Management Financial Discussion and Analysis June 2026

BANCO NACIONAL DE PANAMA

1. Financial Indicators

(In US$ million)	June 2026	December 2025
Balance and result of the period (In US$ million)		
Net Income	117.9	131.1*
Total Assets	14,011.2	14,482.0
Gross Loan Portfolio	6,918.6	6,555.6
Capital Funds	1,619.5	1,516.4
Profitability (%)		
Net Interest Margin (1)	3.1	3.0
Return on Average Assets (2)	1.7	1.7
Return on Average Equity (3)	15.2	16.6
Liquidity and Efficiency (%)		
Financial Liquidity (4)	42.6	48.7
Legal Liquidity (5)	81.5	78.7
Liquidity Coverage Ratio (LCR)	319.6	294.5
Operational Efficiency (6)	49.4	47.0
Capital (%)		
Capital Adequacy (7)	23.7	22.2
Capital funds / Assets (8)	11.6	10.5
Leverage ratio (9)	10.6	9.8
Asset Quality (%)		
Loans Past Due More Than 91 Days / Total Loans (10)	1.4	1.3
Total Past Due and Delinquent Loans / Total Loans (11)	2.5	2.3
Gender Distribution (%)		
Number of Loans Granted to Individuals		
Women	51.1%	52.9%
Men	48.9%	47.1%
Number of Accounts Opened for Individuals		
Women	65.7%	66.5%
Men	34.3%	33.5%
Additional Information		
Headcount	3,604	3,543
Branches	97	96
ATMs	477	474

(1) Net interest income divided by the average total interest-bearing assets.
(2) Net income divided by the average total assets.
(3) Net income divided by the average of capital funds.
(4) Total liquid assets, plus highly liquid investments on customer deposits.
(5) Regulatory liquid assets are determined based on the guidelines established by the Superintendency of Banks of Panama on liquid liabilities.
(6) Total general and administrative expenses to net interest and commission income after provisions over total other net income.
(7) Total capital funds divided by total assets weighted by credit, market and, operational risks.
(8) Capital funds divided by total assets.
(9) Net ordinary primary capital of regulatory adjustments between net total productive assets of deductions and counterparty risks for contingencies.
(10) Loans past due more than 91 days divided by total loans.
(11) Total past due and delinquent loans divided by total loans.
*June 2025

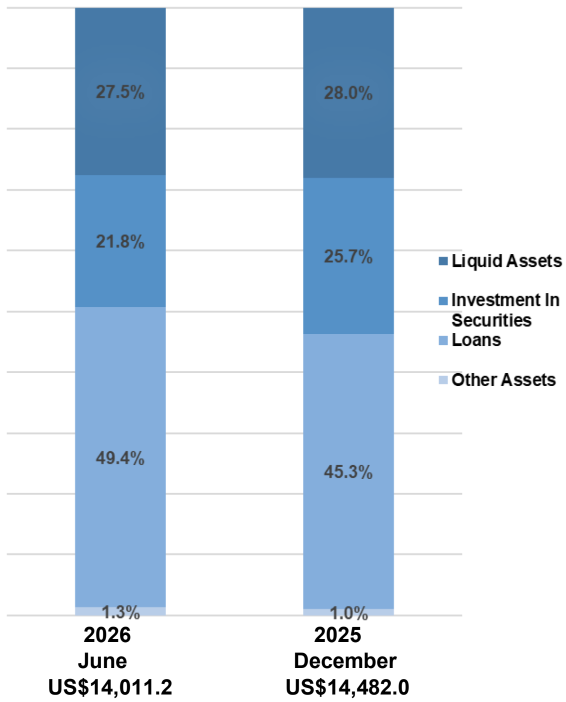
Risk Rating

The Bank has international risk ratings from three renowned risk rating agencies.

