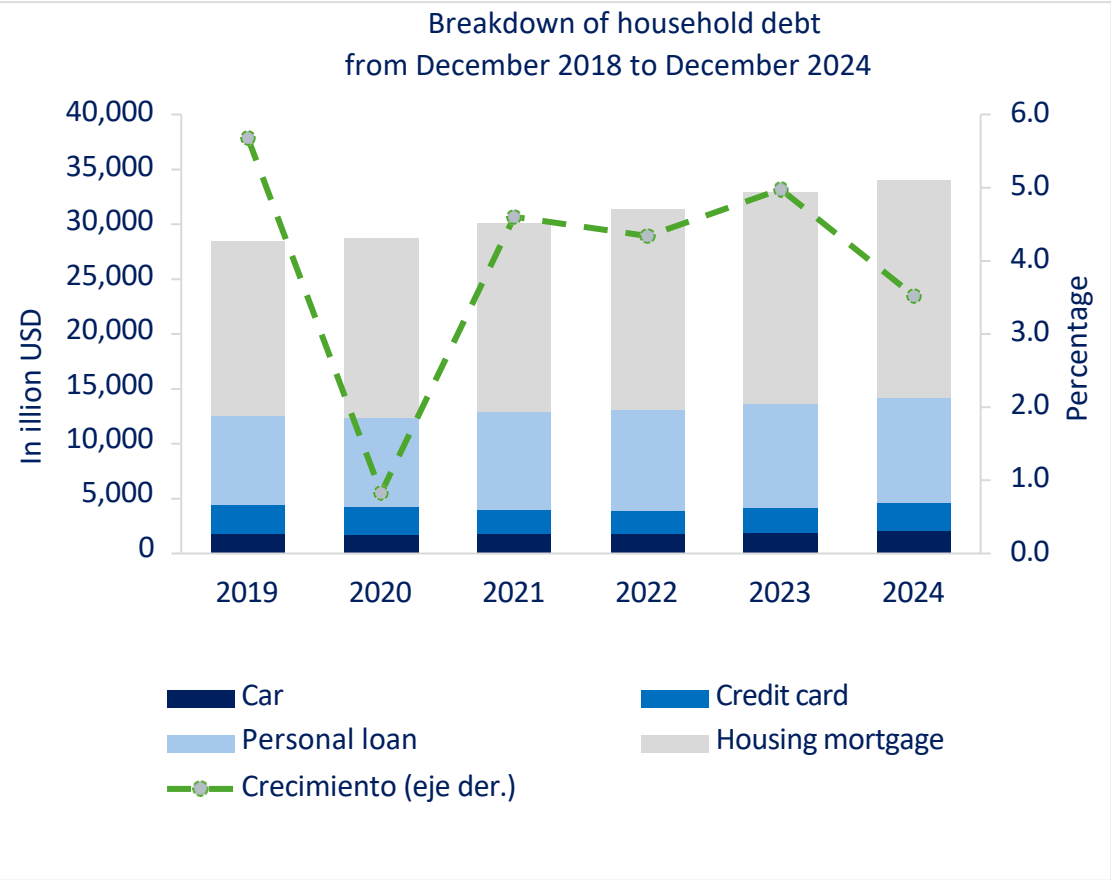
EMBI – Some LATAM countries  
February 2020 de 2025



