Banco General

Management Discussion

Third Quarter 2024

General Information

Banco General, S.A. is a corporation established under the laws of Panama. The Bank operates in Panama under a General License issued by the Superintendence of Banks of Panama (SBP), allowing it to conduct banking business with local and foreign clients. The Bank has a network of representative offices in Colombia, Guatemala, El Salvador, and Peru, and conducts banking business in Costa Rica, through its subsidiary, Banco General (Costa Rica), S.A. All references to “we”, “us”, “our”, the “Bank” or “Banco General” denote Banco General, S.A., and its consolidated subsidiaries, unless otherwise indicated or so required by the context.

The following discussion is based on the information contained in the condensed consolidated interim financial statements, as of September 30, 2024. Certain figures (including percentages) in this document have been rounded.

The Bank prepares its consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Total Assets

As of September 30, 2024, the Bank's gross loan portfolio increased by US$621.0 million, or 5.2%, from US$11,914.4 million on September 30, 2023, to US$12,535.4 million. During this period, the Bank’s residential mortgage portfolio decreased by 1.2%, from US$4,802.2 million to US$4,745.6 million; the consumer loan portfolio increased by 10.0%, from US$1,934.2 million to US$2,127.6 million; the corporate loan portfolio, comprising both local and regional corporate clients, increased by 9.5%, from US$4,698.8 million to US$5,146.5 million; and other loans (comprising pledge loans, overdrafts, and financial leases) increased by 7.6% from US$479.2 million to US$515.6 million. The Bank’s local corporate loan portfolio increased by 6.8%, from US$3,475.3 million to US$3,712.1 million, and the Bank’s regional corporate loan portfolio increased by 17.2%, from US$1,223.6 million to US$1,434.4 million. The Bank’s total investment portfolio, primarily made up of investment-grade liquid fixed-income investments, as well as the local and regional corporate fixed-income portfolio, increased 6.0%, from US$5,051.3 million on September 30, 2023, to US$5,353.4 million on September 30, 2024.

Total Liabilities

As of September 30, 2024, the Bank’s total deposits increased by US$348.7 million, or 2.7%, from US$13,022.8 million on September 30, 2023, to US$13,371.5 million. During this period, time deposits increased by US$644.9 million, or 11.8%, from US$5,463.9 million to US$6,108.8 million, representing 45.7% of total deposits, with an average remaining life of 14 months, and 65.5% of them having original maturities of one year or more. Savings accounts decreased by US$180.9 million, or 3.7%, from US$4,886.6 million to US$4,705.7 million, representing 35.2% of total deposits. Demand deposits decreased by US$115.4 million, or 4.3%, from US$2,672.3 million to US$2,557.0 million, representing 19.1% of total deposits.

The Bank's total borrowings and placements decreased by US$43.7 million, or 3.7%, from US$1,174.8 million in September 2023 to US$1,131.1 million in September 2024.

Equity

As of September 30, 2024, the Bank's equity increased by US$464.6 million, or 16.3%, from US$2,857.6 million on September 30, 2023, to US$3,322.2 million, mainly driven by: (i) an increase in retained earnings of US$247.1 million, and (ii) an increase in capital reserves of US$210.6 million (primarily due to an increase in the valuation of the investment portfolio). The Bank’s equity to total assets ratio increased to 17.07%, as compared to 15.56% for the same period in the previous year.

Liquidity and Funding Sources

The Bank's Assets and Liabilities Committee (ALCO) is responsible for establishing policies relating to the management of the Bank's assets and liabilities. These policies aim to maintain interest rate, market, maturity, liquidity, and foreign exchange exposures within the Bank's approved limits while maximizing the return on shareholders' equity.

The Bank's asset and liability management policy ensures that sufficient liquidity is available to honor deposit withdrawals, meet payments upon the maturity of other liabilities, extend loans or other forms of credit, and address the Bank's working capital needs.

The Treasury Department is responsible for managing the Bank's liquidity and funding positions as well as executing the Bank's investment strategy. The Bank's policies require high absolute levels of liquidity composed of high-quality liquid assets, a key pillar of the Bank's financial strategy.

Consistent with the Bank's conservative financial policies, it historically maintains high levels of liquidity in investment-grade liquid investments, which are complemented by: (i) an adequate asset and liability maturity structure, (ii) a diversified and stable deposit base, (iii) access to multiple sources of financing (representing 7.01% of total liabilities as of September 30, 2024); and (iv) low levels of short-term institutional liabilities, which together provide a stable asset and liability structure.

As of September 30, 2024, primary liquidity amounted to 28.95%, comprising cash, bank deposits and liquid investment-grade fixed-income investments, as a percentage of total deposits and borrowings (excluding perpetual bonds). The Bank's total primary liquidity has an average credit rating of AA-, with 56.4% of investments rated AAA and 80.1% rated A- or higher. These liquid assets represented 30.6% of total deposits and 21.0% of total assets.

In addition to our internal liquidity limits, the Bank must comply with liquidity ratios established by the SBP, which require banks to have liquid assets of no less than 30% of qualified deposits, with maturities of less than 186 days, excluding deposits from subsidiaries and pledged deposits. For the calculation of this ratio, the SBP allows for all loan installments and maturities classified as standard with a term of less than 186 days to be considered liquid assets. The loan installments and maturities can only represent up to 30% of the total liquid assets used in this ratio. As of September 30, 2024, the Bank maintained a regulatory liquidity of 41.84%.

A. Loan Portfolio

The Bank's loan portfolio is well-diversified among client segments and a wide variety of products. As of September 30, 2024, total gross loans amounted to US$12,535.4 million, comprising: (i) 54.8% retail loans (37.9% residential loans and 16.9% consumer loans), (ii) 41.1% corporate loans (29.6% local corporate loans and 11.5% foreign corporate loans), and (iii) 4.1% other loans (which include pledge loans, overdrafts, and financial leases).

To minimize the risk of credit losses, the Bank emphasizes granting loans secured by collateral, particularly single-family residences, other properties, and deposits, in addition to applying strict underwriting guidelines and "Know Your Customer" policies. As of September 30, 2024, 69.3% of all loans were secured by residential or commercial properties, deposits, or other assets; 59.1% of all loans were secured by first lien mortgages on land and improvements, and 10.2% of all loans were backed by pledged deposits and other assets. The Bank's robust underwriting policies and security interests held as collateral have resulted in historically low gross and net write-off levels, averaging 0.43% and 0.06% of total loans, respectively, over the past two years ending September 30, 2024.

