



**Free English Language Translation from
the Spanish Version**

Global Valores, S. A.

Independent Auditors' Report

Financial statements

June 30, 2008

“This document has been prepared with the knowledge that it
will be available to investors and the public in general.”

Deloitte - Panama

Global Valores, S. A.

Independent Auditors' Report and Financial Statements 2008

Contents	Pages
Independent Auditors' Report	1
Balance sheet	2
Income statement	3
Statement of changes in shareholder's equity	4
Statement of cash flows	5
Notes to the financial statements	6 - 12

Free English Language Translation from the Spanish Version

INDEPENDENT AUDITORS' REPORT

Shareholders and Board of Directors
Global Valores, S. A.
50th Street, Global Bank Tower
Panama, Republic of Panama

We have audited the accompanying financial statements of **Global Valores, S.A.**, which comprise the balance sheet as of June 30, 2008, and the income statement, statement of changes in shareholder's equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of **Global Valores, S.A.** at June 30, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

The Company is a subsidiary 100% owned by Global Bank Corporation and, as disclosed in note 7 of these financial statements, has significant transactions and relationships with its Parent Bank. Due to the nature of these relationships, it is possible that the terms of these transactions are not the same as those that typically result from transactions between independent entities.

(Signed by Deloitte)

August 29, 2008
Panama, Republic of Panama

Global Valores, S. A.

Balance sheet

June 30, 2008

(In balboas)

	Notes	2008	2007
Assets			
Due from banks			
Demand - domestic	7	1,421,840	1,202,070
Demand - foreign		124,514	15,032
Total due from banks		<u>1,546,354</u>	<u>1,217,102</u>
Securities available for sale	8	60,000	70,000
Other assets	7	<u>264,544</u>	<u>107,530</u>
Total assets		<u><u>1,870,898</u></u>	<u><u>1,394,632</u></u>
Liabilities and shareholder's equity			
Liabilities:			
Other liabilities	7	<u>172,733</u>	<u>24,720</u>
Total liabilities		<u>172,733</u>	<u>24,720</u>
Shareholder's equity			
Common shares with par value of B/.100.00 each.			
Authorized shares, issued and outstanding 2,500		250,000	250,000
Retained earnings		<u>1,448,165</u>	<u>1,119,912</u>
Total shareholder's equity		<u>1,698,165</u>	<u>1,369,912</u>
Total liabilities and shareholder's equity		<u><u>1,870,898</u></u>	<u><u>1,394,632</u></u>

The accompanying notes are integral part of these financial statements.

Global Valores, S. A.

Income statement

For the year ended June 30, 2008

(In balboas)

	Notes	2008	2007
Operating revenues:			
Brokerage commission	7	647,406	896,179
Interest earned on deposits	7	27,015	8,766
Other income		<u>13,622</u>	<u>15,784</u>
Total income		688,043	920,729
Commission expense		<u>39,792</u>	<u>16,460</u>
Total operating income, net		<u>648,251</u>	<u>904,269</u>
General and administrative expenses:			
Administrative services	7	184,800	184,800
Professional fees		2,635	1,705
Taxes		36,980	26,164
Repair and maintenance		40,011	52,646
Others		<u>52,002</u>	<u>26,477</u>
Total general and administrative expenses		<u>316,428</u>	<u>291,792</u>
Income before income tax		331,823	612,477
Income tax	9	<u>(1,482)</u>	<u>(27,496)</u>
Net income		<u><u>330,341</u></u>	<u><u>584,981</u></u>

The accompanying notes are integral part of these financial statements.

Global Valores, S. A.

Statement of changes in shareholder's equity

For the year ended June 30, 2008

(In balboas)

	<u>Total shareholder's equity</u>	<u>Common shares</u>	<u>Retained earnings</u>
Balance at June 30, 2006	785,164	250,000	535,164
Net income	584,981	-	584,981
Prepaid dividend tax	<u>(233)</u>	<u>-</u>	<u>(233)</u>
Balance at June 30, 2007	1,369,912	250,000	1,119,912
Net income	330,341	-	330,341
Prepaid dividend tax	<u>(2,088)</u>	<u>-</u>	<u>(2,088)</u>
Balance at June 30, 2008	<u><u>1,698,165</u></u>	<u><u>250,000</u></u>	<u><u>1,448,165</u></u>

The accompanying notes are integral part of these financial statements.

Global Valores, S. A.

