

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

**Condensed Consolidated Interim
Financial Information**

March 31, 2025

"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

March 31, 2025, December 31, 2024 and March 31, 2024

(Expressed in Balboas)

		(Unaudited) March 2025	(Audited) December 2024	(Unaudited) March 2024
Assets	Note			
Cash and cash items	5	168,157,221	170,110,069	150,497,387
Deposits with banks:				
Demand deposits		445,454,242	337,468,951	403,932,929
Time deposits		45,931,008	20,929,461	430,726
Accrued interest receivable		79,616	46,790	3,789
Total deposits with banks		491,464,866	358,445,202	404,367,444
Total cash, cash items and deposits with banks		659,622,087	528,555,271	554,864,831
Investments and other financial assets at FVTPL		848,529,468	829,554,142	808,665,903
Investments and other financial assets at FVOCI		4,403,639,934	4,511,601,422	4,267,854,528
Investments and other financial at amortized cost, net		40,756,450	6,613,664	33,006,190
Accrued interest receivable		4,858	1,474	20,167
Investments and other financial assets, net		5,292,930,710	5,347,770,702	5,109,546,788
Loans	6	12,878,861,632	12,762,271,656	12,178,608,537
Accrued interest receivable		60,346,087	58,854,224	67,746,412
Less:				
Loan losses allowance		362,107,161	364,917,778	395,089,540
Unearned commissions		42,957,820	41,596,410	39,387,865
Loans, net		12,534,142,738	12,414,611,692	11,811,877,544
Investments in associates		33,528,852	30,071,382	30,502,961
Properties, furniture, equipment and improvements, net of accumulated depreciation and amortization	7	275,296,719	271,468,124	260,592,548
Right-of-Use Assets, net	8	15,729,914	14,903,899	16,495,440
Investments and other financial assets sold pending settlement		348,366,181	272,708,272	225,754,698
Deferred tax assets		86,339,171	87,378,058	96,141,845
Goodwill and other intangible assets, net	9	43,866,752	44,263,222	45,452,632
Other assets		469,165,648	435,768,404	487,267,851
Total assets		19,758,988,772	19,447,499,026	18,638,497,138

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) March 2025	(Audited) December 2024	(Unaudited) March 2024
<u>Liabilities and Equity</u>	<u>Note</u>			
Liabilities:				
Deposits:				
Local:				
Demand		2,779,850,118	2,785,908,732	2,754,371,299
Savings		4,702,900,317	4,753,968,000	4,737,004,692
Time:				
Customers		6,342,928,712	6,191,290,635	5,633,892,224
Banks		66,659,116	9,697,344	6,906,943
Accrued interest payable		105,571,393	110,904,654	90,312,214
Total deposits		<u>13,997,909,656</u>	<u>13,851,769,365</u>	<u>13,222,487,372</u>
Financing:				
Securities sold under repurchase agreements		0	93,561,000	0
Borrowings and debt securities issued, net	11	665,431,544	699,614,895	801,468,059
Perpetual bonds		400,000,000	400,000,000	400,000,000
Accrued interest payable		13,038,522	13,402,415	15,201,084
Total financing		<u>1,078,470,066</u>	<u>1,206,578,310</u>	<u>1,216,669,143</u>
Lease Liabilities	12	17,677,270	16,843,420	18,367,358
Investments and other financial assets purchased pending settlement		600,542,752	538,873,658	423,932,634
Reserves of insurance operations	13	26,701,118	24,728,077	24,760,471
Deferred tax liabilities		1,158,700	1,158,762	1,152,270
Other liabilities	10	742,321,020	634,888,555	716,472,716
Total liabilities		<u>16,464,780,582</u>	<u>16,274,840,147</u>	<u>15,623,841,964</u>
Equity:	15			
Common shares		500,000,000	500,000,000	500,000,000
Legal reserves		224,391,019	223,681,409	217,066,404
Capital reserves		(85,977,063)	(119,335,155)	(163,441,244)
Retained earnings		2,655,794,234	2,568,312,625	2,461,030,014
Total equity		<u>3,294,208,190</u>	<u>3,172,658,879</u>	<u>3,014,655,174</u>
Total liabilities and equity		<u>19,758,988,772</u>	<u>19,447,499,026</u>	<u>18,638,497,138</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Condensed Consolidated Statement of Income

For the three months ended March 31, 2025 and 2024

(Expressed in Balboas)

	Note	(Unaudited) 2025	2024
Interest and commission income:			
Interest:			
Loans		248,741,843	229,400,991
Deposits with banks		3,262,100	3,781,470
Investments and other financial assets		67,896,754	65,853,306
Commissions on loans		12,460,111	10,285,735
Total interest and commission income		332,360,808	309,321,502
Interest expenses:			
Deposits		89,650,904	77,245,623
Financing		13,976,411	14,826,269
Total interest expenses		103,627,315	92,071,892
Net interest and commission income		228,733,493	217,249,610
Provision for loan losses, net	6	7,823,160	942,870
Reversal of provision for impairment of investments, net		(37,662)	(853,576)
Provision for foreclosed assets, net		494,534	869,885
Net interest and commission income, after provisions		220,453,461	216,290,431
Other income (expenses):			
Fees and other commissions		109,040,279	96,339,578
Insurance premiums, net		12,636,093	11,502,932
(Loss) gain on financial instruments, net		(566,382)	3,344,425
Other income, net		14,756,502	10,119,784
Commission expenses and other expenses	12	(44,930,971)	(42,350,334)
Total other income, net		90,935,521	78,956,385
General and administrative expenses:			
Salaries and other personnel expenses	16	51,995,088	48,799,977
Depreciation and amortization	7 and 8	10,062,611	8,540,818
Properties, furniture and equipment expenses		9,896,219	8,888,474
Other expenses		20,445,602	18,613,765
Total general and administrative expenses		92,399,520	84,843,034
Net operating income		218,989,462	210,403,782
Equity participation in associates		3,519,030	4,339,087
Net income before tax		222,508,492	214,742,869
Income tax, estimated		25,878,691	25,637,713
Income tax, deferred		1,038,880	(234,446)
Income tax, net	17	26,917,571	25,403,267
Net income		195,590,921	189,339,602

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 three months ended March 31, 2025 and 2024

(Expressed in Balboas)

	(Unaudited)	
	<u>2025</u>	<u>2024</u>
Net income	<u>195,590,921</u>	<u>189,339,602</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	34,333,319	2,779,444
Transfer to profit or loss for sales of investments at FVOCI	(948,260)	(2,664,048)
Valuation of investment credit risk at FVOCI	<u>(26,967)</u>	<u>(878,468)</u>
Total other comprehensive income (expense), net	<u>33,358,092</u>	<u>(763,072)</u>
Total comprehensive income	<u><u>228,949,013</u></u>	<u><u>188,576,530</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 three months ended March 31, 2025 and 2024

(Expressed in Balboas)

			Capital reserves		Total capital reserves	Retained earnings	Total equity
	Common shares	Legal reserves	Insurance reserve	Valuation of investments and other financial assets			
Balance as of December 31, 2024 (Audited)	500,000,000	223,681,409	1,000,000	(120,335,155)	(119,335,155)	2,568,312,625	3,172,658,879
Net income	0	0	0	0	0	195,590,921	195,590,921
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	34,333,319	34,333,319	0	34,333,319
Transfer to profit or loss for sales of investments at FVOCI	0	0	0	(948,260)	(948,260)	0	(948,260)
Valuation of investment credit risk at FVOCI	0	0	0	(26,967)	(26,967)	0	(26,967)
Total other comprehensive income, net	0	0	0	33,358,092	33,358,092	0	33,358,092
Total comprehensive income	0	0	0	33,358,092	33,358,092	195,590,921	228,949,013
Transactions with owner:							
Dividends paid on common shares	0	0	0	0	0	(102,000,000)	(102,000,000)
Dividends tax	0	0	0	0	0	(2,214,529)	(2,214,529)
Complementary tax	0	0	0	0	0	(1,266,829)	(1,266,829)
Transfer of retained earnings	0	709,610	0	0	0	(709,610)	0
Changes due to adoption of IFRS 17, net	0	0	0	0	0	(1,918,344)	(1,918,344)
Total transactions attributable to the shareholder	0	709,610	0	0	0	(108,109,312)	(107,399,702)
Balance as of March 31, 2025 (Unaudited)	500,000,000	224,391,019	1,000,000	(86,977,063)	(85,977,063)	2,655,794,234	3,294,208,190
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	189,339,602	189,339,602
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	2,779,444	2,779,444	0	2,779,444
Transfer to profit or loss for sales of investments at FVOCI	0	0	0	(2,664,048)	(2,664,048)	0	(2,664,048)
Valuation of investment credit risk at FVOCI	0	0	0	(878,468)	(878,468)	0	(878,468)
Total other comprehensive expense, net	0	0	0	(763,072)	(763,072)	0	(763,072)
Total comprehensive income	0	0	0	(763,072)	(763,072)	189,339,602	188,576,530
Transactions with owner:							
Dividends paid on common shares	0	0	0	0	0	(95,000,000)	(95,000,000)
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	3,792,401	0	0	0	(3,792,401)	0
Total transactions attributable to the shareholder	0	3,792,401	0	0	0	(105,060,375)	(101,267,974)
Balance as of March 31, 2024 (Unaudited)	500,000,000	217,066,404	1,000,000	(164,441,244)	(163,441,244)	2,461,030,014	3,014,655,174

