Global Bank Corporation and Subsidiaries

Condensed consolidated interim financial statements as of March 31, 2025

“This document has been prepared with the understanding that its contents will be made available to investors and the general public”

Global Bank Corporation and Subsidiaries

Condensed Consolidated Financial Statements as of March 31, 2025

Contents **Page**

Global Bank Corporation and Subsidiaries

Condensed consolidated statement of financial position
as of March 31, 2025
(In balboas)

	Notes	March 2025	June 2024
Assets			
Cash and bank deposits	7,16	629,709,474	378,198,724
Securities purchased under resale agreements	8	4,997,549	4,956,931
Investments in securities, net	6,9,16	1,073,125,561	1,049,326,162
Loans, net	6,10	6,195,808,383	6,315,709,567
Property, furniture, equipment and improvements	11	191,150,825	191,401,031
Right-of-use assets	12	10,053,603	11,291,589
Other assets	6,13,30	591,118,631	569,398,628
Total assets		8,695,964,026	8,520,282,632
Liabilities and equity			
Liabilities			
Customer deposits	6,14	5,658,085,473	5,264,634,266
Deposits from banks		12,750,000	80,815,921
Accrued interest payable		39,945,538	36,197,140
Total deposits		5,710,781,011	5,381,647,327
Securities sold under repurchase agreements	15	163,945,011	47,610,933
Obligations with financial institutions	9,16	1,322,048,647	1,642,982,215
Marketable securities (VCNs)	17	-	2,000,000
Corporate bonds	18	374,042,169	374,440,557
Perpetual bonds	19	177,288,799	178,016,538
Accrued interest payable		35,439,357	25,872,345
Total borrowings		2,072,763,983	2,270,922,588
Lease liabilities	12	11,894,473	12,991,713
Other liabilities	6,20,21	143,024,025	123,345,219
Total liabilities		7,938,463,492	7,788,906,847
Equity			
Common shares	22	270,202,657	270,202,657
Excess paid-in capital	26	2,154,835	2,247,763
Capital reserves	33	45,887,095	45,124,877
Regulatory reserves	33	109,051,229	108,133,638
Fair value reserve		(20,672,052)	(29,751,677)
Net change in hedge instruments	13,20	(2,039,478)	(69,008)
Retained earnings		352,916,248	335,487,535
Total shareholder's equity		757,500,534	731,375,785
Total liabilities and equity		8,695,964,026	8,520,282,632

The accompanying notes are an integral part of these condensed consolidated financial statements.

Global Bank Corporation and Subsidiaries

Condensed consolidated statement of profit or loss
for the nine months ended March 31, 2025
(In balboas)

	Notes	March 2025	March 2024
Interest earned	6	395,311,483	374,134,918
Interest expense	6	(276,807,683)	(257,826,045)
Net interest income	23	118,503,800	116,308,873
Commission earned		53,767,111	52,394,988
Commission expenses		(19,862,411)	(18,234,791)
Net commission income	23	33,904,700	34,160,197
Net interest and commission income, before allowances	23	152,408,500	150,469,070
Allowance for uncollectible loans	4.2.2.1.2	25,266,769	26,711,010
Reversal of allowance for country risk		(539,197)	(485,275)
(Reversal of allowance) allowance for investments	4.2.2.2	(132,038)	68,576
		24,595,534	26,294,311
Net interest and commission income, after allowances		127,812,966	124,174,759
Other income	24	17,231,014	23,531,434
Other expenses			
Salaries and other compensations	6	45,664,580	47,306,136
Professional fees		7,463,363	7,980,992
Depreciation and amortization	11,12,13	13,224,766	13,182,018
Marketing and advertising		2,125,685	2,135,335
Maintenance and repairs		8,853,451	9,322,682
Leases		4,725,432	4,053,587
Other taxes		6,376,856	4,777,235
Other expenses	25	20,587,947	18,990,951
		109,022,080	107,748,936
Profit before income tax		36,021,900	39,957,257
Income tax			
Current		3,315,366	3,655,625
Deferred		(3,819,332)	(2,798,006)
(Benefit) income tax expense	30	(503,966)	857,619
Profit for the period		36,525,866	39,099,638

The accompanying notes are an integral part of these condensed consolidated financial statements.

Global Bank Corporation and Subsidiaries

Consolidated statement of profit or loss and other comprehensive income
for the nine months ended March 31, 2025
(In balboas)

	March 2025	March 2024
Profit for the period	36,525,866	39,099,638
Other comprehensive income:		
Items that can be reclassified subsequently to profit or loss:		
Net amount transferred to profit or loss	(713,983)	(255,159)
(Reversal of allowance) allowance for investments	(114,596)	95,485
Net change in valuation of investments at fair value through other comprehensive income	9,908,204	6,637,070
Net change in derivative hedge instruments	(1,970,470)	(602,615)
Other comprehensive income for the period	7,109,155	5,874,781
Total other comprehensive income for the period	43,635,021	44,974,419

The accompanying notes are an integral part of these condensed consolidated financial statements.

Global Bank Corporation and Subsidiaries

Condensed consolidated statement of changes in equity
for the nine months ended Marchr 31, 2025
(In balboas)

	Notes	Total shareholder's equity	Common shares	Excess paid-in capital	Capital reserves	Regulatory reserves	Fair value reserve	Net change in derivative hedge instruments	Retained earnings
Balance as of June 30, 2023		711,753,244	270,202,657	2,252,695	44,175,479	104,142,557	(37,365,976)	-	328,345,832
Profit for the period		39,099,638	-	-	-	-	-	-	39,099,638
Allowance for investments		95,485	-	-	-	-	95,485	-	-
Net changes in the valuation of investments at fair value through other comprehensive income		6,381,911	-	-	-	-	6,381,911	-	-
Net change in derivative hedge instruments		(602,615)	-	-	-	-	-	(602,615)	-
Total comprehensive income for the period		44,974,419	-	-	-	-	6,477,396	(602,615)	39,099,638
Excess paid-in capital - employee stock option plan	26	(152,631)	-	(152,631)	-	-	-	-	-
Dividends paid - common shares	22	(29,755,550)	-	-	-	-	-	-	(29,755,550)
Complementary tax		(700,955)	-	-	-	-	-	-	(700,955)
Regulatory reserves	33	-	-	-	-	2,075,784	-	-	(2,075,784)
Capital reserves	33	-	-	-	708,688	-	-	-	(708,688)
Others charges		286,949	-	-	-	-	-	-	286,949
Balance as of March 31, 2024		726,405,476	270,202,657	2,100,064	44,884,167	106,218,341	(30,888,580)	(602,615)	334,491,442
Balance as of June 30, 2024		731,375,785	270,202,657	2,247,763	45,124,877	108,133,638	(29,751,677)	(69,008)	335,487,535
Profit for the period		36,525,866	-	-	-	-	-	-	36,525,866
Reversal of allowance for investments		(114,596)	-	-	-	-	(114,596)	-	-
Net changes in the valuation of investments at fair value through other comprehensive income		9,194,221	-	-	-	-	9,194,221	-	-
Net change in derivative hedge instruments		(1,970,470)	-	-	-	-	-	(1,970,470)	-
Total comprehensive income for the period		43,635,021	-	-	-	-	9,079,625	(1,970,470)	36,525,866
Excess paid-in capital - employee stock option plan	26	(92,928)	-	(92,928)	-	-	-	-	-
Dividends paid - common shares	22	(16,663,803)	-	-	-	-	-	-	(16,663,803)
Complementary tax		(753,541)	-	-	-	-	-	-	(753,541)
Regulatory reserves	33	-	-	-	-	917,591	-	-	(917,591)
Capital reserves	33	-	-	-	762,218	-	-	-	(762,218)
Balance as of March 31, 2025		757,500,534	270,202,657	2,154,835	45,887,095	109,051,229	(20,672,052)	(2,039,478)	352,916,248

Las notas que se acompañan son parte integral de estos estados financieros consolidados condensados.

Global Bank Corporation and Subsidiaries

Condensed consolidated statement of cash flows
for the nine months ended March 31, 2025
(In balboas)

		March	
	Notes	**2025**	**2024**
Cash flows from operating activities			
Profit for the period		36,525,866	39,099,638
Adjustments for:			
Depreciation and amortization	11,12,13	13,224,766	13,182,018
Gain on sale of property, furniture and equipment		(758,613)	(304,653)
Disposals of property, furniture and equipment		3,552,273	1,228,768
Gain on sale of securities at fair value through other comprehensive income, net	9,24	(713,983)	(255,159)
Gain on instruments at fair value through profit or loss, net	24	(519,824)	(2,671,855)
Allowance for loan losses, net		25,266,769	26,711,010
(Reversal of allowance) allowance for investments		(132,038)	68,576
Income tax	30	(503,966)	857,619
Interest earned	23	(395,311,483)	(374,134,918)
Interest expense	23	276,807,683	257,826,045
Plan for restricted shares	26	(92,928)	(152,631)
		(42,655,478)	(38,545,542)
Changes in:			
Deposits over 90 days and restricted	7	(15,662,950)	136,054
Securities purchased under resale agreements		(40,618)	(409,047)
Loans		94,285,062	(145,351,751)
Other assets		(18,641,332)	(12,278,983)
Customer deposits		393,451,207	64,643,447
Bank deposits		(68,065,921)	(2,171,390)
Other liabilities		16,184,769	(6,911,597)
Cash generated (used) in operations		358,854,739	(140,888,809)
Income tax paid		(2,069,681)	(2,177,280)
Interest received		395,485,787	366,059,819
Interest paid		(263,492,273)	(248,624,708)
Net cash flow generated by (used in) operating activities		488,778,572	(25,630,978)
Cash flows from investing activities			
Purchase of securities through other comprehensive income		(198,484,366)	(99,406,415)
Sales of securities through other comprehensive income		137,410,093	109,168,778
Purchase of investments through profit or loss		(24,898,703)	(1,741,031)
Sales and redemptions of investments through profit or loss		24,302,218	550,580
Purchase of investments at amortized cost		(6,347,500)	-
Redemptions and amortization of investments at amortized cost		8,666,821	8,179,494
Purchase of property, furniture and equipment	11	(14,010,565)	(8,705,730)
Proceeds from sales of property, furniture and equipment		515,198	303,775
Net cash flows (used in) generated by investing activities		(26,753,172)	28,837,777
Cash flows from financing activities			
Payments made under repurchase agreement transactions	15	132,321,723	(38,068,393)
Proceeds from securities sold under repurchase agreements	15	(15,987,645)	58,111,070
Obligations received from financial institutions	16	768,056,765	1,747,080,698
Obligations paid to financial institutions	16	(1,088,990,333)	(1,734,103,923)
Payments for redemption of negotiable commercial securities	17	(2,000,000)	-
Bond repurchase proceeds	18,19	(741,318)	
Bond issue proceeds	18,19	-	64,489,000
Redemption of bonds	18,19	(523,771)	(78,332,975)
Dividends paid on common shares	22	(16,663,803)	(29,755,550)
Lease payment		(1,097,240)	(1,903,442)
Complementary tax		(753,541)	(700,955)
Net cash flow used in financing activities		(226,379,163)	(13,184,470)
Net increase (decrease) in cash and cash equivalents		235,646,237	(9,977,671)
Cash and cash equivalents at beginning of the year		354,812,300	346,970,481
Cash and cash equivalents at end of the period	7	590,458,537	336,992,810

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. General information

Global Bank Corporation (the "Bank") is incorporated in the Republic of Panama and began operations in June 1994 under a general banking license issued by the Superintendency of Banks of Panama, which allows it to carry out banking business in Panama or abroad. Its main activity is the commercial and consumer banking business.

The main office is located at Santa Maria Business District, Global Bank Tower, Panama, Republic of Panama.

The Bank is a wholly-owned subsidiary of G.B. Group Corporation, an entity incorporated on April 20, 1993 in accordance to the laws of the Republic of Panama.

The Bank has an Investment Manager License granted by the Superintendency of the Securities Market of Panama through Resolution SMV 46-17 of February 1, 2017.

Resolution SBP-0077-2019 of the Superintendency of Banks of Panama authorized the merger by absorption of the banking entities Global Bank Corporation, Banco Panameño de la Vivienda, S.A. and the company GB, AV INC., all belonging to the same economic group of which Global Bank Corporation is the surviving company. The effective date of the merger was June 1, 2019.

Resolution SBP-0019-2021 of March 10, 2021 of the Superintendency of Banks of Panama authorized the merger by absorption of the banking entities Global Bank Corporation and Factor Global, S.A., all belonging to the same economic group of which Global Bank Corporation is the surviving company. The effective date of the merger was June 22, 2021.

The principal activity of the Subsidiaries is described in Note 32.

2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements as of June 30, 2024.

3. Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited consolidated financial statements as of June 30, 2024, and for the year then ended.

The new and revised IFRSs not effective as of March 31, 2025, have not been applied and the potential impact of these amendments on the interim condensed consolidated financial statements is in the process of being assessed.

3.1 Comparative information

The information as of June 30, 2024, contained in these condensed consolidated interim financial statements is presented solely for purposes of comparison with the information related to the nine-month period ended March 31, 2025.

4. Financial risk management

4.1 Objectives of financial risk management

The Bank's activities are exposed to a variety of financial risks: credit, liquidity, market and operational risk.

The condensed consolidated interim financial statement do not include all the financial risk management information and disclosures that are required in the annual financial statement. These interim condensed consolidated financial statements should be read together with the consolidated financial statements as of June 30, 2024.

There have been no changes in the risk management department or in any risk management policy as of March 31, 2025.

Credit quality analysis

4.2.1 Table of credit quality of financial assets and impairment allowance

	March 2025	June 2024
Bank deposits		
Grade 1	578,114,177	323,441,828
Loans		
Grade 1	5,435,576,933	5,518,361,505
Grade 2	383,558,007	422,793,909
Grade 3	97,293,301	96,094,164
Grade 4	107,101,554	105,492,221
Grade 5	245,238,119	256,892,761
Gross amount	6,268,767,914	6,399,634,560
Accrued interest receivable	160,827,327	161,176,680
Reserve for individual and collective impairment	(216,857,782)	(225,426,527)
Discounted unearned interest	(16,929,076)	(19,675,146)
Net carrying value	6,195,808,383	6,315,709,567
Off-balance sheet transactions		
Grade 1		
Letters of credit	204,442,068	171,330,553
Endorsements and collaterals	306,762,733	397,310,914
Promissory notes	64,560,427	89,628,082
Unused credit lines	524,428,655	451,817,275
	1,100,193,883	1,110,086,824
Securities purchased under resale agreements - at amortized cost		
Grade 1	4,997,549	4,956,931
Investments at fair value through other comprehensive income		
Grade 1	619,070,371	566,447,182
Investments at fair value through profit or loss		
Grade 1	69,404,054	71,631,682
Investments at amortized cost		
Grade 1	375,754,445	402,341,535

The aging of the loan portfolio delinquency is presented below:

	March 2025		
	Global Bank Corporation	**Subsidiaries**	**Total**
Current	5,897,360,709	80,271,967	5,977,632,676
From 31 to 90 days	107,844,383	-	107,844,383
More than 90 days (principal and interest)	176,213,223	-	176,213,223
More than 30 days overdue (maturity principal)	7,077,632	-	7,077,632
Total	6,188,495,947	80,271,967	6,268,767,914

	June 2024		
	Global Bank Corporation	**Subsidiaries**	**Total**
Current	6,020,131,031	92,050,165	6,112,181,196
From 31 to 90 days	93,504,349	-	93,504,349
More than 90 days (principal and interest)	146,905,700	-	146,905,700
More than 30 days overdue (maturity principal)	47,043,315	-	47,043,315
Total	6,307,584,395	92,050,165	6,399,634,560

4.2.2 Analysis of financial instruments and their respective reserves in the stages of IFRS 9

The internal classification and the "stage" without taking into account the effects of any collateral or other credit improvements are shown in the following tables according to the analysis of the Bank's credit risk exposure by class of financial assets. Unless specifically stated, for financial assets, the amounts in the table represent the gross carrying value.

