

**BANCO GENERAL, S. A.
AND SUBSIDIARIES**
(Panama, Republic of Panama)

**Condensed Consolidated Interim
Financial Information**

September 30, 2024

"This document has been prepared with the
knowledge that its contents shall be made
available to the investing and general public"

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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BANCO GENERAL, S. A. AND SUBSIDIARIES
(Panama, Republic of Panama)

Condensed Consolidated Statement of Financial Position

September 30, 2024, December 31, 2023 and September 30, 2023

(Expressed in Balboas)

		(Unaudited) September 2024	(Audited) December 2023	(Unaudited) September 2023
Assets	Note			
Cash and cash items	5	163,218,431	195,541,375	161,872,299
Deposits with banks:				
Demand deposits		479,975,149	613,848,309	430,797,729
Time deposits		18,380,994	455,642	451,538
Accrued interest receivable		10,672	8,755	5,866
Total deposits with banks		498,366,815	614,312,706	431,255,133
Total cash, cash items and deposits with banks		661,585,246	809,854,081	593,127,432
Investments and other financial assets at FVTPL		867,937,219	793,016,542	809,777,418
Investments and other financial assets at FVOCI		4,435,472,142	4,326,241,290	4,119,822,873
Investments and other financial at amortized cost, net		15,041,621	5,664,174	86,884,515
Accrued interest receivable		1,890	3,796	26,367
Investments and other financial assets, net		5,318,452,872	5,124,925,802	5,016,511,173
Loans	6	12,535,405,392	11,974,961,025	11,914,423,409
Accrued interest receivable		62,806,080	65,280,181	68,581,057
Less:				
Loan losses allowance		372,502,451	394,787,079	413,249,513
Unearned commissions		40,780,121	38,961,228	39,729,006
Loans, net		12,184,928,900	11,606,492,899	11,530,025,947
Investments in associates		34,963,435	30,112,121	34,768,242
Properties, furniture, equipment and improvements, net of accumulated depreciation and amortization	7	268,663,332	259,973,613	259,169,320
Right-of-Use Assets, net	8	15,080,606	16,462,299	15,784,423
Investments and other financial assets sold pending settlement		341,908,243	302,824,536	215,900,179
Deferred tax assets		90,149,002	95,907,031	100,311,057
Goodwill and other intangible assets, net	9	44,659,692	46,021,015	46,675,363
Other assets		500,908,054	439,033,454	552,213,076
Total assets		19,461,299,382	18,731,606,851	18,364,486,212

The condensed consolidated statement of financial position should be read along with the accompanying notes which are an integral part of the condensed consolidated interim financial information.

		(Unaudited) September 2024	(Audited) December 2023	(Unaudited) September 2023
<u>Liabilities and Equity</u>	<u>Note</u>			
Liabilities:				
Deposits:				
Local:				
Demand		2,556,985,712	2,877,226,658	2,672,344,624
Savings		4,705,658,758	4,885,637,714	4,886,558,847
Time:				
Customers		6,091,949,482	5,463,384,023	5,461,779,158
Banks		16,866,217	8,403,549	2,098,108
Accrued interest payable		104,383,925	89,297,527	82,709,308
Total deposits		<u>13,475,844,094</u>	<u>13,323,949,471</u>	<u>13,105,490,045</u>
Financing:				
Borrowings and debt securities issued, net	11	731,105,175	860,648,364	774,827,910
Perpetual bonds		400,000,000	400,000,000	400,000,000
Accrued interest payable		14,804,445	16,209,295	14,068,230
Total financing		<u>1,145,909,620</u>	<u>1,276,857,659</u>	<u>1,188,896,140</u>
Lease Liabilities	12	16,994,502	18,301,593	17,574,009
Investments and other financial assets purchased pending settlement		616,029,637	432,587,385	436,171,644
Reserves of insurance operations	13	26,232,119	23,828,478	24,581,818
Deferred tax liabilities		1,156,079	1,151,606	1,158,640
Other liabilities	10	856,965,216	727,584,041	733,028,311
Total liabilities		<u>16,139,131,267</u>	<u>15,804,260,233</u>	<u>15,506,900,607</u>
Equity:	15			
Common shares		500,000,000	500,000,000	500,000,000
Legal reserves		219,612,710	213,274,003	212,662,132
Capital reserves		(63,159,857)	(162,678,172)	(273,725,004)
Retained earnings		2,665,715,262	2,376,750,787	2,418,648,477
Total equity		<u>3,322,168,115</u>	<u>2,927,346,618</u>	<u>2,857,585,605</u>
Total liabilities and equity		<u>19,461,299,382</u>	<u>18,731,606,851</u>	<u>18,364,486,212</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES
(Panama, Republic of Panama)

Condensed Consolidated Statement of Income

For the nine months ended September 30, 2024 and 2023

(Expressed in Balboas)

		(Unaudited) (3rd Quarter)		(Unaudited) (Accumulated)	
	Note	2024	2023	2024	2023
Interest and commission income:					
Interest:					
Loans		246,175,634	220,381,306	716,603,532	636,437,930
Deposits with banks		4,519,631	3,287,410	12,228,546	8,814,948
Investments and other financial assets		65,027,266	62,024,851	197,685,648	179,599,375
Commissions on loans		11,321,615	10,596,539	32,417,495	30,959,930
Total interest and commission income		327,044,146	296,290,106	958,935,221	855,812,183
Interest expenses:					
Deposits		85,432,764	69,877,938	243,166,354	187,202,802
Financing		13,167,689	14,151,331	41,650,184	44,162,939
Total interest expenses		98,600,453	84,029,269	284,816,538	231,365,741
Net interest and commission income		228,443,693	212,260,837	674,118,683	624,446,442
Reversal of provision for loan losses, net	6	(13,981,395)	(15,157,109)	(13,888,820)	(28,958,020)
(Reversal) provision for impairment of investments, net		550,241	(2,356,850)	(746,246)	(5,054,676)
Provision for foreclosed assets, net		739,148	2,144,687	1,594,378	2,287,467
Net interest and commission income, after provisions		241,135,699	227,630,109	687,159,371	656,171,671
Other income (expenses):					
Fees and other commissions		101,596,606	90,262,087	299,929,677	257,828,578
Insurance premiums, net		12,428,834	10,493,329	36,118,713	29,959,364
Loss on financial instruments, net		(3,504,150)	(9,614,563)	(7,396,795)	(33,590,417)
Other income, net		13,550,296	16,284,403	37,311,652	39,620,332
Commission expenses and other expenses	12	(41,629,086)	(38,419,066)	(125,374,977)	(116,359,349)
Total other income, net		82,442,500	69,006,190	240,588,270	177,458,508
General and administrative expenses:					
Salaries and other personnel expenses	16	50,664,151	47,212,010	149,363,043	138,722,932
Depreciation and amortization	7 and 8	9,289,253	8,447,631	26,642,632	25,152,554
Properties, furniture and equipment expenses		9,518,480	8,325,013	27,588,932	25,275,240
Other expenses		20,661,228	18,730,918	58,936,934	55,540,774
Total general and administrative expenses		90,133,112	82,715,572	262,531,541	244,691,500
Net operating income		233,445,087	213,920,727	665,216,100	588,938,679
Equity participation in associates		3,672,555	3,900,206	11,827,981	11,826,372
Net income before tax		237,117,642	217,820,933	677,044,081	600,765,051
Income tax, estimated		29,812,923	28,097,832	84,710,376	77,237,865
Income tax, deferred		5,285,311	2,985,884	5,762,549	4,571,053
Income tax, net	17	35,098,234	31,083,716	90,472,925	81,808,918
Net income		202,019,408	186,737,217	586,571,156	518,956,133

The condensed consolidated statement of income should be read along with the accompanying notes which are an integral part of the condensed consolidated interim financial information.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Condensed Consolidated Statement of Comprehensive Income

For the nine months ended September 30, 2024 and 2023

(Expressed in Balboas)

	(Unaudited)	
	<u>2024</u>	<u>2023</u>
Net income	<u>586,571,156</u>	<u>518,956,133</u>
Other comprehensive income (expense):		
Items that are or may be reclassified to the condensed consolidated statement of income:		
Valuation of investments and other financial assets:		
Net changes in valuation of investments at FVOCI	112,883,953	70,590,210
Transfer to profit or loss for sales of investments at FVOCI	(12,628,129)	(60,882,520)
Valuation of investment credit risk at FVOCI	<u>(737,509)</u>	<u>(5,064,566)</u>
Total other comprehensive income, net	<u>99,518,315</u>	<u>4,643,124</u>
Total comprehensive income	<u><u>686,089,471</u></u>	<u><u>523,599,257</u></u>

The condensed consolidated statement of comprehensive income should be read along with the accompanying notes which are an integral part of the condensed consolidated interim financial information.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Condensed Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(Expressed in Balboas)

	Capital reserves						
	Common shares	Legal reserves	Insurance reserve	Valuation of investments and other financial assets	Total capital reserves	Retained earnings	Total equity
Balance as of December 31, 2023 (Audited)	500,000,000	213,274,003	1,000,000	(163,678,172)	(162,678,172)	2,376,750,787	2,927,346,618
Net income	0	0	0	0	0	586,571,156	586,571,156
Other comprehensive income (expense):							
Items that are or may be reclassified to the condensed consolidated statement of income							
Valuation of investments and other financial assets:							
Net changes in valuation of investments at FVOCI	0	0	0	112,883,953	112,883,953	0	112,883,953
Transfer to profit or loss for sales of investments at FVOCI	0	0	0	(12,628,129)	(12,628,129)	0	(12,628,129)
Valuation of investment credit risk at FVOCI	0	0	0	(737,509)	(737,509)	0	(737,509)
Total other comprehensive income, net	0	0	0	99,518,315	99,518,315	0	99,518,315
Total comprehensive income	0	0	0	99,518,315	99,518,315	586,571,156	686,089,471
Transactions with owner:							
Dividends paid on common shares	0	0	0	0	0	(285,000,000)	(285,000,000)
Dividends tax	0	0	0	0	0	(1,855,466)	(1,855,466)
Complementary tax	0	0	0	0	0	(4,412,508)	(4,412,508)
Transfer of retained earnings	0	6,338,707	0	0	0	(6,338,707)	0
Total transactions attributable to the shareholder	0	6,338,707	0	0	0	(297,606,681)	(291,267,974)
Balance as of September 30, 2024 (Unaudited)	500,000,000	219,612,710	1,000,000	(64,159,857)	(63,159,857)	2,665,715,262	3,322,168,115
Balance as of December 31, 2022 (Audited)	500,000,000	206,514,168	1,000,000	(279,368,128)	(278,368,128)	2,150,470,978	2,578,617,018
Net income	0	0	0	0	0	518,956,133	518,956,133
Other comprehensive income (expense):							
Items that are or may be reclassified to the condensed consolidated statement of income							
Valuation of investments and other financial assets:							
Net changes in valuation of investments at FVOCI	0	0	0	70,590,210	70,590,210	0	70,590,210
Transfer to profit or loss for sales of investments at FVOCI	0	0	0	(60,882,520)	(60,882,520)	0	(60,882,520)
Valuation of investment credit risk at FVOCI	0	0	0	(5,064,566)	(5,064,566)	0	(5,064,566)
Total other comprehensive income, net	0	0	0	4,643,124	4,643,124	0	4,643,124
Total comprehensive income	0	0	0	4,643,124	4,643,124	518,956,133	523,599,257
Transactions with owner:							
Dividends paid on common shares	0	0	0	0	0	(240,000,000)	(240,000,000)
Dividends tax	0	0	0	0	0	(1,669,675)	(1,669,675)
Complementary tax	0	0	0	0	0	(2,960,995)	(2,960,995)
Transfer of retained earnings	0	6,147,964	0	0	0	(6,147,964)	0
Total transactions attributable to the shareholder	0	6,147,964	0	0	0	(250,778,634)	(244,630,670)
Balance as of September 30, 2023 (Unaudited)	500,000,000	212,662,132	1,000,000	(274,725,004)	(273,725,004)	2,418,648,477	2,857,585,605

The condensed consolidated statement of changes in equity should be read along with the accompanying notes which are an integral part of the condensed consolidated interim financial information.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Condensed Consolidated Statement of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in Balboas)