STANDARD & POOR'S	MOODY'S	FitchRatings
BBB-	Baa2	BB+
(July 2026)	(November 2025)	(May 2026)

2. Components of the Statement of Financial Position

Assets

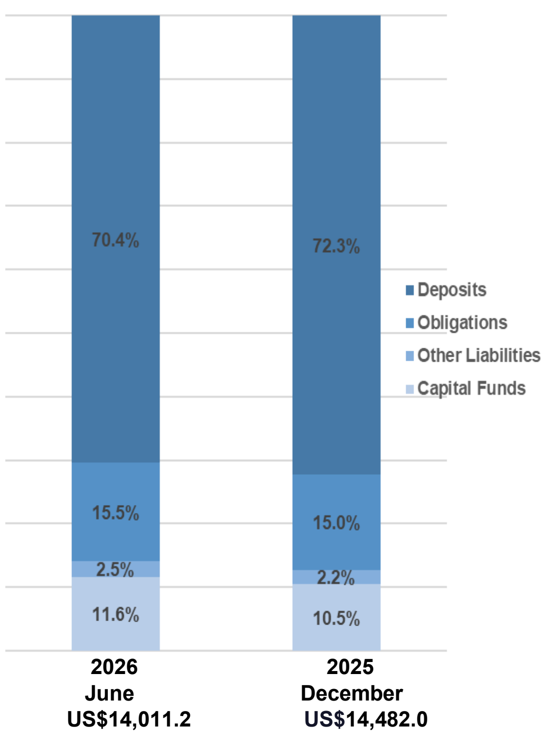


As of June 30, 2026, the Bank's assets totaled US$14,011.2 million, with the following composition: 27.5% in liquid assets, 21.8% in investment securities, 49.4% in loans to customers, and 1.3% in other assets.

During this period, total assets recorded a decrease of 3.3%, equivalent to US$470.8 million, compared to US$14,482.0 million reported as of December 31, 2025.

It is important to highlight that the quality of the assets remains aligned with the Bank's financial objectives. Key indicators continue to support the institution's capacity to adapt to current market dynamics and effectively manage associated risks.

Liabilities and Capital Funds



As of June 30, 2026, total liabilities amounted to US$12,391.7 million, comprised of customer deposits of US$9,887.8 million, financial obligations of US$2,195.7 million, and other liabilities of US$308.2 million.

This total reflects a decrease of 4.4%, equivalent to US$573.9 million, compared with year-end 2025.

The Bank's total capital funds amounted to US$1,619.5 million, representing 11.6% of the total balance sheet. This amount reflects an increase of US$103.1 million compared with December 31, 2025, driven mainly by growth in retained earnings

The liability structure and the capital funds are distributed as follows:

- 70.4% corresponds to customer deposits,
- 15.5% to financial obligations,
- 2.5% to other liabilities, and
- 11.6% to the capital funds.

3. Liquidity and Sources of Funds

Liquid assets include cash, cash equivalents, deposits held in banks, and investments in securities. As of June 30, 2026, these totaled US$6,933.8 million, reflecting a 11.2% decrease compared to the US$7,808.0 million recorded at year-end 2025. Liquid assets represented 70.1% of total customer deposits and 49.5% of the Bank's total assets.

Liquid Assets (In US$ Millions)	June 2026	December 2025	Var. US$	Var. %
Cash and cash equivalents	314.7	278.2	36.5	13.1
Bank deposits:				
Demand deposits- foreign	10.0	11.4	(1.4)	(12.3)
Time deposits - local	10.0	100.5	(90.5)	(90.0)
Time deposits - foreign	3,520.4	3,667.6	(147.2)	(4.0)
Less: Reserve for bank deposit losses	0.0	0.0	0.0	0.0
Total bank deposits	3,540.4	3,779.5	(239.1)	(6.3)
Total cash, cash equivalents and, bank deposits	**3,855.1**	**4,057.7**	**(202.6)**	**(5.0)**
Securities Purchased Under Resale Agreements	**3.0**	**0.0**	**3.0**	**100.0**
Investments in securities	3,086.7	3,761.4	(674.7)	(17.9)
Less: Reserve for investment losses	11.0	11.1	0.1	0.1
Investments in securities, net	**3,075.7**	**3,750.3**	**(674.6)**	**(18.0)**
Total Liquid Assets	**6,933.8**	**7,808.0**	**(874.2)**	**(11.2)**

Liquidity Ratio

Banco Nacional de Panamá maintains strong liquidity levels. As of June 30, 2026, the financial liquidity ratio stood at 42.6% and the legal liquidity ratio at 81.5%, both well above the minimum legal requirement of 30% established by the Superintendency of Banks of Panama.