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 three months ended March 31, 2025 and 2024

(Expressed in Balboas)

		(Unaudited)	
	Note	2025	2024
Operating activities:			
Net income		195,590,921	189,339,602
Adjustments to reconcile net income and cash from operating activities:			
Provision for loan losses, net	6	7,823,160	942,870
Reversal of provision for valuation of investments, net		(37,662)	(853,576)
Provision for foreclosed assets, net		494,534	869,885
Unrealized (gain) loss on investments and other financial assets		(7,900,747)	6,035,560
Unrealized loss (gain) on derivative instruments		8,437,868	(10,512,505)
Gain on sale of investments and other financial assets at FVTPL, net		(2,928,250)	(4,087,452)
Loss on sale of investments and other financial assets at FVOCI, net		2,291,333	3,271,356
Realized loss on derivative instruments		666,178	1,948,616
Foreign exchange fluctuations, net		(30,370)	43,364
Gain on sale of fixed assets, net		(153,169)	(2,137)
Depreciation and amortization	7 and 8	10,062,611	8,540,818
Amortization of intangible assets	9	396,470	568,383
Equity participation in associates		(3,519,030)	(4,339,087)
Income tax, net		26,917,571	25,403,267
Interest and commission income		(332,360,808)	(309,321,502)
Interest expense		103,627,315	92,071,892
Dividends received		(572,879)	(406,410)
Changes in operating assets and liabilities:			
Time deposits with banks		(19,001,547)	24,916
Investments and other financial assets at FVTPL		(9,845,448)	(20,413,609)
Loans		(127,223,753)	(204,287,921)
Unearned commissions		13,821,521	10,712,372
Tax credit from preferential interest		(15,281,302)	(15,192,783)
Other assets		(113,166,143)	36,142,372
Demand deposits		(6,058,614)	(122,855,359)
Savings deposits		(51,067,683)	(148,633,022)
Time deposits		208,599,849	169,011,595
Reserves of insurance operations		1,973,041	931,993
Other liabilities		147,735,643	(21,967,306)
Cash provided by operations:			
Interest received		317,522,324	294,274,731
Interest paid		(109,313,200)	(92,065,250)
Dividends received		572,879	406,410
Total		52,481,692	(303,737,519)
Cash flows from (used) operating activities		248,072,613	(114,397,917)
Investing activities:			
Purchases of investments and other financial assets at FVOCI		(646,750,695)	(604,004,462)
Sale and redemptions of investments and other financial assets at FVOCI		791,303,616	656,004,638
Purchases of securities at amortized cost		(40,763,261)	(41,860,804)
Redemptions of securities at amortized cost		6,631,170	14,493,896
Dividends received from associates		61,560	3,948,247
Sale of properties, furniture and equipment		153,189	2,139
Purchases of properties, furniture and equipment	7	(12,989,370)	(8,279,710)
Cash flows from investing activities		97,646,209	20,303,944
Financing activities:			
Borrowings and debt securities issued		10,000,000	0
Redemption of debt securities issued and cancellation of borrowings		(43,750,000)	(58,750,000)
Securities sold under repurchase agreements		(93,561,000)	0
Payment of lease liabilities		(894,021)	(847,421)
Dividends paid on common shares		(102,000,000)	(95,000,000)
Complementary and dividends tax		(3,481,358)	(6,267,974)
Cash flows used financing activities		(233,686,379)	(160,865,395)
Net increases (decreased) in cash and cash equivalents		112,032,443	(254,959,368)
Cash and cash equivalents at the beginning of the period		527,079,020	809,389,684
Cash and cash equivalents at the end of the period	5	639,111,463	554,430,316

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

March 31, 2025

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BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

March 31, 2025

(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 59.62% (December 31, 2024: 59.65%) subsidiary of Empresa General de Inversiones, S. A., owns 100% of the common shares issued and outstanding of Banco General, S. A.

On December 31, 2024, the subsidiary BG Valores, S. A. absorbed its subsidiary BG Investment, Co., Inc., by merger, for which reason all the asset, liability and equity accounts of the latter were incorporated into the statement of financial position of subsidiary BG Valores, S.A. on that date.

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

- 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.

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

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

(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 April 25, 2025.

(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) 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, 2024.

BANCO GENERAL, S. A. AND SUBSIDIARIES

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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:

	March 31, 2025			
	Directors and Management	Related Companies	Affiliated Companies	Total
<u>Assets:</u>				
Investments and other financial assets	<u>0</u>	<u>187,052,940</u>	<u>32,927,167</u>	<u>219,980,107</u>
Loans	<u>15,199,842</u>	<u>191,104,391</u>	<u>271,646</u>	<u>206,575,879</u>
Investments in associates	<u>0</u>	<u>33,528,852</u>	<u>0</u>	<u>33,528,852</u>
<u>Liabilities:</u>				
Deposits:				
Demand	959,766	124,639,842	136,515,453	262,115,061
Savings	4,662,142	42,118,773	48,431	46,829,346
Time	<u>7,186,568</u>	<u>313,223,190</u>	<u>162,000,000</u>	<u>482,409,758</u>
	<u>12,808,476</u>	<u>479,981,805</u>	<u>298,563,884</u>	<u>791,354,165</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>0</u>	<u>9,242,471</u>	<u>5,700,000</u>	<u>14,942,471</u>
<u>Interest income:</u>				
Loans	<u>203,743</u>	<u>3,512,366</u>	<u>7,634</u>	<u>3,723,743</u>
Investments and other financial assets	<u>0</u>	<u>2,698,240</u>	<u>639,119</u>	<u>3,337,359</u>
<u>Interest expenses:</u>				
Deposits	<u>95,033</u>	<u>4,937,634</u>	<u>2,522,637</u>	<u>7,555,304</u>
Financing	<u>0</u>	<u>230,860</u>	<u>1,686,040</u>	<u>1,916,900</u>
<u>Other income:</u>				
Equity participation in associates	<u>0</u>	<u>3,519,030</u>	<u>0</u>	<u>3,519,030</u>
Received dividends	<u>0</u>	<u>222,718</u>	<u>0</u>	<u>222,718</u>
<u>General and administrative expenses:</u>				
Directors' fees	<u>257,159</u>	<u>0</u>	<u>0</u>	<u>257,159</u>
Benefits to key management personnel	<u>617,177</u>	<u>0</u>	<u>0</u>	<u>617,177</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, 2024			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>187,514,260</u>	<u>32,918,130</u>	<u>220,432,390</u>
Loans	<u>15,650,432</u>	<u>196,494,064</u>	<u>289,004</u>	<u>212,433,500</u>
Investments in associates	<u>0</u>	<u>30,071,382</u>	<u>0</u>	<u>30,071,382</u>
Liabilities:				
Deposits:				
Demand	962,991	96,370,332	133,966,595	231,299,918
Savings	6,424,518	47,681,535	48,431	54,154,484
Time	<u>6,265,985</u>	<u>304,733,303</u>	<u>135,950,344</u>	<u>446,949,632</u>
	<u>13,653,494</u>	<u>448,785,170</u>	<u>269,965,370</u>	<u>732,404,034</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>0</u>	<u>11,232,112</u>	<u>5,781,868</u>	<u>17,013,980</u>
	March 31, 2024			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>192,661,078</u>	<u>33,306,391</u>	<u>225,967,469</u>
Loans	<u>16,895,980</u>	<u>204,813,974</u>	<u>336,762</u>	<u>222,046,716</u>
Investments in associates	<u>0</u>	<u>30,502,961</u>	<u>0</u>	<u>30,502,961</u>
Liabilities:				
Deposits:				
Demand	755,324	119,418,738	83,208,257	203,382,319
Savings	7,950,029	51,785,580	48,431	59,784,040
Time	<u>5,520,628</u>	<u>251,496,106</u>	<u>136,000,000</u>	<u>393,016,734</u>
	<u>14,225,981</u>	<u>422,700,424</u>	<u>219,256,688</u>	<u>656,183,093</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>148,009</u>	<u>12,999,007</u>	<u>36,128,214</u>	<u>49,275,230</u>

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

	March 31, 2024			
	Directors and Management	Related Companies	Affiliated Companies	Total
<u>Interest income:</u>				
Loans	<u>219,800</u>	<u>3,516,227</u>	<u>10,299</u>	<u>3,746,326</u>
Investments and other financial assets	<u>0</u>	<u>2,818,202</u>	<u>723,588</u>	<u>3,541,790</u>
<u>Interest expenses:</u>				
Deposits	<u>82,776</u>	<u>4,050,747</u>	<u>1,684,309</u>	<u>5,817,832</u>
Financing	<u>0</u>	<u>227,725</u>	<u>1,680,447</u>	<u>1,908,172</u>
<u>Other income:</u>				
Equity participation in associates	<u>0</u>	<u>4,339,087</u>	<u>0</u>	<u>4,339,087</u>
Received dividends	<u>0</u>	<u>198,116</u>	<u>0</u>	<u>198,116</u>
<u>General and administrative expenses:</u>				
Directors' fees	<u>259,674</u>	<u>0</u>	<u>0</u>	<u>259,674</u>
Benefits to key management personnel	<u>539,914</u>	<u>0</u>	<u>0</u>	<u>539,914</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:

	March 31	
	<u>2025</u>	<u>2024</u>
Cash and cash items	168,157,221	150,497,387
Demand deposits with banks	445,454,242	403,932,929
Time deposits with banks	<u>45,931,008</u>	<u>430,726</u>
Total deposits with banks	<u>491,385,250</u>	<u>404,363,655</u>
Less: Deposits with banks, with original maturities greater than three months	<u>20,431,008</u>	<u>430,726</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>639,111,463</u>	<u>554,430,316</u>

Demand deposits with banks include cash collateral accounts for B/.24,334,141 (December 31, 2024: B/.26,057,411) that secure derivative operations and the next payments of principal, interest of certain obligations.