		(Unaudited)	
	Note	2024	2023
Operating activities:			
Net income		586,571,156	518,956,133
Adjustments to reconcile net income and cash from operating activities:			
Reversal of provision for loan losses, net	6	(13,888,820)	(28,958,020)
Reversal of provision for valuation of investments, net		(746,246)	(5,054,676)
Provision for foreclosed assets, net		1,594,378	2,287,467
Unrealized gain on investments and other financial assets		(7,565,981)	(7,998,054)
Unrealized loss (gain) on derivative instruments		4,017,220	(31,143,772)
(Gain) loss on sale of investments and other financial assets at FVTPL, net		(7,500,738)	8,367,611
Loss on sale of investments and other financial assets at FVOCI, net		14,114,810	52,652,216
Realized loss on derivative instruments		4,331,484	11,712,416
Foreign exchange fluctuations, net		30,629	49,878
Gain on sale of fixed assets, net		(43,414)	(4,523,799)
Depreciation and amortization	7 and 8	26,642,632	25,152,554
Amortization of intangible assets	9	1,361,323	1,963,044
Equity participation in associates		(11,827,981)	(11,826,372)
Income tax, net		90,472,925	81,808,918
Interest and commission income		(958,935,221)	(855,812,183)
Interest expense		284,816,538	231,365,741
Dividends received		(1,292,774)	(1,675,088)
Changes in operating assets and liabilities:			
Time deposits with banks		74,648	38,993,939
Investments and other financial assets at FVTPL		(60,771,741)	(63,614,145)
Loans		(568,840,175)	(215,019,454)
Unearned commissions		34,236,388	32,192,511
Tax credit from preferential interest		(50,455,204)	(43,722,085)
Other assets		(59,615,113)	32,079,168
Demand deposits		(320,240,946)	(213,181,850)
Savings deposits		(179,978,956)	(173,710,708)
Time deposits		637,028,127	243,031,451
Reserves of insurance operations		2,403,641	4,059,177
Other liabilities		223,310,329	(2,253,171)
Cash provided by operations:			
Interest received		929,113,541	828,254,812
Interest paid		(271,094,478)	(232,288,842)
Dividends received		1,292,774	1,675,088
Total		(257,956,401)	(295,136,228)
Cash flows from operating activities		328,614,755	223,819,905
Investing activities:			
Purchases of investments and other financial assets at FVOCI		(3,188,882,031)	(2,185,494,896)
Sale and redemptions of investments and other financial assets at FVOCI		3,169,195,518	2,508,796,250
Purchases of securities at amortized cost		(59,462,606)	(86,906,545)
Redemptions of securities at amortized cost		50,093,896	4,817,356
Dividends received from associates		6,976,667	6,974,825
Sale of properties, furniture and equipment		155,170	8,502,221
Purchases of properties, furniture and equipment	7	(32,833,854)	(34,693,835)
Cash flows (used) from investing activities		(54,757,240)	221,995,376
Financing activities:			
Borrowings and debt securities issued		0	1,999,994
Redemption of debt securities issued and cancellation of borrowings		(128,249,994)	(28,156,084)
Securities sold under repurchase agreements		0	(198,242,891)
Payment of lease liabilities		(2,535,651)	(2,480,131)
Dividends paid on common shares		(285,000,000)	(240,000,000)
Complementary and dividends tax		(6,267,974)	(4,630,670)
Cash flows used financing activities		(422,053,619)	(471,509,782)
Net decreased in cash and cash equivalents		(148,196,104)	(25,694,501)
Cash and cash equivalents at the beginning of the period		809,389,684	618,364,529
Cash and cash equivalents at the end of the period	5	661,193,580	592,670,028

The condensed consolidated statement of cash flows should be read along with the accompanying notes which are an integral part of the condensed consolidated interim financial information.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

September 30, 2024

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BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

September 30, 2024

(Expressed in Balboas)

(1) General Information

Banco General, S. A. is incorporated under the laws of the Republic of Panama since 1954 and started operations in 1955. The Bank operates under a general license granted by the Superintendence of Banks of Panama which allows it to engage in the banking business in Panama or abroad. Banco General, S. A. and its subsidiaries will be referred to collectively as “the Bank”.

The Bank provides a wide variety of financial services, mainly corporate, mortgage and consumer banking, investment, insurance, reinsurance, wealth management, pensions, retirement and severance funds.

The Bank has a network of Representation Offices in the following countries: Colombia, El Salvador, Guatemala, Peru.

Grupo Financiero BG, S. A., a 59.83% (December 31, 2023: 59.88%) subsidiary of Empresa General de Inversiones, S. A., owns 100% of the common shares issued and outstanding of Banco General, S. A.

Banco General, S. A. which in turn owns 100% of the following subsidiaries that are presented below and which form part of the consolidation:

- BG Investment Co., Inc.: securities brokerage, assets management and brokerage company in Panama.
- General de Seguros, S. A.: insurance and reinsurance in Panama.
- Overseas Capital Markets, Inc.: holder of shares in the Cayman Islands. It in turn has the following subsidiaries:
 - Banco General (Overseas), Inc.: international banking in the Cayman Islands.
 - Commercial Re. Overseas, Ltd.: international reinsurance in the British Virgin Islands.
- BG Valores, S. A.: securities brokerage, asset management and brokerage company in Panama.
- Banco General (Costa Rica), S. A.: banking business in Costa Rica.
- ProFuturo Administradora de Fondos de Pensiones y Cesantía, S. A.: management of pension and retirement, severance and investment funds in Panama.
- Yappy, S. A.: digital platform for money transfers and payments between people and businesses in Panama.
- BG Trust, Inc.: trust administration in Panama.
- Vale General, S. A.: administration and marketing of food vouchers in Panama. This in turn has the subsidiary:
 - Inmobiliaria de Bienes, S. A.: real estate in Panama, which began operations in August 2024.

The Bank’s main office is located at Banco General Tower, Marbella Urbanization, Aquilino de la Guardia Avenue, Panama City, Republic of Panama.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(2) Basis of Preparation

(a) Statement of Compliance

The condensed consolidated interim financial information have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IFRS Accounting Standards).

These condensed consolidated interim financial information were authorized by management issue on October 24, 2024.

(b) Basis of Measurement

These condensed consolidated interim financial information have been prepared on a historical cost basis or amortized cost, except for financial assets and liabilities at fair value, securities at fair value through other comprehensive income and derivative financial instruments, which are measured at fair value; and foreclosed assets, which are measured at the lower of their carrying value or estimated value of realization.

The Bank initially recognizes loans and receivables and deposits on the date on which they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized on the trade date initially, which is the date on which the Bank compromises to buy or sell an instrument.

(c) Functional and Presentation Currency

The condensed consolidated interim financial information are expressed in balboas (B/.), the monetary unit of the Republic of Panama, which is at par and freely exchangeable with the United States dollar (US\$). The Republic of Panama does not issue its own paper currency and, in lieu, the dollar (US\$) of the United States of America is used as legal tender and functional currency.

(3) Summary of Materials Accounting Policies

The accounting policies used by the Bank in this condensed consolidated interim financial information are the same as those applied by the Bank in its consolidated financial statements as of December 31, 2023.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(4) Balances and Transactions with Related Parties**

The condensed consolidated statement of financial position and the condensed consolidated statement of income include balances and transactions with related parties, which are summarized as follows:

	September 30, 2024			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>192,021,011</u>	<u>33,169,751</u>	<u>225,190,762</u>
Loans	<u>16,861,981</u>	<u>203,035,231</u>	<u>305,506</u>	<u>220,202,718</u>
Investments in associates	<u>0</u>	<u>34,963,435</u>	<u>0</u>	<u>34,963,435</u>
Liabilities:				
Deposits:				
Demand	917,312	113,773,637	80,109,776	194,800,725
Savings	5,884,575	34,346,262	48,431	40,279,268
Time	<u>6,661,969</u>	<u>305,564,205</u>	<u>141,912,521</u>	<u>454,138,695</u>
	<u>13,463,856</u>	<u>453,684,104</u>	<u>222,070,728</u>	<u>689,218,688</u>
Perpetual bonds	<u>0</u>	<u>17,000,000</u>	<u>127,984,000</u>	<u>144,984,000</u>
Commitments and contingencies	<u>1,350,000</u>	<u>11,098,193</u>	<u>35,886,541</u>	<u>48,334,734</u>
Interest income:				
Loans	<u>653,957</u>	<u>11,126,262</u>	<u>42,074</u>	<u>11,822,293</u>
Investments and other financial assets	<u>0</u>	<u>8,528,757</u>	<u>2,165,766</u>	<u>10,694,523</u>
Interest expenses:				
Deposits	<u>244,738</u>	<u>12,662,292</u>	<u>4,755,691</u>	<u>17,662,721</u>
Financing	<u>0</u>	<u>693,756</u>	<u>5,047,232</u>	<u>5,740,988</u>
Other income:				
Equity participation in associates	<u>0</u>	<u>11,827,981</u>	<u>0</u>	<u>11,827,981</u>
Received dividends	<u>0</u>	<u>595,119</u>	<u>0</u>	<u>595,119</u>
General and administrative expenses:				
Directors' fees	<u>727,755</u>	<u>0</u>	<u>0</u>	<u>727,755</u>
Benefits to key management personnel	<u>1,691,821</u>	<u>0</u>	<u>0</u>	<u>1,691,821</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(4) Balances and Transactions with Related Parties, continued**

	December 31, 2023			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>139,598,650</u>	<u>33,313,138</u>	<u>172,911,788</u>
Loans	<u>16,659,882</u>	<u>187,242,166</u>	<u>351,909</u>	<u>204,253,957</u>
Investments in associates	<u>0</u>	<u>30,112,121</u>	<u>0</u>	<u>30,112,121</u>
Liabilities:				
Deposits:				
Demand	1,133,271	88,720,492	90,589,391	180,443,154
Savings	9,228,185	60,717,726	48,431	69,994,342
Time	<u>5,411,848</u>	<u>239,985,223</u>	<u>130,000,000</u>	<u>375,397,071</u>
	<u>15,773,304</u>	<u>389,423,441</u>	<u>220,637,822</u>	<u>625,834,567</u>
Perpetual bonds	<u>0</u>	<u>17,000,000</u>	<u>127,984,000</u>	<u>144,984,000</u>
Commitments and contingencies	<u>1,349,600</u>	<u>13,144,865</u>	<u>36,128,214</u>	<u>50,622,679</u>
	September 30, 2023			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>137,690,826</u>	<u>33,374,693</u>	<u>171,065,519</u>
Loans	<u>14,211,196</u>	<u>194,900,752</u>	<u>366,380</u>	<u>209,478,328</u>
Investments in associates	<u>0</u>	<u>34,768,242</u>	<u>0</u>	<u>34,768,242</u>
Liabilities:				
Deposits:				
Demand	1,015,909	104,138,660	102,693,376	207,847,945
Savings	6,364,414	58,407,076	2,248,431	67,019,921
Time	<u>5,089,149</u>	<u>257,045,663</u>	<u>133,921,914</u>	<u>396,056,726</u>
	<u>12,469,472</u>	<u>419,591,399</u>	<u>238,863,721</u>	<u>670,924,592</u>
Perpetual bonds	<u>0</u>	<u>17,000,000</u>	<u>127,984,000</u>	<u>144,984,000</u>
Commitments and contingencies	<u>1,349,600</u>	<u>16,277,780</u>	<u>36,128,214</u>	<u>53,755,594</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(4) Balances and Transactions with Related Parties, continued**

		September 30, 2023		
	Directors and Management	Related Companies	Affiliated Companies	Total
<u>Interest income:</u>				
Loans	<u>505,686</u>	<u>8,732,661</u>	<u>259,087</u>	<u>9,497,434</u>
Investments and other financial assets	<u>0</u>	<u>5,516,430</u>	<u>2,348,446</u>	<u>7,864,876</u>
<u>Interest expenses:</u>				
Deposits	<u>154,250</u>	<u>11,151,690</u>	<u>3,708,326</u>	<u>15,014,266</u>
Financing	<u>0</u>	<u>666,695</u>	<u>5,017,976</u>	<u>5,684,671</u>
<u>Other income:</u>				
Equity participation in associates	<u>0</u>	<u>11,826,372</u>	<u>0</u>	<u>11,826,372</u>
Received dividends	<u>0</u>	<u>654,427</u>	<u>0</u>	<u>654,427</u>
<u>General and administrative expenses:</u>				
Directors' fees	<u>576,690</u>	<u>0</u>	<u>0</u>	<u>576,690</u>
Benefits to key management personnel	<u>1,719,878</u>	<u>0</u>	<u>0</u>	<u>1,719,878</u>

The conditions granted in transactions with related parties are substantially similar to those granted to third parties not related to the Bank.

(5) Cash and Cash Equivalents

Cash and cash equivalents are detailed as follows for purposes of reconciliation with the condensed consolidated statement of cash flows:

	September 30	
	<u>2024</u>	<u>2023</u>
Cash and cash items	163,218,431	161,872,299
Demand deposits with banks	479,975,149	430,797,729
Time deposits with banks	<u>18,380,994</u>	<u>451,538</u>
Total deposits with banks	<u>498,356,143</u>	<u>431,249,267</u>
Less: Deposits with banks, with original maturities greater than three months	<u>380,994</u>	<u>451,538</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>661,193,580</u>	<u>592,670,028</u>

Demand deposits with banks include cash collateral accounts for B/.30,918,773 (December 31, 2023: B/.33,792,357) that secure derivative operations and the next payments of principal, interest of certain obligations.

