

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

**Condensed Consolidated Interim
Financial Information**

June 30, 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

June 30, 2025, December 31, 2024 and June 30, 2024

(Expressed in Balboas)

		(Unaudited) June 2025	(Audited) December 2024	(Unaudited) June 2024
Assets	Note			
Cash and cash items	5	169,122,653	170,110,069	176,172,169
Deposits with banks:				
Demand deposits		416,621,747	337,468,951	546,296,691
Time deposits		20,932,987	20,929,461	15,379,494
Accrued interest receivable		83,541	46,790	12,004
Total deposits with banks		437,638,275	358,445,202	561,688,189
Total cash, cash items and deposits with banks		606,760,928	528,555,271	737,860,358
Investments and other financial assets at FVTPL		856,641,347	829,554,142	820,167,885
Investments and other financial assets at FVOCI		4,581,063,781	4,511,601,422	4,091,591,486
Investments and other financial at amortized cost, net		72,391,016	6,613,664	17,767,087
Accrued interest receivable		8,860	1,474	7,647
Investments and other financial assets, net		5,510,105,004	5,347,770,702	4,929,534,105
Loans	6	13,013,108,881	12,762,271,656	12,417,110,369
Accrued interest receivable		59,215,681	58,854,224	65,430,538
Less:				
Loan losses allowance		356,939,781	364,917,778	393,110,081
Unearned commissions		44,428,996	41,596,410	39,982,371
Loans, net		12,670,955,785	12,414,611,692	12,049,448,455
Investments in associates		37,183,463	30,071,382	32,645,328
Properties, furniture, equipment and improvements, net of accumulated depreciation and amortization	7	279,282,627	271,468,124	266,044,440
Right-of-use assets, net	8	15,502,638	14,903,899	15,733,315
Investments and other financial assets sold pending settlement		266,546,553	272,708,272	229,360,385
Deferred tax assets		85,059,445	87,378,058	95,434,191
Goodwill and other intangible assets, net	9	43,470,283	44,263,222	45,056,162
Other assets		510,036,152	435,768,404	435,409,243
Total assets		20,024,902,878	19,447,499,026	18,836,525,982

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) June 2025	(Audited) December 2024	(Unaudited) June 2024
<u>Liabilities and Equity</u>	<u>Note</u>			
Liabilities:				
Deposits:				
Local:				
Demand		2,755,132,604	2,785,908,732	2,643,898,381
Savings		4,728,452,114	4,753,968,000	4,738,181,096
Time:				
Customers		6,454,458,522	6,191,290,635	5,805,125,126
Banks		77,543,185	9,697,344	6,561,913
Accrued interest payable		107,969,357	110,904,654	96,841,046
Total deposits		<u>14,123,555,782</u>	<u>13,851,769,365</u>	<u>13,290,607,562</u>
Financing:				
Securities sold under repurchase agreements		152,483,985	93,561,000	0
Borrowings and debt securities issued, net	11	608,939,735	699,614,895	740,287,001
Perpetual bonds		400,000,000	400,000,000	400,000,000
Accrued interest payable		12,414,808	13,402,415	13,213,711
Total financing		<u>1,173,838,528</u>	<u>1,206,578,310</u>	<u>1,153,500,712</u>
Lease Liabilities	12	17,461,807	16,843,420	17,621,921
Investments and other financial assets purchased pending settlement		554,176,584	538,873,658	454,926,436
Reserves of insurance operations	13	27,333,907	24,728,077	25,571,546
Deferred tax liabilities		1,161,613	1,158,762	1,155,980
Other liabilities	10	714,441,978	634,888,555	771,212,637
Total liabilities		<u>16,611,970,199</u>	<u>16,274,840,147</u>	<u>15,714,596,794</u>
Equity:	15			
Common shares		500,000,000	500,000,000	500,000,000
Legal reserves		225,471,317	223,681,409	216,948,392
Capital reserves		(67,765,331)	(119,335,155)	(156,379,376)
Retained earnings		2,755,226,693	2,568,312,625	2,561,360,172
Total equity		<u>3,412,932,679</u>	<u>3,172,658,879</u>	<u>3,121,929,188</u>
Total liabilities and equity		<u>20,024,902,878</u>	<u>19,447,499,026</u>	<u>18,836,525,982</u>

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

Condensed Consolidated Statement of Income

For the six months ended June 30, 2025 and 2024

(Expressed in Balboas)

		(Unaudited) (2nd Quarter)		(Unaudited) (Accumulated)	
	Note	2025	2024	2025	2024
Interest and commission income:					
Interest:					
Loans		252,682,305	241,026,907	501,424,148	470,427,898
Deposits with banks		3,103,149	3,927,445	6,365,249	7,708,915
Investments and other financial assets		69,674,811	66,805,076	137,571,565	132,658,382
Commissions on loans		12,909,087	10,810,145	25,369,198	21,095,880
Total interest and commission income		338,369,352	322,569,573	670,730,160	631,891,075
Interest expenses:					
Deposits		92,781,653	80,487,967	182,432,557	157,733,590
Financing		12,841,732	13,656,226	26,818,143	28,482,495
Total interest expenses		105,623,385	94,144,193	209,250,700	186,216,085
Net interest and commission income		232,745,967	228,425,380	461,479,460	445,674,990
Provision (reversal) for loan losses, net	6	5,836,579	(850,295)	13,659,739	92,575
Provision (reversal) for impairment of investments, net		1,062,697	(442,911)	1,025,035	(1,296,487)
Provision (reversal) for foreclosed assets, net		1,689,414	(14,655)	2,183,948	855,230
Net interest and commission income, after provisions		224,157,277	229,733,241	444,610,738	446,023,672
Other income (expenses):					
Fees and other commissions		110,875,328	101,993,493	219,915,607	198,333,071
Insurance premiums, net		14,201,677	12,186,947	26,837,770	23,689,879
(Loss) gain on financial instruments, net		82,368	(7,237,070)	(484,014)	(3,892,645)
Other income, net		14,969,747	13,641,572	29,726,249	23,761,356
Commission expenses and other expenses	12	(43,810,620)	(41,395,557)	(88,741,591)	(83,745,891)
Total other income, net		96,318,500	79,189,385	187,254,021	158,145,770
General and administrative expenses:					
Salaries and other personnel expenses	16	53,553,714	49,898,915	105,548,802	98,698,892
Depreciation and amortization	7 and 8	10,311,431	8,812,561	20,374,042	17,353,379
Properties, furniture and equipment expenses		10,596,062	9,181,978	20,492,281	18,070,452
Other expenses		19,633,339	19,661,941	40,078,941	38,275,706
Total general and administrative expenses		94,094,546	87,555,395	186,494,066	172,398,429
Net operating income		226,381,231	221,367,231	445,370,693	431,771,013
Equity participation in associates		4,035,783	3,816,339	7,554,813	8,155,426
Net income before tax		230,417,014	225,183,570	452,925,506	439,926,439
Income tax, estimated		26,224,280	29,259,740	52,102,971	54,897,453
Income tax, deferred		1,282,624	711,684	2,321,504	477,238
Income tax, net	17	27,506,904	29,971,424	54,424,475	55,374,691
Net income		202,910,110	195,212,146	398,501,031	384,551,748

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 six months ended June 30, 2025 and 2024

(Expressed in Balboas)