As of September 30, 2024, 86.9% of the Bank's loan portfolio consisted of local borrowers (individuals and corporations) based in Panama, while 13.1% consisted of regional clients based primarily in Costa Rica, El Salvador, Guatemala, Mexico, Colombia, Peru, and Dominican Republic, including clients of our universal banking subsidiary in Costa Rica, Banco General (Costa Rica), S.A., which operates eight branches. Furthermore, 99.9% of the Bank's loans were denominated in US dollars, the legal tender in Panama.

The following table summarizes the composition of the loan portfolio by type of loan as of September 30, 2024, and 2023, and as of December 31, 2023, 2022, and 2021, respectively:

	As of September 30			As of December 31		
	2024	2023	(%) Change	2023	2022	2021
	(in thousands of U.S. dollars, except for percentages)					
Local loans						
Commercial	545,156	351,572	55.1%	327,705	371,731	350,371
Interim construction loans	278,114	281,478	(1.2%)	265,160	286,742	378,674
Lines of credit	1,098,509	1,045,093	5.1%	1,019,344	935,698	781,406
Residential mortgage loans	4,606,867	4,651,739	(1.0%)	4,659,178	4,634,457	4,527,931
Commercial mortgage loans	1,790,363	1,797,122	(0.4%)	1,785,136	1,878,588	1,919,261
Personal loans, auto loans and credit cards	2,116,492	1,927,036	9.8%	1,963,721	1,801,740	1,707,751
Pledge loans and overdrafts	348,302	338,597	2.9%	329,659	315,459	303,712
Leasing	107,016	90,083	18.8%	91,931	73,634	65,341
Total local loans	**10,890,819**	**10,482,719**	**3.9%**	**10,441,835**	**10,298,049**	**10,034,446**
Foreign loans						
Commercial	763,473	701,281	8.9%	788,221	682,780	620,293
Lines of credit	531,992	379,761	40.1%	399,792	314,033	243,162
Residential mortgage loans	138,778	150,458	(7.8%)	148,074	163,069	185,841
Commercial mortgage loans	138,927	142,515	(2.5%)	139,405	164,735	161,100
Personal loans, auto loans and credit cards	11,149	7,172	55.5%	8,088	7,805	9,253
Pledge loans and overdrafts	60,266	50,517	19.3%	49,546	59,725	43,683
Total foreign loans	**1,644,587**	**1,431,705**	**14.9%**	**1,533,126**	**1,392,146**	**1,263,333**
Total loans	**12,535,405**	**11,914,423**	**5.2%**	**11,974,961**	**11,690,196**	**11,297,779**
Less:						
Allowance for loan losses	372,502	413,250	(9.9%)	394,787	432,999	467,706
Unearned commissions	40,780	39,729	2.6%	38,961	38,496	36,092
Total loans, net	**12,122,123**	**11,461,445**	**5.8%**	**11,541,213**	**11,218,700**	**10,793,981**

Non Accrual Loans

Regulation issued by the SBP requires the classification of loans with a non accrual status if any of the following conditions exist: (i) principal and interest payments exceeding past due limits established by the SBP (91 days or more of principal and/or interest payments past due for all types of loans, except for mortgage loans and overdrafts, which have limits of 120 and 30 days, respectively); or (ii) a deterioration in the debtor's financial condition that places the loan's collection at risk, such as reduced payment capacity, weakened collateral, or other adverse factors known to the Bank (e.g. fraud, death of the debtor, insolvency, or bankruptcy).

The following table presents non accrual loans according to loan type as of September 30, 2024, and 2023, and as of December 31, 2023, 2022, and 2021, respectively:

	As of September 30			As of December 31		
	2024	2023	(%) Change	2023	2022	2021
	(in thousands of U.S. dollars, except for percentages)					
Non accrual loans						
Commercial	3,165	1,297	144.0%	873	1,347	9,015
Interim construction loans	-	-	0.0%	-	1,002	1,918
Lines of credit	5,655	5,896	(4.1%)	5,729	6,096	6,520
Residential mortgage loans	167,296	188,090	(11.1%)	186,546	200,761	236,062
Commercial mortgage loans	42,691	35,302	20.9%	39,457	36,781	35,389
Personal loans, auto loans and credit cards	34,158	32,255	5.9%	25,952	30,441	46,857
Pledge loans and overdrafts	264	148	78.5%	157	826	2,025
Leasing	28	49	(41.9%)	81	535	1,754
Total non accrual loans	**253,257**	**263,038**	**(3.7%)**	**258,795**	**277,789**	**339,539**
Total loans	12,535,405	11,914,423		11,974,961	11,690,196	11,297,779
Allowance for loan losses	372,502	413,250		394,787	432,999	467,706
Non accrual loans / total loans	2.02%	2.21%		2.16%	2.38%	3.01%
Allowance for loans losses / non accrual loans	147.08%	157.11%		152.55%	155.87%	137.75%

As of September 30, 2024, non accrual loans decreased to US$253.3 million, compared to US$263.0 million on September 30, 2023. This reduction was mainly attributable to a US$20.8 million decrease in the residential mortgage non accrual balance from US$188.1 million to US$167.3 million, offset by: (i) a US$9.1 million increase in the corporate non accrual balance from US$42.7 million to US$51.8 million, and (ii) a US$1.9 million increase in the consumer non accrual balance from US$32.3 million to US$34.2 million.

Non accrual loans calculated in accordance with SBP regulations, represented 2.02% of total loans on September 30, 2024, compared to 2.21% on September 30, 2023. The Bank's coverage of allowance for loan losses was 147.08% of non accrual loans, as compared to 157.11% as of September 30, 2023; and 152.55% as of December 31, 2023.

Past Due Loans

The Bank classifies the loans as past due if: (i) scheduled interest and/or principal payments are more than 90 days past due during the life of the loan; and (ii) all amounts due are unpaid 30 days after the final maturity date of the loan.