4.2.2.1 Loan Portfolio

4.2.2.1.1 Credit quality analysis of loans by stage:

March 2025

	Stage 1	Stage 2	Stage 3	Total
Classification				
Grade 1	5,251,681,374	183,895,559	-	5,435,576,933
Grade 2	-	383,558,007	-	383,558,007
Grade 3	-	97,293,301	-	97,293,301
Grade 4	-	107,101,554	-	107,101,554
Grade 5	-	-	245,238,119	245,238,119
Gross amount	5,251,681,374	771,848,421	245,238,119	6,268,767,914
Accrued interest receivable	79,796,577	61,249,649	19,781,101	160,827,327
Reserve for expected credit losses	(22,983,966)	(65,466,381)	(128,407,435)	(216,857,782)
Net carrying value	5,308,493,985	767,631,689	136,611,785	6,212,737,459

June 2024

	Stage 1	Stage 2	Stage 3	Total
Classification				
Grade 1	5,307,408,088	210,953,417	-	5,518,361,505
Grade 2	-	422,793,909	-	422,793,909
Grade 3	-	96,094,164	-	96,094,164
Grade 4	-	105,492,221	-	105,492,221
Grade 5	-	-	256,892,761	256,892,761
Gross amount	5,307,408,088	835,333,711	256,892,761	6,399,634,560
Accrued interest receivable	79,654,549	62,814,326	18,707,805	161,176,680
Reserve for expected credit losses	(20,286,686)	(65,496,659)	(139,643,182)	(225,426,527)
Net carrying value	5,366,775,951	832,651,378	135,957,384	6,335,384,713

4.2.2.1.2 Movement of the allowance for expected credit losses on loans by stages

The allowance for expected credit losses related to loans at amortized cost is broken down as follows:

March 2025

	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	20,286,685	65,496,659	139,643,183	225,426,527
Transferred to Stage 1	10,011,581	(9,811,927)	(199,654)	-
Transferred to Stage 2	(3,335,082)	29,362,688	(26,027,606)	-
Transferred to Stage 3	(248,546)	(6,923,471)	7,172,017	-
Net effect of changes in the reserve for expected credit losses	(7,974,201)	(9,204,607)	43,994,209	26,815,401
Origination of new financial assets	7,948,300	-	-	7,948,300
Settled loans	(3,704,772)	(3,452,960)	(2,339,200)	(9,496,932)
Subtotal	2,697,280	(30,277)	22,599,766	25,266,769
Written-off loans	-	-	(35,948,840)	(35,948,840)
Recoveries	-	-	2,113,326	2,113,326
Balance at the end of the period	22,983,965	65,466,382	128,407,435	216,857,782

June 2024

	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	21,705,615	76,040,605	132,483,095	230,229,315
Transferred to Stage 1	23,820,205	(21,617,698)	(2,202,507)	-
Transferred to Stage 2	(6,394,108)	45,188,980	(38,794,872)	-
Transferred to Stage 3	(425,475)	(23,283,471)	23,708,946	-
Net effect of changes in reserve for expected credit losses	(24,084,592)	(6,608,115)	73,427,918	42,735,211
Origination of new financial assets	11,376,145	-	-	11,376,145
Settled loans	(5,711,105)	(4,223,642)	(9,480,755)	(19,415,502)
Subtotal	(1,418,930)	(10,543,946)	46,658,730	34,695,854
Written-off loans	-	-	(42,699,089)	(42,699,089)
Recoveries	-	-	3,200,447	3,200,447
Balance at the end of the year	20,286,685	65,496,659	139,643,183	225,426,527

Incorporation of information with prospective vision

The Bank uses prospective information that is available without undue cost or effort in its assessment of significant increases in credit risk, as well as in its measurement of expected loss allowances. The Bank's Risk Department uses external and internal information to generate a 'base case' scenario of the future forecast of relevant economic variables along with a representative range of other possible projected scenarios. The external information used includes economic data and forecasts published by government agencies and monetary authorities. These short and medium term projections are the fundamental basis of the forward looking model.

The effects known to Management and that can be reasonably estimated have been recognized in the interim condensed consolidated financial statements as of March 31, 2025, and June 30, 2024.

4.2.2.2 Investment portfolio

The following breakdown analyzes the Bank's investment portfolio that is exposed to credit risk and its corresponding evaluation based on the degree of international rating:

March 2025	With investment rating	Standard monitoring	Without international rating	Total
Investments at fair value through other comprehensive income	92,915,078	215,628,500	310,526,793	619,070,371
Investments at fair value through profit or loss	20,108,916	120,463	49,174,675	69,404,054
Investments at amortized cost	223,563,297	132,374,387	19,816,761	375,754,445
Securities purchased under resale agreements	-	-	4,997,549	4,997,549
Total	336,587,291	348,123,350	384,515,778	1,069,226,419

June 2024	With investment rating	Standard monitoring	Without international rating	Total
Investments at fair value through other comprehensive income	81,677,632	212,629,893	272,139,657	566,447,182
Investments at fair value through profit or loss	23,251,069	-	48,380,613	71,631,682
Investments at amortized cost	234,118,086	148,406,688	19,816,761	402,341,535
Securities purchased under resale agreements	-	-	4,956,931	4,956,931
Total	339,046,787	361,036,581	345,293,962	1,045,377,330

To manage the financial risk exposures of the investment portfolio, the Bank uses the rating of external rating agencies, as shown below:

Grade of rating	***External rating***
Investment grade	AAA, AA+, AA–, A+, A–, BBB+, BBB, BBB–
Standard monitoring	BB+, BB, BB–, B+, B, B–
Special monitoring	CCC a C
Default	D
Without rating	–

The following is the analysis of investments by stage:

March 2025

	Stage 1	Stage 2	Stage 3	Total
Investments at fair value through other comprehensive income	553,349,200	65,721,171	-	619,070,371
Investments at amortized cost	355,937,684	19,816,761	-	375,754,445
	909,286,884	85,537,932	-	994,824,816

June 2024

	Stage 1	Stage 2	Stage 3	Total
Investments at fair value through other comprehensive income	497,525,173	68,922,009	-	566,447,182
Investments at amortized cost	382,524,774	19,816,761	-	402,341,535
	880,049,947	88,738,770	-	968,788,717

The allowance for expected credit losses related to investments at fair value through other comprehensive income is detailed below:

March 2025

Investments at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	2,428,630	1,759,107	-	4,187,737
Transfer of 12 months to total life without credit impairment	(473,023)	473,023	-	-
Net effect of changes in reserves for expected credit losses	(238,790)	(276,387)	-	(515,177)
New instruments acquired	1,066,311	-	-	1,066,311
Investments cancelled	(192,706)	(473,024)	-	(665,730)
Balance at the end of the period	2,590,422	1,482,719	-	4,073,141

June 2024

	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	2,721,066	1,344,917	-	4,065,983
Transfer of 12 months to total life without credit impairment	(11,863)	11,863	-	-
Net effect of changes in reserves for expected credit losses	(382,408)	508,533	-	126,125
New instruments acquired	202,812	-	-	202,812
Investments cancelled	(100,977)	(106,206)	-	(207,183)
Balance at the end of the year	2,428,630	1,759,107	-	4,187,737

The allowance for expected credit losses related to investments at amortized cost is broken down as follows:

March 2025

Investments at amortized cost	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	117,375	1,524,631	-	1,642,006
Transfer of 12 months during total life with credit impairment	(3,205)	(10,065)	-	(13,270)
New instruments acquired	5,552	-	-	5,552
Written-off investments	(9,724)	-	-	(9,724)
Balance at the end of the period	109,998	1,514,566	-	1,624,564

June 2024

	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	290,045	1,534,374	-	1,824,419
Net effect of changes in reserves for expected credit losses	(174,408)	(9,743)	-	(184,151)
New instruments acquired	5,177	-	-	5,177
Cancelled investments	(3,439)	-	-	(3,439)
Balance at the end of the year	117,375	1,524,631	-	1,642,006

4.2.2.3 Guarantees to reduce credit risk and its financial impact

The Bank maintains guarantees to reduce credit risk and to ensure the collection of its financial assets exposed to credit risk.

The main types of guarantees taken with respect to different types of financial assets are presented below:

March 2025	Consumer				Corporate		
	Personal	Credit cards	Vehicles	Mortgages	Commercial	Overdraft	Total loans
Loans balances	883,676,138	147,326,711	224,055,188	1,862,455,805	3,029,570,680	121,683,392	6,268,767,914
Collateral	363,746,350	4,214,573	280,674,046	2,695,001,438	5,227,540,692	175,000,687	8,746,177,786
% of exposure subject collateral requirements	26%	1%	95%	99%	75%	73%	74%

June 2024	Consumer				Corporate		
	Personal	Credit cards	Vehicles	Mortgages	Commercial	Overdraft	Total loans
Loans balances	861,479,942	132,114,806	217,787,584	1,918,375,745	3,131,869,598	138,006,885	6,399,634,560
Collateral	361,562,951	3,669,559	285,969,666	2,749,907,558	5,578,385,036	247,538,023	9,227,032,793
% of exposure subject collateral requirements	26%	1%	96%	99%	74%	65%	74%

Residential mortgage loans

The table below shows the loan portfolio ratio of the mortgage portfolio in relation to the value of the guarantees ("Loan-To-Value" – LTV). The LTV is calculated as a percentage of the gross amount of the loan in relation to the value of the guarantee. The gross amount of the loan excludes any impairment loss. The value of the guarantee, for mortgages is based on the original value of the guarantee at the date of disbursement.

	March 2025	**June 2024**
Residential mortgage loans:		
Less than 50%	213,874,465	199,461,694
51% - 70%	370,925,942	374,830,538
71% - 90%	714,191,780	827,052,209
More than 90%	563,463,618	517,031,304
Total	1,862,455,805	1,918,375,745

Time deposits placed in banks

As of March 31, 2025, the Bank held time deposits in Banks for B/. B/.277,536,936 (June 2024: B/.150,084,128). Time deposits in banks are held in local and foreign financial institutions. These institutions have local and/or international ratings, most of them with international investment grade ratings of at least BBB- according to Fitch Ratings or Standard and Poors, or Baa3 by Moody's.

4.2.2.4 Concentration of credit risk

The Bank monitors the concentration of credit risk by sector and geographic location. The analysis of the concentration of credit risks as of the date of the interim condensed consolidated financial statements is as follows:

	March 2025		
	Bank deposits	Loans	Investments
Concentration by sector:			
Corporate	-	2,999,898,839	600,535,304
Consumer	-	3,126,175,183	-
Government	101,486,410	-	463,693,566
Other sectors	476,627,767	142,693,892	-
	578,114,177	6,268,767,914	1,064,228,870
Geographical concentration:			
Panama	181,780,922	5,764,506,036	575,898,602
Latin America and the Caribbean	57,159,565	413,133,978	234,125,491
Europe, Asia and Oceania	116,208,983	84,594,538	17,348,276
United States of America	222,964,707	6,533,362	236,856,501
	578,114,177	6,268,767,914	1,064,228,870

	June 2024		
	Bank deposits	Loans	Investments
Concentration by sector:			
Corporate	-	3,062,104,963	588,047,492
Consumer	-	3,141,636,346	-
Government	61,163,714	-	452,372,907
Other sectors	262,278,114	195,893,251	-
	323,441,828	6,399,634,560	1,040,420,399
Geographical concentration:			
Panama	113,814,984	5,935,374,786	540,586,755
Latin America and the Caribbean	25,009,305	369,322,358	234,143,803
Europe, Asia and Oceania	70,252,460	94,937,416	16,926,224
United States of America	114,365,079	-	248,763,617
	323,441,828	6,399,634,560	1,040,420,399

In the concentration by sector, the items of other loans correspond to credit facilities with banks, credit unions, insurance companies, financial companies, government, international organizations and non-governmental organizations.

The geographic concentrations of the loan portfolio are based on the debtor's location. As for the geographical concentration for investments, it is based on the address of the investment's issuer.

4.3 Liquidity or financing risk

The liquidity risk is defined as the risk that the Bank may encounter difficulties in obtaining funds to meet its commitments and obligations on time.

The respective Committees appointed by the Board of Directors periodically monitors the availability of liquid funds given that the Bank is exposed to daily requirements, current accounts, time deposits at maturity and loan disbursements. The global liquidity risk of the Bank is managed by the Assets and Liabilities Committee (ALCO).

Panamanian Banking Regulations require banks with a general license to keep at all times a minimum balance of liquid assets as defined in Agreement 4-2008 of the Superintendency of Banks of Panama of no less than 30% of their deposits. However, due to the severe liquidity policies for covering their operating liabilities, the liquidity of the Bank based on this standard as of March 31, 2025, was 46.44% (June 2024: 36.59).

Liquidity risk arising from the mismatch between assets and liabilities is measured by using the Liquidity Gap or Financial Mismatch. In this analysis, simulations and “stress” tests are performed based on the difficulties caused by the lack of liquidity, such as, unexpected withdrawals of funds contributed by creditors and clients, impairment in the quality of the loan portfolio, volatility of resources obtained, etc.