	(Unaudited)	
	<u>2025</u>	<u>2024</u>
Net income	<u>398,501,031</u>	<u>384,551,748</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	60,389,090	16,717,185
Transfer to profit or loss for sales of investments at FVOCI	(9,847,307)	(9,142,975)
Valuation of investment credit risk at FVOCI	<u>1,028,041</u>	<u>(1,275,414)</u>
Total other comprehensive income, net	<u>51,569,824</u>	<u>6,298,796</u>
Total comprehensive income	<u><u>450,070,855</u></u>	<u><u>390,850,544</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 six months ended June 30, 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	398,501,031	398,501,031
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	60,389,090	60,389,090	0	60,389,090
Transfer to profit or loss for sales of investments at FVOCI	0	0	0	(9,847,307)	(9,847,307)	0	(9,847,307)
Valuation of investment credit risk at FVOCI	0	0	0	1,028,041	1,028,041	0	1,028,041
Total other comprehensive income, net	0	0	0	51,569,824	51,569,824	0	51,569,824
Total comprehensive income	0	0	0	51,569,824	51,569,824	398,501,031	450,070,855
Transactions with owner:							
Dividends paid on common shares	0	0	0	0	0	(204,000,000)	(204,000,000)
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	1,789,908	0	0	0	(1,789,908)	0
Changes due to adoption of IFRS 17, net	0	0	0	0	0	(2,315,697)	(2,315,697)
Total transactions attributable to the shareholder	0	1,789,908	0	0	0	(211,586,963)	(209,797,055)
Balance as of June 30, 2025 (Unaudited)	500,000,000	225,471,317	1,000,000	(68,765,331)	(67,765,331)	2,755,226,693	3,412,932,679
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	384,551,748	384,551,748
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	16,717,185	16,717,185	0	16,717,185
Transfer to profit or loss for sales of investments at FVOCI	0	0	0	(9,142,975)	(9,142,975)	0	(9,142,975)
Valuation of investment credit risk at FVOCI	0	0	0	(1,275,414)	(1,275,414)	0	(1,275,414)
Total other comprehensive expense, net	0	0	0	6,298,796	6,298,796	0	6,298,796
Total comprehensive income	0	0	0	6,298,796	6,298,796	384,551,748	390,850,544
Transactions with owner:							
Dividends paid on common shares	0	0	0	0	0	(190,000,000)	(190,000,000)
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	3,674,389	0	0	0	(3,674,389)	0
Total transactions attributable to the shareholder	0	3,674,389	0	0	0	(199,942,363)	(196,267,974)
Balance as of June 30, 2024 (Unaudited)	500,000,000	216,948,392	1,000,000	(157,379,376)	(156,379,376)	2,561,360,172	3,121,929,188

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 six months ended June 30, 2025 and 2024

(Expressed in Balboas)

		(Unaudited)	
	Note	2025	2024
Operating activities:			
Net income		398,501,031	384,551,748
Adjustments to reconcile net income and cash from operating activities:			
Provision for loan losses, net	6	13,659,739	92,575
Provision (reversal) for valuation of investments, net		1,025,035	(1,296,487)
Provision for foreclosed assets, net		2,183,948	855,230
Unrealized (gain) loss on investments and other financial assets		(21,988,208)	7,673,289
Unrealized loss (gain) on derivative instruments		9,958,421	(9,052,444)
Gain on sale of investments and other financial assets at FVTPL, net		(2,161,997)	(4,466,142)
Loss on sale of investments and other financial assets at FVOCI, net		6,216,441	11,318,054
Realized loss (gain) on derivative instruments		8,459,357	(1,580,112)
Foreign exchange fluctuations, net		(65,537)	48,781
(Gain) loss on sale of fixed assets, net		(153,169)	11,250
Depreciation and amortization	7 and 8	20,374,042	17,353,379
Amortization of intangible assets	9	792,939	964,853
Equity participation in associates		(7,554,813)	(8,155,426)
Income tax, net		54,424,475	55,374,691
Interest and commission income		(670,730,160)	(631,891,075)
Interest expense		209,250,700	186,216,085
Dividends received		(1,219,559)	(935,478)
Changes in operating assets and liabilities:			
Time deposits with banks		(19,003,526)	76,148
Investments and other financial assets at FVTPL		(12,100,003)	(34,577,780)
Loans		(272,474,961)	(443,918,917)
Unearned commissions		28,201,784	22,117,023
Tax credit from preferential interest		(30,771,200)	(35,085,595)
Other assets		(61,879,069)	100,941,020
Demand deposits		(30,776,128)	(233,328,277)
Savings deposits		(25,515,886)	(147,456,618)
Time deposits		331,013,728	339,899,467
Reserves of insurance operations		2,605,830	1,743,068
Other liabilities		40,351,151	41,321,126
Cash provided by operations:			
Interest received		644,493,687	608,371,619
Interest paid		(213,153,448)	(181,660,373)
Dividends received		1,219,559	935,478
Total		4,683,172	(338,091,588)
Cash flows from operating activities		403,184,203	46,460,160
Investing activities:			
Purchases of investments and other financial assets at FVOCI		(1,745,146,423)	(2,139,266,822)
Sale and redemptions of investments and other financial assets at FVOCI		1,732,841,008	2,366,499,571
Purchases of securities at amortized cost		(77,605,517)	(62,975,736)
Redemptions of securities at amortized cost		11,831,171	50,893,896
Dividends received from associates		442,732	5,622,219
Sale of properties, furniture and equipment		155,485	42,693
Purchases of properties, furniture and equipment	7	(26,383,698)	(21,719,747)
Cash flows (used) from investing activities		(103,865,242)	199,096,074
Financing activities:			
Borrowings and debt securities issued		10,000,000	0
Redemption of debt securities issued and cancellation of borrowings		(99,807,693)	(119,499,994)
Securities sold under repurchase agreements		58,922,985	0
Payment of lease liabilities		(1,787,515)	(1,709,090)
Dividends paid on common shares		(204,000,000)	(190,000,000)
Complementary and dividends tax		(3,481,358)	(6,267,974)
Cash flows used financing activities		(240,153,581)	(317,477,058)
Net increases (decreased) in cash and cash equivalents		59,165,380	(71,920,824)
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	586,244,400	737,468,860

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

June 30, 2025

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BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

June 30, 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 59.59% (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 July 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

(Panama, Republic of Panama)

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

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

	June 30, 2025			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>186,617,770</u>	<u>32,908,148</u>	<u>219,525,918</u>
Loans	<u>15,572,691</u>	<u>186,452,384</u>	<u>254,025</u>	<u>202,279,100</u>
Investments in associates	<u>0</u>	<u>37,183,463</u>	<u>0</u>	<u>37,183,463</u>
Liabilities:				
Deposits:				
Demand	1,021,113	131,545,977	148,256,763	280,823,853
Savings	5,441,430	62,118,872	48,431	67,608,733
Time	<u>6,343,553</u>	<u>308,241,713</u>	<u>171,032,137</u>	<u>485,617,403</u>
	<u>12,806,096</u>	<u>501,906,562</u>	<u>319,337,331</u>	<u>834,049,989</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>13,524,152</u>	<u>5,700,000</u>	<u>19,224,152</u>
Interest income:				
Loans	<u>414,525</u>	<u>4,844,091</u>	<u>14,809</u>	<u>5,273,425</u>
Investments and other financial assets	<u>0</u>	<u>5,389,713</u>	<u>1,277,397</u>	<u>6,667,110</u>
Interest expenses:				
Deposits	<u>188,556</u>	<u>9,907,814</u>	<u>5,136,517</u>	<u>15,232,887</u>
Financing	<u>0</u>	<u>461,771</u>	<u>3,396,538</u>	<u>3,858,309</u>
Other income:				
Equity participation in associates	<u>0</u>	<u>7,554,813</u>	<u>0</u>	<u>7,554,813</u>
Received dividends	<u>0</u>	<u>445,436</u>	<u>0</u>	<u>445,436</u>
General and administrative expenses:				
Directors' fees	<u>490,844</u>	<u>0</u>	<u>0</u>	<u>490,844</u>
Benefits to key management personnel	<u>1,293,810</u>	<u>0</u>	<u>0</u>	<u>1,293,810</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>
	June 30, 2024			
	Directors and Management	Related Companies	Affiliated Companies	Total
Assets:				
Investments and other financial assets	<u>0</u>	<u>191,419,877</u>	<u>33,120,322</u>	<u>224,540,199</u>
Loans	<u>16,212,093</u>	<u>193,712,272</u>	<u>321,373</u>	<u>210,245,738</u>
Investments in associates	<u>0</u>	<u>32,645,328</u>	<u>0</u>	<u>32,645,328</u>
Liabilities:				
Deposits:				
Demand	668,636	102,996,822	85,667,628	189,333,086
Savings	6,672,299	35,644,662	48,431	42,365,392
Time	<u>5,540,568</u>	<u>267,132,574</u>	<u>136,000,000</u>	<u>408,673,142</u>
	<u>12,881,503</u>	<u>405,774,058</u>	<u>221,716,059</u>	<u>640,371,620</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>16,299,323</u>	<u>35,886,541</u>	<u>52,185,864</u>