The following table presents past due loans, according to loan type as of September 30, 2024, and 2023, and as of December 31, 2023, 2022, and 2021, respectively:

	As of September 30			As of December 31		
	2024	2023	(%) Change	2023	2022	2021
	(in thousands of U.S. dollars, except for percentages)					
Past due loans						
Commercial	3,285	1,297	153.3%	1,043	1,347	6,310
Interim construction loans	-	-	0.0%	-	1,002	1,918
Lines of credit	5,662	5,926	(4.5%)	5,729	6,244	6,940
Residential mortgage loans	216,563	227,787	(4.9%)	233,429	237,114	279,187
Commercial mortgage loans	42,712	36,013	18.6%	37,996	36,856	35,409
Personal loans, auto loans and credit cards	34,017	32,317	5.3%	25,787	30,341	47,179
Pledge loans and overdrafts	300	139	116.4%	157	922	2,142
Leasing	28	53	(47.5%)	143	543	2,035
Total past due loans	**302,566**	**303,532**	**(0.3%)**	**304,284**	**314,370**	**381,120**
Total loans	12,535,405	11,914,423		11,974,961	11,690,196	11,297,779
Allowance for loan losses	372,502	413,250		394,787	432,999	467,706
Past due loans / total loans	2.41%	2.55%		2.54%	2.69%	3.37%
Allowance for loan losses / past due loans	123.11%	136.15%		129.74%	137.74%	122.72%

As of September 30, 2024, past due loans decreased to US$302.6 million, compared to US$303.5 million as of September 30, 2023. This reduction was mainly attributable to a decrease of US$11.2 million in the past due balance of residential mortgage loans from US$227.8 million to US$216.6 million, offset by: (i) a US$8.6 million increase in the corporate past due balance from US$43.4 million to US$52.0 million, and (ii) a US$1.7 million increase in the consumer past due balance from US$32.3 million to US$34.0 million.

Past due loans represented 2.41% of total loans as of September 30, 2024, compared to 2.55% as of September 30, 2023. The Bank's coverage of allowance for loan losses was 123.11% of past due loans, compared to 136.15% as of September 30, 2023, and 129.74% as of December 31, 2023

Allowance for Loan Losses

To maintain the allowance for loan losses at required levels, provisions for loan losses are accounted for as charges to income and added to the allowance and any subsequent write-offs are applied against this allowance.

The allowance for loan losses at amortized cost is determined based on expected credit losses (ECL), using the loans' credit risk rating and the mechanisms used to determine the loans' probability of default, depending on the impairment stage assigned to each loan. The ECL model is determined by grouping loans with similar credit risk characteristics, and segmented methodologies for "Consumer Banking" and "Corporate Banking". Both methodologies consist of probability of default, loss given default, and exposure to default estimates.

The ECL model classifies financial assets into three stages of impairment, applicable from the date of origination or acquisition:

Stage 1: The Bank recognizes a credit loss allowance at an amount equivalent to the expected credit losses for the following 12-months period. This represents the portion of lifetime expected credit losses resulting from default events that are possible within a 12-months period as of the reporting date, if credit risk has not increased significantly since initial recognition.

Stage 2: The Bank recognizes a credit loss allowance at an amount equal to the total lifetime expected credit losses (LTECL) for those financial assets which are considered to have experienced a significant increase in credit risk since their initial recognition. This requires the calculation of ECL based on the remaining lifetime probability of default (LTPD) of the asset. The allowance for credit losses is higher in this stage because of the increase in credit risk and the impact of a longer time horizon in comparison to stage 1.

Stage 3: The Bank recognizes a loss allowance at an amount equal to the expected credit loss over the total lifetime of the asset, based on a probability of default (PD) of 100% over the asset's recoverable cash flows.

The Bank's IFRS 9 models along with the information used to estimate expected credit losses in the consumer, mortgage and corporate portfolio, and thus set adequate levels of loan loss reserves may not fully capture the potential additional levels of risk resulting from the effects of the Covid-19 pandemic. As a result, the Bank developed complementary models to incorporate the potential increase in risk levels and the corresponding additional loan loss reserves.

The following table presents the breakdown of the allowance for loan losses under IFRS 9 parameters as of September 30, 2024, and December 31, 2023:

	As of September 30, 2024			As of December 31, 2023			(%) Change	
	Loans	**Allowance**	**%**	**Loans**	**Allowance**	**%**	**Loans**	**Allowance**
	(in thousands of U.S. dollars,except percentages)							
Stage 1	10,754,229	131,644	1.2%	10,068,716	132,012	1.3%	6.8%	(0.3%)
Stage 2	1,527,844	183,586	12.0%	1,643,698	208,039	12.7%	(7.0%)	(11.8%)
Stage 3	253,332	57,272	22.6%	262,547	54,736	20.8%	(3.5%)	4.6%
Total	**12,535,405**	**372,502**	**3.0%**	**11,974,961**	**394,787**	**3.3%**	**4.7%**	**(5.6%)**

As of September 30, 2024, the allowance for loan losses decreased to US$372.5 million, or 3.0% of the total loan portfolio, from US$394.8 million, or 3.3% of the total loan portfolio, as of December 31, 2023. Additionally, during this period:

Stage 1 loans increased US$685.5 million to US$10,754.2 million, and the allowance level decreased from US$132.0 million (1.3% of stage 1 loans) to US$131.6 million (1.2% of stage 1 loans). The loan balance in Stage 2 decreased from US$1,643.7 million to US$1,527.8 million, and the allowance decreased from US$208.0 million (12.7% of stage 2 loans) to US$183.6 million (12.0% of stage 2 loans). The loan balance in Stage 3 decreased from US$262.5 million to US$253.3 million and the allowance increased from US$54.7 million (20.8% of stage 3 loans) to US$57.3 million (22.6% of stage 3 loans).

As of September 30, 2024, the Bank's restructured loans amounted to US$751.8 million (December 31, 2023: US$844.9 million), primarily due to loans modified in accordance with regulation issued by the SBP during the pandemic. Additionally, of the total restructured loans, US$400.9 million, or 53.3%, are current with their contractual payments. Furthermore, US$627.7 million, or 83.5%, of restructured loans were backed by mortgage collateral (December 31, 2023: US$733.9 million or 86.9%).