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

The composition of the loan portfolio is summarized as follows:

	March 31 2025	December 31 2024	March 31 2024
Internal sector:			
Residential mortgages	4,549,882,773	4,574,595,919	4,654,625,812
Personal, auto and credit cards	2,276,142,076	2,203,922,414	2,016,375,492
Commercial mortgages	1,787,152,757	1,773,621,765	1,808,406,633
Lines of credit and commercial loans	1,661,656,336	1,680,520,164	1,306,310,505
Interim financing	291,845,585	293,807,622	261,296,391
Finance leases, net	112,018,836	110,162,091	97,151,275
Other secured loans	192,103,557	198,524,473	202,265,708
Overdrafts	129,161,904	129,967,985	134,908,249
Total internal sector	<u>10,999,963,824</u>	<u>10,965,122,433</u>	<u>10,481,340,065</u>
External sector:			
Residential mortgages	133,273,374	135,832,352	145,996,894
Personal, auto and credit cards	12,076,129	11,936,623	8,758,417
Commercial mortgages	135,632,873	140,403,064	137,022,747
Lines of credit and commercial loans	1,551,516,691	1,462,160,261	1,357,129,282
Other secured loans	8,546,082	10,196,389	9,618,698
Overdrafts	37,852,659	36,620,534	38,742,434
Total external sector	<u>1,878,897,808</u>	<u>1,797,149,223</u>	<u>1,697,268,472</u>
Total	<u>12,878,861,632</u>	<u>12,762,271,656</u>	<u>12,178,608,537</u>

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

	March 31, 2025			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
Balance at the beginning of the period	88,758,852	220,844,924	55,314,002	364,917,778
Transferred to 12-month ECL	21,640,593	(21,625,748)	(14,845)	0
Transferred to lifetime ECL not credit-impaired	(2,772,330)	7,703,214	(4,930,884)	0
Transferred to lifetime ECL credit-impaired	(506,379)	(14,809,005)	15,315,384	0
Net remeasurement of portfolio	(27,516,215)	23,473,761	14,808,283	10,765,829
New loans	7,178,244	11,300,531	19,779	18,498,554
Loans that have been derecognized	(2,975,599)	(5,974,593)	(12,491,031)	(21,441,223)
Recovery of loan write-off	0	0	9,040,120	9,040,120
Loans written-off	0	0	(19,673,897)	(19,673,897)
Balance at the end of the period	<u>83,807,166</u>	<u>220,913,084</u>	<u>57,386,911</u>	<u>362,107,161</u>

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

	December 31, 2024			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
Balance at the beginning of the year	132,011,957	208,039,313	54,735,809	394,787,079
Transferred to 12-month ECL	47,751,008	(47,733,985)	(17,023)	0
Transferred to lifetime ECL not credit-impaired	(16,134,328)	28,139,657	(12,005,329)	0
Transferred to lifetime ECL credit-impaired	(6,541,755)	(13,232,924)	19,774,679	0
Net remeasurement of portfolio	(74,059,988)	47,558,092	19,308,597	(7,193,299)
New loans	19,747,230	42,291,510	5,961,706	68,000,446
Loans that have been derecognized	(14,015,272)	(44,216,739)	(19,063,880)	(77,295,891)
Recovery of loan write-off	0	0	48,500,695	48,500,695
Loans written-off	0	0	(61,881,252)	(61,881,252)
Balance at the end of the year	<u>88,758,852</u>	<u>220,844,924</u>	<u>55,314,002</u>	<u>364,917,778</u>

	March 31, 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	8,820,993	(6,901,581)	(1,919,412)	0
Transferred to lifetime ECL not credit-impaired	(4,943,123)	54,222,634	(49,279,511)	0
Transferred to lifetime ECL credit-impaired	(1,384,063)	(8,379,701)	9,763,764	0
Net remeasurement of portfolio	(2,192,121)	(41,498,126)	51,064,392	7,374,145
New loans	5,949,455	1,313,738	426,790	7,689,983
Loans that have been derecognized	(3,393,727)	(2,082,844)	(8,644,687)	(14,121,258)
Recovery of loan write-off	0	0	11,499,065	11,499,065
Loans written-off	0	0	(12,139,474)	(12,139,474)
Balance at the end of the period	<u>134,869,371</u>	<u>204,713,433</u>	<u>55,506,736</u>	<u>395,089,540</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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

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

March 31, 2025						
	Land	Buildings	Licenses and internally developed projects	Furniture and Equipment	Improvements	Total
Cost:						
At the beginning of the period	34,943,143	138,673,446	226,186,514	136,795,597	51,820,467	588,419,167
Additions	0	491,406	6,303,086	4,918,772	1,276,106	12,989,370
Sales and disposals	0	0	0	1,341,772	0	1,341,772
At the end of the period	<u>34,943,143</u>	<u>139,164,852</u>	<u>232,489,600</u>	<u>140,372,597</u>	<u>53,096,573</u>	<u>600,066,765</u>
Accumulated depreciation and amortization:						
At the beginning of the period	0	49,317,795	144,345,480	86,034,461	37,253,307	316,951,043
Expense of the period	0	911,136	4,890,633	2,867,101	491,885	9,160,755
Sales and disposal	0	0	0	1,341,752	0	1,341,752
At the end of the period	0	<u>50,228,931</u>	<u>149,236,113</u>	<u>87,559,810</u>	<u>37,745,192</u>	<u>324,770,046</u>
Net balance	<u>34,943,143</u>	<u>88,935,921</u>	<u>83,253,487</u>	<u>52,812,787</u>	<u>15,351,381</u>	<u>275,296,719</u>

December 31, 2024						
	Land	Buildings	Licenses and internally developed projects	Furniture and Equipment	Improvements	Total
Cost:						
At the beginning of the year	34,943,143	138,901,310	203,963,748	127,465,817	48,104,869	553,378,887
Additions	0	0	22,223,291	19,799,259	3,715,598	45,738,148
Sales and disposals	0	227,864	525	10,469,479	0	10,697,868
At the end of the year	<u>34,943,143</u>	<u>138,673,446</u>	<u>226,186,514</u>	<u>136,795,597</u>	<u>51,820,467</u>	<u>588,419,167</u>
Accumulated depreciation and amortization:						
At the beginning of the year	0	45,816,994	127,048,289	85,198,524	35,341,467	293,405,274
Expense of the year	0	3,616,862	17,297,716	11,305,368	1,911,840	34,131,786
Sales and disposal	0	116,061	525	10,469,431	0	10,586,017
At the end of the year	0	<u>49,317,795</u>	<u>144,345,480</u>	<u>86,034,461</u>	<u>37,253,307</u>	<u>316,951,043</u>
Net balance	<u>34,943,143</u>	<u>89,355,651</u>	<u>81,841,034</u>	<u>50,761,136</u>	<u>14,567,160</u>	<u>271,468,124</u>

March 31, 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	5,949,073	2,183,028	147,609	8,279,710
Sales and disposals	0	0	0	1,025,655	0	1,025,655
At the end of the period	<u>34,943,143</u>	<u>138,901,310</u>	<u>209,912,821</u>	<u>128,623,190</u>	<u>48,252,478</u>	<u>560,632,942</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	903,341	3,978,048	2,296,431	482,953	7,660,773
Sales and disposal	0	0	0	1,025,653	0	1,025,653
At the end of the period	0	<u>46,720,335</u>	<u>131,026,337</u>	<u>86,469,302</u>	<u>35,824,420</u>	<u>300,040,394</u>
Net balance	<u>34,943,143</u>	<u>92,180,975</u>	<u>78,886,484</u>	<u>42,153,888</u>	<u>12,428,058</u>	<u>260,592,548</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:

	March 31 2025	December 31 2024	March 31 2024
Cost:			
At the beginning of the period	28,840,132	28,510,025	28,510,025
New contracts	1,727,871	2,162,107	913,186
Cancellations	<u>(1,252,760)</u>	<u>(1,832,000)</u>	<u>(873,013)</u>
At the end of the period	<u>29,315,243</u>	<u>28,840,132</u>	<u>28,550,198</u>
Accumulated depreciation:			
At the beginning of the period	13,936,233	12,047,726	12,047,726
Expense of the period	901,856	3,553,901	880,045
Cancellations	<u>(1,252,760)</u>	<u>(1,665,394)</u>	<u>(873,013)</u>
At the end of the period	<u>13,585,329</u>	<u>13,936,233</u>	<u>12,054,758</u>
Net balance	<u>15,729,914</u>	<u>14,903,899</u>	<u>16,495,440</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				