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, continued**

	June 30, 2024			
	Directors and Management	Related Companies	Affiliated Companies	Total
<u>Interest income:</u>				
Loans	<u>435,304</u>	<u>7,236,886</u>	<u>32,629</u>	<u>7,704,819</u>
Investments and other financial assets	<u>0</u>	<u>5,660,706</u>	<u>1,445,794</u>	<u>7,106,500</u>
<u>Interest expenses:</u>				
Deposits	<u>166,174</u>	<u>8,108,412</u>	<u>3,326,738</u>	<u>11,601,324</u>
Financing	<u>0</u>	<u>458,067</u>	<u>3,364,218</u>	<u>3,822,285</u>
<u>Other income:</u>				
Equity participation in associates	<u>0</u>	<u>8,155,426</u>	<u>0</u>	<u>8,155,426</u>
Received dividends	<u>0</u>	<u>398,223</u>	<u>0</u>	<u>398,223</u>
<u>General and administrative expenses:</u>				
Directors' fees	<u>482,715</u>	<u>0</u>	<u>0</u>	<u>482,715</u>
Benefits to key management personnel	<u>1,120,320</u>	<u>0</u>	<u>0</u>	<u>1,120,320</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:

	June 30	
	<u>2025</u>	<u>2024</u>
Cash and cash items	169,122,653	176,172,169
Demand deposits with banks	416,621,747	546,296,691
Time deposits with banks	<u>20,932,987</u>	<u>15,379,494</u>
Total deposits with banks	<u>437,554,734</u>	<u>561,676,185</u>
Less: Deposits with banks, with original maturities greater than three months	<u>20,432,987</u>	<u>379,494</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>586,244,400</u>	<u>737,468,860</u>

Demand deposits with banks include cash collateral accounts for B/.25,093,138 (December 31, 2024: B/.26,057,411) that secure derivative operations and the next payments of principal, interest of certain obligations.

BANCO GENERAL, S. A. AND SUBSIDIARIES

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

The composition of the loan portfolio is summarized as follows:

	June 30 2025	December 31 2024	June 30 2024
Internal sector:			
Residential mortgages	4,512,832,924	4,574,595,919	4,640,149,294
Personal, auto and credit cards	2,360,259,444	2,203,922,414	2,066,937,800
Commercial mortgages	1,818,284,774	1,773,621,765	1,813,593,980
Lines of credit and commercial loans	1,642,450,782	1,680,520,164	1,421,550,688
Interim financing	286,173,480	293,807,622	269,243,894
Finance leases, net	114,775,029	110,162,091	101,940,496
Other secured loans	189,127,858	198,524,473	198,173,783
Overdrafts	139,364,510	129,967,985	152,456,413
Total internal sector	<u>11,063,268,801</u>	<u>10,965,122,433</u>	<u>10,664,046,348</u>
External sector:			
Residential mortgages	130,271,275	135,832,352	141,631,577
Personal, auto and credit cards	13,240,179	11,936,623	10,346,100
Commercial mortgages	187,021,569	140,403,064	132,398,808
Lines of credit and commercial loans	1,579,203,438	1,462,160,261	1,422,290,353
Other secured loans	8,375,196	10,196,389	10,539,793
Overdrafts	31,728,423	36,620,534	35,857,390
Total external sector	<u>1,949,840,080</u>	<u>1,797,149,223</u>	<u>1,753,064,021</u>
Total	<u>13,013,108,881</u>	<u>12,762,271,656</u>	<u>12,417,110,369</u>

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

		June 30, 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	39,166,465	(39,151,619)	(14,846)	0
Transferred to lifetime ECL not credit-impaired	(3,070,154)	11,445,991	(8,375,837)	0
Transferred to lifetime ECL credit-impaired	(1,209,410)	(22,223,665)	23,433,075	0
Net remeasurement of portfolio	(44,700,226)	26,017,326	37,026,732	18,343,832
New loans	12,876,694	24,944,806	762,767	38,584,267
Loans that have been derecognized	(6,396,786)	(19,281,364)	(17,590,210)	(43,268,360)
Recovery of loan write-off	0	0	18,798,887	18,798,887
Loans written-off	0	0	(40,436,623)	(40,436,623)
Balance at the end of the period	<u>85,425,435</u>	<u>202,596,399</u>	<u>68,917,947</u>	<u>356,939,781</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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>

	June 30, 2024			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
Balance at the beginning of the period	132,011,957	208,039,313	54,735,809	394,787,079
Transferred to 12-month ECL	13,500,901	(10,152,822)	(3,348,079)	0
Transferred to lifetime ECL not credit-impaired	(5,112,872)	12,675,225	(7,562,353)	0
Transferred to lifetime ECL credit-impaired	(5,560,081)	(11,070,223)	16,630,304	0
Net remeasurement of portfolio	(1,592,679)	1,715,310	10,669,559	10,792,190
New loans	11,570,772	14,177,428	2,524,547	28,272,747
Loans that have been derecognized	(7,241,216)	(19,377,207)	(12,353,939)	(38,972,362)
Recovery of loan write-off	0	0	24,653,129	24,653,129
Loans written-off	0	0	(26,422,702)	(26,422,702)
Balance at the end of the period	<u>137,576,782</u>	<u>196,007,024</u>	<u>59,526,275</u>	<u>393,110,081</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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

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

	June 30, 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	501,712	13,119,388	9,781,441	2,981,157	26,383,698
Sales and disposals	0	0	0	6,016,586	0	6,016,586
At the end of the period	<u>34,943,143</u>	<u>139,175,158</u>	<u>239,305,902</u>	<u>140,560,452</u>	<u>54,801,624</u>	<u>608,786,279</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	1,822,274	9,903,493	5,841,869	999,243	18,566,879
Sales and disposal	0	0	0	6,014,270	0	6,014,270
At the end of the period	0	<u>51,140,069</u>	<u>154,248,973</u>	<u>85,862,060</u>	<u>38,252,550</u>	<u>329,503,652</u>
Net balance	<u>34,943,143</u>	<u>88,035,089</u>	<u>85,056,929</u>	<u>54,698,392</u>	<u>16,549,074</u>	<u>279,282,627</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>