Below is the legal liquidity ratio corresponding to the margin of net liquid assets over the Bank’s client deposits at the date of the consolidated financial statements:

	March 2025	June 2024
At end of the period	**46.44%**	**36.59%**
Average for the period	40.68%	37.78%
Maximum for the period	46.92%	40.49%
Minimum for the period	35.61%	34.88%

The following table shows the undiscounted cash flows of the Bank's financial liabilities based on their remaining maturities with respect to the contractual maturity date. The expected flows of these instruments may vary significantly as a result of this analysis:

March 2025	Carrying value	Undiscounted cash flows	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years
Deposits	5,670,835,473	5,898,885,483	4,441,032,677	1,226,405,088	231,447,718	-
Securities sold under repurchase agreements	163,945,011	165,656,099	165,656,099	-	-	-
Obligations with financial institutions	1,322,048,647	1,393,369,254	862,916,663	433,349,033	76,014,986	21,088,572
Corporate bonds	374,042,169	440,810,006	16,536,316	97,299,820	326,973,870	-
Perpetual bonds	177,288,799	208,512,111	11,912,361	124,308,160	28,400,298	43,891,292
Lease liabilities	11,894,473	15,551,909	2,393,070	5,078,984	2,424,726	5,655,129
	7,720,054,572	8,122,784,862	5,500,447,186	1,886,441,085	665,261,598	70,634,993

June 2024	Carrying value	Undiscounted cash flows	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years
Deposits	5,345,450,187	5,568,302,123	3,968,301,573	1,267,889,105	331,225,619	885,826
Securities sold under repurchase agreements	47,610,933	49,670,999	49,670,999	-	-	-
Obligations with financial institutions	1,642,982,215	1,787,280,609	1,093,740,308	512,762,649	149,189,460	31,588,192
Marketable securities	2,000,000	2,089,431	2,089,431	-	-	-
Corporate bonds	374,440,557	453,765,675	16,562,713	97,260,130	339,942,832	-
Perpetual bonds	178,016,538	218,342,954	11,964,397	130,885,406	29,534,058	45,959,093
Lease liabilities	12,991,713	17,121,434	2,320,165	5,755,812	2,490,024	6,555,433
	7,603,492,143	8,096,573,225	5,144,649,586	2,014,553,102	852,381,993	84,988,544

To manage liquidity risk arising from financial liabilities, the Bank maintains effective liquid assets such as cash and cash equivalents and investments with an investment grade for which there is an active market. These assets can be sold easily to meet liquidity requirements. Consequently, the Bank believes that it is not necessary to disclose the maturity analysis related to these assets to allow the assessment of the nature and extent of liquidity risk.

4.4 Market risk

It is the risk that the value of a financial asset may be reduced because of changes in interest rates, in foreign exchange rates, in stock prices, and other financial variables, as well as the reaction of market participants to political and economic events, whether by latent losses as well as potential profits. The objective of market risk management is to manage and monitor the risk exposures and at the same time to make sure that they are maintained within acceptable parameters, optimizing the risk returns.

Risk management policies set compliance with limits by financial instrument and the requirement that, unless approved by the Board of Directors, substantially all assets and liabilities are denominated in United States of America dollar or in balboas.

As part of market risk, the Bank and its subsidiaries are exposed to equity risk arising from the financial instruments available for sale.

The Bank manages the market risk of its financial instruments at fair value with changes in OCI through periodic reports to the Assets and Liabilities Committee (ALCO) and the Risk Committee in which changes in the price of each instrument are analyzed in order to take measures regarding the composition of the portfolio.

Within the Bank's investment strategy, duly approved by the Board of Directors, limits exposure are set to individual risks, which are approved, based on risk rating of the issuers of these instruments.

Additionally, as part of the market risk, the Bank and its subsidiaries are mainly exposed to the interest rate risk.

- *Interest rate risk of cash flows and fair value* – The interest rate risk of cash flows and fair value are the risks that will cause future cash flows and the value of financial instruments to fluctuate due to changes in market interest rates.

The Assets and Liabilities Committee (ALCO) periodically reviews the exposure to interest rate risk.

The following table below summarizes the Bank's exposure to interest rate risk. The Bank's assets and liabilities are included in the table at carrying value, categorized by the earlier between the contractual repricing or maturity dates, whichever occurs first.

March 2025	Up to 6 months	6 months to 1 year	1 to 5 years	More than 5 years	Without interest rate	Total
Financial assets:						
Cash and deposits	273,076,313	-	4,460,623	-	351,431,455	628,968,391
Securities purchased under resale agreements - at amortized cost	1,675,077	3,322,472	-	-	-	4,997,549
Investments at fair value through other comprehensive income	68,240,749	33,291,842	342,818,788	141,390,485	33,328,507	619,070,371
Investments at fair value through profit or loss	-	4,638,656	-	24,160,463	40,604,935	69,404,054
Investments at amortized cost	-	-	116,569,880	259,184,565	-	375,754,445
Loans	4,643,062,195	31,565,025	152,625,125	1,441,515,569	-	6,268,767,914
Total financial assets	4,986,054,334	72,817,995	616,474,416	1,866,251,082	425,364,897	7,966,962,724
Financial liabilities:						
Deposits received	2,505,189,123	1,334,521,615	1,330,608,220	6,025,647	494,490,868	5,670,835,473
Securities sold under repurchase agreements	163,945,011	-	-	-	-	163,945,011
Obligations with financial institutions	1,188,973,501	10,160,000	42,472,436	80,442,710	-	1,322,048,647
Corporate bonds	-	-	374,042,169	-	-	374,042,169
Perpetual bonds	-	-	-	177,288,799	-	177,288,799
Total financial liabilities	3,858,107,635	1,344,681,615	1,747,122,825	263,757,156	494,490,868	7,708,160,099
Commitments and contingencies	-	-	-	-	1,100,193,883	1,100,193,883
Total interest rate sensitivity	1,127,946,699	(1,271,863,620)	(1,130,648,409)	1,602,493,926	(69,125,971)	258,802,625

June 2024	Up to 6 months	6 months to 1 year	1 to 5 years	More than 5 years	Without interest rate	Total
Financial assets:						
Cash and deposits	147,403,714	1,680,414	1,000,000	-	227,575,076	377,659,204
Securities purchased under resale agreements - at amortized cost	400,000	4,556,931	-	-	-	4,956,931
Investments at fair value through other comprehensive income	50,862,422	6,008,352	355,573,202	125,993,324	28,009,882	566,447,182
Investments at fair value through profit or loss	4,582,997	-	-	24,040,000	43,008,685	71,631,682
Investments at amortized cost	-	30,078,315	96,346,273	275,916,947	-	402,341,535
Loans	4,736,857,208	19,006,102	171,712,974	1,472,058,276	-	6,399,634,560
Total financial assets	4,940,106,341	61,330,114	624,632,449	1,898,008,547	298,593,643	7,822,671,094
Financial liabilities:						
Deposits received	2,367,319,563	1,031,498,944	1,474,697,927	4,698,593	467,235,160	5,345,450,187
Securities sold under repurchase agreements	15,987,645	31,623,288	-	-	-	47,610,933
Obligations with financial institutions	418,653,601	432,797,205	703,100,446	88,430,963	-	1,642,982,215
Marketable securities	-	2,000,000	-	-	-	2,000,000
Corporate bonds	-	-	64,208,852	310,231,705	-	374,440,557
Perpetual bonds	-	-	-	178,016,538	-	178,016,538
Total financial liabilities	2,801,960,809	1,497,919,437	2,242,007,225	581,377,799	467,235,160	7,590,500,430
Commitments and contingencies	-	-	-	-	1,110,086,824	1,110,086,824
Total interest rate sensitivity	2,138,145,532	(1,436,589,323)	(1,617,374,776)	1,316,630,748	(168,641,517)	232,170,664

To assess the interest rate risks and impact on the fair value of the assets and liabilities, the Bank performs simulations to determine the sensitivity of assets and liabilities.

Management's monthly analysis is to determine the net impact on the financial instruments subject to market risk, taking into account the specific effects caused by increases and decreases of 100 basis points in interest rates. The results of these simulations are presented monthly in the asset liability committee (ALCO) to determine if the financial instruments of the Bank's portfolio are within acceptable risk parameters for Management.

An analysis of the Bank's sensitivity is performed to determine the impact on assets and liabilities of the increases or decreases in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position is presented as follows:

March 2025	**Increase of 100bps**	**Decrease of 100bps**
Investment in securities	(45,586,371)	51,960,462
Loans	(23,266,225)	24,871,063
Time deposits	39,649,750	(40,756,711)
Obligations with financial institutions	10,729,859	(11,045,939)
Corporate bonds	12,141,016	(12,613,314)
Perpetual bonds	1,693,513	(1,712,506)
Net impact	(4,638,458)	10,703,055

June 2024	**Increase of 100bps**	**Decrease of 100bps**
Investment in securities	(47,033,998)	53,911,232
Loans	(22,530,800)	24,100,402
Time deposits	39,619,078	(40,764,729)
Obligations with financial institutions	15,242,259	(15,732,954)
Marketable securities	14,807	(14,930)
Corporate bonds	14,322,492	(14,977,428)
Perpetual bonds	1,982,933	(2,009,908)
Net impact	1,616,771	4,511,685

4.5 Operating Risk

It is the risk of potential loss, directly or indirectly, related to the processes of the Bank, human resources, technology, infrastructure and other external factors that are not related to credit, market or liquidity risks, such as those arising from legal and of regulatory requirements and generally accepted corporate standards.

The objective of the Bank is to manage operational risk in order to avoid financial losses and damages to the Bank's reputation.

The Bank has established an integral Operational Risk Administration and Management Policy approved by the Risk Committee, General Management and the Audit Committee of the Board of Directors. The Risk Committee measures liquidity risk, market risk, credit risk and operating risk.

The operating risk management structure has been designed to segregate duties among shareholders operational, control areas and areas in charge of compliance of policies and procedures. The business and services units of the Bank assume an active role in the identification, measurement, control and monitoring of operational risks and is responsible for understanding and managing these risks within their daily activities.

The implementation of this risk management structure has implied the adoption by the Bank of a methodology of business process assessments based on risks, in which the areas and key processes in relation to strategic objectives, business inherent risks, and mapping the cycle process to identified risks and mitigating controls. This is performed with technological tools that allow us to document, quantify and monitor the identified risks in different processes through risk matrixes. The Internal Audit Department through its activities reviews of the compliance with procedures and controls, and together with the Risk Management Department, monitors the severity of the related risks. This methodology has the main objective of adding the maximum value to each activity of the organization by decreasing the possibilities of failures and losses.

In order to establish such methodology, the Bank has assigned resources to enforce internal control and organizational structure allowing independence among business areas, risk control and recordkeeping. It includes a proper operating segregation of duties in the transactional recording, reconciliation and authorization, which is documented through policies, processes and procedures that include control and security standards.

In regard to human resources, the recruitment, evaluation and retention polices have been enforced to maintain highly qualified personnel with professional experience able to accomplish orientation processes in different positions, training, understanding and acceptance of business and conduct policies stated in the Bank's Code of Ethics.

The Bank has made significant investments in technology to increase efficiency in the different business processes and reduce risk profiles. For such purposes, security policies have been reinforced and policies for technology risk management have been set forth. On the other hand, the Bank is also working on a Contingency Plan to support main applications of information on-line in case of a disruption.

4.6 Insurance risk

The risk inherent in the insurance contract is that which involves the Probability of a sudden event, unforeseeable, unanticipated and separate from the will of the insured and resulting in a claim by the insured resulting in the reduction of an asset or establishing a liability.

The main risk of the Bank in relation to its insurance contracts is that the benefits and claims payments of the current claims or their occurrence differ from expectations. This risk is influenced by the frequency of claims, benefits and actual claims paid, the development of long-term or long lines of claims, as well as claims for catastrophic events in which a large part of both the internal as well as reinsurer portfolio is affected.

The portfolio of insurance contracts is managed mainly under a strict underwriting policy based on the diversification and analysis of risk concentrations, application of rates, conservative practices in long and short-term investments and retention policies through reinsurance contracts. These reinsurance agreements include "stop loss," excess loss and catastrophic contracts in each of the branches in which it operates. Current contracts allow the acquisition of additional coverages, if required, in the event of a significant event. However, the Bank's main risk is that current claims and payments of benefits to insured persons may exceed the present value of the accumulated liabilities arising from the frequency and/or severity of the events. To mitigate this, the Bank adopts reasonable estimation policies and through evaluations assisted by statistical techniques and actuarial calculations.

4.7 Capital management

As of March 31, 2025, the Bank analyzes its regulatory capital applying the standards of the Superintendency of Banks of Panama based on the new agreements, Agreement 1-2015 of February 3, 2015 and Agreement 3-2016 of March 22, 2016, which modified Agreement 5-2008 of October 1, 2008, by means of which rules are established to determine assets weighted by credit risk and counterparty risk and the new agreements, Agreements 11-2018 of September 11, 2018, amended by Agreement 3-2019 of April 30, 2019, by means of which new provisions are established on Operational Risk and Agreement 2-2018 of January 23, 2018, by means of which, the Superintendency of Banks of Panama has determined to take into consideration other risks to determine the capital adequacy index, among which are the market risk, the operational risk and the country risk, in order to value the requirement of capital funds.

Under the Panamanian Banking Law, banks with a general license are required to maintain a minimum paid-in capital of B/.10,000,000, and shareholders' equity of at least 8% of their risk-weighted assets, including the off-balance sheet financial instruments. For these effects, assets must be considered net of reserve or allowances and are weighted as per the Agreement of the Superintendency of Banks of Panama.

Based on the regulatory regime, capital requirements are measured as follows:

- *Primary capital* - It comprises ordinary primary capital and secondary primary capital. Ordinary primary capital comprises paid-up capital in shares, declared reserves, other items of comprehensive income and retained earnings. The paid-up capital in shares is that which is represented by common shares and perpetual non-cumulative preferred shares issued and fully paid. Declared reserves are those identified as such by the Bank coming from retained earnings in its books to strengthen its financial position. Additional primary capital comprises financial instruments that are perpetual, that is, they do not have a maturity date.

  Retained earnings are undistributed earnings in the fiscal period and accumulated from prior periods.

- *Secondary capital* – It includes hybrid capital and debt instruments, subordinated debt, general allowances for losses, undeclared reserves and asset revaluation reserves. The general reserves for losses are those reserve that are created voluntarily by the Bank's Management, with the purpose of *covering* losses that have not yet been identified; specific undeclared reserves are those appropriated from profit after tax and are available to cover future unanticipated losses and do not have any liens or encumbrances. Revaluation reserves of assets are comprised as the result of any revaluation performed on the Bank's assets.

- *Dynamic reserve* – As defined in Agreement 4-2013.

To calculate the amount of the capital funds of a general licensed bank, deductions must be taken into account, which will be made on a quarterly basis, as detailed below:

- Non-consolidated capital assigned to foreign branches.
- Non-consolidated paid-in capital of Bank's subsidiaries.
- Non-banking subsidiaries paid-in capital. The deduction will include recorded assets at higher-paid value, with respect of the carrying value, of permanent investments in local or foreign entities.
- Asset items related to expenses or other items that under generally accepted accounting principles and International Accounting Standards correspond to overvaluations or unrecognized losses; and also losses incurred anytime during the fiscal period.