Additionally, the Liquidity Coverage Ratio (LCR) reached 319.6%, significantly exceeding the regulatory minimum of 100%, reflecting the Bank's solid capacity to meet its short-term obligations and maturities in a timely manner.

Sources of Funds

The Bank's sources of funds consist primarily of customer deposits and borrowings. As of June 30, 2026, total sources of funds amounted to US$12,083.5 million; of this amount, customer deposits represented US$9,887.8 million, equivalent to 81.8% of the total.

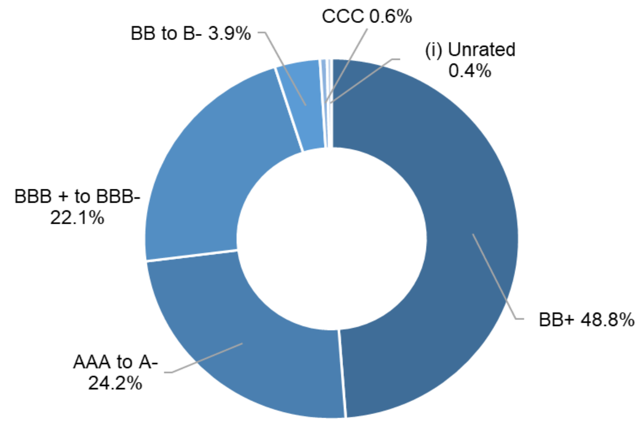
At the close of the first quarter of 2026, the Bank fully met all its financial obligations and maintained autonomous compliance with its contractual covenants, reflecting its financial strength and disciplined management of its commitments.

Sources of Funds (In US$ Millions)	June 2026	December 2025	Var. US$	Var. %
Deposits				
Demand deposits	3,813.2	4,068.0	(254.8)	(6.3)
Savings deposits	1,085.7	1,082.0	3.7	0.3
Time deposits, restricted and escrow funds	4,988.9	5,325.4	(336.5)	(6.3)
Total deposits	**9,887.8**	**10,475.4**	**(587.6)**	**(5.6)**
Obligations				
Foreign borrowings received	640.0	634.9	5.1	0.8
Securities sold under repurchase agreement	338.6	363.8	(25.2)	(6.9)
Bond payable - local	206.2	206.2	0.0	0.0
Bond payable - foreign	1,008.1	1,007.9	0.2	0.0
Lease liabilities	2.8	3.5	(0.7)	(20.0)
Total obligations	**2,195.7**	**2,216.3**	**(20.6)**	**(0.9)**
Total Sources of Funds	**12,083.5**	**12,691.7**	**(608.2)**	**(4.8)**

Investment Portfolio

The gross investment securities portfolio recorded a decrease of US$670.2 million, equivalent to 18.0%, falling from US$3,728.4 million as of December 31, 2025, to US$3,058.2 million on June 30, 2026.

The Bank's investment portfolio is composed of sovereign and corporate debt securities issued by Panamanian, U.S., Latin American, and supranational institutions. The Bank maintains a conservative investment policy, focusing primarily on liquid, fixed-income instruments with investment-grade ratings, which supports sound risk management and capital preservation.



(i) The investments presented in the "unrated" category correspond to liquid instruments of an international financial institution, to which only central banks have access, and their risk is equivalent to an AAA sovereign risk rating granted by the rating agencies: Standard & Poor's, Moody's, or Fitch Ratings, Inc.

4. Loan Portfolio

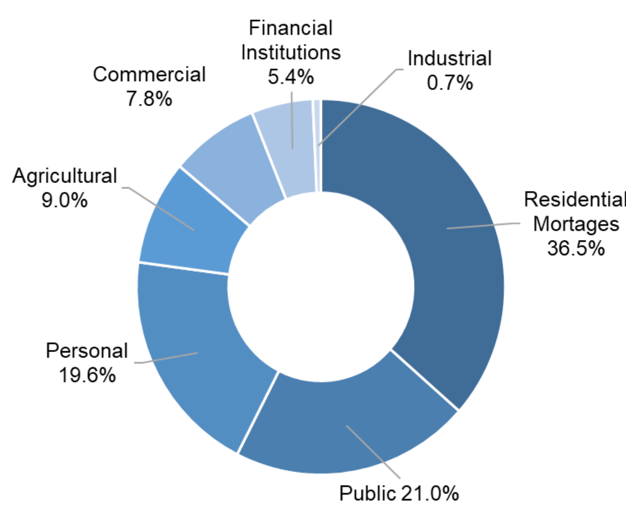
The Bank's gross loan portfolio closed at US$6,918.6 million as of June 30, 2026, representing a 5.5% increase (US$363.0 million) compared to the end of 2025, when it stood at US$6,555.6 million.