	June 30, 2024					
	Land	Buildings	Licenses and internally developed projects	Furniture and Equipment	Improvements	Total
Cost:						
At the beginning of the period	34,943,143	138,901,310	203,963,748	127,465,817	48,104,869	553,378,887
Additions	0	0	10,761,557	9,845,140	1,113,050	21,719,747
Sales and disposals	0	170,000	0	3,114,965	0	3,284,965
At the end of the period	<u>34,943,143</u>	<u>138,731,310</u>	<u>214,725,305</u>	<u>134,195,992</u>	<u>49,217,919</u>	<u>571,813,669</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	1,806,681	8,113,233	4,705,066	969,997	15,594,977
Sales and disposal	0	116,061	0	3,114,961	0	3,231,022
At the end of the period	0	<u>47,507,614</u>	<u>135,161,522</u>	<u>86,788,629</u>	<u>36,311,464</u>	<u>305,769,229</u>
Net balance	<u>34,943,143</u>	<u>91,223,696</u>	<u>79,563,783</u>	<u>47,407,363</u>	<u>12,906,455</u>	<u>266,044,440</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:

	June 30 2025	December 31 2024	June 30 2024
Cost:			
At the beginning of the period	28,840,132	28,510,025	28,510,025
New contracts	2,492,669	2,162,107	1,193,386
Cancellations	<u>(1,607,060)</u>	<u>(1,832,000)</u>	<u>(1,277,590)</u>
At the end of the period	<u>29,725,741</u>	<u>28,840,132</u>	<u>28,425,821</u>
Accumulated depreciation:			
At the beginning of the period	13,936,233	12,047,726	12,047,726
Expense of the period	1,807,163	3,553,901	1,758,402
Cancellations	<u>(1,520,293)</u>	<u>(1,665,394)</u>	<u>(1,113,622)</u>
At the end of the period	<u>14,223,103</u>	<u>13,936,233</u>	<u>12,692,506</u>
Net balance	<u>15,502,638</u>	<u>14,903,899</u>	<u>15,733,315</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>June 30, 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>792,939</u>	<u>792,939</u>
Balance at the end of the period	<u>0</u>	<u>45,083,300</u>	<u>45,083,300</u>
Net balance at the end of the period	<u>41,091,499</u>	<u>2,378,784</u>	<u>43,470,283</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>June 30, 2024</u>	
	<u>Goodwill</u>	<u>Intangible assets</u>	<u>Total</u>
Cost:			
Balance at the beginning and end of the period	<u>41,091,499</u>	<u>47,462,084</u>	<u>88,553,583</u>
Accumulated amortization:			
Balance at the beginning of the period	0	42,532,568	42,532,568
Amortization of the period	<u>0</u>	<u>964,853</u>	<u>964,853</u>
Balance at the end of the period	<u>0</u>	<u>43,497,421</u>	<u>43,497,421</u>
Net balance at the end of the period	<u>41,091,499</u>	<u>3,964,663</u>	<u>45,056,162</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 June 30, 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>June 30 2025</u>	<u>December 31 2024</u>	<u>June 30 2024</u>
Bonds of the US Government	1	3,506,108	0	3,338,794
Mortgage Backed Securities (MBS)	2	177,112,191	176,152,762	179,534,135
Foreign Variable Income Mutual Funds	3	135	0	0
Total		<u>180,618,434</u>	<u>176,152,762</u>	<u>182,872,929</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>June 30 2025</u>	<u>December 31 2024</u>	<u>June 30 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	65,000,000
Borrowings with maturity in 2025, at interest rates of 3 and 6 month SOFR plus a margin	10,000,000	40,000,000	0
Borrowings with maturity in 2026, at interest rates of 6 month SOFR plus a margin	0	50,000,000	50,000,000
Borrowings with maturity in 2030, at a fixed interest rate	25,384,615	27,692,308	30,000,000
Notes with maturities in 2024, at a fixed interest rate	0	0	5,000,000
Notes with maturities in 2027, at a fixed interest rate	30,000,000	33,750,000	45,000,000
Subtotal of borrowings and debt securities issued	<u>605,281,615</u>	<u>695,089,308</u>	<u>734,897,000</u>
Revaluation coverage	3,658,120	4,525,587	5,390,001
Total borrowings and debt securities issued, net	<u>608,939,735</u>	<u>699,614,895</u>	<u>740,287,001</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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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:

	June 30	
	<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	(99,807,693)	(119,499,994)
Revaluation coverage	(867,467)	(861,369)
Balance at the end of the period	<u>608,939,735</u>	<u>740,287,001</u>

(12) Lease Liabilities

The movement of lease liabilities is detailed as follows:

	June 30	December 31	June 30
	<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	2,492,669	2,162,107	1,193,386
Payments	(1,787,515)	(3,453,674)	(1,709,090)
Cancellations	(86,767)	(166,606)	(163,968)
Balance at the end of the period	<u>17,461,807</u>	<u>16,843,420</u>	<u>17,621,921</u>

Interest expense on lease liabilities for B/.430,083 (2024: B/.412,892) is included in the line as of commission expenses and other expenses in the condensed consolidated statement of income.

BANCO GENERAL, S. A. AND SUBSIDIARIES

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

Reserves of insurance operations amounted to B/.27,333,907 (December 31, 2024: B/.24,728,077) and (June 30, 2024: B/.25,571,546) and are comprised of unearned premiums and estimated insurance claims incurred.

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

	June 30 2025	December 31 2024	June 30 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	73,853	0	0
Issued premiums	45,457,912	51,324,616	26,766,562
Earned premiums	<u>(42,731,785)</u>	<u>(47,809,989)</u>	<u>(24,287,674)</u>
Balance at the end of the period	29,440,784	26,640,804	25,605,065
Reinsurers participation	<u>(7,396,204)</u>	<u>(6,541,308)</u>	<u>(6,023,054)</u>
Liability for remaining coverage, net	<u>22,044,580</u>	<u>20,099,496</u>	<u>19,582,011</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	6,621,755	12,427,110	6,402,581
Paid claims	<u>(4,888,976)</u>	<u>(13,224,290)</u>	<u>(5,234,113)</u>
Balance at the end of the period	8,146,042	5,811,992	7,777,640
Reinsurer participation	<u>(2,856,715)</u>	<u>(1,183,411)</u>	<u>(1,788,105)</u>
Liability for incurred claims, net	<u>5,289,327</u>	<u>4,628,581</u>	<u>5,989,535</u>
Total reserves of insurance operations	<u>27,333,907</u>	<u>24,728,077</u>	<u>25,571,546</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>June 30, 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	668,335,534	10,591,147	1,510,117	9,706,638	670,730,160
Interest and provision expenses	235,863,142	(37,082)	0	9,706,638	226,119,422
Other income, net	157,839,550	19,751,853	9,669,499	6,881	187,254,021
General and administrative expenses	161,868,690	1,502,308	2,755,907	6,881	166,120,024
Depreciation and amortization expense	20,204,831	9,385	159,826	0	20,374,042
Equity participation in associates	7,554,813	0	0	0	7,554,813
Net income before income tax	415,793,234	28,868,389	8,263,883	0	452,925,506
Net Income tax, estimated	46,591,042	3,616,626	1,895,303	0	52,102,971
Net Income tax, deferred	2,321,504	0	0	0	2,321,504
Net Income tax	48,912,546	3,616,626	1,895,303	0	54,424,475
Net income	366,880,688	25,251,763	6,368,580	0	398,501,031
Total assets	19,922,176,466	435,548,921	73,087,553	405,910,062	20,024,902,878
Total liabilities	16,924,797,444	71,876,851	3,099,904	387,804,000	16,611,970,199