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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>March 31, 2025</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	44,290,361	44,290,361
Amortization of the period	<u>0</u>	<u>396,470</u>	<u>396,470</u>
Balance at the end of the period	<u>0</u>	<u>44,686,831</u>	<u>44,686,831</u>
Net balance at the end of the period	<u>41,091,499</u>	<u>2,775,253</u>	<u>43,866,752</u>

		<u>December 31, 2024</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	42,532,568	42,532,568
Amortization of the year	<u>0</u>	<u>1,757,793</u>	<u>1,757,793</u>
Balance at the end of the year	<u>0</u>	<u>44,290,361</u>	<u>44,290,361</u>
Net balance at the end of the year	<u>41,091,499</u>	<u>3,171,723</u>	<u>44,263,222</u>

		<u>March 31, 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>568,383</u>	<u>568,383</u>
Balance at the end of the period	<u>0</u>	<u>43,100,951</u>	<u>43,100,951</u>
Net balance at the end of the period	<u>41,091,499</u>	<u>4,361,133</u>	<u>45,452,632</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 March 31, 2025, 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>March 31 2025</u>	<u>December 31 2024</u>	<u>March 31 2024</u>
Bonds of the US Government	1	3,463,624	0	3,335,678
Mortgage Backed Securities (MBS)	2	<u>206,991,332</u>	<u>176,152,762</u>	<u>191,504,822</u>
Total		<u>210,454,956</u>	<u>176,152,762</u>	<u>194,840,500</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>March 31 2025</u>	<u>December 31 2024</u>	<u>March 31 2024</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 and 12 month Libor/SOFR plus a margin	0	0	66,999,994
Borrowings with maturity in 2025, at interest rates of 3 and 6 month SOFR plus a margin	10,000,000	40,000,000	50,000,000
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	27,692,308	27,692,308	30,000,000
Notes with maturities in 2024, at a fixed interest rate	0	0	10,000,000
Notes with maturities in 2027, at a fixed interest rate	<u>33,750,000</u>	<u>33,750,000</u>	<u>48,750,000</u>
Subtotal of borrowings and debt securities issued	<u>661,339,308</u>	<u>695,089,308</u>	<u>795,646,994</u>
Revaluation coverage	<u>4,092,236</u>	<u>4,525,587</u>	<u>5,821,065</u>
Total borrowings and debt securities issued, net	<u>665,431,544</u>	<u>699,614,895</u>	<u>801,468,059</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:

	March 31	
	<u>2025</u>	<u>2024</u>
Balance at the beginning of the period	699,614,895	860,648,364
New borrowings and debt securities	10,000,000	0
Redemption of debt securities issued and cancellation of borrowings	(43,750,000)	(58,750,000)
Revaluation coverage	(433,351)	(430,305)
Balance at the end of the period	<u>665,431,544</u>	<u>801,468,059</u>

(12) Lease Liabilities

The movement of lease liabilities is detailed as follows:

	<u>March 31</u>	<u>December 31</u>	<u>March 31</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Balance at the beginning of the period	16,843,420	18,301,593	18,301,593
New contracts	1,727,871	2,162,107	913,186
Payments	(894,021)	(3,453,674)	(847,421)
Cancellations	0	(166,606)	0
Balance at the end of the period	<u>17,677,270</u>	<u>16,843,420</u>	<u>18,367,358</u>

Interest expense on lease liabilities for B/.205,713 (2024: B/.206,999) is included in the line as of commission expenses and other expenses in the condensed consolidated statement of income.

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

Reserves of insurance operations amounted to B/.26,701,118 (December 31, 2024: B/.24,728,077) and (March 31, 2024: B/.24,760,471) and are comprised of unearned premiums and estimated insurance claims incurred.

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

	March 31 2025	December 31 2024	March 31 2024
Liability for Remaining Coverage			
Balance at the beginning of the period	26,640,804	23,126,177	23,126,177
Adoption of IFRS 17	175,624	0	0
Issued premiums	23,059,649	51,324,616	14,065,307
Earned premiums	<u>(22,431,595)</u>	<u>(47,809,989)</u>	<u>(12,395,771)</u>
Balance at the end of the period	27,444,482	26,640,804	24,795,713
Reinsurers participation	<u>(6,273,719)</u>	<u>(6,541,308)</u>	<u>(5,734,529)</u>
Liability for remaining coverage, net	<u>21,170,763</u>	<u>20,099,496</u>	<u>19,061,184</u>
Liability for Incurred Claims			
Balance at the beginning of the period	5,811,992	6,609,172	6,609,172
Adoption of IFRS 17	601,271	0	0
Incurred claims	3,616,561	12,427,110	3,181,637
Paid claims	<u>(1,970,876)</u>	<u>(13,224,290)</u>	<u>(2,550,694)</u>
Balance at the end of the period	8,058,948	5,811,992	7,240,115
Reinsurer participation	<u>(2,528,593)</u>	<u>(1,183,411)</u>	<u>(1,540,828)</u>
Liability for incurred claims, net	<u>5,530,355</u>	<u>4,628,581</u>	<u>5,699,287</u>
Total reserves of insurance operations	<u>26,701,118</u>	<u>24,728,077</u>	<u>24,760,471</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

(Panama, Republic of Panama)

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:

			<u>March 31, 2025</u>		
	<u>Banking and Financial Activities</u>	<u>Insurance and Reinsurance</u>	<u>Pension and retirement Fund</u>	<u>Eliminations</u>	<u>Total</u>
Interest and commission income	331,186,241	5,213,536	747,814	4,786,783	332,360,808
Interest and provision expenses	116,704,318	(10,188)	0	4,786,783	111,907,347
Other income, net	76,801,252	9,358,033	4,779,964	3,728	90,935,521
General and administrative expenses	80,243,865	770,072	1,326,700	3,728	82,336,909
Depreciation and amortization expense	9,975,281	4,702	82,628	0	10,062,611
Equity participation in associates	<u>3,519,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,519,030</u>
Net income before income tax	204,583,059	13,806,983	4,118,450	0	222,508,492
Net Income tax, estimated	23,251,908	1,682,208	944,575	0	25,878,691
Net Income tax, deferred	<u>1,038,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,038,880</u>
Net Income tax	<u>24,290,788</u>	<u>1,682,208</u>	<u>944,575</u>	<u>0</u>	<u>26,917,571</u>
Net income	<u>180,292,271</u>	<u>12,124,775</u>	<u>3,173,875</u>	<u>0</u>	<u>195,590,921</u>
Total assets	<u>19,663,630,748</u>	<u>419,069,001</u>	<u>68,823,811</u>	<u>392,534,788</u>	<u>19,758,988,772</u>
Total liabilities	<u>16,768,291,525</u>	<u>68,886,916</u>	<u>2,030,867</u>	<u>374,428,726</u>	<u>16,464,780,582</u>

			<u>March 31, 2024</u>		
	<u>Banking and Financial Activities</u>	<u>Insurance and Reinsurance</u>	<u>Pension and retirement Fund</u>	<u>Eliminations</u>	<u>Total</u>
Interest and commission income	308,111,432	4,378,158	627,637	3,795,725	309,321,502
Interest and provision expenses	96,809,940	16,856	0	3,795,725	93,031,071
Other income, net	65,839,377	8,684,872	4,435,881	3,745	78,956,385
General and administrative expenses	74,082,840	827,740	1,395,381	3,745	76,302,216
Depreciation and amortization expense	8,472,832	5,328	62,658	0	8,540,818
Equity participation in associates	<u>4,339,087</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,339,087</u>
Net income before income tax	198,924,284	12,213,106	3,605,479	0	214,742,869
Net Income tax, estimated	23,236,527	1,574,450	826,736	0	25,637,713
Net Income tax, deferred	<u>(234,446)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(234,446)</u>
Net Income tax	<u>23,002,081</u>	<u>1,574,450</u>	<u>826,736</u>	<u>0</u>	<u>25,403,267</u>
Net income	<u>175,922,203</u>	<u>10,638,656</u>	<u>2,778,743</u>	<u>0</u>	<u>189,339,602</u>
Total assets	<u>18,553,589,027</u>	<u>376,499,862</u>	<u>64,162,816</u>	<u>355,754,567</u>	<u>18,638,497,138</u>
Total liabilities	<u>15,894,502,854</u>	<u>61,913,600</u>	<u>5,074,015</u>	<u>337,648,505</u>	<u>15,623,841,964</u>

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

		<u>March 31, 2025</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>334,699,079</u>	<u>50,708,495</u>	<u>41,407,785</u>	<u>426,815,359</u>
Non-financial	<u>316,000,528</u>	<u>3,162,943</u>	<u>0</u>	<u>319,163,471</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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

	March 31, 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	<u>293,770,029</u>	<u>50,362,332</u>	<u>48,484,613</u>	<u>392,616,974</u>
Non-financial	<u>302,779,778</u>	<u>3,265,402</u>	<u>0</u>	<u>306,045,180</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, 2024: 10,000,000 common shares); of which there are 9,787,108 common shares issued and outstanding (December 31, 2024: 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:

	March 31, 2025					
	Reserves					
	Dynamic	Foreclosed Assets	Loans in the process of awarding	Legal	Insurance	Total
Banco General, S. A.	139,009,941	4,385,969	14,106,130	0	0	157,502,040
General de Seguros, S. A.	0	0	0	0	44,036,001	44,036,001
Banco General (Overseas), Inc.	14,928,539	0	0	0	0	14,928,539
Banco General (Costa Rica), S. A.	<u>3,783,023</u>	<u>0</u>	<u>0</u>	<u>4,141,416</u>	<u>0</u>	<u>7,924,439</u>
Total	<u>157,721,503</u>	<u>4,385,969</u>	<u>14,106,130</u>	<u>4,141,416</u>	<u>44,036,001</u>	<u>224,391,019</u>

	December 31, 2024					
	Reserves					
	Dynamic	Foreclosed Assets	Loans in the process of awarding	Legal	Insurance	Total
Banco General, S. A.	139,009,941	4,738,127	14,682,221	0	0	158,430,289
General de Seguros, S. A.	0	0	0	0	43,308,077	43,308,077
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>4,141,416</u>	<u>0</u>	<u>7,924,439</u>
Total	<u>156,811,568</u>	<u>4,738,127</u>	<u>14,682,221</u>	<u>4,141,416</u>	<u>43,308,077</u>	<u>223,681,409</u>

Transfer (reversal) from retained earnings of the period	<u>909,935</u>	<u>(352,158)</u>	<u>(576,091)</u>	<u>0</u>	<u>727,924</u>	<u>709,610</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**

	<u>March 31, 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.	133,877,476	4,055,688	16,364,904	0	0	154,298,068
General de Seguros, S. A.	0	0	0	0	41,291,398	41,291,398
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>151,679,103</u>	<u>4,055,688</u>	<u>16,364,904</u>	<u>3,675,311</u>	<u>41,291,398</u>	<u>217,066,404</u>

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/.437,601 (2024: B/.348,965). These options may be exercised by the executives until the year 2032.

Restricted Share Plan

The Bank did not grant restricted shares in the period ended March 31, 2025 and 2024.

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/.20,400 (2024: B/.20,400) and the disbursements to former employees who are covered under the retirement plan amount to B/.38,579 (2024: B/.39,044).

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(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.

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:

	March 31	
	<u>2025</u>	<u>2024</u>
Estimated income tax	25,360,557	26,091,855
Prior year income tax adjustments	518,134	(454,142)
Deferred income tax	<u>1,038,880</u>	<u>(234,446)</u>
Total income tax, net	<u>26,917,571</u>	<u>25,403,267</u>

(17) 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:

	Total		Exchange-Traded		Over the Counter (OTC)			
					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>March 31, 2025</u>								
Derivative assets	1,697,107,749	34,584,250	328,847,570	0	860,317,854	32,880,549	507,942,325	1,703,701
Derivative liabilities	760,875,581	7,703,103	212,016,085	0	310,590,000	3,985,014	238,269,496	3,718,089
<u>December 31, 2024</u>								
Derivative assets	1,849,774,471	43,344,266	247,956,620	0	907,312,215	38,372,380	694,505,636	4,971,886
Derivative liabilities	670,524,460	6,108,920	174,458,830	0	330,730,000	4,667,119	165,335,630	1,441,801
<u>March 31, 2024</u>								
Derivative assets	1,761,300,681	40,356,215	248,966,950	0	867,102,251	38,627,336	645,231,480	1,728,879
Derivative liabilities	730,173,031	7,051,896	190,814,177	0	149,560,730	5,004,564	389,798,124	2,047,332

The Bank maintains cash and cash equivalents as collateral in institutions that maintain risk ratings between AA+ and A- (December 31, 2024: AA+ and A+) and (March 31, 2024: AA+ and A-), which support derivative operations in the amount of B/.18.7MM (December 31, 2024: B/.18.1MM) and (March 31, 2024: B/.19.2MM).

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

Other Derivatives classified by Risk:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Others derivatives:						
Credit	564,151	52,557	409,192	131,023	824,571	1,670,456
Interest	20,906,661	4,346,879	25,670,930	5,892,807	25,162,512	5,133,598
Currency	0	0	0	0	1,631	547
Total	21,470,812	4,399,436	26,080,122	6,023,830	25,988,714	6,804,601

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:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Exposure to risk:						
Interest rate						
Fair value hedge	10,486,978	0	11,170,195	0	12,165,702	0
Others	<u>2,026,141</u>	<u>0</u>	<u>2,288,237</u>	<u>0</u>	<u>1,673,221</u>	<u>0</u>
Total interest rate	<u>12,513,119</u>	<u>0</u>	<u>13,458,432</u>	<u>0</u>	<u>13,838,923</u>	<u>0</u>
Currency						
Others	<u>600,319</u>	<u>3,303,667</u>	<u>3,805,712</u>	<u>85,090</u>	<u>528,578</u>	<u>247,295</u>
Total Currency	<u>600,319</u>	<u>3,303,667</u>	<u>3,805,712</u>	<u>85,090</u>	<u>528,578</u>	<u>247,295</u>
Total derivatives for risk exposure	<u>13,113,438</u>	<u>3,303,667</u>	<u>17,264,144</u>	<u>85,090</u>	<u>14,367,501</u>	<u>247,295</u>

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

	March 31, 2025				
	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	20,000,000	29,900,000
Average interest rate				5.25%	5.13%

	December 31, 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	20,000,000	29,900,000
Average interest rate				5.25%	5.13%

	March 31, 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%

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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:

	March 31, 2025					
	Notional Value	Book Value		Item in the consolidated statement of financial position that includes hedge instruments	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss
		Assets	Liabilities			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	49,900,000	10,486,978	0	Other assets (liabilities)	0	0
Total interest rate risk	49,900,000	10,486,978	0			

	December 31, 2024					
	Notional Value	Book Value		Item in the consolidated statement of financial position that includes hedge instruments	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss
		Assets	Liabilities			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	49,900,000	11,170,195	0	Other assets (liabilities)	0	0
Total interest rate risk	49,900,000	11,170,195	0			

	March 31, 2024					
	Notional Value	Book Value		Item in the consolidated statement of financial position that includes hedge instruments	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss
		Assets	Liabilities			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	69,900,000	12,165,702	0	Other assets (liabilities)	0	0
Total interest rate risk	69,900,000	12,165,702	0			

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

	March 31, 2025						
	Book Value		Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item		Item in the statement of financial position in which the hedge item is included	Change in the value used for calculating hedge ineffectiveness	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
	Assets	Liabilities	Assets	Liabilities			
Bonds	40,210,250	0	0	8,613,090	Investment securities FVOCI	0	0

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

<u>December 31, 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>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	40,242,085	0	0	9,269,172	Investment securities FVOCI	0
						0
<u>March 31, 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>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	58,624,108	0	0	9,228,210	Investment securities FVOCI	0
						0

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

<u>March 31, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Other derivatives:				
Credit	0	564,151	0	564,151
Interest	0	20,906,661	0	20,906,661
Total	0	21,470,812	0	21,470,812
Hedge derivatives for risk management:				
Interest	0	12,513,119	0	12,513,119
Currency	0	600,319	0	600,319
Total	0	13,113,438	0	13,113,438
Total derivatives assets	<u>0</u>	<u>34,584,250</u>	<u>0</u>	<u>34,584,250</u>
<u>Liabilities</u>				
Other derivatives:				
Interest	0	52,557	0	52,557
Currency	0	4,346,879	0	4,346,879
Total	0	4,399,436	0	4,399,436
Hedge derivatives for risk management:				
Currency	0	3,303,667	0	3,303,667
Total	0	3,303,667	0	3,303,667
Total derivatives liabilities	<u>0</u>	<u>7,703,103</u>	<u>0</u>	<u>7,703,103</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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

		December 31, 2024			
		Level 1	Level 2	Level 3	Total
<u>Assets</u>					
Other derivatives:					
Credit	0	409,192	0	0	409,192
Interest	0	25,670,930	0	0	25,670,930
Total	0	26,080,122	0	0	26,080,122
Hedge derivatives for risk management:					
Interest	0	13,458,432	0	0	13,458,432
Currency	0	3,805,712	0	0	3,805,712
Total	0	17,264,144	0	0	17,264,144
Total derivatives assets	0	43,344,266	0	0	43,344,266
<u>Liabilities</u>					
Other derivatives:					
Credit	0	131,023	0	0	131,023
Interest	0	5,892,807	0	0	5,892,807
Total	0	6,023,830	0	0	6,023,830
Hedge derivatives for risk management:					
Currency	0	85,090	0	0	85,090
Total	0	85,090	0	0	85,090
Total derivatives liabilities	0	6,108,920	0	0	6,108,920
		March 31, 2024			
		Level 1	Level 2	Level 3	Total
<u>Assets</u>					
Other derivatives:					
Credit	0	824,571	0	0	824,571
Interest	0	25,162,512	0	0	25,162,512
Currency	0	1,631	0	0	1,631
Total	0	25,988,714	0	0	25,988,714
Hedge derivatives for risk management:					
Interest	0	13,838,923	0	0	13,838,923
Currency	0	528,578	0	0	528,578
Total	0	14,367,501	0	0	14,367,501
Total derivatives assets	0	40,356,215	0	0	40,356,215
<u>Liabilities</u>					
Other derivatives:					
Credit	0	1,670,456	0	0	1,670,456
Interest	0	5,133,598	0	0	5,133,598
Currency	0	547	0	0	547
Total	0	6,804,601	0	0	6,804,601
Hedge derivatives for risk management:					
Currency	0	247,295	0	0	247,295
Total	0	247,295	0	0	247,295
Total derivatives liabilities	0	7,051,896	0	0	7,051,896

BANCO GENERAL, S. A. AND SUBSIDIARIES

(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.