The Bank maintains a regulatory capital position that is composed as follows:

	March 2025	June 2024
Primary capital (Tier 1)		
Paid-in share capital	270,202,657	270,202,657
Excess paid in capital	2,154,835	2,247,763
Declared reserves	45,887,095	45,124,877
Retained earnings	352,916,248	335,487,535
Other items of comprehensive income	(22,711,530)	(29,820,685)
Dynamic reserve	87,863,198	87,863,198
Sub total	736,312,503	711,105,345
Less: Regulatory adjustments to the calculation of ordinary primary capital		
Goodwill	(92,014,817)	(92,014,817)
Other intangible assets	(15,130,603)	(16,288,108)
Cash flow hedge reserves	2,039,478	69,008
Deferred tax assets	(4,868,375)	(3,882,556)
Total primary capital fund	626,338,186	598,988,872
Perpetual bonds	177,288,799	178,016,538
Total additional primary capital fund	177,288,799	178,016,538
Total capital fund	803,626,985	777,005,410
Assets weighted by credit risk	5,468,592,344	5,409,739,171
Assets weighted by market risk	49,619,715	56,362,403
Assets weighted by operating risk	194,340,924	193,817,742
Total risk weighted assets	5,712,552,983	5,659,919,316
Capital ratios		
Total regulatory capital expressed as a percentage of risk weighted asset	14.07%	13.73%
Total Tier 1 expressed as a percentage of risk weighted assets	14.07%	13.73%

The following is the composition of the calculation of market risk weighted assets based on asset type:

	Assets weighted by market risk	
	March 2025	**June 2024**
Category		
Fixed income	3,861,737	4,514,062
Variable income	45,757,978	51,848,341
Assets weighted by market risk	49,619,715	56,362,403

5. Accounting estimates, critical judgments and contingencies

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are periodically assessed and based on the historical experience and other factors, including expectations of future events considered reasonable under the circumstances.

Judgments

In the process of applying the Bank's accounting policies, Management has made the following judgments, which have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements.

(a) Significant increase in credit risk: For Stage 1 assets, expected losses are measured as a provision equal to the expected credit losses for 12 months, or the expected losses during the term for Stage 2 assets or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has increased significantly, the Bank takes into account reasonable and supported forward-looking qualitative and quantitative information.

(b) Establishing the number and relative weights of prospective scenarios and determining the relevant prospective information for each scenario: When measuring ECLs, the Bank uses reasonable and supportive prospective information, which is based on assumptions for the future movement of different economic forecasts and how those forecasts will affect each other. See Note 4.2.2.1.2 for further details.

(c) Models and assumptions used: The Bank uses various models and assumptions in measuring the fair value of financial assets, as well as in estimating expected credit losses. The judgment is applied in the identification of the most appropriate model for each type of asset, as well as to determine the assumptions used in those models, including the assumptions that relate to the key credit risk indicators.

(d) Allowance for expected credit losses – When determining the reserve for expected credit, Management’s judgment is required to evaluate the amount and timing of future cash flows in order to determine whether the credit risk has increased significantly from initial recognition, taking into account loan characteristics and default patterns in the past for similar financial instruments.

The changes in the risk of default that occur in the next 12 months may be a reasonable approximation of the changes in the risk measured according to the life of the instrument. The Bank uses the changes in the risk of default that occur in the next 12 months to determine if the credit risk has increased significantly since initial recognition, unless the circumstances indicate that an assessment of the life of the instrument is necessary.

(e) Impairment losses on loans at amortized cost - The Bank reviews its individually significant loans on each date of the consolidated statement of financial position to assess whether an impairment loss should be recorded in the consolidated statement of profit or loss. In particular, Management's judgment in estimating the amount and future cash flows is required to determine the impairment loss. These estimates are based on assumptions regarding a number of factors and actual results may differ, resulting in future changes in the provision. Loans that have been individually assessed (and are not impaired) are evaluated together with other non-significant loans in groups of assets with similar risk characteristics. This is done to determine whether it is convenient to establish reserves due to loss events incurred for which there is objective evidence, but whose effects are not yet evident. The collective assessment takes into account the loan portfolio data (such as delinquency levels, credit utilization, loan-guarantee relationships, etc.), and judgments on the effect of risk concentration and economic data (including unemployment levels, consumer price indexes, country risk and the performance of different individual groups).

(f) In measuring goodwill impairment, the Bank uses the value in use, whose main inputs are the Bank's financial projections. The budgets include income forecasts, interest costs, provisions and general expenses based on current and anticipated market conditions that have been considered and approved by the Board of Directors. While the Bank has made the projections with the best evidence at the balance sheet date and applying its judgment to future forecasts, the projections are inherently uncertain due to the uncertainty in the economy. The key assumptions to determine recoverable value are disclosed in Note 13.

(g) Fair value and valuation processes of financial instruments – The Bank measures fair value using hierarchy levels that reflect the meaning of data inputs used in the measures. In order to determine fair value, the Bank has established a documented process and policies that assigns responsibilities and the segregation of duties among the different areas responsible involved in this process, which has been approved by the Assets and Liabilities Committee (ALCO), the Risk Committee, and the Board of Directors.

When the Bank uses or contracts third parties as pricing agents to determine the fair value of the instruments, this control unit assesses and documents the evidence obtained from these third parties that support the conclusion that such valuations meet IFRS requirements. This review includes:

- Verifying that the pricing agents have been approved by the Bank;
- Obtaining an understanding of how the fair value was determined and if it reflects current market transactions.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the information included in such valuation techniques is observable or unobservable. Observable information reflects market data obtained from independent sources; the non-observable information reflects the Bank's market assumptions. These two types of information have created the following fair value hierarchy:

Level 1: Inputs that are listed market prices (unadjusted) in active markets for identical assets and liabilities to those that the entity can access on the measurement date.

Level 2: Prices listed in active markets for similar financial instruments or use of a valuation technique where all variables are obtained from observable market information for the assets or liabilities either directly or indirectly. In some cases, the Bank uses benchmark information from active markets for similar instruments, and in other instances, it employs discounted flow techniques where all variables and inputs from the model are obtained from observable market information.

Level 3: When inputs are not available and the fair value is required through a valuation model, the Bank relies on entities engaged in the valuation of equity instruments or of the asset management entities or liabilities in question. The models used to determine the fair value are usually through discount of flows or valuations that use historical market observations.

Fair value of financial assets and financial liabilities measured at fair value on a recurring basis at the end of the year as of March 31, 2025, and June 30, 2024

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ liabilities	Fair value				Fair value hierarchy	Valuation technique(s) and key data inputs	Significant unobservable input data	Relationship between unobservable input data and fair value
	FVTOCI		FVTPL					
	March 2025	June 2024	March 2025	June 2024				
Investments at fair value:								
Shares issued by companies - domestic	8,315,434	7,892,734	5,543,423	5,128,898	Level 2	Observable market prices in non-active markets.	N/A	N/A
Shares issued by companies - domestic	490,839	638,830	-	-	Level 3	Share prices in non-liquid markets.	Calibration prices and calibration date.	If unobservable data increases, the fair value of the instruments will decrease.
Shares issued by companies - foreign	249,594	317,646	-	3,167,872	Level 1	Observable market prices in active markets.	N/A	N/A
Shares issued by companies - foreign, not listed in stock exchange	-	-	15,470,260	15,500,201	Level 2	Net asset value.	N/A	N/A
Shares issued by companies - foreign , not listed in stock exchange	130,299	130,207	2,500,000	2,000,000	Level 3	Share prices in non-liquid markets.	Calibration prices and calibration date.	If unobservable data increases, the fair value of the instruments will decrease.
Private debt securities - domestic	14,179,748	11,853,301	-	-	Level 1	Observable market prices in active markets.	N/A	N/A
Private debt securities - domestic	9,151,400	33,803,560	-	-	Level 2	Observable market prices in non-active markets.	N/A	N/A
Private debt securities - domestic	199,699,374	175,181,190	-	-	Level 3	Bond prices in non-liquid markets.	Calibration prices and calibration date.	If unobservable data increases, the fair value of the instruments will decrease.
Private debt securities - foreign	224,593,732	205,760,040	4,638,656	4,582,996	Level 1	Observable market prices in active markets.	N/A	N/A
Private debt securities - foreign	-	5,000,000	-	-	Level 2	Observable market prices in non-active markets.	N/A	N/A
Government debt securities - domestic	69,371,384	70,178,245	-	-	Level 1	Observable market prices in active markets.	N/A	N/A
Government debt securities - domestic not listed in stock exchange	39,358,881	213,980	-	-	Level 3	Value of the instrument quota.	N/A	N/A
Government debt securities - foreign	-	982,463	-	-	Level 1	Observable market prices in active markets.	N/A	N/A
Shares issued by domestic companies, not listed in stock exchange	19,197,965	19,030,465	17,211,715	17,211,715	Level 3	Price per share, adjusted for the fair value of the issuer's properties, acquisition cost.	Growth in issuer's assets, liabilities, equity and profits.	If growth increases, the price increases and viceversa.
Private debt securities - domestic not listed in the stock exchange	-	-	24,040,000	24,040,000	Level 3	Present net value	CMS data, Cash flows	If the unobservable data deteriorates, the fair value of the instrument will be lower.
Private debt securities - domestic not listed in the stock exchange	34,331,721	35,464,521	-	-	Level 3	Discounted cash flows	Discount rate	If the discount rate is higher than the flows, the fair value of the instrument will be lower.
Total investments at fair value	619,070,371	566,447,182	69,404,054	71,631,682				
Derivative financial instruments:								
Interest rate swaps – cash flow	(2,039,478)	(69,008)	-	-	Level 2	Present value. The valuation of an interest rate swap is achieved by adding the present value of all expected swap flows, and then applying a credit adjustment.	N/A	N/A
Total derivative financial instruments	(2,039,478)	(69,008)	-	-				

The Bank considers that its valuation methodologies for Level 3 investments are appropriate. However, the use of different estimates of unobservable inputs could give different results as to the fair value of such investments. For investments classified as Level 3, valued by the Bank, adjustments in the credit margin in the case of fixed income (+100 bps and - 100 bps) would result in the following favorable and unfavorable impacts on the Bank's equity.

	March 2025	
	Investments at fair value through other comprehensive income	
	Effect on equity	
	Favorable	(Unfavorable)
Fixed income instruments	8,407,966	(7,997,115)

	June 2024	
	Investments at fair value through other comprehensive income	
	Effect on equity	
	Favorable	(Unfavorable)
Fixed income instruments	7,172,822	(6,818,725)

Fair value of financial assets and liabilities of the Bank not measured at fair value on a recurring basis (but that require fair value disclosures) at the end of the year

The carrying value of main assets and liabilities not measured at fair value in the Bank's consolidated statement of financial position is summarized below:

	March 2025		June 2024	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Cash and deposits in banks	351,431,455	351,431,455	227,575,076	227,575,076
Time deposits	277,536,936	277,536,936	150,084,128	150,084,128
Securities purchased under resale agreements at amortized cost	4,997,549	4,997,549	4,956,931	4,956,931
Investments at amortized cost	375,754,445	320,506,842	402,341,535	338,517,333
Loans	6,034,981,056	6,098,099,749	6,154,532,887	6,219,689,740
Total financial assets	7,044,701,441	7,052,572,531	6,939,490,557	6,940,823,208
Liabilities				
Demand deposits	494,490,868	494,490,868	467,235,160	467,235,160
Savings deposits	1,143,071,458	1,143,071,458	1,081,312,202	1,081,312,202
Time deposits	4,033,273,147	4,079,577,337	3,796,902,825	3,835,237,233
Securities sold under repurchase agreements	163,945,011	163,945,011	47,610,933	47,610,933
Obligations with financial institutions	1,322,048,647	1,332,328,612	1,642,982,215	1,650,186,140
Marketable securities	-	-	2,000,000	2,028,623
Corporate bonds	374,042,169	357,944,785	374,440,557	351,371,714
Perpetual bonds	177,288,799	173,647,124	178,016,538	172,789,760
Total financial liabilities	7,708,160,099	7,745,005,195	7,590,500,430	7,607,771,765

	Fair value hierarchy March 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and deposits in banks	351,431,455	-	351,431,455	-
Time deposits	277,536,936	-	277,536,936	-
Securities purchased under resale agreements at amortized cost	4,997,549	-	4,997,549	-
Investments at amortized cost	320,506,842	301,237,371	-	19,269,471
Loans	6,098,099,749	-	-	6,098,099,749
Total financial assets	7,052,572,531	301,237,371	633,965,940	6,117,369,220
Liabilities				
Demand deposits	494,490,868	-	494,490,868	-
Savings deposits	1,143,071,458	-	1,143,071,458	-
Time deposits	4,079,577,337	-	4,079,577,337	-
Securities sold under repurchase agreements	163,945,011	-	163,945,011	-
Obligations with financial institutions	1,332,328,612	-	1,332,328,612	-
Corporate bonds	357,944,785	293,455,785	50,000,000	14,489,000
Perpetual bonds	173,647,124	-	125,498,507	48,148,617
Total financial liabilities	7,745,005,195	293,455,785	7,388,911,793	62,637,617

	Fair value hierarchy June 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and deposits in banks	227,575,076	-	227,575,076	-
Time deposits	150,084,128	-	150,084,128	-
Securities purchased under resale agreements at amortized cost	4,956,931	-	4,956,931	-
Investments at amortized cost	338,517,333	319,434,291	-	19,083,042
Loans	6,219,689,740	-	-	6,219,689,740
Total financial assets	6,940,823,208	319,434,291	382,616,135	6,238,772,782
Liabilities				
Demand deposits	467,235,160	-	467,235,160	-
Savings deposits	1,081,312,202	-	1,081,312,202	-
Time deposits	3,835,237,233	-	3,835,237,233	-
Securities sold under repurchase agreements	47,610,933	-	47,610,933	-
Obligations with financial institutions	1,650,186,140	-	1,650,186,140	-
Corporate bonds	351,371,714	286,882,714	59,938,000	4,551,000
Perpetual bonds	172,789,760	-	134,092,643	38,697,117
Total financial liabilities	7,607,771,765	286,882,714	7,277,640,934	43,248,117

The fair values of financial assets and liabilities included in Level 2 and Level 3 as shown above have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.
The fair value of interbank and client deposits is estimated using the discounted cash flow technique, by applying rates offered for deposits with similar terms and maturities. The fair value for demand deposits is the amount payable at the date of the interim condensed consolidated financial statements.

The movement of investments at fair value through other comprehensive income and investments at fair value through profit or loss in Level 3 is as follows:

	Investments at fair value through other comprehensive income		Investments at fair value through profit or loss	
	March 2025	June 2024	March 2025	June 2024
Balance at beginning of the year	230,659,193	264,401,994	43,251,715	41,333,964
Additions	48,247,031	8,000,000	500,000	2,000,000
Reclassifications from Level 2 to Level 3	31,668,143	622,384	-	-
Reclassifications from Level 3 to Level 2	(526,860)	(23,110,709)	-	-
Net changes in securities	1,092,153	861,765	-	1,589,751
Redemptions, amortizations and write-offs	(17,930,581)	(20,116,241)	-	(1,672,000)
Balance at the end of the period	293,209,079	230,659,193	43,751,715	43,251,715

As of March 31, 2025, investments at fair value through other comprehensive income in Level 3 did not affect the Bank's results.

The total unrealized loss for investments at fair value through other comprehensive income classified as Level 3 as of March 31, 2025 is B/.14,506,724 (June 2024: B/.15,603,940).