Source: SBP with Bloomberg data  
Note: Data until Feb. 20, 2025

# Personal debt indicator

## December 2024



Nota: Debt Services to Income

Debt indicator  
(DSTI) - 2024

44.2%



Salary range

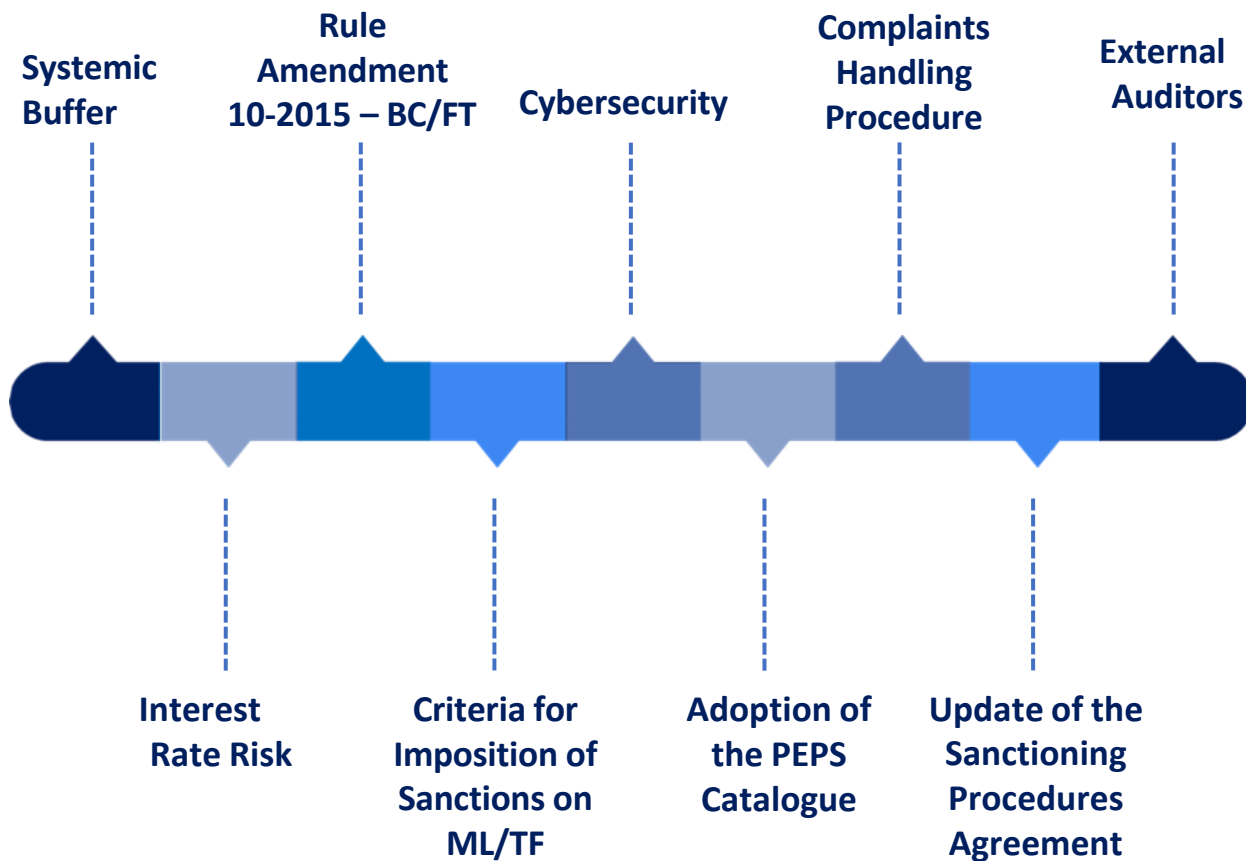
Salary range	Debt indicator (DSTI) - 2024	Arrears
Up to 800	53.1%	12.6%
From 800 to 1,500	41.2%	7.3%
From 1,500 to 3,500	41.4%	5.6%
More than 3,500	43.2%	6.9%

Source: SBP data



# Legal framework 2025 - 2026

## 2025 Legislation



## 2026 Legislation

- ▶ Update of the Corporate Governance Agreement
- ▶ Economic Groups and Related Parties (FSAP Recommendation)
- ▶ Securitizations
- ▶ Registry of Other Financial Reporting Entities(Money Laundering/TF Prevention)
- ▶ Credit Concentration Risk
- ▶ Guía para la elaboración de pruebas de estrés
- ▶ Evaluación de la implementación del ICAAP como aspecto a ser regulado
- ▶ Assessment of the adoption of the latest guidelines on ESG and climate-related financial risks based on the Basel document

# Superintendency of Banks of Panama

## Priorities

**SBP's main mandate is "Ensuring Financial Stability"**

**Reduce the likelihood of insolvency and illiquidity through effective and forward-looking supervision, minimizing potential financial risks (Basel Standards).**



### Efficiency:

Use of advanced technological tools, using data science and artificial intelligence. datos y la inteligencia artificial.

### Cybersecurity:

The SBP will focus on promoting greater cybersecurity controls.

### Climate Risk and ESG

### Payment system:

Process of updating the payment law, by updating the recommendations of the FSAP and the banking sector.

### Exit from lists:

Updating processes to comply with all OECD recommendations.



Superintendencia  
de Bancos de Panamá



[www.superbancos.gob.pa](http://www.superbancos.gob.pa)