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information**(6) Loans**

The composition of the loan portfolio is summarized as follows:

	September 30 2024	December 31 2023	September 30 2023
Internal sector:			
Residential mortgages	4,606,866,512	4,659,177,582	4,651,738,502
Personal, auto and credit cards	2,116,491,955	1,963,721,467	1,927,035,524
Commercial mortgages	1,790,363,015	1,785,135,972	1,797,122,060
Lines of credit and commercial loans	1,643,664,830	1,347,048,892	1,396,664,529
Interim financing	278,114,472	265,160,413	281,478,142
Finance leases, net	107,016,264	91,931,089	90,083,235
Other secured loans	199,787,537	208,253,162	203,220,542
Overdrafts	148,514,040	121,406,289	135,376,243
Total internal sector	<u>10,890,818,625</u>	<u>10,441,834,866</u>	<u>10,482,718,777</u>
External sector:			
Residential mortgages	138,778,482	148,073,509	150,457,909
Personal, auto and credit cards	11,148,785	8,087,985	7,171,873
Commercial mortgages	138,927,401	139,404,710	142,515,319
Lines of credit and commercial loans	1,295,465,628	1,188,013,843	1,081,042,240
Other secured loans	15,844,980	9,688,042	13,606,267
Overdrafts	44,421,491	39,858,070	36,911,024
Total external sector	<u>1,644,586,767</u>	<u>1,533,126,159</u>	<u>1,431,704,632</u>
Total	<u>12,535,405,392</u>	<u>11,974,961,025</u>	<u>11,914,423,409</u>

The movement of the loan loss allowance is summarized as follows:

	September 30, 2024			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
Balance at the beginning of the period	132,011,957	208,039,313	54,735,809	394,787,079
Transferred to 12-month ECL	15,166,728	(11,147,927)	(4,018,801)	0
Transferred to lifetime ECL not credit-impaired	(4,646,729)	12,320,237	(7,673,508)	0
Transferred to lifetime ECL credit-impaired	(6,390,709)	(11,827,287)	18,217,996	0
Net remeasurement of portfolio	(10,007,687)	(2,082,920)	15,969,103	3,878,496
New loans	16,538,305	20,970,438	4,233,388	41,742,131
Loans that have been derecognized	(11,028,271)	(32,685,378)	(15,795,798)	(59,509,447)
Recovery of loan write-off	0	0	37,958,868	37,958,868
Loans written-off	0	0	(46,354,676)	(46,354,676)
Balance at the end of the period	<u>131,643,594</u>	<u>183,586,476</u>	<u>57,272,381</u>	<u>372,502,451</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information**(6) Loans, continued**

	December 31, 2023			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
Balance at the beginning of the year	136,926,931	234,895,462	61,176,842	432,999,235
Transferred to 12-month ECL	18,996,569	(12,361,212)	(6,635,357)	0
Transferred to lifetime ECL not credit-impaired	(4,188,565)	47,699,030	(43,510,465)	0
Transferred to lifetime ECL credit-impaired	(3,249,716)	(9,911,619)	13,161,335	0
Net remeasurement of portfolio	(25,178,460)	(46,542,739)	56,918,894	(14,802,305)
New loans	21,470,500	6,270,907	3,101,784	30,843,191
Loans that have been derecognized	(12,765,302)	(12,010,516)	(31,402,633)	(56,178,451)
Recovery of loan write-off	0	0	49,565,066	49,565,066
Loans written-off	0	0	(47,639,657)	(47,639,657)
Balance at the end of the year	<u>132,011,957</u>	<u>208,039,313</u>	<u>54,735,809</u>	<u>394,787,079</u>

	September 30, 2023			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
Balance at the beginning of the period	136,926,931	234,895,462	61,176,842	432,999,235
Transferred to 12-month ECL	16,838,667	(11,232,392)	(5,606,275)	0
Transferred to lifetime ECL not credit-impaired	(3,933,488)	49,577,872	(45,644,384)	0
Transferred to lifetime ECL credit-impaired	(3,202,894)	(8,969,098)	12,171,992	0
Net remeasurement of portfolio	1,637,883	(60,920,407)	50,971,650	(8,310,874)
New loans	14,444,471	6,153,957	1,699,261	22,297,689
Loans that have been derecognized	(9,899,956)	(8,909,034)	(24,135,845)	(42,944,835)
Recovery of loan write-off	0	0	39,246,521	39,246,521
Loans written-off	0	0	(30,038,223)	(30,038,223)
Balance at the end of the period	<u>152,811,614</u>	<u>200,596,360</u>	<u>59,841,539</u>	<u>413,249,513</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(7) Properties, Furniture, Equipment and Improvements**

Properties, furniture, equipment and improvements are summarized as follows:

	September 30, 2024					
	Land	Buildings	Licenses and internally developed projects	Furniture and Equipment	Improvements	Total
Cost:						
At the beginning of the period	34,943,143	138,901,310	203,963,748	127,465,817	48,104,869	553,378,887
Additions	0	0	16,365,302	13,849,971	2,618,581	32,833,854
Sales and disposals	0	227,797	0	7,265,484	0	7,493,281
At the end of the period	<u>34,943,143</u>	<u>138,673,513</u>	<u>220,329,050</u>	<u>134,050,304</u>	<u>50,723,450</u>	<u>578,719,460</u>
Accumulated depreciation and amortization:						
At the beginning of the period	0	45,816,994	127,048,289	85,198,524	35,341,467	293,405,274
Expense of the period	0	2,708,749	12,606,779	7,274,371	1,442,480	24,032,379
Sales and disposal	0	116,061	0	7,265,464	0	7,381,525
At the end of the period	0	<u>48,409,682</u>	<u>139,655,068</u>	<u>85,207,431</u>	<u>36,783,947</u>	<u>310,056,128</u>
Net balance	<u>34,943,143</u>	<u>90,263,831</u>	<u>80,673,982</u>	<u>48,842,873</u>	<u>13,939,503</u>	<u>268,663,332</u>

	December 31, 2023					
	Land	Buildings	Licenses and internally developed projects	Furniture and Equipment	Improvements	Total
Cost:						
At the beginning of the year	31,999,135	135,380,209	183,989,593	123,056,424	49,468,645	523,894,006
Additions	3,208,608	4,308,637	20,370,708	16,532,940	2,216,481	46,637,374
Sales and disposals	264,600	787,536	396,553	12,123,547	3,580,257	17,152,493
At the end of the year	<u>34,943,143</u>	<u>138,901,310</u>	<u>203,963,748</u>	<u>127,465,817</u>	<u>48,104,869</u>	<u>553,378,887</u>
Accumulated depreciation and amortization:						
At the beginning of the year	0	42,731,801	107,729,572	88,874,573	33,527,102	272,863,048
Expense of the year	0	3,569,477	19,715,270	8,447,225	1,984,060	33,716,032
Sales and disposal	0	484,284	396,553	12,123,274	169,695	13,173,806
At the end of the year	0	<u>45,816,994</u>	<u>127,048,289</u>	<u>85,198,524</u>	<u>35,341,467</u>	<u>293,405,274</u>
Net balance	<u>34,943,143</u>	<u>93,084,316</u>	<u>76,915,459</u>	<u>42,267,293</u>	<u>12,763,402</u>	<u>259,973,613</u>

	September 30, 2023					
	Land	Buildings	Licenses and internally developed projects	Furniture and Equipment	Improvements	Total
Cost:						
At the beginning of the period	31,999,135	135,380,209	183,989,593	123,056,424	49,468,645	523,894,006
Additions	3,208,608	4,308,637	14,485,094	10,906,464	1,785,032	34,693,835
Sales and disposals	264,600	787,536	59,613	11,062,533	3,580,257	15,754,539
At the end of the period	<u>34,943,143</u>	<u>138,901,310</u>	<u>198,415,074</u>	<u>122,900,355</u>	<u>47,673,420</u>	<u>542,833,302</u>
Accumulated depreciation and amortization:						
At the beginning of the period	0	42,731,801	107,729,572	88,874,573	33,527,102	272,863,048
Expense of the period	0	2,666,136	12,219,730	6,189,837	1,501,348	22,577,051
Sales and disposal	0	484,284	59,613	11,062,525	169,695	11,776,117
At the end of the period	0	<u>44,913,653</u>	<u>119,889,689</u>	<u>84,001,885</u>	<u>34,858,755</u>	<u>283,663,982</u>
Net balance	<u>34,943,143</u>	<u>93,987,657</u>	<u>78,525,385</u>	<u>38,898,470</u>	<u>12,814,665</u>	<u>259,169,320</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information**(8) Right-of-Use Assets**

The movement of right of use assets is detailed as follows:

	September 30 2024	December 31 2023	September 30 2023
Cost:			
At the beginning of the period	28,510,025	27,235,400	27,235,400
New contracts	1,395,166	4,293,733	2,741,398
Cancellations	<u>(1,372,591)</u>	<u>(3,019,108)</u>	<u>(1,731,280)</u>
At the end of the period	<u>28,532,600</u>	<u>28,510,025</u>	<u>28,245,518</u>
Accumulated depreciation:			
At the beginning of the period	12,047,726	11,616,872	11,616,872
Expense of the period	2,610,253	3,449,962	2,575,503
Cancellations	<u>(1,205,985)</u>	<u>(3,019,108)</u>	<u>(1,731,280)</u>
At the end of the period	<u>13,451,994</u>	<u>12,047,726</u>	<u>12,461,095</u>
Net balance	<u>15,080,606</u>	<u>16,462,299</u>	<u>15,784,423</u>

The expense depreciation of right-of-use assets is included in the depreciation and amortization expense line in the condensed consolidated statement of income.

(9) Goodwill and Intangible Assets, Net

The following table summarizes the goodwill generated from the acquisition and/or participation acquired of the following entities:

Company	Date of acquisition	Participation acquired	% of Acquired Participation	Balance
Banco General, S. A. (1)	March 2004	ProFuturo-Administradora de Fondos de Pensiones y Cesantía, S. A.	17%	679,018
Banco General, S. A. (1)	March 2005	BankBoston, N.A. – Panama (banking operations)	100%	12,056,144
ProFuturo – Administradora de Fondos de Pensiones y Cesantía, S. A. (2)	March 2005	Purchase of trust fund businesses	100%	861,615
Banco General, S. A. (1)	March 2007	Banco Continental de Panama, S. A. and subsidiaries (banking and fiduciary activities)	100%	<u>27,494,722</u>
Total				<u>41,091,499</u>
(1) Banking CGU				
(2) Pension and Retirement Fund				

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information**(9) Goodwill and Intangible Assets, Net, continued**

The movement of goodwill and intangible assets is summarized as follows:

	<u>September 30, 2024</u>		
	<u>Goodwill</u>	<u>Intangible assets</u>	<u>Total</u>
Cost:			
Balance at the beginning and end of the period	<u>41,091,499</u>	<u>47,462,084</u>	<u>88,553,583</u>
Accumulated amortization:			
Balance at the beginning of the period	0	42,532,568	42,532,568
Amortization of the period	<u>0</u>	<u>1,361,323</u>	<u>1,361,323</u>
Balance at the end of the period	<u>0</u>	<u>43,893,891</u>	<u>43,893,891</u>
Net balance at the end of the period	<u>41,091,499</u>	<u>3,568,193</u>	<u>44,659,692</u>

	<u>December 31, 2023</u>		
	<u>Goodwill</u>	<u>Intangible assets</u>	<u>Total</u>
Cost:			
Balance at the beginning and end of the year	<u>41,091,499</u>	<u>47,462,084</u>	<u>88,553,583</u>
Accumulated amortization:			
Balance at the beginning of the year	0	39,915,176	39,915,176
Amortization of the year	<u>0</u>	<u>2,617,392</u>	<u>2,617,392</u>
Balance at the end of the year	<u>0</u>	<u>42,532,568</u>	<u>42,532,568</u>
Net balance at the end of the year	<u>41,091,499</u>	<u>4,929,516</u>	<u>46,021,015</u>

	<u>September 30, 2023</u>		
	<u>Goodwill</u>	<u>Intangible assets</u>	<u>Total</u>
Cost:			
Balance at the beginning and end of the period	<u>41,091,499</u>	<u>47,462,084</u>	<u>88,553,583</u>
Accumulated amortization:			
Balance at the beginning of the period	0	39,915,176	39,915,176
Amortization of the period	<u>0</u>	<u>1,963,044</u>	<u>1,963,044</u>
Balance at the end of the period	<u>0</u>	<u>41,878,220</u>	<u>41,878,220</u>
Net balance at the end of the period	<u>41,091,499</u>	<u>5,583,864</u>	<u>46,675,363</u>

It is the Bank's policy to conduct an impairment test on an annual basis or when there is evidence of impairment. As of September 30, 2024, no evaluation was necessary.