As of March 31, 2025, the reclassifications between Level 2 and Level 3 of investments in local corporate bonds occurred as a result of the activity observed in the stock market in which they are listed.

6. Balances and transactions with related parties

A summary of balances and transactions with related parties included in the interim condensed consolidated financial statements is presented below:

	March 2025	June 2024
Transactions with related companies		
Consolidated statement of financial position		
Assets		
Investments at fair value through other comprehensive income	13,896,236	16,913,279
Investments at fair value through profit or loss	11,422,634	11,165,756
Loans	28,417,946	38,512,529
Accrued interest receivable	194,244	111,761
Other assets	126,135,561	123,946,549
Liabilities		
Client deposits:		
Demands	29,928,034	25,779,744
Savings	2,269,603	4,287,504
Time	46,433,095	48,462,220
Accrued interest payable	2,274,096	1,972,972
Commitments and contingencies	3,802,846	3,446,745

Consolidated statement of profit or loss	March	
	2025	2024
Income and expenses		
Interest and dividend income	1,761,215	1,942,206
Interest expenses	1,923,537	1,468,185

	March 2025	June 2024
Transactions with directors and key management personnel		
Consolidated statement of financial position		
Assets		
Loans	19,617,070	19,048,715
Accrued interest receivable	52,219	57,809
Liabilities		
Client deposits:		
Demands	996,613	870,804
Savings	2,974,552	1,891,576
Time	23,878,936	25,144,571
Accumulated interest payable	511,850	422,295
Commitments and contingencies	332,745	340,885

	March	
Consolidated statement of profit and loss	**2025**	**2024**
Income and expenses		
Interest income	654,789	576,696
Interest expenses	1,125,514	691,045
Benefits of key Management personnel		
Salaries	4,592,141	4,571,226
Profit sharing	1,573,558	1,510,775
Restricted stock plan	412,500	353,097
Allowances for Directors	620,850	613,350
	7,199,049	7,048,448

As of March 31, 2025, collateral securing loans to related parties amounted to B/.76,027,825 (June 2024: B/.96,234,479), which correspond to real estate, furniture and securities.

As of March 31, 2025, there are no loans with related parties with indications of impairment. As of March 31, 2025, loans with related parties mature between April 2025 and June 2054 and have annual interest rates ranging between 3.50% and 8.75% (June 2024: maturing between July 2024 and June 2054 and annual interest rates ranging between 3.50% and 8.75%).

7. Cash and cash equivalents

	March 2025	June 2024
Cash and cash equivalents	50,854,214	54,217,376
Demand deposits	300,577,241	173,357,700
Time deposits	277,536,936	150,084,128
	628,968,391	377,659,204
Interest receivable	741,083	539,520
Cash and bank deposits	629,709,474	378,198,724
Less:		
Interest receivable	(741,083)	(539,520)
Restricted time deposits	(18,049,231)	(7,076,490)
Time deposits with original maturities greater than 90 days	(20,460,623)	(15,770,414)
Cash and cash equivalents for purposes of the consolidated statement of cash flows	590,458,537	354,812,300

As of March 31, 2025, there are time deposits with original maturities greater than 90 days for B/.20,460,623 (June 2024: B/.15,770,414). In addition, there are restricted time deposits for B/.18,049,231 (June 2024: B/.7,076,490) that guarantee financial obligations.

8. Securities purchased under resale agreements

As of March 31, 2025, securities purchased under resale agreements for B/.4,997,549 (June 2024: B/.4,956,931) maturing in May 2025, June 2025, August 2025, January 2026 and March 2026 (June 2024: maturing in August 2024, January 2025, March 2025, May 2025 and June 2025), are collateralized by shares and bonds of companies listed in the Panama Stock Exchange.

9. Investments in securities, net

The breakdown of investments in securities is detailed below:

	March 2025	June 2024
Investments at fair value through other comprehensive income	619,070,371	566,447,182
Investments at fair value through profit or loss	69,404,054	71,631,682
Investments at amortized cost	375,754,445	402,341,535
Interest receivable	10,521,255	10,547,769
Reserve for impairment of investments at amortized cost	(1,624,564)	(1,642,006)
Investments in securities, net	1,073,125,561	1,049,326,162

9.1 Securities at fair value through other comprehensive income

	March 2025	June 2024
Securities listed in stock exchange:		
Shares issued by companies - domestic	8,806,273	8,531,564
Shares issued by companies - foreign	249,594	317,646
Private debt securities - domestic	223,030,522	220,838,051
Private debt securities - foreign	224,593,732	210,760,040
Government debt securities - domestic	69,371,384	70,178,245
Government debt securities - foreign	-	982,463
	526,051,505	511,608,009
Securities not listed in stock exchange:		
Shares issued by companies - domestic	19,197,965	19,030,465
Shares issued by companies - foreign	130,299	130,207
Private debt securities - domestic	34,331,721	35,464,521
Government debt securities - domestic	39,358,881	213,980
	93,018,866	54,839,173
	619,070,371	566,447,182

The annual interest rates accrued by the investments at fair value through other comprehensive income ranged between 2.50% and 9.375% (June 2024: 2.50% and 9.599%).

As of June 30, 2024, there were investments at fair value through other comprehensive income for B/.134,853,879, which guaranteed obligations with financial institutions (See Note 16). In addition, as of March 31, 2025, there are investments at fair value through other comprehensive income for B/.177,278,837 (June 2024: B/.61,331,722) that guarantee repurchase agreements. (See Note 15).

As of March 31, 2025, the Bank sold and redeemed investments for B/.247,540,403 (June 2024: B/.217,377,000) and as a result recorded a gain of B/.713,983 (March 2024: B/.255,159), which is included in the consolidated statement of profit or loss.

9.2 Securities at fair value through profit or loss

Securities at fair value through profit or loss are presented below:

	March 2025	June 2024
Securities listed in the stock exchange		
Shares issued by companies - domestic	5,543,423	5,128,898
Shares issued by companies - foreign	-	3,167,872
Private debt securities - foreign	4,638,656	4,582,996
	10,182,079	12,879,766
Securities not listed in the stock exchange		
Shares issued by companies - domestic	17,211,715	17,211,715
Shares issued by companies - foreign	17,970,260	17,500,201
Private debt securities - domestic	24,040,000	24,040,000
	59,221,975	58,751,916
	69,404,054	71,631,682

As of March 31, 2025, there were sales of investments at fair value through profit or loss with a gain of B/.9,766 (March 2024: gain of B/.18,386).

9.2 Securities at amortized cost

	March 2025		June 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Securities listed in the stock exchange:				
Private debt securities - foreign	5,110,533	3,894,586	5,366,005	4,034,504
Government debt securities - domestic	115,189,956	107,625,121	120,132,554	109,601,987
Government debt securities - foreign	235,637,195	189,717,664	257,026,215	206,001,418
	355,937,684	301,237,371	382,524,774	319,637,909
Securities not listed in the stock exchange:				
Private debt securities - domestic	19,816,761	19,269,471	19,816,761	18,879,424
	19,816,761	19,269,471	19,816,761	18,879,424
	375,754,445	320,506,842	402,341,535	338,517,333

As of March 31, 2025, the annual interest rate accrued by securities at amortized cost ranges between 1.00% and 9.375% (June 2024: 1.00% and 9.375%).

As of March 31, 2025, there are securities at amortized cost for B/.121,744,984 (June 2024: B/.105,384,604), which guarantee obligations with financial institutions (See Note 16). In addition, as of March 31, 2025, there were investments at amortized cost for B/.23,958,128 that guaranteed repurchase agreements (See Note 15).

10. Loans, net

	March 2025			June 2024		
	Gross amount	Impairment allowance	Net amount	Gross amount	Impairment allowance	Net amount
Domestic sector:						
Consumer	1,205,739,278	(60,415,502)	1,145,323,776	1,164,047,707	(55,480,404)	1,108,567,303
Commercial	1,134,904,438	(70,326,427)	1,064,578,011	1,187,948,076	(77,589,805)	1,110,358,271
Agricultural	317,694,373	(17,834,899)	299,859,474	339,486,359	(19,602,220)	319,884,139
Pledges	149,767,909	(8,133)	149,759,776	148,156,201	(2,648)	148,153,553
Overdrafts	105,166,049	(3,366,152)	101,799,897	118,731,610	(2,437,297)	116,294,313
Mortages	1,862,455,804	(19,620,394)	1,842,835,410	1,918,375,745	(19,625,376)	1,898,750,369
Industrial	308,568,484	(2,630,978)	305,937,506	305,881,168	(2,272,864)	303,608,304
Construction	424,549,924	(31,349,374)	393,200,550	401,298,736	(34,615,973)	366,682,763
Financial leasings	39,814,438	(716,332)	39,098,106	47,163,874	(1,618,326)	45,545,548
Factoring	215,845,339	(2,069,851)	213,775,488	304,285,310	(3,479,337)	300,805,973
Total domestic sector	5,764,506,036	(208,338,042)	5,556,167,994	5,935,374,786	(216,724,250)	5,718,650,536
Foreign sector:						
Commercial	321,259,300	(3,351,871)	317,907,429	282,077,170	(2,330,719)	279,746,451
Agricultural	9,121,757	(188,723)	8,933,034	-	-	-
Industrial	126,260,711	(4,510,129)	121,750,582	151,560,596	(5,900,925)	145,659,671
Construction	1,632,745	(466,328)	1,166,417	1,876,711	(467,494)	1,409,217
Pledge	29,470,022	-	29,470,022	9,470,022	-	9,470,022
Overdrafts	16,517,343	(2,689)	16,514,654	19,275,275	(3,139)	19,272,136
Total foreign sector	504,261,878	(8,519,740)	495,742,138	464,259,774	(8,702,277)	455,557,497
	6,268,767,914	(216,857,782)	6,051,910,132	6,399,634,560	(225,426,527)	6,174,208,033
Plus: Interest receivable			160,827,327			161,176,680
Less: Discounted unearned interest and commissions			(16,929,076)			(19,675,146)
Total			6,195,808,383			6,315,709,567

As of March 31, 2025, the loan portfolio accrues interest at a rate range of 1.00% to 25.99% (June 2024: 1.00% to 25.99%).

The classification by type of interest rate of the loan portfolio is detailed below:

	March 2025	June 2024
Fixed rate	868,476,781	934,173,318
Adjustable rate	5,090,228,028	5,213,852,097
Floating rate (Libor or Prime)	310,063,105	251,609,145
	6,268,767,914	6,399,634,560

Finance leases

The balance of net finance leases and the maturity profile is summarized as follows:

	March 2025	June 2024
Up to 1 year	5,421,258	7,922,466
1 to 5 years	34,393,180	39,241,408
Total	39,814,438	47,163,874
Less: unearned interest	(6,442,433)	(8,031,655)
Total financial leasings, net	33,372,005	39,132,219

Restructured loans

The restructuring activities include payment agreements, approved external management plans and modification of the payment plan. Restructuring policies and practices are based on indicators or criteria which, in Management's view, indicate that the payment will most likely continue. These policies are reviewed constantly.

As of March 31, 2025, renegotiated loans that would otherwise be past due or impaired totaled B/.198,162,044 (June 2024: B/.178,155,007).

	March 2025	June 2024
Consumer:		
Personal loans	33,103,202	28,127,112
Mortgage	109,669,583	92,691,949
Corporate:		
Commercial	55,389,259	57,335,946
Total	198,162,044	178,155,007

11. Property, furniture, equipment and improvements

	March 2025							
	Land	Property	Furniture and office equipment	Computer equipment	Vehicles	Leasehold improvements	Projects in progress	Total
Cost:								
At the beginning of the year	11,441,643	146,931,982	34,835,737	110,458,591	2,777,876	12,447,530	25,433,552	344,326,911
Additions or purchases	-	3,453,228	416,598	445,608	196,700	2,891,003	6,728,205	14,131,342
Reclassifications	-	257,005	886,306	2,447,089	95,000	-	(3,685,400)	-
Sales and write-offs	-	(4,636,301)	(792,658)	(1,417,087)	(187,273)	(32,786)	-	(7,066,105)
At the end of the period	11,441,643	146,005,914	35,345,983	111,934,201	2,882,303	15,305,747	28,476,357	351,392,148
Accumulated depreciation and amortization:								
At the beginning of the year	-	36,958,605	32,554,317	74,697,024	2,084,072	6,631,862	-	152,925,880
Expense for the period	-	2,953,204	1,355,566	5,775,321	264,293	480,891	-	10,829,275
Sales and write-offs	-	(1,103,426)	(777,872)	(1,415,876)	(187,273)	(29,385)	-	(3,513,832)
At the end of the period	-	38,808,383	33,132,011	79,056,469	2,161,092	7,083,368	-	160,241,323
Net balances	11,441,643	107,197,531	2,213,972	32,877,732	721,211	8,222,379	28,476,357	191,150,825

	June 2024							
	Land	Property	Furniture and office equipment	Computer equipment	Vehicles	Leasehold improvements	Projects in progress	Total
Cost:								
At the beginning of the year	12,132,412	145,069,273	34,579,319	99,600,785	2,981,454	12,404,110	24,969,415	331,736,768
Additions or purchases	-	-	104,444	964,162	298,700	-	14,912,434	16,279,740
Reclassifications	-	2,837,779	869,255	10,578,228	4,624	158,411	(14,448,297)	-
Sales and write-offs	(690,769)	(975,070)	(717,281)	(684,584)	(506,902)	(114,991)	-	(3,689,597)
At the end of the year	11,441,643	146,931,982	34,835,737	110,458,591	2,777,876	12,447,530	25,433,552	344,326,911
Accumulated depreciation and amortization:								
At the beginning of the year	-	33,486,319	31,243,297	68,301,058	2,145,587	6,142,320	-	141,318,581
Expense for the year	-	3,919,193	2,009,671	7,077,246	445,387	603,688	-	14,055,185
Sales and write-offs	-	(446,907)	(698,651)	(681,280)	(506,902)	(114,146)	-	(2,447,886)
At the end of the year	-	36,958,605	32,554,317	74,697,024	2,084,072	6,631,862	-	152,925,880
Net balances	11,441,643	109,973,377	2,281,420	35,761,567	693,804	5,815,668	25,433,552	191,401,031

12. Right-of-use assets and lease liabilities

a) Right-of-use assets

Right-of-use assets are presented below:

Building and land	**March 2025**	**June 2024**
Cost:		
Balance at the beginning of the year	25,694,588	25,694,588
Balance at the end of the period	25,694,588	25,694,588
Accumulated depreciation and amortization:		
Balance at the beginning of the year	14,402,999	12,393,553
Expenses of the period	1,237,986	2,009,446
Balance at the end of the period	15,640,985	14,402,999
Net balance	10,053,603	11,291,589

Amounts recognized in the consolidated statement of profit or loss:

	March 2025	**March 2024**
Depreciation expense in right-of-use assets	1,237,986	1,551,902
Interest expenses on lease liabilities	330,509	373,464
	1,568,495	1,925,366

b) Lease liabilities

The following table shows the maturity terms of contingent operating lease commitments under IFRS 16:

	March 2025	**June 2024**
Up to 1 year	1,408,953	1,475,110
Between 1 and 5 years	4,807,406	5,466,019
5 years or more	5,678,114	6,050,584
Total	11,894,473	12,991,713

The Bank does not face significant liquidity risk with respect to its lease liabilities. Lease liabilities are maintained in accordance with the Bank's operation.