			<u>June 30, 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	629,477,118	8,968,644	1,336,501	7,891,188	631,891,075
Interest and provision expenses	193,772,651	(14,060)	0	7,891,188	185,867,403
Other income, net	131,381,459	17,807,438	8,963,737	6,864	158,145,770
General and administrative expenses	150,597,997	1,624,133	2,829,784	6,864	155,045,050
Depreciation and amortization expense	17,213,509	10,293	129,577	0	17,353,379
Equity participation in associates	8,155,426	0	0	0	8,155,426
Net income before income tax	407,429,846	25,155,716	7,340,877	0	439,926,439
Net Income tax, estimated	49,913,318	3,300,331	1,683,804	0	54,897,453
Net Income tax, deferred	477,238	0	0	0	477,238
Net Income tax	50,390,556	3,300,331	1,683,804	0	55,374,691
Net income	357,039,290	21,855,385	5,657,073	0	384,551,748
Total assets	18,748,508,923	390,350,595	68,308,901	370,642,437	18,836,525,982
Total liabilities	15,996,101,454	64,689,945	6,341,770	352,536,375	15,714,596,794

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

		<u>June 30, 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	674,126,775	104,870,622	86,541,597	865,538,994
Non-financial	319,599,882	3,153,028	0	322,752,910

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

	<u>June 30, 2024</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>601,230,725</u>	<u>102,008,222</u>	<u>94,953,324</u>	<u>798,192,271</u>
Non-financial	<u>307,929,180</u>	<u>3,171,422</u>	<u>0</u>	<u>311,100,602</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:

	<u>June 30, 2025</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.	139,009,941	4,402,680	14,418,793	0	0	157,831,414
General de Seguros, S. A.	0	0	0	0	44,786,925	44,786,925
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>4,402,680</u>	<u>14,418,793</u>	<u>4,141,416</u>	<u>44,786,925</u>	<u>225,471,317</u>

	<u>December 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.	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>(335,447)</u>	<u>(263,428)</u>	<u>0</u>	<u>1,478,848</u>	<u>1,789,908</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information**(15) Equity, continued**

			<u>June 30, 2024</u>			
			<u>Reserves</u>			
	<u>Dynamic</u>	<u>Foreclosed Assets</u>	<u>Loans in the process of awarding</u>	<u>Legal</u>	<u>Insurance</u>	<u>Total</u>
Banco General, S. A.	133,877,476	4,915,744	14,717,359	0	0	153,510,579
General de Seguros, S. A.	0	0	0	0	41,960,875	41,960,875
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>4,915,744</u>	<u>14,717,359</u>	<u>3,675,311</u>	<u>41,960,875</u>	<u>216,948,392</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/.772,780 (2024: B/.697,893). 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 June 30, 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/.40,800 (2024: B/.40,800) and the disbursements to former employees who are covered under the retirement plan amount to B/.77,158 (2024: B/.78,088).

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:

	<u>2nd Quarter</u> <u>June 30</u>		<u>Accumulated</u> <u>June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Estimated income tax	26,224,280	29,259,740	51,584,837	55,351,595
Prior year income tax adjustments	0	0	518,134	(454,142)
Deferred income tax	<u>1,282,624</u>	<u>711,684</u>	<u>2,321,504</u>	<u>477,238</u>
Total income tax, net	<u>27,506,904</u>	<u>29,971,424</u>	<u>54,424,475</u>	<u>55,374,691</u>

(18) Derivative Financial Instruments

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

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

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

Below is the summary of derivative contracts is as follow:

	<u>Total</u>		<u>Exchange-Traded</u>		<u>Over the Counter (OTC)</u>			
	<u>Notional Value</u>	<u>Book Value</u>	<u>Notional Value</u>	<u>Book Value</u>	<u>Liquidated in a securities exchange</u>		<u>Other bilateral counterparts</u>	
					<u>Notional Value</u>	<u>Book Value</u>	<u>Notional Value</u>	<u>Book Value</u>
<u>June 30, 2025</u>								
Derivative assets	2,029,954,184	34,394,244	476,155,260	0	787,927,943	32,385,452	765,870,981	2,008,792
Derivative liabilities	1,006,345,136	7,554,324	187,839,064	0	496,735,892	4,187,545	321,770,180	3,366,779
<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>June 30, 2024</u>								
Derivative assets	2,080,857,432	40,286,629	494,917,140	0	851,645,279	38,547,404	734,295,013	1,739,225
Derivative liabilities	704,326,553	5,847,337	215,229,130	0	155,979,120	3,710,589	333,118,303	2,136,748

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 (June 30, 2024: AA+ and A-), which support derivative operations in the amount of B/.19.9MM (December 31, 2024: B/.18.1MM) and (June 30, 2024: B/.16.6MM).

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

Other Derivatives classified by Risk:

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Others derivatives:						
Credit	824,186	3	409,192	131,023	325,417	220,036
Interest	20,737,238	4,487,538	25,670,930	5,892,807	25,479,205	5,372,560
Currency	0	0	0	0	1,160	118
Total	<u>21,561,424</u>	<u>4,487,541</u>	<u>26,080,122</u>	<u>6,023,830</u>	<u>25,805,782</u>	<u>5,592,714</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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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:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Exposure to risk:						
Interest rate						
Fair value hedge	10,614,663	0	11,170,195	0	12,083,958	0
Others	1,926,593	33,640	2,288,237	0	1,724,185	0
Total interest rate	12,541,256	33,640	13,458,432	0	13,808,143	0
Currency						
Others	291,564	3,033,143	3,805,712	85,090	672,704	254,623
Total Currency	291,564	3,033,143	3,805,712	85,090	672,704	254,623
Total derivatives for risk exposure	12,832,820	3,066,783	17,264,144	85,090	14,480,847	254,623

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

	June 30, 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%

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

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

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

	<u>Notional Value</u>	<u>Book Value</u>		<u>June 30, 2025</u>	<u>Change in fair value used for calculating hedge ineffectiveness</u>	<u>Ineffectiveness recognized in profit or loss</u>
		<u>Assets</u>	<u>Liabilities</u>	<u>Item in the consolidated statement of financial position that includes hedge instruments</u>		
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	<u>49,900,000</u>	<u>10,614,663</u>	<u>0</u>	Other assets (liabilities)	0	0
Total interest rate risk	<u>49,900,000</u>	<u>10,614,663</u>	<u>0</u>			

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

	<u>Notional Value</u>	<u>Book Value</u>		<u>June 30, 2024</u>	<u>Change in fair value used for calculating hedge ineffectiveness</u>	<u>Ineffectiveness recognized in profit or loss</u>
		<u>Assets</u>	<u>Liabilities</u>	<u>Item in the consolidated statement of financial position that includes hedge instruments</u>		
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	<u>69,900,000</u>	<u>12,083,958</u>	<u>0</u>	Other assets (liabilities)	0	0
Total interest rate risk	<u>69,900,000</u>	<u>12,083,958</u>	<u>0</u>			

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

<u>June 30, 2025</u>							
<u>Book Value</u>		<u>Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item</u>		<u>Item in the statement of financial position in which the hedge item is included</u>	<u>Change in the value used for calculating hedge ineffectiveness</u>	<u>Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses</u>	
<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>				
Bonds	40,263,700	0	0	8,767,807	Investment securities FVOCI	0	0

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Notes to the Condensed Consolidated Interim Financial Information

(18) Derivative Financial Instruments, continued

December 31, 2024						
	<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
June 30, 2024						
	<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	58,993,352	0	0	9,277,467	Investment securities FVOCI	0
						0