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Notes to the Condensed Consolidated Interim Financial Information**(10) Other Financial Liabilities at Fair Value**

The Bank holds, within other liabilities line, financial liabilities of debt instruments at fair value arising from short sales, which are summarized as follows:

	<u>Level</u>	<u>September 30 2024</u>	<u>December 31 2023</u>	<u>September 30 2023</u>
Bonds of the US Government	1	3,471,376	3,374,894	3,228,062
Mortgage Backed Securities (MBS)	2	<u>220,767,150</u>	<u>192,749,318</u>	<u>144,164,282</u>
Total		<u>224,238,526</u>	<u>196,124,212</u>	<u>147,392,344</u>

See the description of the levels in Note 19.

(11) Borrowings and Debt Securities Issued, Net

The Bank issued bonds and other borrowings, as follows:

	<u>September 30 2024</u>	<u>December 31 2023</u>	<u>September 30 2023</u>
Corporate bonds with maturities in 2026, at an interest rate of 3 month SOFR plus a margin	2,680,000	2,680,000	2,680,000
Corporate bonds with maturities in 2027, at an annual interest rate of 4.125%	537,217,000	537,217,000	537,217,000
Borrowings with maturity in 2024, at interest rates of 6 month SOFR plus a margin	65,000,000	116,999,994	50,000,000
Borrowings with maturity in 2025, at interest rates of 6 month SOFR plus a margin	0	50,000,000	51,999,994
Borrowings with maturity in 2026, at interest rates of 6 month SOFR plus a margin	50,000,000	50,000,000	50,000,000
Borrowings with maturity in 2030, at a fixed interest rate	30,000,000	30,000,000	0
Notes with maturities in 2024, at a fixed interest rate	0	15,000,000	20,000,000
Notes with maturities in 2027, at a fixed interest rate	<u>41,250,000</u>	<u>52,500,000</u>	<u>56,250,000</u>
Subtotal of borrowings and debt securities issued	<u>726,147,000</u>	<u>854,396,994</u>	<u>768,146,994</u>
Revaluation coverage	<u>4,958,175</u>	<u>6,251,370</u>	<u>6,680,916</u>
Total borrowings and debt securities issued, net	<u>731,105,175</u>	<u>860,648,364</u>	<u>774,827,910</u>

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Notes to the Condensed Consolidated Interim Financial Information**(11) Borrowings and Debt Securities Issued, Net, continued**

The Bank had no default events as to principal, interest or other contractual clauses relating to its borrowings and debt securities issued.

The movement during the year of borrowings and debt securities issued, net is detailed below for the reconciliation with the condensed consolidated statement of cash flows:

	September 30	
	<u>2024</u>	<u>2023</u>
Balance at the beginning of the period	860,648,364	802,268,103
New borrowings and debt securities	0	1,999,994
Redemption of debt securities issued and cancellation of borrowings	(128,249,994)	(28,156,084)
Revaluation coverage	<u>(1,293,195)</u>	<u>(1,284,103)</u>
Balance at the end of the period	<u><u>731,105,175</u></u>	<u><u>774,827,910</u></u>

(12) Lease Liabilities

The movement of lease liabilities is detailed as follows:

	September 30	December 31	September 30
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Balance at the beginning of the period	18,301,593	17,312,742	17,312,742
New contracts	1,395,166	4,293,733	2,741,398
Payments	(2,535,651)	(3,304,882)	(2,480,131)
Cancellations	<u>(166,606)</u>	<u>0</u>	<u>0</u>
Balance at the end of the period	<u><u>16,994,502</u></u>	<u><u>18,301,593</u></u>	<u><u>17,574,009</u></u>

Interest expense on lease liabilities for B/.610,968 (2023: B/.581,634) is included in the line as of commission expenses and other expenses in the condensed consolidated statement of income.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(13) Reserves of Insurance Operations**

Reserves of insurance operations amounted to B/.26,232,119 (December 31, 2023: B/.23,828,478) and (September 30, 2023: B/.24,581,818) and are comprised of unearned premiums and estimated insurance claims incurred.

The movement of the reserves of insurance operations is summarized as follows:

	September 30 2024	December 31 2023	September 30 2023
Unearned Premiums			
Balance at the beginning of the period	23,126,177	21,314,216	21,314,216
Issued premiums	39,772,392	45,379,762	35,575,121
Earned premiums	<u>(36,287,057)</u>	<u>(43,567,801)</u>	<u>(33,278,532)</u>
Balance at the end of the period	26,611,512	23,126,177	23,610,805
Reinsurers participation	<u>(6,608,138)</u>	<u>(4,553,853)</u>	<u>(5,043,819)</u>
Unearned premiums, net	<u>20,003,374</u>	<u>18,572,324</u>	<u>18,566,986</u>
Estimated Insurance Claims Incurred			
Balance at the beginning of the period	6,609,172	5,045,986	5,045,986
Incurred claims	9,761,641	12,454,279	9,784,566
Paid claims	<u>(8,280,772)</u>	<u>(10,891,093)</u>	<u>(6,255,566)</u>
Balance at the end of the period	8,090,041	6,609,172	8,574,986
Reinsurer participation	<u>(1,861,296)</u>	<u>(1,353,018)</u>	<u>(2,560,154)</u>
Estimated insurance claims incurred, net	<u>6,228,745</u>	<u>5,256,154</u>	<u>6,014,832</u>
Total reserves of insurance operations	<u>26,232,119</u>	<u>23,828,478</u>	<u>24,581,818</u>

(14) Segment Information

The Bank maintains three business segments for its financial analysis, which offer different products and services and are managed separately, consistent with the form in which management receives data, budgets and assesses their performance.

Segments**Operations****Banking and Financial Activities**

Various financial services, mainly corporate, mortgage and consumer banking, finance leases, administration of trusts, administration and marketing of food vouchers, asset management and securities brokerage

Insurance and Reinsurance

Insurance and reinsurance of policies of general lines, collective life and various risks

Pension and Retirement Fund

Administration of pension and retirement, severance and investment funds

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information

(14) Segment Information, continued

Management prepared the following segment information based on the bank's businesses for its financial analysis:

	September 30, 2024				
	Banking and Financial Activities	Insurance and Reinsurance	Pension and retirement Fund	Eliminations	Total
Interest and commission income	955,352,645	14,013,576	2,085,898	12,516,898	958,935,221
Interest and provision expenses	284,292,263	485	0	12,516,898	271,775,850
Other income, net	199,703,105	27,240,585	13,654,603	10,023	240,588,270
General and administrative expenses	228,986,769	2,564,244	4,347,919	10,023	235,888,909
Depreciation and amortization expense	26,426,085	15,236	201,311	0	26,642,632
Equity participation in associates	11,827,981	0	0	0	11,827,981
Net income before income tax	627,178,614	38,674,196	11,191,271	0	677,044,081
Net Income tax, estimated	77,475,328	4,829,390	2,405,658	0	84,710,376
Net Income tax, deferred	5,762,549	0	0	0	5,762,549
Net Income tax	83,237,877	4,829,390	2,405,658	0	90,472,925
Net income	543,940,737	33,844,806	8,785,613	0	586,571,156
Total assets	19,359,712,142	407,205,264	68,912,331	374,530,355	19,461,299,382
Total liabilities	16,423,059,753	68,679,147	3,816,660	356,424,293	16,139,131,267

	September 30, 2023				
	Banking and Financial Activities	Insurance and Reinsurance	Pension and retirement Fund	Eliminations	Total
Interest and commission income	852,842,746	10,599,181	1,488,898	9,118,642	855,812,183
Interest and provision expenses	208,660,455	98,699	0	9,118,642	199,640,512
Other income, net	142,410,823	22,848,224	12,209,132	9,671	177,458,508
General and administrative expenses	213,252,693	2,204,256	4,091,668	9,671	219,538,946
Depreciation and amortization expense	24,977,100	12,674	162,780	0	25,152,554
Equity participation in associates	11,826,372	0	0	0	11,826,372
Net income before income tax	560,189,693	31,131,776	9,443,582	0	600,765,051
Net Income tax, estimated	70,625,680	4,446,772	2,165,413	0	77,237,865
Net Income tax, deferred	4,571,053	0	0	0	4,571,053
Net Income tax	75,196,733	4,446,772	2,165,413	0	81,808,918
Net income	484,992,960	26,685,004	7,278,169	0	518,956,133
Total assets	18,272,873,502	368,813,736	63,862,105	341,063,131	18,364,486,212
Total liabilities	15,756,848,957	66,640,833	6,367,886	322,957,069	15,506,900,607

The composition of the secondary segment based on geographical distribution is as follows:

	September 30, 2024			
	Panama	Latin America and the Caribbean	United States of America and Others	Total
Interest and commission income, other income, net and Equity participation in associates	927,201,155	154,484,373	129,665,944	1,211,351,472
Non-financial	310,136,195	3,186,829	0	313,323,024

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information**(14) Segment Information, continued**

	<u>September 30, 2023</u>			
	<u>Panama</u>	<u>Latin America and the Caribbean</u>	<u>United States of America and Others</u>	<u>Total</u>
Interest and commission income, other income, net and Equity participation in associates	<u>839,034,011</u>	<u>127,715,967</u>	<u>78,347,086</u>	<u>1,045,097,064</u>
Non-financial	<u>302,552,582</u>	<u>3,292,101</u>	<u>0</u>	<u>305,844,683</u>

(15) Equity

The authorized share capital of Banco General, S. A. is represented by 10,000,000 common shares with no par value (December 31, 2023: 10,000,000 common shares); of which there are 9,787,108 common shares issued and outstanding (December 31, 2023: 9,787,108 common shares).

The legal reserves are established by the regulations of the Superintendence of Banks of Panama, the Superintendence of Insurance and Reinsurance of Panama and the General Superintendence of Financial Entities of Costa Rica.

The detail of the legal reserves and its transfer from retained earnings is summarized as follows:

	<u>September 30, 2024</u>					
	<u>Reserves</u>					
	<u>Dynamic</u>	<u>Foreclosed Assets</u>	<u>Loans in the process of awarding</u>	<u>Legal</u>	<u>Insurance</u>	<u>Total</u>
Banco General, S. A.	135,787,439	4,219,095	15,495,497	0	0	155,502,031
General de Seguros, S. A.	0	0	0	0	42,633,741	42,633,741
Banco General (Overseas), Inc.	14,018,604	0	0	0	0	14,018,604
Banco General (Costa Rica), S. A.	<u>3,783,023</u>	<u>0</u>	<u>0</u>	<u>3,675,311</u>	<u>0</u>	<u>7,458,334</u>
Total	<u>153,589,066</u>	<u>4,219,095</u>	<u>15,495,497</u>	<u>3,675,311</u>	<u>42,633,741</u>	<u>219,612,710</u>

	<u>December 31, 2023</u>					
	<u>Reserves</u>					
	<u>Dynamic</u>	<u>Foreclosed Assets</u>	<u>Loans in the process of awarding</u>	<u>Legal</u>	<u>Insurance</u>	<u>Total</u>
Banco General, S. A.	133,877,476	4,251,413	16,379,960	0	0	154,508,849
General de Seguros, S. A.	0	0	0	0	40,642,782	40,642,782
Banco General (Overseas), Inc.	11,447,322	0	0	0	0	11,447,322
Banco General (Costa Rica), S. A.	<u>4,142,190</u>	<u>0</u>	<u>0</u>	<u>2,532,860</u>	<u>0</u>	<u>6,675,050</u>
Total	<u>149,466,988</u>	<u>4,251,413</u>	<u>16,379,960</u>	<u>2,532,860</u>	<u>40,642,782</u>	<u>213,274,003</u>

Transfer (reversal) from retained earnings of the period	<u>4,122,078</u>	<u>(32,318)</u>	<u>(884,463)</u>	<u>1,142,451</u>	<u>1,990,959</u>	<u>6,338,707</u>
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BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(15) Equity, continued

The Bank, through its subsidiary General de Seguros, S. A., maintains legal reserves and reserves for statistical deviations and reserves for catastrophic risks as established by the Superintendence of Insurance and Reinsurance of Panama. The use and restitution of these reserves shall be regulated by the Superintendence of Insurance and Reinsurance of the Republic of Panama.

The complementary tax of companies established in the Republic of Panama corresponds to the advance of the dividend tax that is applied to the net income of the year and that the taxpayer must retain and pay to the tax authorities within the stipulated years. The tax is attributable to the shareholder and it is applied as a tax credit at the time of distribution of dividends.

(16) Personnel Benefits

Contributions made by the Bank corresponding to personnel benefits are recognized as expenses in the consolidated statement of income, in the line of salaries and other personnel expenses.

Share-Based Compensation Plan

The total expense relating to options granted to the participants for the purchase of shares of Grupo Financiero BG, S. A, based on their fair value, amounted to B/.1,036,979 (2023: B/.1,030,152). These options may be exercised by the executives until the year 2031.

Restricted Share Plan

The Bank did not grant restricted shares in the period ended September 30, 2024 and 2023.

Retirement Plan

The Bank maintains a closed retirement plan, which was amended and approved by the Board of Directors in 1998; this plan is under independent administration by a fiduciary agent.