13. Other assets

	March 2025	June 2024
Accounts receivable - related companies	126,135,561	123,946,549
Goodwill (a)	92,014,817	92,014,817
Repossessed assets	68,295,549	73,246,570
Deferred income tax (b)	59,202,711	55,383,379
Accounts receivable - National Treasury	53,233,826	30,179,522
Accounts receivable	43,278,268	44,603,176
Investment properties (c)	42,850,897	42,850,897
Prepaid expenses	17,789,175	13,744,053
Intangible assets (d)	15,130,603	16,288,108
Severance fund	9,972,380	9,538,060
Deposits in collateral	8,699,262	11,619,481
Insurance premiums receivable	7,719,670	8,172,332
Tax credit - agricultural subsidy	5,008,728	4,582,090
Reinsurers' participation	4,062,297	4,647,056
Insurance company claims	3,632,733	3,702,734
Judicial deposits	749,740	759,985
Customer obligations for acceptances	403,806	2,056,643
Hedging derivate (e)	-	50,586
Other	32,938,608	32,012,590
	591,118,631	569,398,628

(a) Goodwill

The table below summarizes the balance of goodwill generated from the acquired interest in the following entities:

Acquisition date	Company acquired	% of shares acquired	March 2025	June 2024
June 1999	Banco Confederado de América Latina, S.A. (COLABANCO)	100%	8,330,187	8,330,187
December 2004	Afianzadora Colón, S.A.	100%	25,000	25,000
December 2014	PROGRESO - Administradora Nacional de Inversiones, Fondos de Pensiones y Cesantías, S.A.	100%	8,407,500	8,407,500
December 2018	Banco Panameño de la Vivienda, S.A. y Subsidiarias		75,252,130	75,252,130
			92,014,817	92,014,817

(b) Deferred income tax

Details of deferred income tax can be found in Note 30.

(c) Investment properties

As of March 31, 2025, the investment properties consist of real estate for future development with a value of B/.86,861,200 (June 2024: B/.86,861,200) according to the appraisal performed by Avalúos Inspecciones y Construcción, an independent appraiser of the Bank with experience and capacity to perform these appraisals.

The fair value is based on the market methodology where the sales price per square meter of the land is the most relevant input. Fair value has been classified in level 3 of the IFRS 13 valuation hierarchy.

(d) Intangible assets

	March 2025	June 2024
Cost:		
Rights to manage HSBC's severance fund portfolio		
Investment Corporation (Panamá, S. A.)	1,389,963	1,389,963
Tradermarks and other intangibles	8,454,809	8,454,809
Intangible assets from the purchase of Banvivienda	15,500,000	15,500,000
	25,344,772	25,344,772
Accumulated amortization:		
Balance at the beginning of the year	9,056,664	7,513,323
Amortization	1,157,505	1,543,341
	10,214,169	9,056,664
Net balance at the end of the period	15,130,603	16,288,108

In order to check for impairment in goodwill or other intangible assets, a periodic valuation is made of the various assets (contracts, portfolios) or businesses acquired by the Bank that have generated such goodwill or intangible assets. The Bank mainly uses the model of discounted future cash flows from the corresponding assets or businesses or valuation alternative methods including business multiples profit or equity, depending on the case.

As of March 31, 2025 and June 30, 2024, there were no impairment losses recognized in goodwill or intangible assets. The valuation made using the discount method of net future cash flows generated by the acquired assets or business, indicates that the present value of these exceeds the carrying value of goodwill or intangible assets.

To carry out the valuation of acquired assets and businesses, expected net cash flows of assets or businesses were projected for periods five years, and also an increase is defined in perpetuity or flow multiples at the end of the projected flow period to estimate the terminal flow. Growth rates in the assets or businesses fluctuate based on their nature, while the perpetual growth rates is 3.5%.

- To determine the growth rates of the assets or businesses, we used as reference the real historical growth, performance, and metrics of the relevant assets or businesses, their future perspectives, the anticipated macroeconomic growth of the country which is between 4% and 5% during the five years of projection. Segments or businesses were evaluated, as well as the Bank's business plans and expected growth rates in general, and also for specific businesses under evaluation.

- To calculate the present value of future cash flows and determine the value of assets and businesses under assessment, the discount rate was used as the estimated average capital cost of the Bank for the periods referred to when the business unit assessed is the Bank. When the flows of asset funds or units are discounted with a profile different from the Bank, the capital cost applicable to that activity is used in case it differs. The Bank’s cost of capital is based on the average interest rates at long-term of AAA instruments in dollars, of the country risk premium and of the return premium for applicable capital investments. The cost of the Bank’s capital is approximately 11%.

- The key assumptions previously described may change as economic and market conditions change. The Bank estimates that the changes reasonably possible under these assumptions do not affect the recoverable amount of the business units or falls below the carrying value.

The amortization expense is presented in the consolidated statement of profit or loss in the item line of depreciation and amortization.

(e) Hedging derivatives

The Bank reduces its credit risk in relation to these agreements by using financially sound institutions as counterparties. These contracts are recorded at fair value in the consolidated statement of financial position using the fair value hedge or cash flow hedge methods, in other assets and other liabilities, as appropriate.

Cash flow hedges

As of June 30, 2024, the Bank has entered into “interest rate swap” contracts to hedge borrowings with variable rates and a nominal value of B/.50,000,000, amortizable. These instruments were designated as cash flow hedges in order to protect the variable disbursements related to the liability.

The "swap" instrument results from applying the net amount between receiving variable interest and payment of a fixed rate during each payment period, which began in March 2024 and ends in March 2029. Interest rate "swap" payments and financing interest payments are made semiannually.

The following is a summary of the derivative contract by maturity and method of accounting:

		March 2025 Remaining maturity of notional amount	
Method of accounting	**Over 1 year**	**Less than 1 year**	**Total**
Cash flow	-	-	-
Total	-	-	-

		June 2024 Remaining maturity of nominal value	
Method of accounting	**Over 1 year**	**Less than 1 year**	**Total**
Cash flow	50,000,000	-	50,000,000
Total	50,000,000	-	50,000,000

The nominal value and estimated fair value of interest rate derivative instruments as of June 30, 2024, is presented in the table below. The fair value of derivative financial instruments is estimated using valuation models from a pricing provider and observable market data.

	March 2025	
Type	**Notional value**	**Fair value**
Derivatives for cash flow hedges (for financing)	-	-
Total	-	-

	June 2024	
Type	**Notional value**	**Fair value**
Derivatives for cash flow hedges (for financing)	50,000,000	50,586
Total	50,000,000	50,586

As of June 30, 2024, the Bank recognized B/.50,586 in the consolidated statement of profit or loss and other comprehensive income, resulting from changes in the fair value of derivative financial instruments used in cash flow hedges.

14. Client deposits

March 2025	Demand	Savings	Time	Total
Economic segment				
Corporate	418,494,968	418,259,880	2,282,508,212	3,119,263,060
Personal	75,995,900	724,811,578	1,738,014,935	2,538,822,413
	494,490,868	1,143,071,458	4,020,523,147	5,658,085,473
Segment				
Domestic	461,151,344	1,089,010,046	3,553,233,325	5,103,394,715
Foreign	33,339,524	54,061,412	467,289,822	554,690,758
	494,490,868	1,143,071,458	4,020,523,147	5,658,085,473

June 2024	Demand	Savings	Time	Total
Economic segment				
Corporate	391,783,176	354,306,405	2,131,262,449	2,877,352,030
Personal	75,451,984	727,005,797	1,584,824,455	2,387,282,236
	467,235,160	1,081,312,202	3,716,086,904	5,264,634,266
Segment				
Domestic	444,036,213	1,031,079,907	3,354,183,463	4,829,299,583
Foreign	23,198,947	50,232,295	361,903,441	435,334,683
	467,235,160	1,081,312,202	3,716,086,904	5,264,634,266

15. Securities sold under repurchase agreements

As of March 31, 2025, there are repurchase agreements for B/.163,945,011 (June 2024: B/.47,610,933), guaranteed by investments at fair value through other comprehensive income for B/.177,278,837 (June 2024: B/.61,331,722) and securities at amortized cost for B/.23,958,128, at interest rates between 4.95% and 6.05% (June 2024: 6.05% and 6.39%), maturing in May 2025, June 2025, July 2025 and August 2025 (June 2024: maturing in August 2024 and June 2025).

Securities sold under repurchase agreements at amortized cost are detailed below:

	March 2025	June 2024
Securities sold under repurchase agreements	163,945,011	47,610,933
Accrued interest payable	2,679,985	922,321
Securities sold under repurchase agreements at amortized cost	166,624,996	48,533,254

16. Obligations with financial institutions

	March 2025	June 2024
As of March 31, 2025, there are obligations with other banks for foreign trade financing, with various maturities until December 2026 and annual interest rates between 4.3803% and 7.7438% (June 2024: between 4.8478% and 7.8323%).	596,572,261	526,087,484
As of June 30, 2024, there was obligation with financial institution for short-term liquidity management, with a renewable maturity beginning in October 2024 and interest rates between 2.15% and 6.8284%, reviewed semianually (June 2023: between 2.15% and 6.75%).	-	215,126,917
As of March 31, 2025, there are obligations with international organizations for long-term liquidity management, with various maturities until March 2029 and interest rates from 6.26%, reviewed semianually (June 2024: from 7.27%).	74,413,559	101,559,898
As of March 31, 2025, there are obligations with foreign banks for working capital, with various maturities until August 2031 and annual interest rates between 1.50% and 7.37% (June 2024: between 1.50% and 8.65518%).	389,541,790	517,580,782
As of March 31, 2025, there are obligations with a multilateral financial institutions, with various maturities and final maturities from April 2025 to September 2028, interest rates range between 3.50% and 6.749%, reviewed semiannually (June 2024: between 3.50% and 7.344%).	261,521,037	282,627,134
	1,322,048,647	1,642,982,215

As of June 30, 2024, there were investments at fair value through other comprehensive income for B/.134,853,879 and investments in securities at amortized cost for B/.105,384,604 that guaranteed these obligations with financial institutions. In addition, there are restricted time deposits as of March 31, 2025, for B/.18,049,231 (June 2024: B/.7,076,490), which guarantee these obligations with financial institutions.

The Bank is in compliance with the maturity payments of principal and interest, as well as the contractual clauses in relation to its obligations and placements.

Obligations with financial institutions at amortized cost are detailed below:

	March 2025	June 2024
Obligations with financial institutions	1,322,048,647	1,642,982,215
Accrued interest payable	25,131,740	21,722,303
Obligations with financial institutions at amortized cost	1,347,180,387	1,664,704,518

The movement of obligations with financial institutions is broken down as follows for the reconciliation purpose with the consolidated statement of cash flows:

	March 2025	June 2024
Balance at the beginning of the year	1,642,982,215	1,582,877,582
Others movements	-	(7,290,393)
Obligations received	768,056,765	2,262,358,381
Payments made	(1,088,990,333)	(2,194,963,355)
Balance at the end of the period	1,322,048,647	1,642,982,215

17. Marketable securities (VCNs)

Series	Issuance date	Interest rate	Maturity	March 2025	June 2024
D-R	Apr-24	5.88%	Mar-25	-	2,000,000
				-	2,000,000

The movement of Marketable securities is broken down as follows for the purpose of reconciliation with the consolidated statement of cash flows:

	March 2025	June 2024
Balance at beginning of the year	2,000,000	-
Proceeds from issuance	-	2,000,000
Redemptions	(2,000,000)	-
Balance at the end of the period	-	2,000,000

Marketable securities at amortized cost are detailed below:

	March 2025	June 2024
Marketable securities	-	2,000,000
Accrued interest payable	-	8,486
Marketable securities at amortized cost	-	2,008,486

18. Corporate bonds

Type	Interest rate	Maturity	March 2025	June 2024
A Series - April 2019 Issuance	5.25%	Apr-29	309,751,553	310,231,705
A Series - October 2023 Issuance	7.00%	Nov-26	49,801,616	49,719,852
B Series - October 2023 Issuance	7.00%	Nov-26	9,938,000	9,938,000
C Series - October 2023 Issuance	7.00%	Dec-26	4,551,000	4,551,000
			374,042,169	374,440,557

The guarantees granted by the Bank for these issuances are described below:

April 2019 Issuance – The bonds of this issuance constitute direct, unconditional and unsecured obligations. The coupon is paid semiannually at a fixed rate and changes at a variable rate of 3 months plus 3.30% spread in the last year of the issuance.

October 2023 issuance - The bonds of this issue represent direct, unconditional and unsecured obligations. The bonds may be redeemed at its sole discretion, in whole or in part, on any business day. The terms of early redemption of each series of the bonds will be determined by the Issuer in the Information Supplement for each series.

The corporate bonds at amortized cost are detailed below:

	March 2025	June 2024
Corporate bonds	374,042,169	374,440,557
Accrued interest payable	7,478,536	3,179,671
Corporate bonds at amortized cost	381,520,705	377,620,228

19. Perpetual bonds

Perpetual bonds of any series are unsecured and can be redeemed, totally or partially, at the Issuer's choice staring from the sixth year after the issuance date of the respective series and have no guarantee.

Type	Interest rate	March 2025	June 2024
A Series - May 2016 Issuance	6.75%	24,032,712	24,055,778
B Series - July 2016 Issuance	6.75%	89,895,586	90,489,499
C Series - May 2018 Issuance	6.75%	5,191,950	5,191,950
D Series - May 2019 Issuance	6.75%	16,603,551	16,596,311
E Series - June 2020 Issuance	6.75%	4,493,000	4,611,000
F Series - September 2020 Issuance	6.50%	5,299,000	5,299,000
G Series - December 2020 Issuance	6.50%	14,701,000	14,701,000
H Series - September 2021 Issuance	5.75%	14,901,000	14,901,000
I Series - December 2021 Issuance	5.75%	2,171,000	2,171,000
		177,288,799	178,016,538

Perpetual bonds at amortized cost are detailed as follows:

	March 2025	June 2024
Perpetual bonds	177,288,799	178,016,538
Accrued interest payable	136,731	39,564
Perpetual bonds at amortized cost	177,425,530	178,056,102

The movement of corporate and perpetual bonds is broken down as follows for the purpose of reconciliation with the consolidated statement of cash flows:

	March 2025	June 2024
Balance at beginning of the year	552,457,095	566,416,602
Proceeds from issuances	-	64,489,000
Debt issuance cost / amortization of debt issuance cost	314,197	719,329
Bond repurchase proceeds	(741,318)	-
Redemptions	(523,771)	(78,347,220)
Premiums, discounts / discount premium amortization	(175,235)	(820,616)
Balance at the end of the period	551,330,968	552,457,095

20. Other liabilities

	March 2025	June 2024
Cashiers´ and certified checks	30,230,938	22,267,497
Other creditors	26,042,040	23,808,515
Employee benefits and other labor liabilities	20,614,360	21,954,721
Reserve for insurance operations (Note 21)	14,129,339	13,838,661
Other reserves	9,574,105	10,317,112
Factoring collateral deposits (a)	6,067,088	7,219,171
Judicial and other deposits	4,166,951	3,114,472
Insurance accounts payable	2,783,115	2,767,461
Income tax payable	2,043,939	289,019
Hedge derivative (b)	2,039,478	119,594
Special Interest Compensation Fund (FECI) accounts payable	1,454,345	1,828,600
Acceptances outstanding	403,806	2,056,643
Others	23,474,521	13,763,753
	143,024,025	123,345,219

a) Guarantees withheld by customers and others

Guarantees withheld by customers consist of a percentage value of each discounted invoice withheld until collection is effective. If at the end of the contract the invoice becomes uncollectible, the Bank reduces the account receivable by the balance of the factoring guarantee deposit of the related transaction.

b) Hedging derivative

Cash flow hedge

As of March 31, 2025, the Bank has entered into interest rate swap contracts to hedge borrowings with variable rates and a nominal value of B/.203,000,000 (June 2024: B/.153,000,000), amortizable. These instruments were designated as cash flow hedges in order to protect the variable disbursements related to the liability.