The private sector accounted for the largest share of the portfolio totaling US$5,464.3 million, equivalent to 79.0% of the total. This portfolio was composed of:

- Residential mortgages: US$2,522.3 million
- Personal loans: US$1,356.9 million (Includes personal loans, credit cards, and SME financing)
- Corporate loans: US$539.5 million
- Agricultural loans: US$621.5 million
- Financial institutions and Special Projects: US$371.8 million
- Industrial loans: US$52.3 million

Meanwhile, loans to the public sector represented 21.0% of the total portfolio, amounting to US$1,454.3 million.

Most of the Bank's loans operate with fixed interest rates; however, these may be unilaterally adjusted by the institution in accordance with current contractual terms.



As of June 30, 2026, the delinquency ratio—calculated as past-due and overdue loans relative to the total loan portfolio—stood at 2.5%, lower than the 2.3% reported as of December 31, 2025.

The loan-loss reserve totaled US$166.3 million on June 30, 2026, equivalent to 2.4% of the total loan portfolio. Likewise, the ratio of loan-loss reserves to overdue loans reached 270.5%, demonstrating sound coverage of the risk associated with the delinquent portfolio.

5. Capital Funds

As of June 30, 2026, the Bank's total capital funds amounted to B/.1,619.5 million, representing an increase of B/.103.1 million compared with December 2025. Capital funds on the balance sheet represented 11.6%.

Capital Adequacy (In US$ Millions)	**June 2026**	**December 2025**
Primary Capital		
Paid-in capital by Government of Panama	1,000.0	1,000.0
Retained earnings	422.6	383.8
Other items in comprehensive income	40.7	35.2
Less: intangible assets	12.2	12.5
Total primary Capital	**1,451.1**	**1,406.5**
Dynamic regulatory provision	93.4	93.4
Total applicable capital funds	**1,544.5**	**1,499.9**
Total risk-weighted assets	**6,524.2**	**6,767.8**
Capital Adequacy Ratio	**23.7%**	**22.2%**

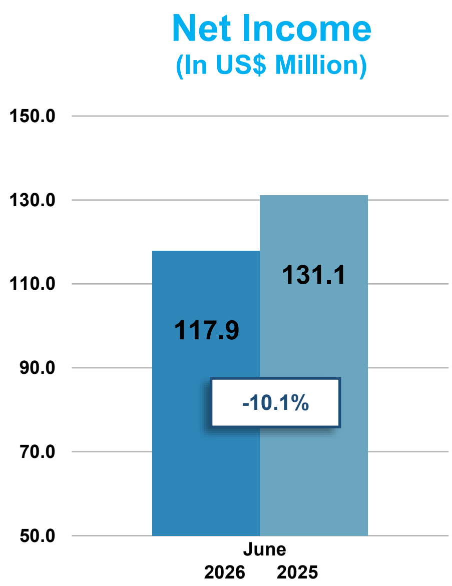
The total eligible capital funds, calculated in accordance with the Regulator's provisions, amounted to US$ 1,544.5 million, while risk-weighted assets (RWA) totaled US$6,524.2 million. As a result, the capital adequacy ratio reached 23.7%, significantly exceeding the regulatory minimum of 10.5% required by the Superintendency of Banks of Panama through June 30, 2026.