The following table presents the breakdown of the allowance for loans losses as of September 30, 2024, and 2023, and as of December 31, 2023, 2022 and 2021, respectively:

	As of September 30			As of December 31		
	2024	2023	(%) Change	2023	2022	2021
	(in thousands of U.S. dollars, except for percentages)					
Allowance at the beginning of period	**394,787**	**432,999**	**(8.8%)**	**432,999**	**467,706**	**383,795**
Net loan loss provisions	(13,889)	(28,958)	(52.0%)	(40,138)	(42,396)	155,642
Write-offs:						
Commercial	301	149	101.8%	563	318	7,777
Interim construction loans	-	1,002	(100.0%)	1,028	129	119
Lines of credit	13	18	(29.1%)	44	583	536
Residential mortgage loans	3,893	2,884	35.0%	4,600	2,260	1,749
Commercial mortgage loans	223	124	79.5%	288	1,366	247
Personal, auto loans and credit cards	41,745	25,707	62.4%	40,925	26,495	86,471
Auto loans	*1,522*	*1,910*	(20.3%)	*2,403*	*2,422*	*4,408*
Personal loans	*25,853*	*14,368*	79.9%	*23,728*	*11,341*	*37,434*
Credit cards	*14,371*	*9,429*	52.4%	*14,794*	*12,732*	*44,630*
Pledge loans and overdrafts	169	102	66.0%	140	350	146
Leasing	11	52	(79.9%)	52	22	-
Total write-offs	**46,355**	**30,038**	**54.3%**	**47,640**	**31,523**	**97,044**
Recoveries	37,959	39,247	(3.3%)	49,565	39,212	25,313
Allowance at the end of period	**372,502**	**413,250**	**(9.9%)**	**394,787**	**432,999**	**467,706**
Total loans	12,535,405	11,914,423		11,974,961	11,690,196	11,297,779
Allowance for loan losses / total loans	2.97%	3.47%		3.30%	3.70%	4.14%
Write-offs / total loans [(1)]	0.49%	0.34%		0.40%	0.27%	0.86%
Net write-offs / total loans [(1)]	0.09%	(0.10%)		(0.02%)	(0.07%)	0.63%

[(1)] Percentages are annualized.

For the nine months ended on September 30, 2024, total write-offs amounted to US$46.4 million (0.49% of total loans, annualized), as compared to US$30.0 million (0.34% of total loans, annualized) for the same period in the previous year, while net write-offs amounted to US$8.4 million (0.09% of total loans, annualized).

B. Capital Resources

A cornerstone of the Bank's financial strategy is its strong capital position, which exceeds local and international regulatory requirements contained in the Basel Accords and has supported our investment-grade ratings since 1997, currently holding the following ratings: BBB by Standard & Poor's, Baa3 by Moody's, and BBB- by Fitch Ratings, with the latter being one notch above Panama's sovereign rating. In the case of Standard & Poor's and Moody's, our ratings are higher on a stand-alone basis but constrained by Panama's sovereign rating due to their methodologies.

The regulatory primary capital (CET 1) requirement to risk-weighted assets (RWA) is 4.50%, and of total capital to RWA of 8.00%. Furthermore, Agreement 5-2023, issued by the SBP on October 10, 2023, mandates that in addition to the abovementioned regulatory primary capital of 4.50%, all general license banks must maintain an additional capital conservation buffer, comprised of regulatory primary capital to RWA of 2.50%. The SBP has adopted a gradual application of the capital conservation buffer as shown below:

Regulatory Capital Requirement		Regulatory Capital + Additional Capital Conservation Buffer (Starting)		
		1-jul-2024	1-jul-2025	1-jul-2026
Total regulatory primary capital	4.50%	5.00%	5.75%	7.00%
Total primary capital	6.00%	6.50%	7.25%	8.50%
Total capital	8.00%	8.50%	9.25%	10.50%

As of September 30, 2024, the Bank had total capital of US$3,657.8 million, over 3 times the SBP required regulatory capital. The ratio of total capital to RWA was 25.93%, comprised solely of primary capital, which increased by US$468.4 million, or 14.7%, compared to September 30, 2023, and total risk-weighted assets of US$14,106.1 million. Total risk-weighted assets include: US$12,581.2 million of credit RWA, US$740.1 million of market RWA, and US$784.8 million of operational RWA.

Agreement 4-2013 issued by the SBP requires that all banks maintain a countercyclical dynamic reserve of not less than 1.25% and no more than 2.50% of the risk-weighted loans classified as standard loans. The dynamic reserve is presented as part of the legal reserves in the equity section of the Bank's financial statements. As of September 30, 2024, the Bank´s dynamic reserve balance was US$153.6 million.

The Bank's subsidiaries General de Seguros, S.A., BG Valores, S.A., ProFuturo Administradora de Fondos de Pensiones y Cesantía, S.A., BG Investment Co., Inc., BG Trust, Inc., Banco General (Costa Rica), S.A., Banco General (Overseas), Inc., and Commercial Re. Overseas, Ltd. are all subject to minimum capital requirements stipulated by their corresponding regulators including but not limited to the SBP, the Superintendence of Insurance and Reinsurance of Panama, the Superintendence of Capital Markets of Panama, the General Superintendency of Financial Entities of Costa Rica (SUGEF), the Monetary Authority of the Cayman Islands (CIMA), the British Virgin Islands Financial Services Commission, and others. As of September 30, 2024, all the subsidiaries of the Bank complied with the minimum capital requirements applicable according to their respective regulation.

The following table presents information regarding the Bank's capital levels as of September 30, 2024, and 2023, and as of December 31, 2023, 2022 and 2021, respectively:

	As of September 30		As of December 31		
	2024	2023	2023	2022	2021
	(in thousands of U.S. dollars, except for percentages)				
Regulatory primary capital					
Common shares	500,000	500,000	500,000	500,000	500,000
Legal reserve	200,898	192,119	192,810	190,917	190,606
Other items comprehensive income	(64,160)	(274,725)	(163,678)	(279,368)	74,008
Retained earnings	2,665,715	2,418,648	2,377,583	2,150,471	1,916,158
Less: Regulatory adjustments	44,660	46,675	46,021	48,638	51,547
Total regulatory primary capital - CET 1	**3,257,794**	**2,789,367**	**2,860,694**	**2,513,381**	**2,629,225**
Additional primary capital (Tier 1)					
Subordinated perpetual bonds	400,000	400,000	400,000	400,000	400,000
Total additional primary capital	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**
Total primary capital	**3,657,794**	**3,189,367**	**3,260,694**	**2,913,381**	**3,029,225**
Total capital	**3,657,794**	**3,189,367**	**3,260,694**	**2,913,381**	**3,029,225**
Credit risk-weighted assets	12,581,210	11,767,373	12,045,910	11,258,810	11,506,121
Market risk-weighted assets	740,109	852,168	641,963	657,676	1,154,481
Operational risk-weighted assets	784,805	756,064	763,010	739,859	654,452
Risk-weighted assets	**14,106,123**	**13,375,604**	**13,450,883**	**12,656,345**	**13,315,053**
Capital ratios					
Total regulatory primary capital ratio	**23.09%**	**20.85%**	**21.27%**	**19.86%**	**19.75%**
Total primary capital ratio	**25.93%**	**23.84%**	**24.24%**	**23.02%**	**22.75%**
Total capital ratio	**25.93%**	**23.84%**	**24.24%**	**23.02%**	**22.75%**

The Bank's capital reflects the board of director's commitment to maintaining a strong capital base to support depositors and enable us to support growth opportunities and weather unexpected adverse events.

C. Results of Operations for the three and nine months ended on September 30, 2024, and 2023.

The following table presents the Bank's principal consolidated results of operations for the three and nine months ended on September 30, 2024, and 2023, respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	2023	(%) Change	2024	2023	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Net interest and commission income	**228,444**	**212,261**	**7.6%**	**674,119**	**624,446**	**8.0%**
Total Provisions, net	**(12,692)**	**(15,369)**	**(17.4%)**	**(13,041)**	**(31,715)**	**(58.9%)**
Other Income (expenses):						
Fees and other commissions	101,597	90,262	12.6%	299,930	257,829	16.3%
Insurances premiums, net	12,429	10,493	18.4%	36,119	29,959	20.6%
Gain (Loss) on financial instruments, net	(3,504)	(9,615)	(63.6%)	(7,397)	(33,590)	(78.0%)
Other Income, net	13,550	16,284	(16.8%)	37,312	39,620	(5.8%)
Commission expenses and other expenses	(41,629)	(38,419)	8.4%	(125,375)	(116,359)	7.7%
Total other income, net	**82,443**	**69,006**	**19.5%**	**240,588**	**177,459**	**35.6%**
General and administrative expenses	(90,133)	(82,716)	9.0%	(262,532)	(244,691)	7.3%
Equity participation in associates	3,673	3,900	(5.8%)	11,828	11,826	0.0%
Net income before income tax	**237,118**	**217,821**	**8.9%**	**677,044**	**600,756**	**12.7%**
Income tax, net	(35,098)	(31,084)	12.9%	(90,473)	(81,806)	10.6%
Net Income	**202,019**	**186,737**	**8.2%**	**586,571**	**518,950**	**13.0%**

For the three months ended September 30, 2024, the Bank's net income amounted to US$202.0 million, representing an increase of US$15.3 million, or 8.2%, compared to US$186.7 million for the same period last year. The annualized return on average equity (ROAE) and return on average assets (ROAA), were 24.86% and 4.23%, respectively, compared to 26.18% and 4.10% for the same period last year. These results were mainly due to the following factors:

Net Interest and Commission Income

The following table presents the Bank's net interest and commission income and related average rate and margin information for the three and nine months ended on September 30, 2024, and 2023, respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	2023	(%) Change	2024	2023	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Total interest and commission income	327,044	296,290	10.4%	958,935	855,812	12.0%
Total interest expenses	(98,600)	(84,029)	17.3%	(284,817)	(231,366)	23.1%
Net interest and commission income	**228,444**	**212,261**	**7.6%**	**674,119**	**624,446**	**8.0%**
Average interest earning assets	17,537,166	16,665,745	5.2%	17,291,777	16,657,056	3.8%
Average interest bearing liabilities	12,697,665	12,293,862	3.3%	12,611,189	12,356,887	2.1%
Net interest margin (1)(4)	5.21%	5.09%		5.20%	5.00%	
Average interest rate earned (2)(4)	7.46%	7.11%		7.39%	6.85%	
Average interest rate paid (3)(4)	3.11%	2.73%		3.01%	2.50%	

(1) Net interest and commission income (before provisions for possible loan losses) as a percentage of average total interest earning assets for the indicated period. (2) Total interest and commission income divided by average interest earning assets. (3) Total interest expenses divided by average interest bearing liabilities. (4) Percentages are annualized.

The 7.6% increase in net interest and commission income for the three months ended September 30, 2024, compared to the same period for 2023, was primarily a result of a: (i) 35 basis points increase in average interest rate earned on interest earning assets, and (ii) a 5.2% increase in average interest earning assets, offset by an increase of 38 basis points in the average interest rate paid on interest-bearing liabilities.

Total Interest and Commission Income

The following table presents information as to the Bank's total interest and commission income for the three and nine months ended on September 30, 2024, and 2023, respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	2023	(%) Change	2024	2023	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Total interest and commission income	**327,044**	**296,290**	**10.4%**	**958,935**	**855,812**	**12.0%**
Average interest-earning assets:						
Deposits with banks	386,531	272,134	42.0%	322,933	297,070	8.7%
Investments and other financial assets, net	5,132,399	5,075,049	1.1%	5,115,996	5,138,677	(0.4%)
Loans, net	12,018,236	11,318,563	6.2%	11,852,849	11,221,309	5.6%
Total	**17,537,166**	**16,665,745**	**5.2%**	**17,291,777**	**16,657,056**	**3.8%**
Average interest rate earned: (1)						
Deposits with banks	4.68%	4.83%		5.05%	3.96%	
Investments and other financial assets, net	5.07%	4.89%		5.15%	4.66%	
Loans, net	8.57%	8.16%		8.43%	7.93%	
Total	**7.46%**	**7.11%**		**7.39%**	**6.85%**	

(1) Percentages are annualized.

For the three months ended on September 30, 2024, our diversified loan portfolio represented 68.5% of the Bank's total average interest earning assets and generated 78.7% of the total interest and commissions income.

Total interest and commission income increased by US$30.8 million, or 10.4%, for the three months ended on September 30, 2024, and was the result of a 35 basis points increase in the average interest rate earned, and a US$871.4 million, or 5.2%, increase in average interest-earning assets.