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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

	March 31			
	2025	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	51,500,058	0	0	51,500,058
Bonds of the Republic of Panama	2,602,120	0	2,602,120	0
Local Corporate Shares	33,826,622	0	0	33,826,622
Foreign Treasury Bills	311,614	311,614	0	0
Mortgage Backed Securities (MBS) and Collateralized				
Mortgage Obligations (CMOs)	554,458,803	0	554,458,803	0
Asset Backed Securities (ABS)	70,288,177	0	70,288,177	0
Foreign Corporate Bonds and Fixed Income Funds	134,898,920	0	1,975,287	132,923,633
Foreign Corporate Shares and Variable Income Mutual Funds	643,154	0	0	643,154
Total	<u>848,529,468</u>	<u>311,614</u>	<u>629,324,387</u>	<u>218,893,467</u>
	December 31			
	2024	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	51,950,168	0	0	51,950,168
Bonds of the Republic of Panama	2,619,000	0	2,619,000	0
Local Corporate Shares	31,915,176	0	0	31,915,176
Foreign Treasury Bills	309,434	309,434	0	0
Mortgage Backed Securities (MBS) and Collateralized				
Mortgage Obligations (CMOs)	537,177,189	0	537,177,189	0
Asset Backed Securities (ABS)	71,649,083	0	71,649,083	0
Foreign Corporate Bonds and Fixed Income Funds	133,306,564	0	1,133,135	132,173,429
Foreign Corporate Shares and Variable Income Mutual Funds	627,528	0	0	627,528
Total	<u>829,554,142</u>	<u>309,434</u>	<u>612,578,407</u>	<u>216,666,301</u>
	March 31			
	2024	Level 1	Level 2	Level 3
Local Commercial Papers	15,000	0	0	15,000
Local Corporate Bonds and Fixed Income Funds	54,180,979	0	0	54,180,979
Bonds of the Republic of Panama	1,676,980	0	1,676,980	0
Local Corporate Shares	29,932,161	0	0	29,932,161
Foreign Treasury Bills	1,091,420	1,091,420	0	0
Mortgage Backed Securities (MBS) and Collateralized				
Mortgage Obligations (CMOs)	508,740,615	0	508,740,615	0
Asset Backed Securities (ABS)	71,216,143	0	71,216,143	0
Foreign Corporate Bonds and Fixed Income Funds	141,528,761	0	783,825	140,744,936
Foreign Corporate Shares and Variable Income Mutual Funds	283,844	0	154,055	129,789
Total	<u>808,665,903</u>	<u>1,091,420</u>	<u>582,571,618</u>	<u>225,002,865</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****Fair Value Measurement of Investments and Other Financial Assets at Fair Value Through OCI**

	<u>March 31</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2025</u>			
Local Commercial Paper and Treasury Bills	57,437,445	0	0	57,437,445
Local Corporate Bonds	1,100,304,962	0	393,347,832	706,957,130
Bonds of the Republic of Panama	93,932,817	0	93,932,817	0
Bonds of the US Government	147,503,879	147,503,879	0	0
Foreign Commercial Paper and Treasury Bills	75,527,660	73,517,271	2,010,389	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,982,226,794	0	1,982,226,794	0
Asset Backed Securities (ABS)	113,508,115	0	113,508,115	0
Foreign Corporate Bonds	823,201,024	0	823,201,024	0
Other Governments Bonds	9,997,238	0	9,997,238	0
Total	<u>4,403,639,934</u>	<u>221,021,150</u>	<u>3,418,224,209</u>	<u>764,394,575</u>
	<u>December 31</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2024</u>			
Local Commercial Paper and Treasury Bills	59,495,878	0	0	59,495,878
Local Corporate Bonds	1,097,481,422	0	392,424,079	705,057,343
Bonds of the Republic of Panama	92,273,856	0	92,273,856	0
Bonds of the US Government	148,829,594	148,829,594	0	0
Foreign Commercial Paper and Treasury Bills	70,097,487	70,097,487	0	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,970,915,361	0	1,970,915,361	0
Asset Backed Securities (ABS)	135,423,082	0	135,423,082	0
Foreign Corporate Bonds	922,213,746	0	922,213,746	0
Other Governments Bonds	14,870,996	0	14,870,996	0
Total	<u>4,511,601,422</u>	<u>218,927,081</u>	<u>3,528,121,120</u>	<u>764,553,221</u>
	<u>March 31</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2024</u>			
Local Commercial Paper	3,998,618	0	0	3,998,618
Local Corporate Bonds	1,060,774,492	0	388,522,622	672,251,870
Bonds of the Republic of Panama	86,112,934	0	86,112,934	0
Bonds of the US Government	134,502,914	134,502,914	0	0
Foreign Commercial Paper and Treasury Bills	290,108,713	152,491,047	137,617,666	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,277,397,573	0	1,277,397,573	0
Asset Backed Securities (ABS)	177,533,473	0	177,533,473	0
Foreign Corporate Bonds	1,223,477,464	0	1,223,477,464	0
Other Governments Bonds	13,948,347	0	13,948,347	0
Total	<u>4,267,854,528</u>	<u>286,993,961</u>	<u>3,304,610,079</u>	<u>676,250,488</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, 2024	216,666,301	764,553,221	981,219,522
Loss recognized in income	(15,248)	0	(15,248)
Gain recognized in equity	0	895,090	895,090
Purchases	3,724,784	17,831,712	21,556,496
Amortization, sales and redemptions	<u>(1,482,370)</u>	<u>(18,885,448)</u>	<u>(20,367,818)</u>
March 31, 2025	<u>218,893,467</u>	<u>764,394,575</u>	<u>983,288,042</u>
Total gain (loss) related to instruments held as of March 31, 2025	<u>(46,296)</u>	<u>904,197</u>	<u>857,901</u>
December 31, 2023	250,256,873	710,544,414	960,801,287
Gain recognized in income	4,196,034	0	4,196,034
Loss recognized in equity	0	(2,585,252)	(2,585,252)
Purchases	35,406,707	147,404,500	182,811,207
Amortization, sales and redemptions	(73,353,963)	(90,810,441)	(164,164,404)
Amortization, sales and redemptions	<u>160,650</u>	<u>0</u>	<u>160,650</u>
December 31, 2024	<u>216,666,301</u>	<u>764,553,221</u>	<u>981,219,522</u>
Total (loss) gain related to instruments held as of December 31, 2024	<u>245,383</u>	<u>(1,073,201)</u>	<u>(827,818)</u>
December 31, 2023	250,256,873	710,544,414	960,801,287
Gain recognized in income	21,697	0	21,697
Loss recognized in equity	0	(1,695,420)	(1,695,420)
Purchases	7,210,929	23,832,000	31,042,929
Amortization, sales and redemptions	<u>(32,486,634)</u>	<u>(56,430,506)</u>	<u>(88,917,140)</u>
March 31, 2024	<u>225,002,865</u>	<u>676,250,488</u>	<u>901,253,353</u>
Total loss related to instruments held as of March 31, 2024	<u>(4,048,507)</u>	<u>(178,992)</u>	<u>(4,227,499)</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:

<u>Instruments</u>	<u>Valuation technique</u>	<u>Unobservable inputs used</u>	<u>Range for unobservable inputs</u>						<u>Fair value sensitivity to unobservable inputs</u>
			<u>March 31 2025</u>		<u>December 31 2024</u>		<u>March 31 2024</u>		
Corporate Shares	Dividend discount model and Discount free cash flow model (DCF)	Equity risk premium	Min	5.70%	Min	5.70%	Min	5.90%	If equity risk premiums increase, the price decreases and vice versa
			Max	11.86%	Max	11.86%	Max	11.76%	
		Growth rate of assets, liabilities, equity, profits and dividends	Min	(24.25%)	Min	(24.25%)	Min	(35.64%)	If the growth increases the price increases and vice versa
			Max	91.25%	Max	91.25%	Max	80.56%	
Fixed Income	Discounted cash flow	Credit spreads	Min	1.14%	Min	1.12%	Min	1.26%	If the credit spreads increase, the price decreases and vice versa
			Max	7.98%	Max	7.44%	Max	8.46%	
			Ave	2.16%	Ave	2.08%	Ave	2.12%	

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>March 31, 2025</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	15,286	(17,456)	6,384,114	(8,599,790)
Corporate Shares	1,769,020	(1,620,739)	0	0
Total	<u>1,784,306</u>	<u>(1,638,195)</u>	<u>6,384,114</u>	<u>(8,599,790)</u>

	<u>December 31, 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	17,828	(18,755)	6,947,129	(9,149,988)
Corporate Shares	1,664,530	(1,528,438)	0	0
Total	<u>1,682,358</u>	<u>(1,547,193)</u>	<u>6,947,129</u>	<u>(9,149,988)</u>