As of March 31, 2025, the "swap" instrument results from applying the net amount between receiving variable interest and the payment of a fixed rate during each payment period, which began in March 2024 and ends in March 2029 (June 2024: began in March 2024 and ends in March 2027). Interest rate "swap" payments and financing interest payments are made on a quarterly basis.

Below is a summary of the derivative contract by maturity and method of accounting:

	March 2025 Remaining maturity of notional amount		
Method of accounting	**Over 1 year**	**Less than 1 year**	**Total**
Cash flow	203,000,000	-	203,000,000
Total	203,000,000	-	203,000,000

	June 2024 Remaining maturity of notional amount		
Method of accounting	**Over 1 year**	**Less than 1 year**	**Total**
Cash flow	153,000,000	-	153,000,000
Total	153,000,000	-	153,000,000

The nominal value and estimated fair value of interest rate derivative instruments as of March 31, 2025 and June 30, 2024 is presented in the table below. The fair value of derivative financial instruments is estimated using valuation models from a pricing provider and observable market data.

	March 2025	
Type	**Notional value**	**Fair value**
Derivatives for cash flow hedges (for financing)	203,000,000	(2,039,478)
Total	203,000,000	(2,039,478)

	June 2024	
Type	**Notional value**	**Fair value**
Derivatives for cash flow hedges (for financing)	153,000,000	(119,594)
Total	153,000,000	(119,594)

As of March 31, 2025, the Bank recognized B/.(2,039,478) (June 2024: B/.(119,594)) in the consolidated statement of profit or loss and other comprehensive income, resulting from changes in the fair value of derivative financial instruments used in cash flow hedges.

For cash flow hedges, the effective portion of gains or losses resulting from changes in the fair value of a derivative hedging instrument is included in net change in hedging instruments. The ineffective portion (indicated by the excess of the cumulative change in the fair value of the derivative over the amount necessary to offset the cumulative change in the expected future cash flows of the hedged transactions) is included in other income (expense). During the year, the hedge was highly effective in covering the risk of variability in interest rates that could affect the Bank's cash flows.

For fair value hedging derivative instruments, gains or losses from changes in the fair value of the derivative instrument including the non-performance risk as the hedged item attributable to the hedged risk are included in other income (expense).

21. Reserves from insurance operations

Unearned premiums

	March 2025	June 2024
Balance at the beginning of the year	11,079,222	10,635,411
Premiums issued	25,147,193	35,126,329
Premiums earned	(15,545,389)	(19,031,719)
Balance at the end of the period	20,681,026	26,730,021
Participation of reinsurers		
Premiums ceded	(9,819,005)	(14,912,589)
Unearned premiums	(285,400)	(738,210)
Unearned premiums, net	10,576,621	11,079,222

Pending claims to be settled, estimates	March 2025	June 2024
Balance at the beginning of the year	2,759,439	5,042,603
Claims incurred, net	8,704,096	10,102,594
Claims paid	(7,910,817)	(12,385,758)
Balance at the end of the period	3,552,718	2,759,439
	14,129,339	13,838,661

22. Common shares

As of March 31, 2025, the authorized capital of Global Bank Corporation consists of 2,000,000 common shares without par value, of which 236,600 (June 2024: 236,600) shares are issued and outstanding for a value of B/.270,202,657 (June 2024: B/.270,202,657).

As of March 31, 2025, dividends were paid on common shares approved by the Board of Directors for a total of B/.16,663,803 (March 2024: B/.29,755,550).

23. Interest and commission income and expense

	March 2025	March 2024
Interest earned on:		
Loans	349,119,617	334,718,533
Deposits	12,334,675	9,108,313
Investments	33,857,191	30,308,072
	395,311,483	374,134,918
Interest expense on:		
Deposits	(171,241,410)	(151,976,665)
Obligations with financial institutions and repurchase agreements	(80,604,849)	(81,224,254)
Marketable securities and bonds	(24,961,424)	(24,625,126)
	(276,807,683)	(257,826,045)
Net interest income	118,503,800	116,308,873
Commissions earned on:		
Loans	25,179,222	22,284,569
Letters of credit	1,606,350	2,807,493
Savings accounts and debit cards	2,603,412	2,673,310
Fiduciary and management services	9,254,513	8,553,477
Others	15,123,614	16,076,139
	53,767,111	52,394,988
Commission expenses	(19,862,411)	(18,234,791)
Net commissions income	33,904,700	34,160,197
Net interest and commissions income	152,408,500	150,469,070

24. Other income, net

	March 2025	March 2024
Insurance premiums, net	11,741,281	12,235,761
Gain on sale of investments through other comprehensive income (OCI)	713,983	255,159
Gain on instruments at fair value through profit or loss, net	519,824	2,671,855
Fiduciary services and brokerage services, net	467,532	1,270,930
(Lost) gain on sale of investments through profit or loss	(9,766)	18,386
Other income (expenses)	3,798,160	7,079,343
	17,231,014	23,531,434

25. Other expenses

	March 2025	March 2024
Reserve for mileage redemption	2,797,249	2,719,526
Surveillance	1,362,504	1,339,121
Public utilities	1,188,051	1,255,904
Communications and correspondance	1,138,608	1,365,715
Supplies and stationary	420,984	434,287
Insurance	255,125	239,780
Other general expenses	5,068,878	4,646,361
Other operating expenses	8,356,548	6,990,257
	20,587,947	18,990,951

26. Excess paid-in capital

Restricted stock plan

In August 2024, the Board of Directors of G.B Group Corporation approved reserving a total of up to 16,222 common shares of its authorized capital so that they can be awarded under the Restricted Stock Plan for participants, which will be effective for the years 2025-2026.

In August 2023, the Board of Directors of G.B Group Corporation approved reserving a total of up to 15,561 common shares of its authorized capital so that they can be awarded under the Restricted Stock Plan for participants, which will be effective for the years 2024-2025.

In August 2022, the Board of Directors of G.B Group Corporation approved reserving a total of up to 12,351 common shares of its authorized capital so that they can be awarded under the Restricted Stock Plan for participants, which will be effective for the years 2023-2024.

The number of shares to be granted will be determined annually by the Compensation Committee of the Board of Directors of G.B. Group Corporation based on the performance of the Bank and the participants.

The shares granted to participants are awarded at the average price of the Panama Stock Exchange, in the month prior to the award.

Once the restricted shares are vested, the participant may dispose of them as follows: 50% from the first year and 50% the second year.

Because the restricted stock plan is unilateral and voluntary, it may be discontinued by the Board of Directors of G.B. Group Corporation at any time.

For the nine-month period ended March 31, 2025, 16,222 (March 2024: 14,048) shares were granted under the restricted stock plan and an expense of B/.412,500 was recorded (March 2024: B/.353,097).

27. Commitments and contingencies

The Bank maintains financial instruments outside the consolidated statement of financial position with credit risks arising in the normal course of business, which involves elements of credit and liquidity risk. Such financial instruments include commercial letters of credit, granted endorsements and guarantees and promissory notes, which are summarized below:

	March 2025	June 2024
Letters of credit	204,442,068	171,330,553
Endorsements and collaterals	306,762,733	397,310,914
Promissory notes	64,560,427	89,628,082
Unused credit lines	524,428,655	451,817,275
Total	1,100,193,883	1,110,086,824

Letters of credit, endorsements, guarantees issued, promissory notes and loan commitments include exposure to some credit loss in the event of default by the customer. The Bank's credit policies and procedures to approve credit commitments, financial guarantees and promissory notes are the same as those used for granting of loans that are recorded on the consolidated statement of financial position.

Guarantees issued have fixed maturity dates and most expire without being drawn upon, and therefore, they generally do not represent a significant liquidity risk to the Bank. With respect to the commercial letters of credit, most are used; however, the majority are on-demand and paid immediately.

Promissory notes represent conditional promises accepted by the Bank, once certain conditions have been met, which have an average maturity of six months and are used basically for disbursements of mortgage loans. The Bank does not anticipate losses as a result of these transactions.

28. Management of trust contracts and investment portfolio

As of March 31, 2025, the Bank held in administration trust contracts at the account and risk of customers amounting to B/.2,997,908,219 (June 2024: B/.2,896,704,349).

	March 2025	June 2024
Collateral Trust	2,668,968,932	2,610,096,325
Management Trust	241,095,914	184,352,474
Investment Trust	81,844,063	96,181,717
Assets - PLICA contract	4,429,989	4,330,843
Pension Trust	1,569,321	1,742,990
	2,997,908,219	2,896,704,349

Considering the nature of these services, Management considers that there is no risk for the Bank.

29. Pension and severance fund management

	March 2025	June 2024
Severance Fund	340,862,676	333,402,570
Pension Fund (under Law No. 10)	242,510,780	231,401,161
Citibank, N. A.	850,650	1,346,957
Other assets under management	44,657,967	40,314,607
	628,882,073	606,465,295

30. Income tax

Income Tax returns of banks incorporated in the Republic of Panama are subject to review by the tax authorities for the last three years, including the year ended June 30, 2024, in accordance with current tax regulations.

According to current Panamanian Tax Legislation, banks are exempt from paying income tax on foreign source earnings. Also exempt from income tax are interest earned on time deposits in local banks, interest earned on Panamanian government securities and investments in securities issued through the Panamanian Stock Exchange.

The subsidiaries Global Capital Investment Corp. and Global Bank Overseas are not subject to income tax in their respective jurisdictions, due to the nature of their foreign operations. However, income tax incurred on operations that generate taxable income in other jurisdictions is classified as income tax expense.

As of January 1, 2010, with the entry into force of Law No.8 of March 15, 2010, Article No.699 of the Tax Code states that legal entities whose taxable income exceeds one million five hundred thousand balboas (B/.1,500,000) per year must pay income tax at a rate of 25% on the greater of: (1) the net taxable income calculated by the traditional method established in Title I of Book Four of the Tax Code, or (2) the net taxable income resulting from applying four point sixty seven percent (4.67%) to the total taxable income.

The current income tax expense is detailed below:

	March 2025	March 2024
Current income tax	3,315,366	3,655,625
Deferred tax for temporary differences	(3,819,332)	(2,798,006)
(Benefit) income tax expense	(503,966)	857,619

As of March 31, 2025, the average effective current income tax rate is 9.20% (March 2024: 9.15%).

The item with tax effect that composes the deferred tax asset included in the consolidated statement of financial position is mainly the allowance for possible loan losses and the tax effect of goodwill, which is detailed below:

	March 2025	June 2024
Balance at the beginning of the year	55,383,379	52,252,045
Other charges	9,839,466	5,225,291
Credit to profit or loss during the period	(6,020,134)	(2,093,957)
Balance at the end of the period	59,202,711	55,383,379

The deferred asset is recognized based on deductible tax differences considering its past operations and projected taxable income, which are influenced by Management's estimates. Based on current and projected results, the Bank's Management believes that there will be sufficient taxable income to absorb the deferred income tax detailed above.

A reconciliation of income taxes is presented as follows:

	March 2025	March 2024
Profit before income tax	36,021,900	39,957,257
Less: non-taxable income	(105,936,979)	(103,971,219)
Plus: non-deductible expenses	83,170,188	78,630,449
Plus: tax loss in subsidiaries	2,612	3,844
Taxable base	13,257,721	14,620,331
Income tax calculated at 25%	3,314,430	3,655,083
Remittance income tax	936	541
Current income tax expense	3,315,366	3,655,624

The deferred income tax asset is detailed below:

	March 2025	June 2024
Deferred income tax asset:		
Reserve for expected losses	48,859,370	53,149,259
Acquired intangible asset - core deposit	(1,964,411)	(2,206,599)
Other reserve	12,307,752	4,440,719
Deferred income tax asset	59,202,711	55,383,379

The reconciliation of prior year deferred income taxes to current year is as follows:

March 2025		**Charged to Profit or Loss**	**Other charges**	
Deferred income tax asset:				
Reserve for expected losses	53,149,259	(4,289,889)	-	48,859,370
Acquired intangible - core deposit	(2,206,599)	242,188	-	(1,964,411)
Other reserve	4,440,719	(1,972,433)	9,839,466	12,307,752
Deferred income tax asset	55,383,379	(6,020,134)	9,839,466	59,202,711

June 2024		**Charged to Profit or Loss**	**Other charges**	
Deferred income tax asset:				
Reserve for expected losses	54,433,116	(1,283,857)	-	53,149,259
Acquired intangible - core deposit	(2,529,507)	322,908	-	(2,206,599)
Other reserve	348,436	(1,133,008)	5,225,291	4,440,719
Deferred income tax asset	52,252,045	(2,093,957)	5,225,291	55,383,379

Transfer Pricing:

On August 29, 2012, Law No.52 came into force, which reforms the regulations regarding Transfer Pricing, a pricing regime oriented to regulate the transactions carried out between related parties for tax purposes, so that the considerations between them are similar to those carried out between independent parties. According to such rules, taxpayers that carry out transactions with related parties that have effects on income, costs or deductions to determine the taxable income for income tax purposes of the tax period in which the transaction is declared or carried out, must prepare annually a report of the transactions carried out within the six months following the end of the corresponding tax period (Form 930). Said operations must be submitted to a study in order to establish their compliance with the assumption contemplated in the Law.

As of the date of these interim condensed consolidated financial statements, the Bank is in the process of contemplating such analysis; however, according to Management, it is not expected to have a significant impact on the estimated income tax for the period.