The 35 basis points increase in the average interest rate earned on interest-earning assets was primarily due to an increase of: (i) 41 basis points on the average interest rate earned on net loans, and (ii) 18 basis points on the average interest rate earned on investments and other financial assets, offset by a 15 basis points decrease on the average interest rate earned on deposits with banks.

The increase in the average interest-earning assets was due to: (i) a US$699.7 million increase, or 6.2%, in net loans, (ii) an increase of US$114.4 million, or 42.0%, in deposits with banks, and (iii) an increase of US$57.4 million, or 1.1%, in investments and other financial assets.

The following table presents the effect of changes in the Bank's interest and commission income as a result of changes in: (i) the average volume of interestearning assets, and (ii) the average interest rate earned during the three months ended on September 30, 2024:

	Third Quarter 2024/2023 Increase / (Decrease)		
	By volume	By rate	Net change
	(in thousands of U.S. dollars)		
Deposits with banks	1,382	(150)	1,232
Investments and other financial assets, net	701	2,302	3,002
Loans, net	14,278	12,241	26,519
Net Change	**16,361**	**14,393**	**30,754**

The increase of US$871.4 million in average interest earning assets for the three months ended September 30, 2024, resulted in an increase of US$16.4 million in interest and commission income for the period, while the increase in the average rate earned on interest-earning assets, from 7.11% to 7.46%, resulted in an increase of US$14.4 million in interest and commission income as compared to the same period in 2023.

Total Interest Expenses

The following table presents information as to the Bank's total interest expenses for the three and nine months ended on September 30, 2024, and 2023, respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	**2023**	**(%) Change**	**2024**	**2023**	**(%) Change**
	(in thousands of U.S. dollars, except for percentages)					
Total interest expenses	**98,600**	**84,029**	**17.3%**	**284,817**	**231,366**	**23.1%**
Average interest-bearing liabilties:						
Savings and other deposits	5,611,104	5,700,236	(1.6%)	5,690,590	5,780,996	(1.6%)
Time deposits	5,950,864	5,413,022	9.9%	5,749,921	5,324,607	8.0%
Borrowings and placements [1]	1,135,696	1,180,605	(3.8%)	1,170,677	1,251,284	(6.4%)
Total	**12,697,665**	**12,293,862**	**3.3%**	**12,611,189**	**12,356,887**	**2.1%**
Average interest rate paid: [2]						
Savings and other deposits	1.12%	1.13%		1.13%	0.96%	
Time deposits	4.69%	3.97%		4.52%	3.65%	
Borrowings and placements	4.64%	4.79%		4.74%	4.71%	
Total	**3.11%**	**2.73%**		**3.01%**	**2.50%**	

[1] Includes Repos, Borrowings and Placements and Perpetual Bonds. [2] Percentages are annualized.

The Bank's total interest expenses is mainly attributable to interest paid on deposits, which represented 86.6% of total interest expense for the three months ended on September 30, 2024, compared to 83.2% for the same period last year.

Total interest expense increased by US$14.6 million, or 17.3%, for the three months ended on September 30, 2024, and was result of a 38 basis points increase in the average interest rate paid on interest bearing liabilities, and a 3.3% increase in average interest-bearing liabilities.

The increase in the average interest rate paid was mainly attributable to a 72 basis point increase on the average interest rate paid on time deposits, offset by a 15 basis point decrease in the average interest rate paid on borrowings and placements.

The increase in the average interest bearing liabilities was due to a US$537.8 million increase, or 9.9%, in time deposits, offset by a US$89.1 million decrease, or 1.6%, in savings and other deposits, and a US$44.9 million decrease, or 3.8%, in borrowings and placements.

The following table sets forth the effect of changes in the Bank's total interest expense as a result of changes in: (i) the average volume of interest-bearing liabilities, and (ii) the average interest rate paid during the three months ended on September 30, 2024:

	Third Quarter 2024/2023 Increase / (Decrease)		
	By volume	**By rate**	**Net change**
	(in thousands of U.S. dollars)		
Savings and other deposits	(252)	(159)	(411)
Time deposits	5,339	10,627	15,966
Borrowings and placements	(538)	(445)	(984)
Net change	**4,548**	**10,023**	**14,571**

The increase of US$403.8 million in interest-bearing liabilities for the three months ended September 30, 2023, resulted in an increase of US$4.5 million in interest expense for the period, while the increase in the average rate paid on interest-bearing liabilities of a 38 basis points, from 2.73% to 3.11%, resulted in an increase of US$10.0 million in interest expense, as compared to the same period in 2023.

Provision for Loan Losses

The following table presents the Bank's allowance for loan losses, net of write-offs and recoveries included in the Bank's results of operations for the three and nine months ended September 30, 2024, and 2023, respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	2023	(%) Change	2024	2023	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Allowance for loan losses at the beginning of period	**393,110**	**427,211**	**(8.0%)**	**394,787**	**432,999**	**(8.8%)**
Net loan loss provisions	(13,981)	(15,157)	(7.8%)	(13,889)	(28,958)	(52.0%)
Write-offs	19,932	12,390	60.9%	46,355	30,038	54.3%
Recoveries	13,306	13,585	(2.1%)	37,959	39,247	(3.3%)
Balance at the end of period	**372,502**	**413,250**	**(9.9%)**	**372,502**	**413,250**	**(9.9%)**
Total loans	12,535,405	11,914,423		12,535,405	11,914,423	
Net loan loss provisions to total loans (1)	(0.45%)	(0.51%)		(0.15%)	(0.32%)	
Write-offs to total loans (1)	0.64%	0.42%		0.49%	0.34%	
Net write-offs to total loans (1)	0.21%	(0.04%)		0.09%	(0.10%)	
Allowance to total loans	2.97%	3.47%		2.97%	3.47%	

(1) Percentages are annualized.

For the three months ended September 30, 2024, the provision charged to expenses, net of recoveries recorded a net release of reserves of US$14.0 million, as compared to a net release of US$15.2 million in the same period in 2023. The net release of reserves was the result of the continuous improvement on the quality of our loan portfolio, which resulted in a lower reserve requirement.