	<u>March 31, 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	26,001	(25,546)	7,324,488	(9,293,144)
Corporate Shares	1,603,272	(1,482,721)	0	0
Total	<u>1,629,273</u>	<u>(1,508,267)</u>	<u>7,324,488</u>	<u>(9,293,144)</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:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Assets:						
Time deposits with banks	46,010,624	46,006,372	20,964,082	20,963,477	434,515	426,751
Investments at amortized cost, net	40,761,308	40,768,119	6,615,138	6,632,644	33,026,357	33,080,971
Loans, net	12,534,142,738	12,361,972,676	12,414,611,692	12,255,102,495	11,811,877,544	11,678,124,037
Other financial assets	348,366,181	348,366,181	272,708,272	272,708,272	0	0
	<u>12,969,280,851</u>	<u>12,797,113,348</u>	<u>12,714,899,184</u>	<u>12,555,406,888</u>	<u>11,845,338,416</u>	<u>11,711,631,759</u>
Liabilities:						
Deposits	13,997,909,656	13,942,325,501	13,851,769,365	13,789,756,357	13,222,487,372	13,155,175,153
Securities sold under repurchase agreements, borrowings, debt securities issued and perpetual bonds	1,078,470,066	930,805,260	1,206,578,310	1,047,318,034	1,216,669,143	1,073,783,865
Other financial liabilities	600,542,752	600,542,752	538,873,658	538,873,658	423,932,634	423,932,634
	<u>15,676,922,474</u>	<u>15,473,673,513</u>	<u>15,597,221,333</u>	<u>15,375,948,049</u>	<u>14,863,089,149</u>	<u>14,652,891,652</u>

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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:

	March 31 2025	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	46,006,372	0	0	46,006,372
Investments at amortized cost, net	40,768,119	0	4,363,746	36,404,373
Other financial assets	12,361,972,676	0	0	12,361,972,676
Loans, net	348,366,181	0	0	348,366,181
	<u>12,797,113,348</u>	<u>0</u>	<u>4,363,746</u>	<u>12,792,749,602</u>
<u>Liabilities:</u>				
Deposits	13,942,325,501	0	0	13,942,325,501
Borrowings, debt securities issued and perpetual bonds	930,805,260	0	0	930,805,260
Other financial liabilities	600,542,752	0	0	600,542,752
	<u>15,473,673,513</u>	<u>0</u>	<u>0</u>	<u>15,473,673,513</u>
	December 31 2024	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	20,963,477	0	0	20,963,477
Investments at amortized cost, net	6,632,644	0	0	6,632,644
Other financial assets	12,255,102,495	0	0	12,255,102,495
Loans, net	272,708,272	0	0	272,708,272
	<u>12,555,406,888</u>	<u>0</u>	<u>0</u>	<u>12,555,406,888</u>
<u>Liabilities:</u>				
Deposits	13,789,756,357	0	0	13,789,756,357
Borrowings, debt securities issued and perpetual bonds	1,047,318,034	0	0	1,047,318,034
Other financial liabilities	538,873,658	0	0	538,873,658
	<u>15,375,948,049</u>	<u>0</u>	<u>0</u>	<u>15,375,948,049</u>
	March 31 2024	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	426,751	0	0	426,751
Investments at amortized cost, net	33,080,971	0	25,915,627	7,165,344
Loans, net	11,678,124,037	0	0	11,678,124,037
	<u>11,711,631,759</u>	<u>0</u>	<u>25,915,627</u>	<u>11,685,716,132</u>
<u>Liabilities:</u>				
Deposits	13,155,175,153	0	0	13,155,175,153
Borrowings, debt securities issued and perpetual bonds	1,073,783,865			1,073,783,865
Other financial liabilities	423,932,634	0	0	423,932,634
	<u>14,652,891,652</u>	<u>0</u>	<u>0</u>	<u>14,652,891,652</u>

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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.

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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:

	March 31, 2025 (in thousands)			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
<u>Loans at amortized cost</u>				
Grade 1: Standard	10,780,451	530,250	0	11,310,701
Grade 2: Special mention	137,004	565,232	16,193	718,429
Grade 3: Sub-standard	10,741	468,590	69,286	548,617
Grade 4: Doubtful	0	6,495	66,434	72,929
Grade 5: Uncollectible	0	2,928	113,239	116,167
Gross amount	10,928,196	1,573,495	265,152	12,766,843
Loan losses allowance	(83,467)	(220,759)	(57,383)	(361,609)
Net carrying amount	<u>10,844,729</u>	<u>1,352,736</u>	<u>207,769</u>	<u>12,405,234</u>
<u>Finance leases</u>				
Grade 1: Standard	107,913	1,390	0	109,303
Grade 2: Special mention	0	1,768	0	1,768
Grade 3: Sub-standard	0	914	22	936
Grade 4: Doubtful	0	0	12	12
Gross amount	107,913	4,072	34	112,019
Loan losses allowance	(340)	(154)	(4)	(498)
Net carrying amount	<u>107,573</u>	<u>3,918</u>	<u>30</u>	<u>111,521</u>
Total loans	<u>11,036,109</u>	<u>1,577,567</u>	<u>265,186</u>	<u>12,878,862</u>
Loan losses allowance	<u>(83,807)</u>	<u>(220,913)</u>	<u>(57,387)</u>	<u>(362,107)</u>
Net carrying amount	<u>10,952,302</u>	<u>1,356,654</u>	<u>207,799</u>	<u>12,516,755</u>
<u>Restructured loans</u>				
Gross amount	1,622	595,183	125,569	722,374
Loan losses allowance	(177)	(89,714)	(23,729)	(113,620)
Net carrying amount	<u>1,445</u>	<u>505,469</u>	<u>101,840</u>	<u>608,754</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, 2024 (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	10,624,692	505,805	0	11,130,497
Grade 2: Special mention	175,407	556,805	14,764	746,976
Grade 3: Sub-standard	16,691	495,360	67,294	579,345
Grade 4: Doubtful	41	8,133	64,556	72,730
Grade 5: Uncollectible	151	4,884	117,527	122,562
Gross amount	10,816,982	1,570,987	264,141	12,652,110
Loan losses allowance	(88,356)	(220,719)	(55,312)	(364,387)
Net carrying amount	<u>10,728,626</u>	<u>1,350,268</u>	<u>208,829</u>	<u>12,287,723</u>
<u>Finance leases</u>				
Grade 1: Standard	107,305	455	0	107,760
Grade 2: Special mention	0	1,472	0	1,472
Grade 3: Sub-standard	0	907	0	907
Grade 4: Doubtful	0	0	23	23
Gross amount	107,305	2,834	23	110,162
Loan losses allowance	(403)	(126)	(2)	(531)
Net carrying amount	<u>106,902</u>	<u>2,708</u>	<u>21</u>	<u>109,631</u>
Total loans	<u>10,924,287</u>	<u>1,573,821</u>	<u>264,164</u>	<u>12,762,272</u>
Loan losses allowance	(88,759)	(220,845)	(55,314)	(364,918)
Net carrying amount	<u>10,835,528</u>	<u>1,352,976</u>	<u>208,850</u>	<u>12,397,354</u>
<u>Restructured loans</u>				
Gross amount	1,463	611,753	129,383	742,599
Loan losses allowance	(163)	(90,598)	(24,937)	(115,698)
Net carrying amount	<u>1,300</u>	<u>521,155</u>	<u>104,446</u>	<u>626,901</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**

	March 31, 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	9,948,363	337,117	0	10,285,480
Grade 2: Special mention	184,388	762,470	13,430	960,288
Grade 3: Sub-standard	43,195	521,327	58,282	622,804
Grade 4: Doubtful	10,627	6,428	71,012	88,067
Grade 5: Uncollectible	6,462	2,631	115,726	124,819
Gross amount	10,193,035	1,629,973	258,450	12,081,458
Loan losses allowance	(134,544)	(204,622)	(55,456)	(394,622)
Net carrying amount	<u>10,058,491</u>	<u>1,425,351</u>	<u>202,994</u>	<u>11,686,836</u>
<u>Finance leases</u>				
Grade 1: Standard	94,005	1	0	94,006
Grade 2: Special mention	697	914	0	1,611
Grade 3: Sub-standard	598	716	175	1,489
Grade 4: Doubtful	4	26	15	45
Gross amount	95,304	1,657	190	97,151
Loan losses allowance	(326)	(91)	(51)	(468)
Net carrying amount	<u>94,978</u>	<u>1,566</u>	<u>139</u>	<u>96,683</u>
Total loans	<u>10,288,339</u>	<u>1,631,630</u>	<u>258,640</u>	<u>12,178,609</u>
Loan losses allowance	(134,870)	(204,713)	(55,507)	(395,090)
Net carrying amount	<u>10,153,469</u>	<u>1,426,917</u>	<u>203,133</u>	<u>11,783,519</u>
<u>Restructured loans</u>				
Gross amount	54,230	602,356	124,830	781,416
Loan losses allowance	(3,331)	(75,212)	(26,576)	(105,119)
Net carrying amount	<u>50,899</u>	<u>527,144</u>	<u>98,254</u>	<u>676,297</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:

	March 31, 2025		Total
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	
Current	11,043,177,972	1,006,334,610	12,049,512,582
From 31 to 90 days	524,040,735	4,734,702	528,775,437
More than 90 days (capital or interest)	267,052,286	4,165,059	271,217,345
More than 30 days past due (capital at maturity)	<u>29,336,070</u>	<u>20,198</u>	<u>29,356,268</u>
Total	<u>11,863,607,063</u>	<u>1,015,254,569</u>	<u>12,878,861,632</u>