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

June 30, 2025				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Other derivatives:				
Credit	0	824,186	0	824,186
Interest	0	20,737,238	0	20,737,238
Total	0	21,561,424	0	21,561,424
Hedge derivatives for risk management:				
Interest	0	12,541,256	0	12,541,256
Currency	0	291,564	0	291,564
Total	0	12,832,820	0	12,832,820
Total derivatives assets	<u>0</u>	<u>34,394,244</u>	<u>0</u>	<u>34,394,244</u>
<u>Liabilities</u>				
Other derivatives:				
Credit	0	3	0	3
Interest	0	4,487,538	0	4,487,538
Total	0	4,487,541	0	4,487,541
Hedge derivatives for risk management:				
Interest		33,640		33,640
Currency	0	3,033,143	0	3,033,143
Total	0	3,066,783	0	3,066,783
Total derivatives liabilities	<u>0</u>	<u>7,554,324</u>	<u>0</u>	<u>7,554,324</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

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

		December 31, 2024			Total
		Level 1	Level 2	Level 3	
<u>Assets</u>					
Other derivatives:					
Credit	0	409,192	0		409,192
Interest	0	25,670,930	0		25,670,930
Total	0	26,080,122	0		26,080,122
Hedge derivatives for risk management:					
Interest	0	13,458,432	0		13,458,432
Currency	0	3,805,712	0		3,805,712
Total	0	17,264,144	0		17,264,144
Total derivatives assets	0	43,344,266	0		43,344,266
<u>Liabilities</u>					
Other derivatives:					
Credit	0	131,023	0		131,023
Interest	0	5,892,807	0		5,892,807
Total	0	6,023,830	0		6,023,830
Hedge derivatives for risk management:					
Currency	0	85,090	0		85,090
Total	0	85,090	0		85,090
Total derivatives liabilities	0	6,108,920	0		6,108,920
		June 30, 2024			Total
		Level 1	Level 2	Level 3	
<u>Assets</u>					
Other derivatives:					
Credit	0	325,417	0		325,417
Interest	0	25,479,205	0		25,479,205
Currency	0	1,160	0		1,160
Total	0	25,805,782	0		25,805,782
Hedge derivatives for risk management:					
Interest	0	13,808,143	0		13,808,143
Currency	0	672,704	0		672,704
Total	0	14,480,847	0		14,480,847
Total derivatives assets	0	40,286,629	0		40,286,629
<u>Liabilities</u>					
Other derivatives:					
Credit	0	220,036	0		220,036
Interest	0	5,372,560	0		5,372,560
Currency	0	118	0		118
Total	0	5,592,714	0		5,592,714
Hedge derivatives for risk management:					
Currency	0	254,623	0		254,623
Total	0	254,623	0		254,623
Total derivatives liabilities	0	5,847,337	0		5,847,337

BANCO GENERAL, S. A. AND SUBSIDIARIES

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Notes to the Condensed Consolidated Interim Financial Information

(19) Fair Value of Financial Instruments

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

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

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

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

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

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

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

BANCO GENERAL, S. A. AND SUBSIDIARIES

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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

	June 30 2025	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	55,027,268	0	0	55,027,268
Bonds of the Republic of Panama	3,179,795	0	3,179,795	0
Local Corporate Shares	33,765,758	0	0	33,765,758
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	550,058,946	0	550,058,946	0
Asset Backed Securities (ABS)	72,215,202	0	72,215,202	0
Foreign Corporate Bonds and Fixed Income Funds	140,783,913	0	1,984,409	138,799,504
Foreign Corporate Shares and Variable Income Mutual Funds	1,610,465	0	0	1,610,465
Total	<u>856,641,347</u>	<u>0</u>	<u>627,438,352</u>	<u>229,202,995</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>

	June 30 2024	Level 1	Level 2	Level 3
Local Corporate Bonds and Fixed Income Funds	53,269,741	0	0	53,269,741
Bonds of the Republic of Panama	1,689,550	0	1,689,550	0
Local Corporate Shares	30,917,712	0	0	30,917,712
Local Financing	6,250,000	0	0	6,250,000
Foreign Treasury Bills	673,499	673,499	0	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	512,076,917	0	512,076,917	0
Asset Backed Securities (ABS)	70,758,729	0	70,758,729	0
Foreign Corporate Bonds and Fixed Income Funds	144,153,286	0	796,842	143,356,444
Foreign Corporate Shares and Variable Income Mutual Funds	378,451	0	154,055	224,396
Total	<u>820,167,885</u>	<u>673,499</u>	<u>585,476,093</u>	<u>234,018,293</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>June 30</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2025</u>			
Local Commercial Paper and Treasury Bills	58,119,710	0	0	58,119,710
Local Corporate Bonds	1,142,603,368	0	407,466,797	735,136,571
Bonds of the Republic of Panama	90,856,819	0	90,856,819	0
Bonds of the US Government	119,030,352	119,030,352	0	0
Foreign Commercial Paper and Treasury Bills	75,871,329	74,696,682	1,174,647	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	2,043,210,678	0	2,043,210,678	0
Asset Backed Securities (ABS)	117,743,762	0	117,743,762	0
Foreign Corporate Bonds	927,363,823	0	927,363,823	0
Other Governments Bonds	6,263,940	0	6,263,940	0
Total	<u>4,581,063,781</u>	<u>193,727,034</u>	<u>3,594,080,466</u>	<u>793,256,281</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>June 30</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2024</u>			
Local Commercial Paper	5,220,402	0	0	5,220,402
Local Corporate Bonds	1,050,086,174	0	386,460,505	663,625,669
Bonds of the Republic of Panama	95,340,910	0	95,340,910	0
Bonds of the US Government	150,062,933	150,062,933	0	0
Foreign Commercial Paper and Treasury Bills	253,659,442	104,202,553	149,456,889	0
Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs)	1,257,158,440	0	1,257,158,440	0
Asset Backed Securities (ABS)	160,880,595	0	160,880,595	0
Foreign Corporate Bonds	1,109,587,634	0	1,109,587,634	0
Other Governments Bonds	9,594,956	0	9,594,956	0
Total	<u>4,091,591,486</u>	<u>254,265,486</u>	<u>3,168,479,929</u>	<u>668,846,071</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>Total</u>
	<u>Fair Value through Profit or Loss</u>	<u>Fair Value through OCI</u>	
December 31, 2024	216,666,301	764,553,221	981,219,522
Loss recognized in income	0	(2,870,491)	(2,870,491)
Gain recognized in equity	2,992,857	0	2,992,857
Purchases	55,869,517	165,380,084	221,249,601
Amortization, sales and redemptions	<u>(46,325,680)</u>	<u>(133,806,533)</u>	<u>(180,132,213)</u>
June 30, 2025	<u>229,202,995</u>	<u>793,256,281</u>	<u>1,022,459,276</u>
Total (loss) gain related to instruments held as of June 30, 2025	<u>2,788,078</u>	<u>(2,851,950)</u>	<u>(63,872)</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	<u>(73,353,963)</u>	<u>(90,810,441)</u>	<u>(164,164,404)</u>
Transferred to Level 3	160,650	0	160,650
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	467,086	0	467,086
Loss recognized in equity	0	(5,284,198)	(5,284,198)
Purchases	22,180,837	33,032,000	55,212,837
Amortization, sales and redemptions	<u>(38,886,503)</u>	<u>(69,446,145)</u>	<u>(108,332,648)</u>
June 30, 2024	<u>234,018,293</u>	<u>668,846,071</u>	<u>902,864,364</u>
Total loss related to instruments held as of June 30, 2024	<u>(3,673,150)</u>	<u>(3,770,698)</u>	<u>(7,443,848)</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>June 30 2025</u>		<u>December 31 2024</u>		<u>June 30 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	1.11%	Min	1.12%	Min	1.14%	If the credit spreads increase, the price decreases and vice versa
			Max	8.21%	Max	7.44%	Max	9.16%	
			Ave	2.16%	Ave	2.08%	Ave	2.18%	