Write-offs increased by US$7.5 million from US$12.4 million on September 30, 2023 (0.42% of total loans, annualized), to US$19.9 million on September 30, 2024 (0.64% of total loans, annualized), while recoveries decreased by US$0.3 million, from US$13.6 million on September 30, 2023 to US$13.3 million on September 30, 2024.

Consequently, the allowance for loan losses decreased US$40.7 million, or 9.9%, from US$413.2 million (3.47% of total loans), to US$372.5 million (2.97% of total loans).

Other Income, Net

The following table presents the information as to the Bank's fees, commission and other income, net for the three and nine months ended on September 30, 2024, and 2023, respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	2023	(%) Change	2024	2023	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Fees and commission income, net	59,968	51,843	15.7%	174,555	141,469	23.4%
Insurance premiums, net	12,429	10,493	18.4%	36,119	29,959	20.6%
Gain (Loss) on financial instruments, net	(3,504)	(9,615)	(63.6%)	(7,397)	(33,590)	(78.0%)
Other income, net	13,550	16,284	(16.8%)	37,312	39,620	(5.8%)
Total of other income, net	**82,443**	**69,006**	**19.5%**	**240,588**	**177,459**	**35.6%**

The 19.5% increase in total other income, net for the three months ended on September 30, 2024, primarily reflects the following factors:

Fees and Commission Income, Net

The 15.7% increase in fees and commission income, net of commission expenses and other expenses for the three months ended on September 30, 2024, resulted primarily from a 12.8% increase in commissions and fees related to credit and debit card operations, as a result of higher transaction volumes. The total number of credit and debit cards issued by the Bank increased by 12.0%, from a year ago, while transactions during the third quarter increased by 14.3% from 80.0 million in 2023 to 91.5 million in 2024.

Insurance Premiums, Net

Net insurance premiums increased by 18.4% for the three months ended on September 30, 2024, as compared to the same period in 2023, mainly due to an increase in insurance premiums of 16.8%, offset by an increase in net claims of 3.7%.

Gain (Loss) on Financial Instruments, Net

Gain (loss) on financial instruments, net for the three months ended on September 30, 2024, resulted in a net loss of US$3.5 million, mainly as a result of realized losses from securities with accumulated losses in other comprehensive income, offset by realized and unrealized gains in securities categorized as fair value through profit and loss.

Other Income, Net

Other income, net decreased by US$2.7 million, or 16.8%, in the three months ended September 30, 2024, compared to the same period in 2023, primarily due to an extraordinary income of US$4.2 million obtained from the sale of fixed assets during the third quarter of 2023.

General and Administrative Expenses

The following table presents the Bank’s principal general and administrative expenses for the three and nine months ended on September 30, 2024, and 2023 respectively:

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2024	2023	(%) Change	2024	2023	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Salaries and other employee expenses	50,664	47,212	7.3%	149,363	138,723	7.7%
Depreciation and amortization expenses	9,289	8,448	10.0%	26,643	25,153	5.9%
Premises and equipment expenses	9,518	8,325	14.3%	27,589	25,275	9.2%
Other expenses	20,661	18,731	10.3%	58,937	55,540	6.1%
Total	**90,133**	**82,716**	**9.0%**	**262,532**	**244,691**	**7.3%**

The 9.0% increase in general and administrative expenses for the three months ended on September 30, 2024, primarily reflects the following factors:

Salaries and Other Employee Expenses

For the three months ended September 30, 2024, salaries and other employee expenses represented 56.2% of total general and administrative expenses, as compared to 57.1% for the same period in 2023. The 7.3% increase in salaries and other employee expenses was attributable to a combination of a moderate increase in salaries and a 2.3% increase in the number of employees.

Depreciation and Amortization Expenses

Total depreciation and amortization expense increased by US$0.8 million, or 10.0%, for the three months ended on September 30, 2024, as compared to the same period in 2023, mainly due to an increase in investments in hardware and software as the Bank continues to develop its technological capabilities.

Premises and Equipment Expenses

Premises and equipment expenses increased by US$1.2 million, or 14.3%, for the three months ended on September 30, 2024, as compared to the same period in 2023, mainly due to an increase in technological expenses associated with software licenses and subscriptions.

Other Expenses

Other expenses increased by US$1.9 million, or 10.3%, for the three months ended on September 30, 2024, mainly due to administrative expenses and professional services.

Taxes

Net income tax amounted to US$35.1 million for the three months ended on September 30, 2024 (US$29.8 million in estimated income tax and US$5.3 million in deferred income tax). The US$4.0 million increase in net income tax, was primarily driven by a higher taxable income in comparison to the same period in 2023.

Operational Efficiency

The Bank's operational efficiency ratio was 28.65% for the three months ended September 30, 2024, as compared to 29.01% for the same period in 2023 mainly as a result of: (i) a US$29.4 million increase, or 10.3%, in operating income, and (ii) a US$7.4 million, or 9.0%, increase in the Bank’s general and administrative expenses.

BANCO GENERAL, S.A. & Subsidiaries
Consolidated Income Statement
For the three months ended

	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
	(in thousands of U.S. dollars)				
Total interest and commission income	327,044	322,570	309,322	303,416	296,290
Total interest expenses	(98,600)	(94,144)	(92,072)	(89,263)	(84,029)
Net interest and commission income	**228,444**	**228,425**	**217,250**	**214,153**	**212,261**
Total Provisions, net	(12,692)	(1,308)	959	(10,539)	(15,369)
Net interest and commission income after provisions	**241,136**	**229,733**	**216,290**	**224,692**	**227,630**
Other Income (expenses):					
Fees and other commissions	101,597	101,993	96,340	95,281	90,262
Insurance premiums, net	12,429	12,187	11,503	11,664	10,493
Gain (Loss) on financial instruments, net	(3,504)	(7,237)	3,344	(13,387)	(9,615)
Other income, net	13,550	13,642	10,120	12,398	16,284
Commission expenses and other expenses	(41,629)	(41,396)	(42,350)	(41,797)	(38,419)
Total other income, net	**82,443**	**79,189**	**78,956**	**64,158**	**69,006**
General and administrative expenses	(90,133)	(87,555)	(84,843)	(97,245)	(82,716)
Equity participation in associates	3,673	3,816	4,339	2,683	3,900
Net income before income tax	**237,118**	**225,184**	**214,743**	**194,288**	**217,821**
Income tax, estimated	(29,813)	(29,260)	(25,638)	(28,131)	(28,098)
Income tax, deferred	(5,285)	(712)	234	(4,397)	(2,986)
Income tax, net	**(35,098)**	**(29,971)**	**(25,403)**	**(32,528)**	**(31,084)**
Net income	**202,019**	**195,212**	**189,340**	**161,760**	**186,737**