Statement of cash flows

For the year ended June 30, 2008

(In balboas)

	2008	2007
Cash flows from operating activities:		
Net income	330,341	584,981
Income tax expense	1,482	27,496
Net changes in operating assets and liabilities:		
Increase in other assets	(131,000)	(90,499)
Increase in other liabilities	147,958	(10,502)
Income tax paid	(27,496)	-
Net cash provided by operating activities	<u>321,285</u>	<u>511,476</u>
Cash flows from investment activities		
generated by sale of securities available for sale	<u>10,000</u>	<u>220,087</u>
Cash flows from financing activities:		
Bank overdraft	55	-
Prepaid dividend tax	(2,088)	(233)
Net cash used in financing activities	<u>(2,033)</u>	<u>(233)</u>
Net increase in cash	329,252	731,330
Cash at the beginning of year	<u>1,217,102</u>	<u>485,772</u>
Cash at the end of year	<u><u>1,546,354</u></u>	<u><u>1,217,102</u></u>

The accompanying notes are integral part of these financial statements.

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

1. General information

Global Valores, S. A. (the Company) was incorporated under the laws of the Republic of Panama through Public Deed No. 11,218 of August 27, 2002 and started operations on February 2003. The Company is a wholly owned subsidiary of Global Bank Corporation and operates a trading post at the Stock Exchange of the Republic of Panama (Bolsa de Valores de Panamá, S. A. in Spanish) and also has the administration of investment funds.

The operations of the trading post are regulated by the Securities and Exchange Commission in accordance with Law Decree No. 1 of July 8, 1999.

The main office of the Company is located at 50th Street, Global Tower, Panama, Republic of Panama. Its Parent Bank, Global Bank Corporation, provides the administrative services of the Company.

These financial statements were approved for issuance by the Parent Bank's management on August 29, 2008.

2. Standards and interpretations issued not adopted

At the approval date of these financial statements, there are standards and interpretations issued relevant to the operations of the Company and effective for the accounting periods. Such standards and interpretations have not been adopted by the Company and are detailed as follows:

- IFRS 8 - Operating Segments - Effective for annual periods starting on or after January 1, 2009.
- IAS 1 - Presentation of Financial Statements - Changes effective as from January 1, 2009.

Management anticipates that all standards and interpretations aforementioned will be adopted in the financial statements of the Company as from the following accounting periods and that their adoption will not have a material impact on the financial statements of the Company for the period of initial application.

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

3. *Significant accounting policies*

The principal accounting policies used in the preparation of the financial statements in accordance with International Financial Reporting Standards are set out as follows:

3.1 *Declaration of compliance*

The financial statements of Global Valores, S. A. have been prepared in accordance with International Financial Reporting Standards.

3.2 *Basis of presentation*

The financial statements have been prepared under the historical cost basis except for securities available for sale which are presented at their fair value.

3.3 *Functional currency*

The financial statements are recorded in Balboa which is the functional currency of the Bank. The balboa, monetary unit of the Republic of Panama, is at par value and freely exchangeable with the U.S. dollar. The Republic of Panama does not issue paper currency and uses the U.S. dollars as legal tender.

3.4 *Financial assets available for sale*

Consist of securities acquired with the intention to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Gains and losses arising from changes in the fair value of available for sale financial assets are recognized directly in equity, until the financial assets are derecognized or impaired at which time the cumulative gain or loss previously recognized in equity is recognized in profit or loss. Those assets that are not listed publicly are registered at cost since their fair value cannot be reliably estimated.

Dividends on available for sale equity instruments are recognized in the income statement when the entity's right to receive payment is established.

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

3.5 *Equity instruments issued by the Company*

Classification as equity

The instruments of equity are classified as equity in accordance to the contractual agreement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction of all its liabilities. The equity instruments issued by the Company are recorded at the amount received, net of direct cost of issuance.

3.6 *Commissions income*

Generally, commissions on short-term loans, letters of credit and other banking services are recognized as income when they are collected due to their short-term maturity. The income recognized at collection is not significantly different from the income under the accrual method. The commissions on medium and long-term loans and other transactions, net of some direct costs when granting the same, are deferred and amortized during their terms.

3.7 *Income tax*

Current income tax is the income tax related to the net taxable income of the year, using the effective income tax rate at the balance sheet date. Income tax is recognized in the current year income statement.

4. Use and management of financial risk

Liquidity risk - The liquidity risk is the risk that the Company would be unable to comply with all of its obligations. The Company will always have the possibility to recur to its shareholder to cover its liabilities and other expenses.

The maturities of assets and liabilities are based on the remaining period from the balance sheet date until the contractual maturities date. At June 30, 2008 the maturities of assets and liabilities ranged from one to three months.

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

5. Capital adequacy

Global Valores, S. A. as a trading post administrates its capital to ensure the compliance with the standards established by the Stock Exchange of the Republic of Panama.