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

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>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	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>June 30, 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	48,834	(58,406)	5,933,516	(7,886,435)
Corporate Shares	1,768,468	(1,621,504)	0	0
Total	<u>1,817,302</u>	<u>(1,679,910)</u>	<u>5,933,516</u>	<u>(7,886,435)</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>June 30, 2024</u>			
	<u>Fair Value</u>		<u>FV OCI</u>	
	<u>Effect in profit or loss</u>		<u>Effect in equity</u>	
	<u>Favorable</u>	<u>(Unfavorable)</u>	<u>Favorable</u>	<u>(Unfavorable)</u>
Fixed Income	29,396	(51,149)	6,983,360	(9,466,186)
Corporate Shares	1,661,693	(1,534,048)	0	0
Total	<u>1,691,089</u>	<u>(1,585,197)</u>	<u>6,983,360</u>	<u>(9,466,186)</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 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:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Assets:						
Time deposits with banks	21,016,528	21,012,707	20,964,082	20,963,477	15,391,498	15,385,092
Investments at amortized cost, net	72,399,876	72,414,376	6,615,138	6,632,644	17,774,734	17,783,383
Loans, net	12,670,955,785	12,556,670,637	12,414,611,692	12,255,102,495	12,049,448,455	11,938,048,636
Other financial assets	266,546,553	266,546,553	272,708,272	272,708,272	229,360,385	229,360,385
	<u>13,030,918,742</u>	<u>12,916,644,273</u>	<u>12,714,899,184</u>	<u>12,555,406,888</u>	<u>12,311,975,072</u>	<u>12,200,577,496</u>
Liabilities:						
Deposits	14,123,555,782	14,071,691,424	13,851,769,365	13,789,756,357	13,290,607,562	13,210,477,100
Securities sold under repurchase agreements, borrowings, debt securities issued and perpetual bonds	1,173,838,528	1,026,211,607	1,206,578,310	1,047,318,034	1,153,500,712	998,776,356
Other financial liabilities	554,176,584	554,176,584	538,873,658	538,873,658	454,926,436	454,926,436
	<u>15,851,570,894</u>	<u>15,652,079,615</u>	<u>15,597,221,333</u>	<u>15,375,948,049</u>	<u>14,899,034,710</u>	<u>14,664,179,892</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:

	June 30 2025	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	21,012,707	0	0	21,012,707
Investments at amortized cost, net	72,414,376	0	66,708,226	5,706,150
Loans, net	12,556,670,637	0	0	12,556,670,637
Other financial assets	266,546,553	0	0	266,546,553
	<u>12,916,644,273</u>	<u>0</u>	<u>66,708,226</u>	<u>12,849,936,047</u>
<u>Liabilities:</u>				
Deposits	14,071,691,424	0	0	14,071,691,424
Borrowings, debt securities issued and perpetual bonds	1,026,211,607	0	0	1,026,211,607
Other financial liabilities	554,176,584	0	0	554,176,584
	<u>15,652,079,615</u>	<u>0</u>	<u>0</u>	<u>15,652,079,615</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
Loans, net	12,255,102,495	0	0	12,255,102,495
Other financial assets	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>
	June 30 2024	Level 1	Level 2	Level 3
<u>Assets:</u>				
Time deposits with banks	15,385,092	0	0	15,385,092
Investments at amortized cost, net	17,783,383	0	10,804,886	6,978,497
Loans, net	11,938,048,636	0	0	11,938,048,636
Other financial assets	229,360,385	0	0	229,360,385
	<u>12,200,577,496</u>	<u>0</u>	<u>10,804,886</u>	<u>12,189,772,610</u>
<u>Liabilities:</u>				
Deposits	13,210,477,100	0	0	13,210,477,100
Borrowings, debt securities issued and perpetual bonds	998,776,356	0	0	998,776,356
Other financial liabilities	454,926,436	0	0	454,926,436
	<u>14,664,179,892</u>	<u>0</u>	<u>0</u>	<u>14,664,179,892</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

Notes to the Condensed Consolidated Interim Financial Information

(20) Financial Instruments Risk Management

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

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

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

(a) *Credit Risk*

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

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

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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

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

	June 30, 2025 (in thousands)			
	12-month <u>ECL</u>	Lifetime ECL Not credit- <u>impaired</u>	Lifetime ECL credit- <u>impaired</u>	<u>Total</u>
<u>Loans at amortized cost</u>				
Grade 1: Standard	11,108,933	451,173	0	11,560,106
Grade 2: Special mention	83,804	522,280	17,067	623,151
Grade 3: Sub-standard	3,541	414,108	117,681	535,330
Grade 4: Doubtful	0	5,395	63,871	69,266
Grade 5: Uncollectible	0	2,587	107,894	110,481
Gross amount	11,196,278	1,395,543	306,513	12,898,334
Loan losses allowance	(85,061)	(202,433)	(68,904)	(356,398)
Net carrying amount	<u>11,111,217</u>	<u>1,193,110</u>	<u>237,609</u>	<u>12,541,936</u>
<u>Finance leases</u>				
Grade 1: Standard	109,810	1,751	0	111,561
Grade 2: Special mention	34	2,427	26	2,487
Grade 3: Sub-standard	0	681	38	719
Grade 4: Doubtful	0	0	8	8
Gross amount	109,844	4,859	72	114,775
Loan losses allowance	(365)	(163)	(14)	(542)
Net carrying amount	<u>109,479</u>	<u>4,696</u>	<u>58</u>	<u>114,233</u>
Total loans	<u>11,306,122</u>	<u>1,400,402</u>	<u>306,585</u>	<u>13,013,109</u>
Loan losses allowance	(85,426)	(202,596)	(68,918)	(356,940)
Net carrying amount	<u>11,220,696</u>	<u>1,197,806</u>	<u>237,667</u>	<u>12,656,169</u>
<u>Restructured loans</u>				
Gross amount	1,728	525,687	168,109	695,524
Loan losses allowance	(201)	(79,867)	(32,885)	(112,953)
Net carrying amount	<u>1,527</u>	<u>445,820</u>	<u>135,224</u>	<u>582,571</u>

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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 Not credit- <u>impaired</u>	Lifetime ECL credit- <u>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**

	June 30, 2024 (in thousands)			
	12-month ECL	Lifetime ECL Not credit- impaired	Lifetime ECL credit- impaired	Total
<u>Loans at amortized cost</u>				
Grade 1: Standard	10,249,745	475,574	0	10,725,319
Grade 2: Special mention	175,455	594,065	11,790	781,310
Grade 3: Sub-standard	34,744	497,780	56,937	589,461
Grade 4: Doubtful	9,849	7,784	74,380	92,013
Grade 5: Uncollectible	9,392	2,460	115,215	127,067
Gross amount	10,479,185	1,577,663	258,322	12,315,170
Loan losses allowance	(137,231)	(195,913)	(59,357)	(392,501)
Net carrying amount	<u>10,341,954</u>	<u>1,381,750</u>	<u>198,965</u>	<u>11,922,669</u>
<u>Finance leases</u>				
Grade 1: Standard	99,295	63	0	99,358
Grade 2: Special mention	57	1,647	0	1,704
Grade 3: Sub-standard	0	208	618	826
Grade 4: Doubtful	0	24	3	27
Grade 5: Uncollectible	0	0	25	25
Gross amount	99,352	1,942	646	101,940
Loan losses allowance	(346)	(94)	(169)	(609)
Net carrying amount	<u>99,006</u>	<u>1,848</u>	<u>477</u>	<u>101,331</u>
Total loans	<u>10,578,537</u>	<u>1,579,605</u>	<u>258,968</u>	<u>12,417,110</u>
Loan losses allowance	(137,577)	(196,007)	(59,526)	(393,110)
Net carrying amount	<u>10,440,960</u>	<u>1,383,598</u>	<u>199,442</u>	<u>12,024,000</u>
<u>Restructured loans</u>				
Gross amount	58,493	591,480	119,820	769,793
Loan losses allowance	(3,356)	(73,075)	(26,151)	(102,582)
Net carrying amount	<u>55,137</u>	<u>518,405</u>	<u>93,669</u>	<u>667,211</u>