BANCO GENERAL, S.A. & Subsidiaries
Consolidated Balance Sheet
As of

	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
	(in thousands of U.S. dollars)				
Assets					
Cash and deposits with banks	661,575	737,848	554,861	809,845	593,122
Investments and other financial assets, net	5,318,451	4,929,526	5,109,527	5,124,922	5,016,485
Loans	12,535,405	12,417,110	12,178,609	11,974,961	11,914,423
Allowance for possible loans losses	(372,502)	(393,110)	(395,090)	(394,787)	(413,250)
Unearned comissions	(40,780)	(39,982)	(39,388)	(38,961)	(39,729)
Investments in associates	34,963	32,645	30,503	30,112	34,768
Other assets	1,324,188	1,152,488	1,199,475	1,225,515	1,258,667
Total assets	**19,461,299**	**18,836,526**	**18,638,497**	**18,731,607**	**18,364,486**
Liabilities and shareholder's equity					
Total deposits	13,371,460	13,193,767	13,132,175	13,234,652	13,022,781
Borrowings and placements	731,105	740,287	801,468	860,648	774,828
Perpetual bonds	400,000	400,000	400,000	400,000	400,000
Other liabilities	1,636,566	1,380,543	1,290,199	1,308,960	1,309,292
Total liabilities	**16,139,131**	**15,714,597**	**15,623,842**	**15,804,260**	**15,506,901**
Shareholder's equity	**3,322,168**	**3,121,929**	**3,014,655**	**2,927,347**	**2,857,586**
Total liabilities and shareholder's equity	**19,461,299**	**18,836,526**	**18,638,497**	**18,731,607**	**18,364,486**
Operational data (in units)					
Number of customers	1,852,291	1,820,887	1,780,016	1,737,887	1,714,200
Number of customers affiliated in digital channels (1)	1,636,916	1,618,605	1,608,240	1,569,219	1,546,567
% active customers in digital channels (2)	82.8%	82.4%	82.2%	81.8%	81.1%
Number of employees (3)	5,065	4,994	4,991	4,983	4,949
Number of branches (4)	80	80	80	80	80
Number of ATMs (4)	620	625	636	637	637
Assets under management (in US$ million) (5)	15,566	15,024	14,837	14,447	13,652

(1) Only considers BG clients. (2) Active customers in digital channels (as a percentage of total clients) represents clients who transact/visit our online banking or mobile application during the last month. (3) Total number of permanent full-time employees for BG & Subsidiaries at the end of the period. (4) Total number of branches and ATMs in Panama and Costa Rica. (5) Assets under management at BG Valores and BG Investment.

BANCO GENERAL, S.A. & Subsidiaries
Financial Ratios
As of and for the three months ended

	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
Profitability and efficiency:					
Net Interest Margin (1)(2)	5.21%	5.31%	5.09%	5.06%	5.09%
Return on average assets (1) (3)	4.23%	4.17%	4.06%	3.48%	4.10%
Return on average equity (1) (3)	24.86%	25.38%	25.31%	22.18%	26.18%
Efficiency ratio (4)	28.65%	28.11%	28.23%	34.61%	29.01%
Operating expenses / average total assets (1) (3)	1.89%	1.87%	1.82%	2.09%	1.81%
Other income / operating income (5)	28.06%	28.38%	27.61%	28.23%	28.32%
Liquidity:					
Primary Liquidity / total deposits and obligations (6)	28.95%	27.87%	27.94%	29.58%	28.08%
Regulatory Liquidity / qualified deposits	41.84%	40.59%	40.84%	41.83%	39.35%
Loans, net / client deposits (7)	90.77%	90.88%	89.48%	87.26%	88.02%
Capital:					
Total regulatory primary capital ratio (CET 1) (8)	23.09%	21.99%	21.50%	21.27%	20.85%
Total primary capital ratio (8)	25.93%	24.87%	24.42%	24.24%	23.84%
Total capital ratio (8)	25.93%	24.87%	24.42%	24.24%	23.84%
Equity / assets	17.07%	16.57%	16.17%	15.63%	15.56%
Asset quality:					
Non accrual loans / total loans (9)	2.02%	2.08%	2.12%	2.16%	2.21%
Past due loans / total loans (10)	2.41%	2.45%	2.54%	2.54%	2.55%
Allowance for loan losses / total loans	2.97%	3.17%	3.24%	3.30%	3.47%
Allowance for loan losses / non accrual loans (9)	147.08%	152.50%	152.82%	152.55%	157.11%
Allowance for loan losses / past due loans (10)	123.11%	129.27%	127.73%	129.74%	136.15%
Write-offs / total loans (1)	0.64%	0.46%	0.40%	0.59%	0.42%
Net write-offs / total loans (1)	0.21%	0.04%	0.02%	0.24%	(0.04%)

(1) Annualized percentages. (2) Net interest margin refers to net interest and commission income divided by average interest-earning assets. Average interest-earning assets are determined on average monthly balances. (3) Percentages have been calculated using monthly averages. (4) Efficiency ratio is defined as general and administrative expenses divided by the sum of net interest, commission income, other income, net, and equity participation in associates. (5) Other income corresponds to the sum of fees and other commissions, insurance premiums, net, and other income, net; while operating income corresponds to the sum of income from interest and commissions, fees and other commissions, insurance premiums, net and other income, net. (6) Primary liquidity is comprised of: (a) cash and deposits with banks, and (b) high quality (investment grade) fixed income securities, including repos, fixed income mutual funds, treasury bills, negotiable CDs, commercial paper, corporate and sovereign bonds, MBS, CMOs and ABS. (7) Client deposits exclude interbank deposits. (8) Capital ratios as a percentage of risk weighted assets. (9) Non accrual loans: all loans past due 90+ days on interest and/or principal payments, residential mortgages past due 120+ days, and overdrafts past due +30 days. (10) Past due loans: all loans past due 90+ days on interest and/or principal payments and all loans past due 30 days post maturity.