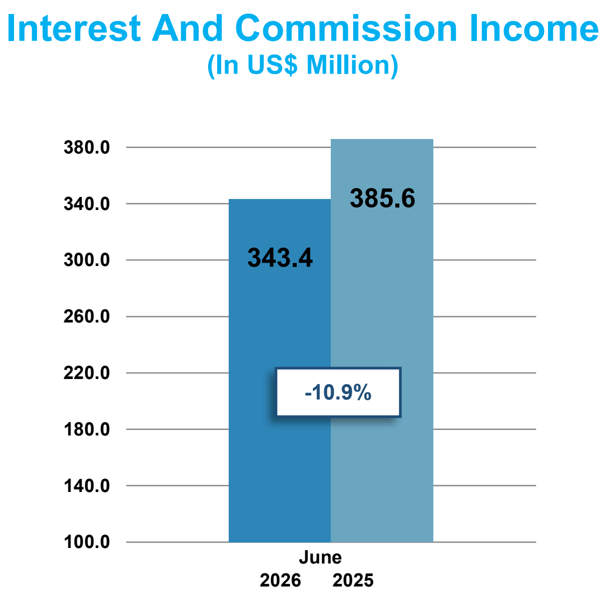
The RWAs for market risk and operational risk were included in accordance with the applicable regulatory criteria. As of June 30, 2026, the Bank's capital conservation buffer amounted to US$174.5 million.

6. Profit or Loss

The retained earnings as of the end of June 2026 amounted to US$ B/.117.9 million, representing a 10.1% decrease compared to the same period in 2025 (US$13.2 million).

Interest and commission income decreased by 10.9% (US$42.2 million) versus the previous year, reflecting the impact of declining rates in international markets, which affected the yields of the instruments comprising the investment portfolio and time deposits.





Provisions and Other Income

Provision expenses for losses increased by US$3.0 million compared to the same period in 2025; this variance was due to the increase in provisions for loan losses and foreclosed assets.

Other net income recorded an increase of US$5.5 million, rising from US$25.8 million as of June 30, 2025, to US$31.3 million at the close of June 2026, driven by banking service fees.

	Interest Expense	Provisions Expense	Other Income, Net	General and Admin. Expenses	Operational Efficiency
(In US$ Million and %)	US$ 130.7	US$10.8	US$31.3	US$115.3	49.4%
	⬇ 21.5%	⬆ 38.5%	⬆ 21.3%	⬆ 8.9%	⬆ 5.1%

General and Administrative Expenses

General and administrative expenses recorded an increase of US$9.4 million compared to the same period in 2025. Meanwhile, the operational efficiency ratio as of June 30, 2026, stood at 49.4%, reflecting sound management and effective cost control.

7. Statement of Financial Position

(In US$ Million)	June 2026	December 2025	Var. US$	Var. %
Assets				
Cash, cash equivalents, and bank deposits	3,855.1	4,057.7	(202.6)	(5.0)
Securities purchased under resale agreements, net	3.0	0.0	3.0	100.0
Investments in securities, net	3,075.7	3,750.3	(674.6)	(18.0)
Private sector loans and interest receivable	5,492.7	5,736.6	(243.9)	(4.3)
Public sector loans and interest receivable	1,472.6	863.1	609.5	70.6
Unearned interest and commissions	(51.6)	(54.0)	(2.4)	(4.4)
Allowance for loan losses	(166.3)	(159.6)	6.7	4.2
Total loans	**6,747.3**	**6,386.1**	**361.2**	**5.7**
Property and equipment, net	119.2	117.4	1.8	1.5
Other assets	210.9	170.5	40.4	23.7
Total Assets	**14,011.2**	**14,482.0**	**(470.8)**	**(3.3)**
Liabilities & Capital Funds				
Deposits	9,887.8	10,475.4	(587.6)	(5.6)
Foreign borrowings received	640.0	634.9	5.1	0.8
Securities sold under repurchase agreements	338.6	363.8	(25.2)	(6.9)
Bond payable – local	206.2	206.2	0.0	0.0
Bond payable – foreign	1,008.1	1,007.9	0.2	0.0
Lease Liabilities	2.8	3.5	(0.7)	(20.0)
Other liabilities	308.2	273.9	34.3	12.5
Total liabilities	**12,391.7**	**12,965.6**	**(573.9)**	**(4.4)**
Capital funds				
Total capital funds	**1,619.5**	**1,516.4**	**103.1**	**6.8**
Total Liabilities & Capital Funds	**14,011.2**	**14,482.0**	**(470.8)**	**(3.3)**