31. Segment information

Management has prepared the following segment information based on the Bank's business for its financial analysis:

	March 2025			
	Banking and financial activities	Insurance	Pension and severance funds	Total consolidated
Interest and commission income	438,546,629	2,882,593	7,649,372	449,078,594
Interest expenses and reserves	321,260,093	5,535	-	321,265,628
Other income, net	5,241,059	11,822,163	167,792	17,231,014
Other expenses	88,514,221	5,236,875	2,046,218	95,797,314
Depreciation and amortization expense	13,056,744	8,624	159,398	13,224,766
Profit before income tax	20,956,630	9,453,722	5,611,548	36,021,900
(Benefit) income tax expense	(3,326,138)	1,868,209	953,963	(503,966)
Net profit	24,282,768	7,585,513	4,657,585	36,525,866
Total assets	8,554,481,262	90,601,217	50,881,547	8,695,964,026
Total liabilities	7,917,756,013	20,205,553	501,926	7,938,463,492

	March 2024			
	Banking and financial activities	Insurance	Pension and severance funds	Total consolidated
Interest and commission income	416,846,494	2,367,645	7,315,767	426,529,906
Interest expenses and reserves	302,346,049	7,739	1,359	302,355,147
Other income, net	10,834,388	12,307,552	389,494	23,531,434
Other expenses	87,176,482	5,238,816	2,151,620	94,566,918
Depreciation and amortization expense	13,079,786	8,641	93,591	13,182,018
Profit before income tax	25,078,565	9,420,001	5,458,691	39,957,257
Income (benefit) tax expense	(2,207,871)	1,986,751	1,078,739	857,619
Net profit	27,286,436	7,433,250	4,379,952	39,099,638
	June 2024			
Total assets	8,393,790,459	80,184,373	46,307,800	8,520,282,632
Total liabilities	7,769,366,618	19,132,595	407,634	7,788,906,847

32. Subsidiaries of the Bank

The following are the Bank's subsidiaries, their main economic activity, date of incorporation, beginning of operations, country of incorporation and percentage of ownership of such companies:

Companies	Main economic activty	Date of incorporation	Beginning of operations	Country of incorporation	Percentage of ownership
Global Financial Funds Corporation	Fiduciary trust services	Sep-95	1995	Panama	100%
Global Capital Corporation	Corporate finance and financial advisory	May-93	1994	Panama	100%
Global Capital Investment Corporation	Purchase of discounted invoices factoring	Jun-93	1993	British Virgin Island	100%
Global Valores, S. A.	Stockbrokers	Aug-02	2002	Panama	100%
Global Bank Overseas and Subsidiaries	Foreign banking	Aug-03	2003	Montserrat	100%
Aseguradora Global, S. A.	Subscription and issuance of insurance policies	Apr-03	2004	Panama	100%
Durale Holdings, S. A.	Holding and management of real estate	Jan-06	2006	Panama	100%
Progreso AFPC, S.A.	Pension Fund Management	Oct-98	2014	Panama	100%
Anverli Investment Corporation	Holding and management of real estate	Jan-17	2017	Panama	100%

33. Regulatory aspects and capital reserve

The following is a detail of the regulatory reserves:

	March 2025	June 2024
Regulatory reserves:		
Dynamic reserve	87,863,198	87,863,198
Foreclosed assets reserve	20,563,957	19,313,175
Equity reserve - investments	624,074	957,265
	109,051,229	108,133,638

Agreement No.4-2013

Loan portfolio classification and allowance for loan losses based on Agreement No.4-2013:

March 2025

	Normal	Special mention	Subnormal	Doubtful	Uncollectible	Total
Corporate loans	2,440,363,209	344,134,646	75,394,346	55,539,546	84,467,092	2,999,898,839
Consumer loans	2,747,059,928	266,831,467	22,188,776	19,260,636	70,834,376	3,126,175,183
Other loans	142,692,131	-	1,761	-	-	142,693,892
Total	5,330,115,268	610,966,113	97,584,883	74,800,182	155,301,468	6,268,767,914
Specific reserve	-	28,590,551	19,567,233	20,032,732	113,155,082	181,345,598

June 2024

	Normal	Special mention	Subnormal	Doubtful	Uncollectible	Total
Corporate loans	2,519,594,727	317,013,857	67,765,488	54,836,797	102,894,094	3,062,104,963
Consumer loans	2,802,230,934	233,617,738	24,890,127	18,795,828	62,101,719	3,141,636,346
Other loans	195,892,812	329	110	-	-	195,893,251
Total	5,517,718,473	550,631,924	92,655,725	73,632,625	164,995,813	6,399,634,560
Specific reserve	-	24,915,669	15,907,817	20,746,372	120,309,116	181,878,974

The classification of the loan portfolio by maturity profile based on Agreement No.4-2013:

March 2025

	Current	Delinquent	Overdue	Total
Corporate	2,891,320,792	19,551,071	89,026,976	2,999,898,839
Consumer	2,943,619,753	88,293,311	94,262,119	3,126,175,183
Others	142,692,131	-	1,761	142,693,892
Total	5,977,632,676	107,844,382	183,290,856	6,268,767,914

June 2024

	Current	Delinquent	Overdue	Total
Corporate	2,949,222,112	5,029,673	107,853,178	3,062,104,963
Consumer	2,967,066,273	88,474,347	86,095,726	3,141,636,346
Others	195,892,812	329	110	195,893,251
Total	6,112,181,197	93,504,349	193,949,014	6,399,634,560

As of March 31, 2025, loans in nonaccrual status represent B/.126,706,866 (June 2024: B/.137,261,861).

Accounting treatment of the differences between prudential standards and IFRSs

As indicated in Note 2, the Bank adopted IFRSs for the preparation of its accounting records and the presentation of its interim condensed consolidated financial statements. According to the General Resolution of the SBP Board of Directors GJD-0003-2013, the accounting treatment of the differences between prudential standards and IFRSs is established based on the following methodology.

- The respective figures of the calculations of the IFRSs application and prudential standards issued by the Superintendency of Banks of Panama (SBP) will be made and compared.
- When the calculation made in accordance with IFRS results in a provision greater than the one resulting from the use of prudential standards, the IFRS figures shall be accounted for.
- When the use of prudential standards results in a higher provision, the IFRS figures will also be recorded in profit or loss and the difference will be taken from retained earnings, which will be transferred to a regulatory reserve in equity. In the event that the Bank does not have sufficient retained earnings, this difference will be presented as an accumulated deficit account.
- The regulatory reserve mentioned in the previous point cannot be reversed against retained earnings, as long as the differences between IFRSs and the prudential standards that originated it, exist.

Dynamic reserve

According to Agreement No.4-2013, the restrictions of the dynamic provision establish that the amount cannot be less than the amount established in the previous quarter. As of March 31, 2025, the dynamic provision was for B/.87,863,198 (June 2024: B/.87,863,198).

By means of General Resolution of the Board of Directors SBP-GJD-R-2023-01125 of June 6, 2023, the General Resolution of the Board of Directors SBP-GJD-0007-2020 of July 16, 2020, which temporarily suspended the obligation to constitute the dynamic provision, was repealed in all its parts.

Off-balance sheet transactions

The Bank has classified off-balance sheet operations and required reserves based on Agreement No.4-2013 issued by the Superintendency of Banks of Panama, as shown below:

March 2025	Normal	Special mention	Subnormal	Doubtful	Uncollectible	Total
Letters of credit	204,442,068	-	-	-	-	204,442,068
Endorsements and collaterals	306,762,733	-	-	-	-	306,762,733
Promissory notes	64,560,427	-	-	-	-	64,560,427
Unused lines of credit granted	524,428,655	-	-	-	-	524,428,655
Total	1,100,193,883	-	-	-	-	1,100,193,883

June 2024	Normal	Special mention	Subnormal	Doubtful	Uncollectible	Total
Letters of credit	171,330,553	-	-	-	-	171,330,553
Endorsements and collaterals	397,310,914	-	-	-	-	397,310,914
Promissory notes	89,628,082	-	-	-	-	89,628,082
Unused lines of credit granted	451,817,275	-	-	-	-	451,817,275
Total	1,110,086,824	-	-	-	-	1,110,086,824

Letters of credit, guarantees issued and promissory notes are exposed to credit losses in the event that the customer does not comply with its obligation to pay. The Bank's policies and procedures for approving commitments of credit, financial guarantees and promissory notes are the same as those used for granting loans recorded in the consolidated statement of financial position.

However, letters of credit, most of which are utilized, the majority are on demand and their payment is immediate.

Lines of credit for customer disbursements correspond to secured loans pending disbursement, which are not shown in the consolidated statement of financial position but are recorded in the Bank's memorandum accounts.

Foreclosed assets

As of March 31, 2025, the regulatory provision on foreclosed assets totals B/.20,563,957 (June 2024: B/.19,313,175) based on the provisions of Agreement No.3-2009 of the Superintendency of Banks of Panama.

Premiums and notes receivable

Article No.156 of Law No.12 of April 3, 2012, states:

a) Suspension of coverage: when the contracting party has made the payment of the first fraction of the premium and is delayed for more than the end of the grace period stipulated in the payment of any of the fractions of subsequent premiums, it will be understood that it has incurred in default of payment, according to the payment schedule established in the corresponding policy, which has the immediate legal effect of suspending the coverage of the policy for up to sixty days.

b) The suspension of coverage shall be maintained until the default ceases and may be reinstated upon payment of the premium not paid during said period or until the policy is cancelled, in accordance with the provisions of Article No.161.

Article No.161 of Law No.12 of April 3, 2012, states:

a) Any notice of cancellation of the policy shall be notified by mailing to the contracting party at the last physical, postal or electronic address recorded in the policy file maintained by the insurer. A copy of the notice of cancellation shall be issued to the insurance broker.

b) Any change of address of the contracting party must be notified to the insurer, otherwise the last address on file with the insurer shall be considered valid.

c) The notice of cancellation of the policy for non-payment of the premium must be sent to the contracting party in writing, fifteen working days in advance. If the notice is not sent, the contract shall remain in force and the provisions of Article No. 998 of the Code of Commerce shall apply.

Laws and regulations:

a) Banking law

In the Republic of Panama, banks are regulated by the Superintendency of Banks of Panama through Executive Decree No.52 of April 30, 2008, which adopts the sole text of Decree Law No.9 of February 26, 1998, as amended by Decree Law No.2 of February 22, 2008, as well as Resolutions and Agreements issued by that entity. Among the main aspects of this Law are the following: authorization of banking licenses, minimum capital and liquidity requirements, consolidated supervision, credit and market risk management procedures, money laundering prevention, and bank intervention and liquidation procedures, among others. Likewise, banks will be subject, at least, to an inspection every two (2) years by the auditors of the Superintendency of Banks of Panama, to determine compliance with the provisions of Executive Decree No.52 of April 30, 2008 and Law No.42 of October 2, 2000, the latter on the prevention of money laundering.

Regulatory compliance

Liquidity Ratio

As of March 31, 2025, the liquidity ratio percentage reported to the regulator under the parameters of Agreement No.4-2008 was 46.44% (June 2024: 36.59%) (See Note 4.3).

Capital Adequacy

The Law requires general license banks to maintain a minimum paid-in share capital or assigned capital of ten million balboas (B/.10,000,000) and capital funds of not less than 8% of their weighted assets, including off-balance sheet operations. As of March 31, 2025, it presents consolidated capital funds of approximately 14.07% (June 2024: 13.73%) over its risk-weighted assets, according to Agreement No.1-2015, Agreement No.3-2016 and the new agreements, Agreement No.11-2018 and Agreement No.2-2018. (See Note 4.7).

The accounting treatment for the recognition of losses on loans, investment securities and foreclosed assets of borrowers in accordance with prudential regulations issued by the Superintendency of Banks of Panama, differs in some aspects from the accounting treatment in accordance with International Financial Reporting Standards, specifically IFRS 9 and IFRS 5. The Superintendency of Banks of Panama requires general license banks to apply these prudential standards.

b) Insurance and reinsurance laws

Insurance and reinsurance operations in Panama are regulated by the Superintendency of Insurance and Reinsurance of Panama in accordance with the legislation established by Insurance Law No.12 of April 3, 2012 and Reinsurance Law No.63 of September 19, 1996.

c) Securities Law

The operations of brokerage firms in Panama are regulated by the Superintendency of the Securities Market of Panama according to the legislation established in Decree Law No.1 of July 8, 1999, amended by Law No.67 of September 1, 2011. The operations of the Securities Brokerage Firms are in the process of adaptation to Agreement No.4-2011, modified in certain provisions through Agreement No.8-2013, established by the Superintendency of the Securities Market of Panama, which indicate that they are obliged to comply with the rules of capital adequacy and its modalities.

d) Trust Law

Trust operations in Panama are regulated by the Superintendency of Banks of Panama according to the legislation established in Law No.1 of January 5, 1984.

e) Financial Leasing Law

Financial leasing operations in Panama are regulated by the Directorate of Financial Companies of the Ministry of Commerce and Industries in accordance with the legislation established in Law No.7 of July 10, 1990.

Capital Reserves

The Global Bank Overseas subsidiary, in accordance with the Montserrat banking regulator, establishes that every licensed financial institution shall maintain a reserve fund and, from its net profits for each year, shall transfer an amount equal to not less than 20 percent of such profits to that fund, provided that the amount of the reserve fund is less than 100 percent of the paid-in or, as the case may be, assigned capital of the financial institution. As of March 31, 2025, the reserve is B/.32,324,680 (June 2024: B/.32,324,680).

The following are the capital reserves:

	March 2025	**June 2024**
Capital reserve	32,324,680	32,324,680
Insurance reserves:		
Technical reserves	7,813,222	7,051,004
Legal reserve	5,749,193	5,749,193
	45,887,095	45,124,877

Technical reserves

In accordance with Law No.12 of April 3, 2012, the subsidiary, Aseguradora Global, S.A., transferred the reserve for statistical deviations from liabilities to equity and the reserve for catastrophic risk and/or contingencies.

These capital reserves must be covered with admitted assets free of encumbrances.

These reserves shall be cumulative. Their use and restitution will be regulated by the Superintendency of Insurance and Reinsurance of Panama when the loss ratio shows adverse results.

	Reserve for statistical deviations		**Reserve for catastrophic risk and/or contingencies**	
	March 2025	**June 2024**	**March 2025**	**June 2024**
Balance at the beginning of the year	3,525,502	3,050,803	3,525,502	3,050,803
Additions	381,109	474,699	381,109	474,699
Balance at the end of the period	3,906,611	3,525,502	3,906,611	3,525,502

Legal reserve

The legal reserve of the subsidiary Aseguradora Global, S.A. is established in accordance with Article No.213 of Law No.12 of April 3, 2012, which establishes the following:

Insurers are obliged to form and maintain a reserve fund in the country equivalent to 20% of net profits before income tax, until constituting a fund of B/.2,000,000 and thereafter 10%, until reaching 50% of the paid-in capital.

The movement of the legal reserve is detailed below:

	March 2025	June 2024
Balance at the beginning of the year	5,749,193	5,749,193
Balance at the end of the period	5,749,193	5,749,193

34. Approval of the condensed consolidated financial statements

The condensed consolidated financial statements of Global Bank Corporation and Subsidiaries for the nine months ended March 31, 2025, were authorized by Management for issuance on April 30, 2025.

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