	December 31, 2024		Total
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	
Current	10,997,686,330	957,578,231	11,955,264,561
From 31 to 90 days	495,180,625	5,602,565	500,783,190
More than 90 days (capital or interest)	273,544,845	4,225,878	277,770,723
More than 30 days past due (capital at maturity)	<u>27,656,317</u>	<u>796,865</u>	<u>28,453,182</u>
Total	<u>11,794,068,117</u>	<u>968,203,539</u>	<u>12,762,271,656</u>

	March 31, 2024		Total
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	
Current	10,432,805,610	916,532,063	11,349,337,673
From 31 to 90 days	514,470,776	5,487,733	519,958,509
More than 90 days (capital or interest)	289,148,908	4,421,254	293,570,162
More than 30 days past due (capital at maturity)	<u>15,693,602</u>	<u>48,591</u>	<u>15,742,193</u>
Total	<u>11,252,118,896</u>	<u>926,489,641</u>	<u>12,178,608,537</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/.34,469,776 (December 31, 2024: B/.32,542,704) and (March 31, 2024: B/.30,216,005) which are not subject to credit risk:

	<u>12-month ECL</u>	<u>Lifetime ECL Not credit- impaired</u>	<u>March 31, 2025 Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
AA+ to BBB-	36,400,000	0	0	0	36,400,000
Lower than BBB-	4,363,261	0	0	0	4,363,261
Carrying amount	40,763,261	0	0	0	40,763,261
Loss allowance	(6,811)	0	0	0	(6,811)
Total carrying amount, net	<u>40,756,450</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,756,450</u>
<u>At FVOCI</u>					
<i>Local:</i>					
AA+ to BBB-	228,221,261	0	0	0	228,221,261
Lower than BBB-	1,008,710,949	14,743,014	0	0	1,023,453,963
Carrying amount	1,236,932,210	14,743,014	0	0	1,251,675,224
Valuation of credit risk	(3,363,347)	(140,605)	0	0	(3,503,952)
<i>Foreign:</i>					
AAA	2,024,755,390	0	0	0	2,024,755,390
AA+ to BBB-	932,683,430	0	0	0	932,683,430
Lower than BBB-	192,678,392	1,625,017	0	23,834	194,327,243
NR	0	0	0	198,647	198,647
Carrying amount	3,150,117,212	1,625,017	0	222,481	3,151,964,710
Valuation of credit risk	(5,243,093)	(564,817)	0	0	(5,807,910)
Total carrying amount	<u>4,387,049,422</u>	<u>16,368,031</u>	<u>0</u>	<u>222,481</u>	<u>4,403,639,934</u>
Total valuation of credit risk	<u>(8,606,440)</u>	<u>(705,422)</u>	<u>0</u>	<u>0</u>	<u>(9,311,862)</u>
<u>At Fair Value TPL</u>					
<i>Local:</i>					
Lower than BBB-	54,102,178				
Carrying amount	<u>54,102,178</u>				
<i>Foreign:</i>					
AAA	525,153,315				
AA+ to BBB-	201,167,056				
Lower than BBB-	33,384,505				
NR	252,638				
Carrying amount	<u>759,957,514</u>				
Total carrying amount	<u>814,059,692</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, 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>					
Lower than BBB-	6,631,170	0	0	0	6,631,170
Carrying amount	6,631,170	0	0	0	6,631,170
Loss allowance	(17,506)	0	0	0	(17,506)
Total carrying amount, net	6,613,664	0	0	0	6,613,664
<u>At FVOCI</u>					
<i>Local:</i>					
AA+ to BBB-	231,928,652	0	0	0	231,928,652
Lower than BBB-	1,002,017,620	15,304,884	0	0	1,017,322,504
Carrying amount	1,233,946,272	15,304,884	0	0	1,249,251,156
Valuation of credit risk	(3,663,258)	(155,194)	0	0	(3,818,452)
<i>Foreign:</i>					
AAA	2,042,461,951	0	0	0	2,042,461,951
AA+ to BBB-	1,017,192,221	0	0	0	1,017,192,221
Lower than BBB-	199,162,160	3,311,040	0	23,785	202,496,985
NR	0	0	0	199,109	199,109
Carrying amount	3,258,816,332	3,311,040	0	222,894	3,262,350,266
Valuation of credit risk	(4,952,437)	(564,853)	0	(3,087)	(5,520,377)
Total carrying amount	4,492,762,604	18,615,924	0	222,894	4,511,601,422
Total valuation of credit risk	(8,615,695)	(720,047)	0	(3,087)	(9,338,829)
<u>At Fair Value TPL</u>					
<i>Local:</i>					
Lower than BBB-	54,569,168				54,569,168
Carrying amount	54,569,168				54,569,168
<i>Foreign:</i>					
AAA	506,979,999				506,979,999
AA+ to BBB-	199,885,187				199,885,187
Lower than BBB-	33,765,911				33,765,911
NR	1,811,173				1,811,173
Carrying amount	742,442,270				742,442,270
Total carrying amount	797,011,438				797,011,438

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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

	<u>12-month ECL</u>	<u>Lifetime ECL Not credit- impaired</u>	<u>March 31, 2024 Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
AA+ to BBB-	25,900,000	0	0	0	25,900,000
Lower than BBB-	7,160,804	0	0	0	7,160,804
Carrying amount	33,060,804	0	0	0	33,060,804
Loss allowance	(54,614)	0	0	0	(54,614)
Total carrying amount, net	33,006,190	0	0	0	33,006,190
<u>At FVOCI</u>					
<i>Local:</i>					
AA+ to BBB-	419,313,586	0	0	0	419,313,586
Lower than BBB-	715,933,342	15,639,116	0	0	731,572,458
Carrying amount	1,135,246,928	15,639,116	0	0	1,150,886,044
Valuation of credit risk	(2,212,950)	(1,103,501)	0	0	(3,316,451)
<i>Foreign:</i>					
AAA	1,474,546,057	0	0	0	1,474,546,057
AA+ to BBB-	1,430,025,076	0	0	0	1,430,025,076
Lower than BBB-	205,750,316	6,412,459	0	234,576	212,397,351
Carrying amount	3,110,321,449	6,412,459	0	234,576	3,116,968,484
Valuation of credit risk	(4,755,237)	(460,977)	0	0	(5,216,214)
Total carrying amount	4,245,568,377	22,051,575	0	234,576	4,267,854,528
Total valuation of credit risk	(6,968,187)	(1,564,478)	0	0	(8,532,665)
<u>At Fair Value TPL</u>					
<i>Local:</i>					
Lower than BBB-	55,872,959				
Carrying amount	55,872,959				
<i>Foreign:</i>					
AAA	466,945,893				
AA+ to BBB-	223,195,272				
Lower than BBB-	30,882,998				
NR	1,552,776				
Carrying amount	722,576,939				
Total carrying amount	778,449,898				

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

BANCO GENERAL, S. A. AND SUBSIDIARIES

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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:

	March 31, 2025				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased credit- impaired	Total
Balance at the beginning of the period	8,615,695	720,047	0	3,087	9,338,829
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	(26,367)	(14,607)	0	(3,072)	(44,046)
New investment securities purchased	1,061,667	0	0	0	1,061,667
Investment securities that have been derecognized	(1,044,555)	(18)	0	(15)	(1,044,588)
Balance at the end of the period	<u>8,606,440</u>	<u>705,422</u>	<u>0</u>	<u>0</u>	<u>9,311,862</u>

	December 31, 2024				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased credit- impaired	Total
Balance at the beginning of the year	7,768,101	1,591,709	0	51,323	9,411,133
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	443,704	(871,662)	0	3,087	(424,871)
New investment securities purchased	3,031,323	0	0	0	3,031,323
Investment securities that have been derecognized	(2,627,433)	0	0	(51,323)	(2,678,756)
Balance at the end of the year	<u>8,615,695</u>	<u>720,047</u>	<u>0</u>	<u>3,087</u>	<u>9,338,829</u>

	March 31, 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	0	0	0	0	0
Transfer of 12-month ECL to lifetime ECL credit-impaired	0	0	0	0	0
Net remeasurement of portfolio	(844,048)	(27,231)	0	0	(871,279)
New investment securities purchased	537,986	0	0	0	537,986
Investment securities that have been derecognized	(545,175)	0	0	0	(545,175)
Balance at the end of the period	<u>6,968,187</u>	<u>1,564,478</u>	<u>0</u>	<u>0</u>	<u>8,532,665</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 March 31, 2025, there were no significant changes with respect to the applicable regulatory framework disclosed in the audited consolidated financial statements as of December 31, 2024.

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

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(22) Main Applicable Laws and Regulations, continued

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

	March 31 <u>2025</u>	December 31 <u>2024</u>	March 31 <u>2024</u>
Banco General, S. A.	139,009,941	139,009,941	133,877,476
Banco General (Overseas), Inc.	14,928,539	14,018,604	14,018,604
Banco General (Costa Rica), S. A.	<u>3,783,023</u>	<u>3,783,023</u>	<u>3,783,023</u>
Total	<u>157,721,503</u>	<u>156,811,568</u>	<u>151,679,103</u>