The contribution to the retirement plan was B/.61,200 (2023: B/.61,200) and the disbursements to former employees who are covered under the retirement plan amount to B/.117,131 (2023: B/.117,131).

(17) Income Tax

Income tax returns of companies incorporated in the Republic of Panama, are subject to examination by local tax authorities for the last three years.

In accordance with current tax regulations, companies incorporated in Panama are exempt from income taxes on the following: profits derived from foreign operations, interest earned on deposits with local banks, on bonds or other securities listed with the Superintendence of the Securities Markets and the Bolsa Latinoamericana de Valores S. A. and, lastly, securities and loans to the Panamanian Government and its autonomous and semi-autonomous institutions.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(17) Income Tax, continued**

Companies incorporated in the following jurisdictions are subject to income tax rates imposed by the local tax authorities of each country:

<u>Country</u>	<u>Tax rate</u>
Panama	25%
Costa Rica	30%

The companies incorporated in Cayman Islands and British Virgin Islands are not subject to the payment of income tax, due to the nature of their foreign operations.

The estimated income tax for the year is calculated based on the effective rate of the previous fiscal year. Based on Management's assessment, historically, this rate has not differed significantly from the current year's effective rate.

Net income tax is detailed as follows:

	<u>3rd Quarter</u> <u>September 30</u>		<u>Accumulated</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Estimated income tax	29,812,923	28,097,832	85,164,518	77,238,425
Prior year income tax adjustments	0	0	(454,142)	(560)
Deferred income tax	<u>5,285,311</u>	<u>2,985,884</u>	<u>5,762,549</u>	<u>4,571,053</u>
Total income tax, net	<u>35,098,234</u>	<u>31,083,716</u>	<u>90,472,925</u>	<u>81,808,918</u>

(18) Derivative Financial Instruments

The Bank uses interest rate swaps to reduce interest rate risk of both financial assets and financial liabilities. The Bank reduces the credit risk of these contracts by using solid financial institutions as counterparties and liquidating operations with organized markets. These contracts are recorded in the condensed consolidated statement of financial position at fair value using the fair value hedge or cash flows hedge method, in other assets and other liabilities.

For fixed income portfolios under management of third parties, the Bank sometimes makes use of derivatives on fixed income instruments and currencies under defined limits and parameters. These derivatives are recorded at fair value in the condensed consolidated statement of financial position.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(18) Derivative Financial Instruments, continued**

Below is the summary of derivative contracts is as follow:

	Over the Counter (OTC)							
	Total		Exchange-Traded		Liquidated in a securities exchange		Other bilateral counterparts	
	Notional Value	Book Value	Notional Value	Book Value	Notional Value	Book Value	Notional Value	Book Value
<u>September 30, 2024</u>								
Derivative assets	1,482,791,261	27,528,317	267,449,478	0	533,737,159	25,311,018	681,604,624	2,217,299
Derivative liabilities	885,808,737	10,848,931	184,419,050	0	519,117,290	8,805,063	182,272,397	2,043,868
<u>December 31, 2023</u>								
Derivative assets	1,443,195,226	31,700,222	261,381,130	0	604,884,462	30,009,988	576,929,634	1,690,234
Derivative liabilities	808,222,015	9,819,410	193,850,132	0	315,545,124	7,007,712	298,826,759	2,811,698
<u>September 30, 2023</u>								
Derivative assets	1,685,331,453	59,474,784	253,081,560	0	634,372,337	48,626,840	797,877,556	10,847,944
Derivative liabilities	773,663,110	11,015,903	327,429,557	0	133,182,200	5,917,513	313,051,353	5,098,390

The Bank maintains cash and cash equivalents as collateral in institutions that maintain risk ratings between AA+ and A- (December 31, 2023: AA+ and BBB+) and (September 30, 2023: AA+ and A-), which support derivative operations in the amount of B/.25.8MM (December 31, 2023: B/.23.3MM) and (September 30, 2023: B/.23.9MM).

The following table presents assets and liabilities derivatives by type of derivative instrument:

Other Derivatives classified by Risk:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Others derivatives:						
Credit	323,302	187,860	687,374	2,376,571	801,583	1,163,739
Interest	16,959,377	8,730,385	19,492,357	5,111,934	36,467,505	8,316,464
Currency	0	0	10,238	8,537	18,553	16,166
Total	17,282,679	8,918,245	20,189,969	7,497,042	37,287,641	9,496,369

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(18) Derivative Financial Instruments, continued**

The following table presents assets and liabilities derivatives hedge for risk management:

Hedge Derivatives for Risk Management:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Exposure to risk:						
Interest rate						
Fair value hedge	9,413,551	0	10,580,535	0	14,616,127	0
Others	711,924	0	878,230	0	2,641,606	0
Total interest rate	<u>10,125,475</u>	<u>0</u>	<u>11,458,765</u>	<u>0</u>	<u>17,257,733</u>	<u>0</u>
Currency						
Others	120,163	1,930,686	51,488	2,322,368	4,929,410	1,519,534
Total Currency	<u>120,163</u>	<u>1,930,686</u>	<u>51,488</u>	<u>2,322,368</u>	<u>4,929,410</u>	<u>1,519,534</u>
Total derivatives for risk exposure	<u>10,245,638</u>	<u>1,930,686</u>	<u>11,510,253</u>	<u>2,322,368</u>	<u>22,187,143</u>	<u>1,519,534</u>

The Bank held the following interest rate derivatives as fair value hedges for risk management:

	September 30, 2024				
	Maturity				
Risk Category	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years
Interest rate risk					
Hedging of Bonds					
Notional Value	0	0	0	40,000,000	29,900,000
Average interest rate				3.45%	5.13%

	December 31, 2023				
	Maturity				
Risk Category	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years
Interest rate risk					
Hedging of Bonds					
Notional Value	0	0	0	40,000,000	29,900,000
Average interest rate				3.45%	5.13%

	September 30, 2023				
	Maturity				
Risk Category	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years
Interest rate risk					
Hedging of Bonds					
Notional Value	0	0	0	40,000,000	29,900,000
Average interest rate				3.45%	5.13%

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Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

The effects of hedge accounting on the financial situation are detailed as follows:

<u>September 30, 2024</u>						
	<u>Notional Value</u>	<u>Book Value</u>		<u>Item in the consolidated statement of financial position that includes hedge instruments</u>	<u>Change in fair value used for calculating hedge ineffectiveness</u>	<u>Ineffectiveness recognized in profit or loss</u>
		<u>Assets</u>	<u>Liabilities</u>			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	<u>69,900,000</u>	<u>9,413,551</u>	<u>0</u>	Other assets (liabilities)	0	0
Total interest rate risk	<u>69,900,000</u>	<u>9,413,551</u>	<u>0</u>			
<u>December 31, 2023</u>						
	<u>Notional Value</u>	<u>Book Value</u>		<u>Item in the consolidated statement of financial position that includes hedge instruments</u>	<u>Change in fair value used for calculating hedge ineffectiveness</u>	<u>Ineffectiveness recognized in profit or loss</u>
		<u>Assets</u>	<u>Liabilities</u>			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	<u>69,900,000</u>	<u>10,580,535</u>	<u>0</u>	Other assets (liabilities)	0	0
Total interest rate risk	<u>69,900,000</u>	<u>10,580,535</u>	<u>0</u>			
<u>September 30, 2023</u>						
	<u>Notional Value</u>	<u>Book Value</u>		<u>Item in the consolidated statement of financial position that includes hedge instruments</u>	<u>Change in fair value used for calculating hedge ineffectiveness</u>	<u>Ineffectiveness recognized in profit or loss</u>
		<u>Assets</u>	<u>Liabilities</u>			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	<u>69,900,000</u>	<u>14,616,127</u>	<u>0</u>	Other assets (liabilities)	0	0
Total interest rate risk	<u>69,900,000</u>	<u>14,616,127</u>	<u>0</u>			

The amounts relating to items designated as hedged items were as follows:

<u>September 30, 2024</u>							
	<u>Book Value</u>		<u>Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item</u>		<u>Item in the statement of financial position in which the hedge item is included</u>	<u>Change in the value used for calculating hedge ineffectiveness</u>	<u>Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>			
Bonds	62,313,657		25,965	6,768,618	Investment securities FVOCI	0	0

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(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

<u>December 31, 2023</u>						
	<u>Book Value</u>		<u>Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item</u>		<u>Item in the statement of financial position in which the hedge item is included</u>	<u>Change in the value used for calculating hedge ineffectiveness</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>		
Bonds	58,597,250		0	7,514,508	Investment securities FVOCI	0
						0

<u>September 30, 2023</u>						
	<u>Book Value</u>		<u>Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item</u>		<u>Item in the statement of financial position in which the hedge item is included</u>	<u>Change in the value used for calculating hedge ineffectiveness</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>		
Bonds	58,212,687		0	11,421,726	Investment securities FVOCI	0
						0

The three levels of fair value that were categorized for derivatives are as follows:

	<u>Assets</u>	<u>September 30, 2024</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Other derivatives:					
Credit		0	323,302	0	323,302
Interest		0	16,959,377	0	16,959,377
Total		0	17,282,679	0	17,282,679
Hedge derivatives for risk management:					
Interest		0	10,125,475	0	10,125,475
Currency		0	120,163	0	120,163
Total		0	10,245,638	0	10,245,638
Total derivatives assets		<u>0</u>	<u>27,528,317</u>	<u>0</u>	<u>27,528,317</u>
	<u>Liabilities</u>				
Other derivatives:					
Interest		0	187,860	0	187,860
Currency		0	8,730,385	0	8,730,385
Total		0	8,918,245	0	8,918,245
Hedge derivatives for risk management:					
Currency		0	1,930,686	0	1,930,686
Total		0	1,930,686	0	1,930,686
Total derivatives liabilities		<u>0</u>	<u>10,848,931</u>	<u>0</u>	<u>10,848,931</u>

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Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

		December 31, 2023			Total
		Level 1	Level 2	Level 3	
<u>Assets</u>					
Other derivatives:					
Credit	0	687,374	0	0	687,374
Interest	0	19,492,357	0	0	19,492,357
Currency	0	10,238	0	0	10,238
Total	0	20,189,969	0	0	20,189,969
Hedge derivatives for risk management:					
Interest	0	11,458,765	0	0	11,458,765
Currency	0	51,488	0	0	51,488
Total	0	11,510,253	0	0	11,510,253
Total derivatives assets	0	31,700,222	0	0	31,700,222
<u>Liabilities</u>					
Other derivatives:					
Credit	0	2,376,571	0	0	2,376,571
Interest	0	5,111,934	0	0	5,111,934
Currency	0	8,537	0	0	8,537
Total	0	7,497,042	0	0	7,497,042
Hedge derivatives for risk management:					
Currency	0	2,322,368	0	0	2,322,368
Total	0	2,322,368	0	0	2,322,368
Total derivatives liabilities	0	9,819,410	0	0	9,819,410
		September 30, 2023			Total
		Level 1	Level 2	Level 3	
<u>Assets</u>					
Other derivatives:					
Credit	0	801,583	0	0	801,583
Interest	0	36,467,505	0	0	36,467,505
Currency	0	18,553	0	0	18,553
Total	0	37,287,641	0	0	37,287,641
Hedge derivatives for risk management:					
Interest	0	17,257,733	0	0	17,257,733
Currency	0	4,929,410	0	0	4,929,410
Total	0	22,187,143	0	0	22,187,143
Total derivatives assets	0	59,474,784	0	0	59,474,784
<u>Liabilities</u>					
Other derivatives:					
Credit	0	1,163,739	0	0	1,163,739
Interest	27,500	8,288,964	0	0	8,316,464
Currency	0	16,166	0	0	16,166
Total	27,500	9,468,869	0	0	9,496,369
Hedge derivatives for risk management:					
Currency	0	1,519,534	0	0	1,519,534
Total	0	1,519,534	0	0	1,519,534
Total derivatives liabilities	27,500	10,988,403	0	0	11,015,903

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(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(19) Fair Value of Financial Instruments

The Bank has in place a documented procedure to determine fair value and the responsibilities of the areas involved in this process, which has been approved by the Assets and Liabilities Committee, the Risk Committee of the Board of Directors, and the Bank's Board of Directors.

The Bank uses price vendors for most of the prices of assets and liabilities at fair value which are processed by the operations area and validated by the administrative and treasury control area and the risk department.

The Bank uses internal valuation methodologies for certain assets and liabilities at fair value classified in Level 3 of the fair value hierarchy. The calculation of fair values using internal methodologies is performed by the administration and control of the treasury area and validated by the risk department.

The Bank measures fair value using the fair value hierarchy, which categorizes the variables used in valuation techniques to measure fair value into three levels. The hierarchy is based on the transparency of the inputs used in measuring the fair values of financial assets and liabilities at their valuation date. The three levels are defined as follows:

Level 1: Quoted prices, unadjusted, in active markets for assets or liabilities identical to those that the Bank can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant input are directly or indirectly observable from market data.