8. Statement of Profit or Loss

(In US$ Million)	June 2026	June 2025	Var. US$	Var. %
Interest and commission income	343.4	385.6	(42.2)	(10.9)
Interest expense	130.7	166.6	(35.9)	(21.5)
Net interest and commission income	**212.7**	**219.0**	**(6.3)**	**(2.9)**
Impairment Allowances (1)	10.8	7.8	3.0	38.5
Net interest and commission income, after provisions	**201.9**	**211.2**	**(9.3)**	**(4.4)**
Fees for banking services	22.1	16.5	5.6	33.9
Other income (2)	11.3	9.8	1.5	15.3
Total other expenses	2.1	0.5	1.6	+200.0
Total other income, net	**31.3**	**25.8**	**5.5**	**21.3**
Total general and administrative expenses	**115.3**	**105.9**	**9.4**	**8.9**
Net Income	**117.9**	**131.1**	**(13.2)**	**(10.1)**

(1) Includes reversal of provision for losses on deposits with banks, reversal of losses on investments at amortized cost (AC), reversal of provision for losses on investments at fair value through other comprehensive income (FVOCI), provision for loan losses, and provision for valuation of foreclosed assets.
(2) Includes net gain on securities investments, dividends received, and others.

The analysis presented herein is based on the information contained in the unaudited financial statements as of June 30, 2026. Certain figures (including percentages) in this document have been rounded. The complete unaudited financial statements of Banco Nacional de Panamá as of June 30, 2026, are available to interested parties by using the QR code included on this page or by visiting our website at www.banconal.com.pa.

9. About us

Banco Nacional de Panamá is the country's leading banking institution, dedicated to promoting the strengthening of the economy and supporting the development of the State. Throughout our history, we have constantly evolved, incorporating new products and innovations that respond to the needs of our clients, always guided by a solid philosophy of continuous improvement.

Commitment to Sustainability

Under ESG Criteria

Banco Nacional de Panamá conducts its operations responsibly, guided by Environmental, Social, and Governance (ESG) principles. In alignment with its strategic role within the national financial system, the institution drives initiatives that create shared value for its stakeholders and contribute to the country's sustainable development.

During the second quarter of 2026, the Bank strengthened its sustainability agenda through initiatives spanning corporate volunteering, inclusion, social investment, financial education, environmental management, and partnerships with allied organizations, thereby solidifying a responsible management approach that delivers positive environmental, social, and governance impacts.

Environmental	• Reforestation, ecosystem restoration, and sea turtle conservation in partnership with the MVP Foundation and Tortuguías through interventions at the Mamoní River (Eastern Panama), Punta Chame Beach (Western Panama), and Cambutal Beach (Los Santos), as part of projects supported by Banconal's Sustainable Funds. • Conservation of protected areas, recycling, and biodiversity protection alongside ANCON, the Rastros de Vida Foundation, the Rotary Club of David, and Pro-Eco Azuero promoting employee participation in circular economy initiatives nationwide. • Active participation in the National Plastic Action Partnership (NPAP Panama), complemented by monthly recycling drives, environmental awareness campaigns, and training on responsible waste management to strengthen the environmental culture among employees, clients, and communities.
Social	• Nationwide participation in Good Deeds Day 2026, mobilizing 175 volunteers across ten initiatives alongside eight partner organizations, creating an impact in the areas of health, food security, education, inclusion, and environmental conservation. • "Somos Uno" corporate volunteering program, carried out through partnerships with FANLYC, the Panama Food Bank, the Dona Vida Foundation, José Domingo de Obaldía Hospital, and Special Olympics Panama, focusing on initiatives related to patient care, food security, inclusion, and sports development. • Financial education programs in partnership with the Panama Banking Association, the Superintendency of Banks of Panama, and Junior Achievement Panama, benefiting 215 students.
Governance	• Promotion of an organizational culture of sustainability and inclusion through training programs and Panamanian Sign Language certification. • Monitoring of sustainability commitments by incorporating ESG indicators aligned with GRI and SASB standards and the principles of the UN Global Compact. • Strengthening relationships with stakeholders through the Stakeholder Engagement and Reputation Committee and the implementation of the ESG Communication Strategy.

Recognitions

Panamanian Jewish Foundation (JUPA)	Recognition for national participation in Good Deeds Day 2026 and the impact of the supported actions.

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