- *Liquidity relationship:* Trading post must maintain a minimum liquidity relationship of 8% at all times.
- *Capital funds:* The capital funds of the Trading Post may not be, at any time, lower than the highest of any two (2) of the following magnitudes: (i) two thirds of the minimum paid-in capital established by the Stock Exchange of the Republic of Panama, and (ii) the resulting amount from the application of hedge standards demanded due to the complemented level of activity according to the forecast.
- *Liquidity index:* Trading Post must maintain at all times a volume of investments in low risk assets and high liquidity that will be ten percent (10%), as a minimum, of the totality of its redeemable liabilities with a residual period less than one year.
- *Risk concentration:* The risks kept by a trading spot member of the Panama Stock Exchange regarding an issuer, individual client or a group of issuers or clients related among themselves, will be considered as a concentration situation when the accumulated value of these risks exceeds ten percent (10%) of the total value of its capital resources. Additionally, the value of all the risks that a trading spot deals and maintains with one same issuer, client or group of issuers or clients related among themselves, may not exceed thirty percent (30%) of the total value of its capital resources. In every case, all the concentration situations of a trading spot may not be exceeded.

	2008		
	<u>Closing</u> <u>At June 30</u>	<u>Period</u> <u>maximum</u>	<u>Period</u> <u>minimum</u>
Liquidity relationship	752%	2640%	118%
Date it occurred	June 30, 2008	April 10, 2008	April 17, 2008
Capital funds	B/.1,529,383	B/.1,550,237	B/.1,440,175
Date it occurred	June 30, 2008	June 11, 2008	May 5, 2008
Liquidity index	818%	909%	168%
Date it occurred	June 30, 2008	May 30, 2008	May 5, 2008
Risk concentration	n/a	n/a	n/a

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

6. Fair value of financial instruments

The estimated fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined using current market prices, if one exists.

Fair value estimates are made at a specific point in time, based on relevant market estimates and information about the financial instruments. These estimates do not reflect any premium or discount that could result from the offering for sale of a particular financial instrument at a specific date. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Following is a summary of assumptions used in estimating fair value disclosures for the Company's most important financial instruments:

- **Due from banks** - The carrying value of due from banks approximates its fair value due to their liquidity and short term maturity.
- **Securities available for sale** - The fair value of securities available for sale is based on market prices. Those unlisted securities are registered to cost, since their fair value cannot be measured reliably.

7. Balances and transactions with related parties

The balance sheet and income statement included balances and transactions with its Parent Bank, as we detailed as follows:

	2008	2007
Assets		
Due from bank	<u>1,421,840</u>	<u>1,202,070</u>
Other assets	<u>2,458</u>	<u>-</u>
Liabilities		
Other liabilities	<u>151,662</u>	<u>5</u>
Income and expenses		
Brokerage commission income	<u>-</u>	<u>121,986</u>
Income earned on deposits	<u>17,429</u>	<u>6,818</u>
Administrative expenses	<u>184,800</u>	<u>184,800</u>

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

The Company maintains an administrative services agreement with its Parent Bank, which includes the use of part of its facilities, electricity, water, telephone, maintenance, stationary, management and accounting services by the Bank's personnel.

8. Securities available for sale

Securities available for sale are comprised by the following types of investment:

	2008	2007
<u>Securities listed in the Exchange (at fair value):</u>		
Shares - Bolsa de Valores de Panamá, S. A.	50,000	50,000
Shares - Central Latinoamericana de Valores, S. A.	10,000	10,000
Negotiable Commercial Paper (VCN's) – Econofinanzas, S. A.	<u>-</u>	<u>10,000</u>
	<u>60,000</u>	<u>70,000</u>

The movement of the securities available for sale is summarized as follows:

	2008	2007
Balance at beginning of year	70,000	290,087
Additions	-	15,000
Sales and redemptions	<u>(10,000)</u>	<u>(235,087)</u>
Balance at end of year	<u>60,000</u>	<u>70,000</u>

9. Income tax

The Company's income tax return is subject to examination by the local tax authorities for the last three years, including the year ended June 30, 2008, according to current fiscal regulations.

According to Panamanian tax regulations in force, the Company is exempted to pay income tax on profits derived from foreign operations. Also, interest earned from domestic time deposits, from Panamanian government securities and from securities issued through the Stock Exchange of the Republic of Panama is exempted from income tax.

Global Valores, S. A.

Notes to the financial statements

June 30, 2008

(In Balboas)

Current income tax reconciliation is presented in the following manner:

	2008	2007
Net income before income tax	331,823	612,477
Less: Income not subject to tax and exempt	(582,249)	(713,651)
Plus: Expenses not deductible	<u>255,367</u>	<u>192,829</u>
Fiscal base	<u>4,941</u>	<u>91,655</u>
Income tax calculated at 30%	<u>1,482</u>	<u>27,496</u>

10. Assets under management and custody or securities under custody

The Company covered under the Stock Exchange License granted by the National Securities Commission, provides intermediary, administration and custody services of securities to third parties. At June 30, 2008, the value of the assets kept under custody amounted to B/.213,958,082 and the same are found recorded off-balance sheet the Company.

* * * * *