Level 3: Unobservable inputs for assets or liabilities. This category includes all instruments for which the valuation technique includes unobservable variables and such have a significant effect on the instrument's fair value measurement. This category also includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(19) Fair Value of Financial Instruments, continued**

The classification of the valuation of fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The relevance of a variable should be evaluated in relation to the entire fair value measurement.

Fair Value Measurement of Investments and Other Financial Assets at Fair Value Through Profit or Loss

	September 30			
	2024	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	53,873,056	0	0	53,873,056
Bonds of the Republic of Panama	1,687,750	0	1,687,750	0
Local Corporate Shares	31,306,631	0	0	31,306,631
Foreign Treasury Bills	306,274	306,274	0	0
Mortgage Backed Securities (MBS) and Collateralized				
Mortgage Obligations (CMOs)	577,280,919	0	577,280,919	0
Asset Backed Securities (ABS)	72,174,891	0	72,174,891	0
Foreign Corporate Bonds and Fixed Income Funds	130,918,697	0	1,199,903	129,718,794
Foreign Corporate Shares and Variable Income Mutual Funds	389,001	0	155,741	233,260
Total	867,937,219	306,274	652,499,204	215,131,741

	December 31			
	2023	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	54,119,205	0	0	54,119,205
Bonds of the Republic of Panama	1,632,040	0	1,632,040	0
Local Corporate Shares	38,056,132	0	0	38,056,132
Local Financing	2,500,000	0	0	2,500,000
Foreign Treasury Bills	1,489,237	1,489,237	0	0
Mortgage Backed Securities (MBS) and Collateralized				
Mortgage Obligations (CMOs)	462,927,380	0	462,927,380	0
Asset Backed Securities (ABS)	75,767,198	0	75,767,198	0
Foreign Corporate Bonds and Fixed Income Funds	156,234,911	0	783,164	155,451,747
Foreign Corporate Shares and Variable Income Mutual Funds	290,439	0	160,650	129,789
Total	793,016,542	1,489,237	541,270,432	250,256,873

	September 30			
	2023	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	53,038,279	0	0	53,038,279
Bonds of the Republic of Panama	1,688,400	0	1,688,400	0
Local Corporate Shares	37,797,190	0	0	37,797,190
Foreign Treasury Bills	1,441,288	1,441,288	0	0
Mortgage Backed Securities (MBS) and Collateralized				
Mortgage Obligations (CMOs)	494,868,852	0	494,868,852	0
Asset Backed Securities (ABS)	70,478,778	0	70,478,778	0
Foreign Corporate Bonds and Fixed Income Funds	150,245,414	0	759,128	149,486,286
Foreign Corporate Shares and Variable Income Mutual Funds	219,217	0	89,428	129,789
Total	809,777,418	1,441,288	567,884,586	240,451,544

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Notes to the Condensed Consolidated Interim Financial Information**(19) Fair Value of Financial Instruments, continued****Fair Value Measurement of Investments and Other Financial Assets at Fair Value Through OCI**

	<u>September 30</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2024</u>			
Local Commercial Paper	6,310,817	0	0	6,310,817
Local Corporate Bonds	1,080,180,568	0	399,603,140	680,577,428
Bonds of the Republic of Panama	94,127,982	0	94,127,982	0
Bonds of the US Government	138,807,999	138,807,999	0	0
Foreign Commercial Paper and Treasury Bills	268,122,105	202,206,993	65,915,112	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,547,033,750	0	1,547,033,750	0
Asset Backed Securities (ABS)	152,513,634	0	152,513,634	0
Foreign Corporate Bonds	1,137,631,400	0	1,137,631,400	0
Other Governments Bonds	10,743,887	0	10,743,887	0
Total	<u>4,435,472,142</u>	<u>341,014,992</u>	<u>3,407,568,905</u>	<u>686,888,245</u>
	<u>December 31</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2023</u>			
Local Commercial Paper	7,292,981	0	0	7,292,981
Local Corporate Bonds	1,089,500,182	0	386,248,749	703,251,433
Bonds of the Republic of Panama	92,522,833	0	92,522,833	0
Bonds of the US Government	136,751,904	136,751,904	0	0
Foreign Commercial Paper and Treasury Bills	287,219,669	168,105,063	119,114,606	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,297,058,939	0	1,297,058,939	0
Asset Backed Securities (ABS)	188,920,050	0	188,920,050	0
Foreign Corporate Bonds	1,213,905,377	0	1,213,905,377	0
Other Governments Bonds	13,069,355	0	13,069,355	0
Total	<u>4,326,241,290</u>	<u>304,856,967</u>	<u>3,310,839,909</u>	<u>710,544,414</u>
	<u>September 30</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2023</u>			
Local Commercial Paper	10,966,842	0	0	10,966,842
Local Corporate Bonds	1,149,222,402	0	391,960,304	757,262,098
Bonds of the Republic of Panama	20,411,059	0	20,411,059	0
Bonds of the US Government and Agency	164,000,814	160,889,138	3,111,676	0
Foreign Commercial Paper and Treasury Bills	195,083,056	103,361,802	91,721,254	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,223,286,163	0	1,223,286,163	0
Asset Backed Securities (ABS)	179,933,166	0	179,933,166	0
Foreign Corporate Bonds	1,162,627,650	0	1,162,627,650	0
Bonds of Other Governments	14,291,721	0	14,291,721	0
Total	<u>4,119,822,873</u>	<u>264,250,940</u>	<u>3,087,342,993</u>	<u>768,228,940</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(19) Fair Value of Financial Instruments, continued**

<u>Changes in Fair Value Measurement of Level 3 hierarchy</u>			
	<u>Investments and other financial assets</u>		
	<u>Fair Value through Profit or Loss</u>	<u>Fair Value through OCI</u>	<u>Total</u>
December 31, 2023	250,256,873	710,544,414	960,801,287
Gain recognized in income	4,198,525	0	4,198,525
Loss recognized in equity	0	(1,140,943)	(1,140,943)
Purchases	30,726,863	57,254,000	87,980,863
Amortization, sales and redemptions	<u>(70,050,520)</u>	<u>(79,769,226)</u>	<u>(149,819,746)</u>
September 30, 2024	<u>215,131,741</u>	<u>686,888,245</u>	<u>902,019,986</u>
Total gain (loss) related to instruments held as of September 30, 2024	<u>(143,700)</u>	<u>371,108</u>	<u>227,408</u>
December 31, 2022	256,019,343	705,293,940	961,313,283
Gain recognized in income	3,618,508	62,000	3,680,508
Gain recognized in equity	0	12,165,446	12,165,446
Purchases	62,259,695	200,751,855	263,011,550
Amortization, sales and redemptions	<u>(71,640,673)</u>	<u>(207,728,827)</u>	<u>(279,369,500)</u>
December 31, 2023	<u>250,256,873</u>	<u>710,544,414</u>	<u>960,801,287</u>
Total gain related to instruments held as of December 31, 2023	<u>4,496,364</u>	<u>12,295,135</u>	<u>16,791,499</u>
December 31, 2022	256,019,343	705,293,940	961,313,283
(Loss) gain recognized in income	(279,118)	62,000	(217,118)
Gain recognized in equity	0	3,822,932	3,822,932
Purchases	53,682,891	200,751,855	254,434,746
Amortization, sales and redemptions	<u>(68,971,572)</u>	<u>(141,701,787)</u>	<u>(210,673,359)</u>
September 30, 2023	<u>240,451,544</u>	<u>768,228,940</u>	<u>1,008,680,484</u>
Total gain related to instruments held as of September 30, 2023	<u>618,538</u>	<u>3,578,237</u>	<u>4,196,775</u>

The Bank recognizes transfers between levels of the fair value hierarchy at the date in which the change occurred.

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Notes to the Condensed Consolidated Interim Financial Information

(19) Fair Value of Financial Instruments, continued

The table below presents information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy:

Instruments	Valuation technique	Unobservable inputs used	Range for unobservable inputs						Fair value sensitivity to unobservable inputs
			September 30 2024		December 31 2023		September 30 2023		
Corporate Shares	Dividend discount model and Discount free cash flow model (DCF)	Equity risk premium	Min	5.90%	Min	5.90%	Min	5.90%	If equity risk premiums increase, the price decreases and vice versa
		Max	11.76%	Max	13.51%	Max	13.02%		
		Growth rate of assets, liabilities, equity, profits and dividends	Min	(35.64%)	Min	(100.00%)	Min	(45.53%)	If the growth increases the price increases and vice versa
			Max	80.56%	Max	80.56%	Max	313.83%	
Fixed Income	Discounted cash flow	Credit spreads	Min	1.29%	Min	1.46%	Min	1.42%	If the credit spreads increase, the price decreases and vice versa
			Max	8.15%	Max	7.89%	Max	8.99%	
			Ave	2.30%	Ave	2.22%	Ave	2.67%	

The main valuation techniques, assumptions and inputs used to measure the fair value of financial instruments are as follows:

Instrument	Valuation technique	Inputs used	Level
Local Fixed Income	Quoted market prices	Observable quoted prices	2-3
	Discounted cash flows	Benchmark interest rate Liquidity risk premiums Credit spreads	
Local Shares	Quoted market prices	Quoted prices in active markets	3
	Dividend discount model Discount free cash flows model (DCF), which are compared to the stock prices	Benchmark interest rate Equity risk premium Growth rate of assets, liabilities, equity, profits and dividends	
	Carrying amount model	Equity Issued and outstanding shares	
Foreign Fixed Income	Quoted market prices	Quoted prices in active markets	1-2
	Quoted observable market prices for similar instruments	Observable quoted prices	
	Bid and ask prices from market participants	Buying/Selling prices from a broker	
	Discounted cash flows model	Credit spreads Benchmark interest rate Liquidity risk premiums	
Agencies' MBS / CMOs	Discounted cash flows model	Features of collateral TBA's price Treasury yield Yield curves Prepayment speeds Market analysis	2

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Notes to the Condensed Consolidated Interim Financial Information

(19) Fair Value of Financial Instruments, continued

<u>Instrument</u>	<u>Valuation technique</u>	<u>Inputs used</u>	<u>Level</u>
Private MBS / CMOs and ABS	Discounted cash flows model	Features of collateral Treasury yield Yield curves Expected cash flow and losses Market assumptions related to discount rates, prepayments, losses and recoveries	2
Foreign Shares	Carrying Amount Model	Carrying amount of the shares of the company	3
Investment Vehicles	Net asset value	Net asset value	2-3

The Bank considers that its methodologies for valuation of investments classified as Level 3 are appropriate; however, the use of different estimates for the unobservable inputs could lead to different measurements of fair value. For investments classified in Level 3, adjustments to the credit spread (in the case of fixed income) and to the equity risk premium (in the case of the corporate shares) of +50bp and -50bp would result in favorable and unfavorable impacts in the Bank's statement of income and equity, as described below:

	<u>September 30, 2024</u>			
	<u>Fair Value</u>		<u>FV OCI</u>	
	<u>Effect in profit or loss</u>		<u>Effect in equity</u>	
	<u>Favorable</u>	<u>(Unfavorable)</u>	<u>Favorable</u>	<u>(Unfavorable)</u>
Fixed Income	20,852	(20,490)	6,505,589	(9,261,871)
Corporate Shares	1,685,129	(1,554,634)	0	0
Total	<u>1,705,981</u>	<u>(1,575,124)</u>	<u>6,505,589</u>	<u>(9,261,871)</u>

	<u>December 31, 2023</u>			
	<u>Fair Value</u>		<u>FV OCI</u>	
	<u>Effect in profit or loss</u>		<u>Effect in equity</u>	
	<u>Favorable</u>	<u>(Unfavorable)</u>	<u>Favorable</u>	<u>(Unfavorable)</u>
Fixed Income	29,052	(60,404)	7,156,389	(9,045,952)
Corporate Shares	1,935,343	(1,780,290)	0	0
Total	<u>1,964,395</u>	<u>(1,840,694)</u>	<u>7,156,389</u>	<u>(9,045,952)</u>

	<u>September 30, 2023</u>			
	<u>Fair Value</u>		<u>FV OCI</u>	
	<u>Effect in profit or loss</u>		<u>Effect in equity</u>	
	<u>Favorable</u>	<u>(Unfavorable)</u>	<u>Favorable</u>	<u>(Unfavorable)</u>
Fixed Income	63,149	(61,878)	9,629,213	(12,407,955)
Corporate Shares	2,552,687	(2,232,822)	0	0
Total	<u>2,615,836</u>	<u>(2,294,700)</u>	<u>9,629,213</u>	<u>(12,407,955)</u>

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Notes to the Condensed Consolidated Interim Financial Information**(19) Fair Value of Financial Instruments, continued**

The following assumptions, where practical, have been made by Management to estimate the fair value of financial assets and liabilities not measured at fair value:

(a) Investments and other financial assets

For investments and others financial assets, the fair value measurement is determined using quoted prices in active markets, prices from a third party pricing vendors, brokers, custodians, investment management companies and banks. In addition, for some cases the Bank uses valuation techniques that are presented in Note 6, to calculate their investments mainly by discounting cash flows at the appropriate discount rate for that instrument.