BANCO GENERAL, S. A. AND SUBSIDIARIES

(Panama, Republic of Panama)

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

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

	<u>June 30, 2025</u>		
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	<u>Total</u>
Current	11,146,300,962	1,039,517,441	12,185,818,403
From 31 to 90 days	481,247,877	4,492,135	485,740,012
More than 90 days (capital or interest)	260,124,075	3,842,044	263,966,119
More than 30 days past due (capital at maturity)	<u>77,560,931</u>	<u>23,416</u>	<u>77,584,347</u>
Total	<u>11,965,233,845</u>	<u>1,047,875,036</u>	<u>13,013,108,881</u>

	<u>December 31, 2024</u>		
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	<u>Total</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>

	<u>June 30, 2024</u>		
	<u>Banco General, S. A.</u>	<u>Subsidiaries</u>	<u>Total</u>
Current	10,690,927,882	924,086,635	11,615,014,517
From 31 to 90 days	492,478,451	5,527,234	498,005,685
More than 90 days (capital or interest)	285,443,626	4,093,067	289,536,693
More than 30 days past due (capital at maturity)	<u>14,526,492</u>	<u>26,982</u>	<u>14,553,474</u>
Total	<u>11,483,376,451</u>	<u>933,733,918</u>	<u>12,417,110,369</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/.35,376,223 (December 31, 2024: B/.32,542,704) and (June 30, 2024: B/.31,296,163) which are not subject to credit risk:

	<u>12-month ECL</u>	<u>Lifetime ECL Not credit- impaired</u>	<u>June 30, 2025 Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
AAA to AA+	66,700,000	0	0	0	66,700,000
Lower than BBB-	5,705,516	0	0	0	5,705,516
Carrying amount	72,405,516	0	0	0	72,405,516
Loss allowance	(14,500)	0	0	0	(14,500)
Total carrying amount, net	<u>72,391,016</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,391,016</u>
<u>At FVOCI</u>					
<i>Local:</i>					
AA to BBB-	258,025,483	0	0	0	258,025,483
Lower than BBB-	980,238,085	53,316,329	0	0	1,033,554,414
Carrying amount	1,238,263,568	53,316,329	0	0	1,291,579,897
Valuation of credit risk	(3,927,920)	(480,973)	0	0	(4,408,893)
<i>Foreign:</i>					
AAA to AA+	2,296,066,330	0	0	0	2,296,066,330
AA to BBB-	756,961,371	0	0	0	756,961,371
Lower than BBB-	234,626,575	1,612,784	0	216,824	236,456,183
Carrying amount	3,287,654,276	1,612,784	0	216,824	3,289,483,884
Valuation of credit risk	(5,388,523)	(564,781)	0	(4,673)	(5,957,977)
Total carrying amount	<u>4,525,917,844</u>	<u>54,929,113</u>	<u>0</u>	<u>216,824</u>	<u>4,581,063,781</u>
Total valuation of credit risk	<u>(9,316,443)</u>	<u>(1,045,754)</u>	<u>0</u>	<u>(4,673)</u>	<u>(10,366,870)</u>
<u>At Fair Value TPL</u>					
<i>Local:</i>					
Lower than BBB-	58,207,063				58,207,063
Carrying amount	58,207,063				58,207,063
<i>Foreign:</i>					
AAA to AA+	528,598,650				528,598,650
AA to BBB-	197,054,631				197,054,631
Lower than BBB-	36,991,103				36,991,103
NR	413,677				413,677
Carrying amount	763,058,061				763,058,061
Total carrying amount	<u>821,265,124</u>				<u>821,265,124</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 to AA+	2,281,375,058	0	0	0	2,281,375,058
AA to BBB-	778,279,114	0	0	0	778,279,114
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 to AA+	513,481,554				513,481,554
AA to BBB-	193,383,632				193,383,632
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>June 30, 2024 Lifetime ECL credit- impaired</u>	<u>Purchased credit- impaired</u>	<u>Total</u>
<u>At Amortized Cost</u>					
<i>Foreign:</i>					
AAA to AA+	10,800,000	0	0	0	10,800,000
Lower than BBB-	6,975,736	0	0	0	6,975,736
Carrying amount	17,775,736	0	0	0	17,775,736
Loss allowance	(8,649)	0	0	0	(8,649)
Total carrying amount, net	17,767,087	0	0	0	17,767,087
<u>At FVOCI</u>					
<i>Local:</i>					
AA to BBB-	345,901,188	0	0	0	345,901,188
Lower than BBB-	789,684,598	15,061,700	0	0	804,746,298
Carrying amount	1,135,585,786	15,061,700	0	0	1,150,647,486
Valuation of credit risk	(2,203,813)	(1,083,253)	0	0	(3,287,066)
<i>Foreign:</i>					
AAA to AA+	1,780,913,393	0	0	0	1,780,913,393
AA to BBB-	954,544,467	0	0	0	954,544,467
Lower than BBB-	200,697,057	4,558,452	0	25,189	205,280,698
NR	0	0	0	205,442	205,442
Carrying amount	2,936,154,917	4,558,452	0	230,631	2,940,944,000
Valuation of credit risk	(4,389,718)	(458,935)	0	0	(4,848,653)
Total carrying amount	4,071,740,703	19,620,152	0	230,631	4,091,591,486
Total valuation of credit risk	(6,593,531)	(1,542,188)	0	0	(8,135,719)
<u>At Fair Value TPL</u>					
<i>Local:</i>					
Lower than BBB-	61,209,291				
Carrying amount	61,209,291				
<i>Foreign:</i>					
AAA to AA+	481,922,352				
AA to BBB-	214,097,015				
Lower than BBB-	30,132,845				
NR	1,510,219				
Carrying amount	727,662,431				
Total carrying amount	788,871,722				

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:

	June 30, 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	(34,478)	34,478	0	0	0
Transfer of 12-month ECL to lifetime ECL credit-impaired	0	0	0	0	0
Net remeasurement of portfolio	376,522	291,265	0	1,627	669,414
New investment securities purchased	1,813,607	0	0	0	1,813,607
Investment securities that have been derecognized	(1,454,903)	(36)	0	(41)	(1,454,980)
Balance at the end of the period	<u>9,316,443</u>	<u>1,045,754</u>	<u>0</u>	<u>4,673</u>	<u>10,366,870</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>

	June 30, 2024				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased credit- impaired	Total
Balance at the beginning of the period	7,768,101	1,591,709	0	51,323	9,411,133
Transferred to 12-month ECL	51,323	0	0	(51,323)	0
Transfer of 12-month ECL to lifetime ECL not credit-impaired	0	0	0	0	0
Transfer of 12-month ECL to lifetime ECL credit-impaired	0	0	0	0	0
Net remeasurement of portfolio	(799,178)	(49,521)	0	0	(848,699)
New investment securities purchased	941,582	0	0	0	941,582
Investment securities that have been derecognized	(1,368,297)	0	0	0	(1,368,297)
Balance at the end of the period	<u>6,593,531</u>	<u>1,542,188</u>	<u>0</u>	<u>0</u>	<u>8,135,719</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 June 30, 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

(21) Main Applicable Laws and Regulations, continued

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

	June 30 <u>2025</u>	December 31 <u>2024</u>	June 30 <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>