(b) Loans

The fair value of the loan portfolio was determined by discounting the future cash flows at an interest rate that represents: (i) current market rates, and (ii) the future expected interest rates, for a term that considers the expected anticipated prepayments in the loan portfolio.

(c) Demand deposits from customers/savings deposits from customers

For these financial instruments described above, the carrying value approximates their fair value due to their short-term nature.

(d) Time deposits from banks/time deposits from customers/borrowings and debt securities issued /perpetual bonds

The fair value of these financial instruments was determined by discounting the future cash flows at an interest rate that reflects: (i) current market rates, and (ii) the future expected interest rates, for a term that shows the remaining life of these instruments.

Fair value estimates are made at a specific date 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 offer to sell a specific financial instrument at a given date. These estimates are subjective in nature and involve uncertainties and significant judgment; therefore, these estimates cannot be determined with precision. Changes in the assumptions or criteria could significantly affect the estimates.

The following table summarizes the carrying value and fair value of those significant financial assets and liabilities not measured at fair value in the Bank's condensed consolidated statement of financial position:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Assets:						
Time deposits with banks	18,391,666	18,389,871	464,397	462,768	457,404	452,233
Investments at amortized cost, net	15,043,511	15,064,496	5,667,970	5,697,692	86,910,882	86,932,912
Loans, net	<u>12,184,928,900</u>	<u>12,060,339,199</u>	<u>11,606,492,899</u>	<u>11,463,280,668</u>	<u>11,530,025,947</u>	<u>11,403,486,405</u>
	<u>12,218,364,077</u>	<u>12,093,793,566</u>	<u>11,612,625,266</u>	<u>11,469,441,128</u>	<u>11,617,394,233</u>	<u>11,490,871,550</u>
Liabilities:						
Deposits	13,475,844,094	13,406,986,181	13,323,949,471	13,243,825,999	13,105,490,045	13,012,259,474
Borrowings, debt securities issued and perpetual bonds	<u>1,145,909,620</u>	<u>1,014,072,973</u>	<u>1,276,857,659</u>	<u>1,140,800,020</u>	<u>1,188,896,140</u>	<u>1,038,277,872</u>
	<u>14,621,753,714</u>	<u>14,421,059,154</u>	<u>14,600,807,130</u>	<u>14,384,626,019</u>	<u>14,294,386,185</u>	<u>14,050,537,346</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information**(19) Fair Value of Financial Instruments, continued**

The table below summarizes the fair value hierarchy of financial instruments which are not measured at fair value in the Bank's condensed consolidated statement of financial position:

	September 30 2024	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	18,389,871	0	0	18,389,871
Investments at amortized cost, net	15,064,496	0	5,500,761	9,563,735
Loans, net	<u>12,060,339,199</u>	<u>0</u>	<u>0</u>	<u>12,060,339,199</u>
	<u>12,093,793,566</u>	<u>0</u>	<u>5,500,761</u>	<u>12,088,292,805</u>
<u>Liabilities:</u>				
Deposits	13,406,986,181	0	0	13,406,986,181
Borrowings, debt securities issued and perpetual bonds	<u>1,014,072,973</u>	<u>0</u>	<u>0</u>	<u>1,014,072,973</u>
	<u>14,421,059,154</u>	<u>0</u>	<u>0</u>	<u>14,421,059,154</u>
	December 31 2023	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	462,768	0	0	462,768
Investments at amortized cost, net	5,697,692	0	0	5,697,692
Loans, net	<u>11,463,280,668</u>	<u>0</u>	<u>0</u>	<u>11,463,280,668</u>
	<u>11,469,441,128</u>	<u>0</u>	<u>0</u>	<u>11,469,441,128</u>
<u>Liabilities:</u>				
Deposits	13,243,825,999	0	0	13,243,825,999
Borrowings, debt securities issued and perpetual bonds	<u>1,140,800,020</u>	<u>0</u>	<u>0</u>	<u>1,140,800,020</u>
	<u>14,384,626,019</u>	<u>0</u>	<u>0</u>	<u>14,384,626,019</u>
	September 30 2023	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	452,233	0	0	452,233
Investments at amortized cost, net	86,932,912	0	79,923,837	7,009,075
Loans, net	<u>11,403,486,405</u>	<u>0</u>	<u>0</u>	<u>11,403,486,405</u>
	<u>11,490,871,550</u>	<u>0</u>	<u>79,923,837</u>	<u>11,410,947,713</u>
<u>Liabilities:</u>				
Deposits	13,012,259,474	0	0	13,012,259,474
Securities sold under repurchase agreements, borrowings, debt securities issued and perpetual bonds	<u>1,038,277,872</u>	<u>0</u>	<u>0</u>	<u>1,038,277,872</u>
	<u>14,050,537,346</u>	<u>0</u>	<u>0</u>	<u>14,050,537,346</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information

(20) Financial Instruments Risk Management

A financial instrument is any contract that originates a financial asset in one enterprise and a financial liability or equity instrument in another enterprise. The Bank's condensed consolidated statement of financial position is primarily composed of financial instruments.

Financial instruments expose the Bank to various types of risks. The Bank's Board of Directors has approved a Risk Management Policy to identify each significant risk the Bank is exposed to. In order to manage the several risks faced by the Bank, the Board of Directors has created the Credit Risk Committee of the Board of Directors, to oversee the credit, liquidity, market, interest rate, exchange rate and counterparty risks. Likewise, the Board of Directors has established executive Committees, which are composed of key executives that monitor several risks faced by the Bank. These committees have established policies and limits in order to control and manage these risks. There is also an Audit Committee, composed of members of the Bank's Board of Directors that oversees the establishment of appropriate internal controls for reporting the Bank's financial information.

The main risks identified by the Bank are credit, counter-party, market, liquidity and financing, operational and capital management risks which are described as follows:

(a) *Credit Risk*

Credit Risk is the risk that the debtor or issuer of a financial asset owned by the Bank does not fully and timely comply with any required payment, in conformity with terms and conditions agreed upon when the respective financial asset was acquired or originated by the Bank.

To mitigate credit risk, risk management policies establish limits by country, industry, and debtor. The Credit Committee appointed by the Board of Directors, periodically watches over the financial condition of debtors and issuers of financial instruments in the condensed consolidated statement of financial position of the Bank.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued***Credit Quality Analysis*

The table below sets out information on the credit quality of the loan portfolio including contagion of operations for classification and calculation of the expected credit loss reserve (ECL) maintained by the Bank:

	September 30, 2024 (in thousands)			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
<u>Loans at amortized cost</u>				
Grade 1: Standard	10,397,001	484,200	0	10,881,201
Grade 2: Special mention	190,669	542,481	16,533	749,683
Grade 3: Sub-standard	44,227	492,113	48,371	584,711
Grade 4: Doubtful	9,129	6,368	64,599	80,096
Grade 5: Uncollectible	8,099	1,722	122,877	132,698
Gross amount	10,649,125	1,526,884	252,380	12,428,389
Loan losses allowance	(131,279)	(183,541)	(57,025)	(371,845)
Net carrying amount	<u>10,517,846</u>	<u>1,343,343</u>	<u>195,355</u>	<u>12,056,544</u>
<u>Finance leases</u>				
Grade 1: Standard	104,271	18	0	104,289
Grade 2: Special mention	778	786	2	1,566
Grade 3: Sub-standard	54	139	940	1,133
Grade 4: Doubtful	1	17	9	27
Grade 5: Uncollectible	0	0	1	1
Gross amount	105,104	960	952	107,016
Loan losses allowance	(365)	(45)	(247)	(657)
Net carrying amount	<u>104,739</u>	<u>915</u>	<u>705</u>	<u>106,359</u>
Total loans	<u>10,754,229</u>	<u>1,527,844</u>	<u>253,332</u>	<u>12,535,405</u>
Loan losses allowance	(131,644)	(183,586)	(57,272)	(372,502)
Net carrying amount	<u>10,622,585</u>	<u>1,344,258</u>	<u>196,060</u>	<u>12,162,903</u>
<u>Restructured loans</u>				
Gross amount	81,279	552,089	118,415	751,783
Loan losses allowance	(4,785)	(68,297)	(26,232)	(99,314)
Net carrying amount	<u>76,494</u>	<u>483,792</u>	<u>92,183</u>	<u>652,469</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

	December 31, 2023 (in thousands)			
	12-month <u>ECL</u>	Lifetime ECL <u>Not credit- impaired</u>	Lifetime <u>ECL credit- impaired</u>	<u>Total</u>
<u>Loans at amortized cost</u>				
Grade 1: Standard	9,730,226	337,019	0	10,067,245
Grade 2: Special mention	187,705	765,784	10,445	963,934
Grade 3: Sub-standard	43,040	530,622	59,015	632,677
Grade 4: Doubtful	10,135	6,263	69,276	85,674
Grade 5: Uncollectible	<u>7,356</u>	<u>2,467</u>	<u>123,677</u>	<u>133,500</u>
Gross amount	9,978,462	1,642,155	262,413	11,883,030
Loan losses allowance	<u>(131,699)</u>	<u>(207,950)</u>	<u>(54,700)</u>	<u>(394,349)</u>
Net carrying amount	<u>9,846,763</u>	<u>1,434,205</u>	<u>207,713</u>	<u>11,488,681</u>
<u>Finance leases</u>				
Grade 1: Standard	88,946	3	0	88,949
Grade 2: Special mention	722	713	0	1,435
Grade 3: Sub-standard	586	797	123	1,506
Grade 4: Doubtful	<u>0</u>	<u>30</u>	<u>11</u>	<u>41</u>
Gross amount	90,254	1,543	134	91,931
Loan losses allowance	<u>(313)</u>	<u>(89)</u>	<u>(36)</u>	<u>(438)</u>
Net carrying amount	<u>89,941</u>	<u>1,454</u>	<u>98</u>	<u>91,493</u>
Total loans	<u>10,068,716</u>	<u>1,643,698</u>	<u>262,547</u>	<u>11,974,961</u>
Loan losses allowance	<u>(132,012)</u>	<u>(208,039)</u>	<u>(54,736)</u>	<u>(394,787)</u>
Net carrying amount	<u>9,936,704</u>	<u>1,435,659</u>	<u>207,811</u>	<u>11,580,174</u>
<u>Restructured loans</u>				
Gross amount	55,426	659,633	129,852	844,911
Loan losses allowance	<u>(3,533)</u>	<u>(81,707)</u>	<u>(27,624)</u>	<u>(112,864)</u>
Net carrying amount	<u>51,893</u>	<u>577,926</u>	<u>102,228</u>	<u>732,047</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

	September 30, 2023 (in thousands)			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
<u>Loans at amortized cost</u>				
Grade 1: Standard	9,641,107	327,934	0	9,969,041
Grade 2: Special mention	187,729	775,436	10,757	973,922
Grade 3: Sub-standard	44,883	554,284	55,190	654,357
Grade 4: Doubtful	9,553	4,711	72,162	86,426
Grade 5: Uncollectible	7,019	2,244	131,331	140,594
Gross amount	9,890,291	1,664,609	269,440	11,824,340
Loan losses allowance	(152,502)	(200,497)	(59,828)	(412,827)
Net carrying amount	<u>9,737,789</u>	<u>1,464,112</u>	<u>209,612</u>	<u>11,411,513</u>
<u>Finance leases</u>				
Grade 1: Standard	86,974	147	0	87,121
Grade 2: Special mention	703	726	0	1,429
Grade 3: Sub-standard	597	883	49	1,529
Grade 4: Doubtful	0	0	3	3
Grade 5: Uncollectible	0	0	1	1
Gross amount	88,274	1,756	53	90,083
Loan losses allowance	(310)	(99)	(14)	(423)
Net carrying amount	<u>87,964</u>	<u>1,657</u>	<u>39</u>	<u>89,660</u>
Total loans	<u>9,978,565</u>	<u>1,666,365</u>	<u>269,493</u>	<u>11,914,423</u>
Loan losses allowance	<u>(152,812)</u>	<u>(200,596)</u>	<u>(59,842)</u>	<u>(413,250)</u>
Net carrying amount	<u>9,825,753</u>	<u>1,465,769</u>	<u>209,651</u>	<u>11,501,173</u>
<u>Restructured loans</u>				
Gross amount	60,120	736,909	123,861	920,890
Loan losses allowance	(3,235)	(87,094)	(26,700)	(117,029)
Net carrying amount	<u>56,885</u>	<u>649,815</u>	<u>97,161</u>	<u>803,861</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

The aging of the loan portfolio delinquency is presented as follows:

	<u>September 30, 2024</u>		<u>Total</u>
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	
Current	10,829,641,244	866,845,321	11,696,486,565
From 31 to 90 days	531,017,834	5,335,045	536,352,879
More than 90 days (capital or interest)	284,393,245	3,948,966	288,342,211
More than 30 days past due (capital at maturity)	14,196,755	26,982	14,223,737
Total	<u>11,659,249,078</u>	<u>876,156,314</u>	<u>12,535,405,392</u>

	<u>December 31, 2023</u>		<u>Total</u>
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	
Current	10,357,475,302	832,345,698	11,189,821,000
From 31 to 90 days	474,926,729	5,929,238	480,855,967
More than 90 days (capital or interest)	285,002,734	4,296,943	289,299,677
More than 30 days past due (capital at maturity)	14,935,826	48,555	14,984,381
Total	<u>11,132,340,591</u>	<u>842,620,434</u>	<u>11,974,961,025</u>

	<u>September 30, 2023</u>		<u>Total</u>
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	
Current	10,397,377,297	765,472,733	11,162,850,030
From 31 to 90 days	442,296,990	5,744,195	448,041,185
More than 90 days (capital or interest)	286,111,386	4,202,973	290,314,359
More than 30 days past due (capital at maturity)	13,165,740	52,095	13,217,835
Total	<u>11,138,951,413</u>	<u>775,471,996</u>	<u>11,914,423,409</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

The following table presents the credit quality of the investments and other financial assets and impairment reserves held by the Bank, excluding share capital and mutual funds amounting to B/.31,695,632 (December 31, 2023: B/.38,346,571) and (September 30, 2023: B/.38,016,407) which are not subject to credit risk:

		September 30, 2024			
	<u>12-month ECL</u>	<u>Lifetime ECL Not credit- impaired</u>	<u>Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
AA+ to BBB-	5,500,000	0	0	0	5,500,000
Lower than BBB-	9,562,606	0	0	0	9,562,606
Carrying amount	15,062,606	0	0	0	15,062,606
Loss allowance	(20,985)	0	0	0	(20,985)
Total carrying amount, net	15,041,621	0	0	0	15,041,621
<u>At FVOCI</u>					
<i>Local:</i>					
AA+ to BBB-	290,930,441	0	0	0	290,930,441
Lower than BBB-	874,648,728	15,040,198	0	0	889,688,926
Carrying amount	1,165,579,169	15,040,198	0	0	1,180,619,367
Valuation of credit risk	(2,417,330)	(1,061,623)	0	0	(3,478,953)
<i>Foreign:</i>					
AAA	1,683,615,197	0	0	0	1,683,615,197
AA+ to BBB-	1,358,813,944	0	0	0	1,358,813,944
Lower than BBB-	207,911,234	4,279,755	0	24,899	212,215,888
NR	0	0	0	207,746	207,746
Carrying amount	3,250,340,375	4,279,755	0	232,645	3,254,852,775
Valuation of credit risk	(4,629,349)	(565,322)	0	0	(5,194,671)
Total carrying amount	4,415,919,544	19,319,953	0	232,645	4,435,472,142
Total valuation of credit risk	(7,046,679)	(1,626,945)	0	0	(8,673,624)
<u>At Fair Value TPL</u>					
<i>Local:</i>					
Lower than BBB-	55,560,806				
Carrying amount	55,560,806				
<i>Foreign:</i>					
AAA	538,713,913				
AA+ to BBB-	205,595,022				
Lower than BBB-	34,822,309				
NR	1,549,537				
Carrying amount	780,680,781				
Total carrying amount	836,241,587				

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

		December 31, 2023			
	<u>12-month ECL</u>	<u>Lifetime ECL Not credit- impaired</u>	<u>Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
Lower than BBB-	5,693,896	0	0	0	5,693,896
Carrying amount	5,693,896	0	0	0	5,693,896
Loss allowance	(29,722)	0	0	0	(29,722)
Total carrying amount, net	5,664,174	0	0	0	5,664,174
<u>At FVOCI</u>					
<i>Local:</i>					
AA+ to BBB-	438,798,422	0	0	0	438,798,422
Lower than BBB-	733,415,643	17,101,931	0	0	750,517,574
Carrying amount	1,172,214,065	17,101,931	0	0	1,189,315,996
Valuation of credit risk	(2,145,346)	(1,123,709)	0	0	(3,269,055)
<i>Foreign:</i>					
AAA	1,505,892,966	0	0	0	1,505,892,966
AA+ to BBB-	1,418,629,738	0	0	0	1,418,629,738
Lower than BBB-	205,516,892	6,581,178	0	304,520	212,402,590
Carrying amount	3,130,039,596	6,581,178	0	304,520	3,136,925,294
Valuation of credit risk	(5,622,755)	(468,000)	0	(51,323)	(6,142,078)
Total carrying amount	4,302,253,661	23,683,109	0	304,520	4,326,241,290
Total valuation of credit risk	(7,768,101)	(1,591,709)	0	(51,323)	(9,411,133)
<u>At Fair Value TPL</u>					
<i>Local:</i>					
AA+ to BBB-	1,632,040				
Lower than BBB-	56,619,205				
Carrying amount	58,251,245				
<i>Foreign:</i>					
AAA	420,019,868				
AA+ to BBB-	246,754,206				
Lower than BBB-	28,053,867				
NR	1,590,785				
Carrying amount	696,418,726				
Total carrying amount	754,669,971				

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

		September 30, 2023			
	<u>12-month ECL</u>	<u>Lifetime ECL Not credit- impaired</u>	<u>Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
AAA	79,900,000	0	0	0	79,900,000
Lower than BBB-	7,006,545	0	0	0	7,006,545
Carrying amount	86,906,545	0	0	0	86,906,545
Loss allowance	(22,030)	0	0	0	(22,030)
Total carrying amount, net	86,884,515	0	0	0	86,884,515
<u>At FVOCI</u>					
<i>Local:</i>					
AA+ to BBB-	538,633,330	0	0	0	538,633,330
Lower than BBB-	623,753,410	18,213,563	0	0	641,966,973
Carrying amount	1,162,386,740	18,213,563	0	0	1,180,600,303
Valuation of credit risk	(1,987,749)	(1,238,098)	0	0	(3,225,847)
<i>Foreign:</i>					
AAA	1,411,329,497	0	0	0	1,411,329,497
AA+ to BBB-	1,325,902,309	0	0	0	1,325,902,309
Lower than BBB-	194,974,043	6,711,589	0	305,132	201,990,764
Carrying amount	2,932,205,849	6,711,589	0	305,132	2,939,222,570
Valuation of credit risk	(6,345,978)	(468,000)	0	(44,651)	(6,858,629)
Total carrying amount	4,094,592,589	24,925,152	0	305,132	4,119,822,873
Total valuation of credit risk	(8,333,727)	(1,706,098)	0	(44,651)	(10,084,476)
<u>At Fair Value TPL</u>					
<i>Local:</i>					
AA+ to BBB-	1,688,400				
Lower than BBB-	53,038,279				
Carrying amount	54,726,679				
<i>Foreign:</i>					
AAA	446,964,918				
AA+ to BBB-	240,126,632				
Lower than BBB-	28,341,333				
NR	1,601,449				
Carrying amount	717,034,332				
Total carrying amount	771,761,011				

Investments were classified based on their highest international risk rating amongst Standard and Poor's, Moody's and Fitch Ratings Inc. In the case of local investments that do not have an international rating, the Bank uses an internal rating, which is consistent with international risk ratings.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(20) Financial Instruments Risk Management, continued**

The reconciliation between the initial balance and closing balance of the expected credit losses (ECL) by the type of allowance model is presented as follows:

	September 30, 2024				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased credit- impaired	Total
Balance at the beginning of the period	7,768,101	1,591,709	0	51,323	9,411,133
Transferred to 12-month ECL	51,323	0	0	(51,323)	0
Transfer of 12-month ECL to lifetime ECL not credit-impaired	(701)	701	0	0	0
Transfer of 12-month ECL to lifetime ECL credit-impaired	0	0	0	0	0
Net remeasurement of portfolio	(406,545)	34,580	0	0	(371,965)
New investment securities purchased	1,464,587	0	0	0	1,464,587
Investment securities that have been derecognized	(1,830,086)	(45)	0	0	(1,830,131)
Balance at the end of the period	<u>7,046,679</u>	<u>1,626,945</u>	<u>0</u>	<u>0</u>	<u>8,673,624</u>

	December 31, 2023				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased credit- impaired	Total
Balance at the beginning of the year	10,503,856	1,049,035	3,496,490	99,661	15,149,042
Transferred to 12-month ECL	0	0	0	0	0
Transfer of 12-month ECL to lifetime ECL not credit-impaired	0	0	0	0	0
Transfer of 12-month ECL to lifetime ECL credit-impaired	0	0	0	0	0
Net remeasurement of portfolio	(1,491,302)	619,178	(1,601,663)	18,666	(2,455,121)
New investment securities purchased	2,663,611	0	0	0	2,663,611
Investment securities that have been derecognized	(3,908,064)	(76,504)	(1,894,827)	(67,004)	(5,946,399)
Balance at the end of the year	<u>7,768,101</u>	<u>1,591,709</u>	<u>0</u>	<u>51,323</u>	<u>9,411,133</u>

	September 30, 2023				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased credit- impaired	Total
Balance at the beginning of the period	10,503,856	1,049,035	3,496,490	99,661	15,149,042
Transferred to 12-month ECL	0	0	0	0	0
Transfer of 12-month ECL to lifetime ECL not credit-impaired	0	0	0	0	0
Transfer of 12-month ECL to lifetime ECL credit-impaired	0	0	0	0	0
Net remeasurement of portfolio	(994,594)	732,902	(1,601,663)	11,994	(1,851,361)
New investment securities purchased	2,296,591	0	0	0	2,296,591
Investment securities that have been derecognized	(3,472,126)	(75,839)	(1,894,827)	(67,004)	(5,509,796)
Balance at the end of the period	<u>8,333,727</u>	<u>1,706,098</u>	<u>0</u>	<u>44,651</u>	<u>10,084,476</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(21) Main Applicable Laws and Regulations

As of September 30, 2024, there were no significant changes with respect to the applicable regulatory framework disclosed in the audited consolidated financial statements as of December 31, 2023.

Regulatory Reserves

The accounting treatment for the recognition of losses on loans, investment securities and foreclosed assets in conformity with prudential standards enacted by the Superintendence of Banks of Panama, differs in some aspects from the accounting treatment established by International Financial Reporting Standards, specifically IFRS 9 and IFRS 5. The Superintendence of Banks of Panama mandates that general license banks apply these prudential standards.

Dynamic Provision

Agreement No.4-2013 indicates that the dynamic provision is a reserve provided to face possible future needs for specific provisions. They are governed by prudential criteria in the banking regulation. Dynamic reserves are established on a quarterly basis, on loans classified as Standard.

The dynamic reserve is an equity account presented as a legal reserve in the consolidated statement of changes in equity and appropriated from retained earnings. The balance of the dynamic reserve is part of the regulatory capital but cannot be used in satisfying current or future capital adequacy requirements established by this Superintendence.

Through the General Resolution of the Board of Directors SBP-GJD-0007-2020 of July 16, 2020, the Superintendence of Banks of Panama established the temporary suspension of the obligation to constitute dynamic provision according to articles 36, 37 and 38 of Agreement No.4-2013 on credit risk, effective provision from the second quarter of 2020 and will remain until it is revoked.

Through the General Resolution of the Board of Directors SBP-GJD-R-2023-01125 of June 6, 2023, the Superintendence of Banks of Panama repealed the General Resolution of the Board of Directors SBP-GJD-0007-2020 of July 16, 2020, and established the guidelines and parameters for the reestablishment of the constitution of the dynamic provision provided for in Agreement No.4-2013. This Resolution entered into force from its promulgation.

The Resolution establishes a period of gradual adaptation for the restoration of the dynamic provision as detailed below:

- Banks that maintain dynamic provision percentages of less than 1.25%, may benefit from an adjustment period until March 31, 2024.
- Banking entities whose percentage is greater than 2.50% may carry out the return to undistributed profits of any surplus up to the percentage of 2.50%.

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information

The balance of the Bank's dynamic reserve is detailed as follows:

	September 30 <u>2024</u>	December 31 <u>2023</u>	September 30 <u>2023</u>
Banco General, S. A.	135,787,439	133,877,476	133,877,476
Banco General (Overseas), Inc.	14,018,604	11,447,322	10,614,993
Banco General (Costa Rica), S. A.	<u>3,783,023</u>	<u>4,142,190</u>	<u>4,142,190</u>
Total	<u>153,589,066</u>	<u>149,466,988</u>	<u>148,634,659</u>

As of January 30, 2024, based on the General Resolution of the Boards of Directors SBP-GJD-R-2023-01125, the Bank made a return to undistributed profits of the excess of 2.50% of the dynamic provision in a subsidiary to establish the maximum percentage required.