



**Banco General**

# Management Discussion

2025



## **General Information**

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

The following discussion is based on the information contained in the consolidated audited financial statements, as of December 31, 2025. Some figures (including percentages) in this document have been rounded.

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

## **ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Total Assets**

As of December 31, 2025, the Bank's gross loan portfolio increased by US\$526.7 million or 4.1% from US\$12,762.3 million on December 31, 2024, to US\$13,289.0 million. During this period, the Bank's consumer loan portfolio increased by 13.8%, from US\$2,215.9 million to US\$2,522.3 million; the residential mortgage portfolio decreased 0.4%, from US\$4,710.4 million to US\$4,693.1 million; the corporate loan portfolio increased by 4.5%, from US\$5,350.5 million to US\$5,589.8 million; and other loans (comprised of pledge loans, overdrafts and financial leases) decreased by 0.4% from US\$485.5 million to US\$483.8 million. The Bank's local corporate loan portfolio increased by 3.7%, from US\$3,747.9 million to US\$3,885.9 million, and the Bank's regional corporate loan portfolio increased by 6.3%, from US\$1,602.6 million to US\$1,703.9 million. The Bank's total investment portfolio primarily made up of investment-grade liquid fixed-income investments and the local and regional corporate fixed-income portfolio increased by 11.6%, from US\$5,377.8 million, to US\$6,000.4 million.

### **Total Liabilities**

The Bank's total deposits increased by US\$1,077.0 million or 7.8% from US\$13,740.9 million on December 31, 2024, to US\$14,817.9 million. During this period, time deposits increased by US\$561.4 million or 9.1% from US\$6,201.0 million to US\$6,762.4 million, representing 45.6% of total deposits, with an average remaining life of 14 months, and 62.4% having original maturities greater than one year. Savings accounts increased by US\$153.0 million, or 3.2%, from US\$4,754.0 million to US\$4,907.0 million, representing 33.1% of total deposits. Demand deposits increased by US\$362.7 million or 13.0%, from US\$2,785.9 million to US\$3,148.5 million, representing 21.2% of total deposits.

The Bank's total borrowings and placements decreased by US\$93.4 million or 7.8%, from US\$1,193.2 million to US\$1,099.8 million.

### **Equity**

The Bank's equity increased by US\$322.9 million or 10.2%, from US\$3,172.7 million on December 31, 2024, to US\$3,495.5 million, mainly driven by an increase in retained earnings of US\$194.6 million, and an increase of capital reserves of US\$123.7 million (mainly due to an increase in the valuation of the investment portfolio). The Bank's equity to total assets ratio increased from 16.31%, to 16.74%.



## Liquidity and Funding Sources

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

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

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

Consistent with the Bank's conservative financial policies, we have historically maintained high levels of liquidity in investment-grade liquid investments, which are complemented by: (i) an adequate asset and liability maturity structure, (ii) a diversified and stable deposit base, (iii) access to multiple sources of financings (representing 6.33% of total liabilities); and (iv) low levels of short-term institutional liabilities, all of which give us a stable asset and liability structure.

Primary liquidity amounted to 29.54% on December 31, 2025, comprised of cash, bank deposits and liquid investment-grade fixed-income investments, divided by total deposits and borrowings (excluding perpetual bonds). The Bank's total primary liquidity has an average credit rating of AA-, with 64.6% of investments rated AA+ or higher and 81.3% rated A- or higher. As of December 31, 2025, these liquid assets represented 30.94% of total deposits and 21.96% of total assets.

In addition to our internal liquidity limits, the Bank must comply with liquidity rules established by SBP, which require banks to have liquid assets of no less than 30% of qualified deposits, with maturities of less than 186 days, excluding deposits from subsidiaries and pledged deposits. For the calculation of this ratio, the SBP allows for all loan installments and maturities classified as standard with a term of less than 186 days to be considered liquid assets. The loan installments and maturities can only account for 30% of the total liquid assets used in this ratio. As of December 31, 2025, the Bank maintained a regulatory liquidity of 39.01%.

### A. Loan Portfolio

The Bank's loan portfolio is well diversified among client segments and a wide variety of products. As of December 31, 2025, total gross loans amounted to US\$13,289.0 million comprising: (i) 54.3% retail loans (35.3% residential loans and 19.0% consumer loans), (ii) 42.1% corporate loans (29.3% local corporate loans and 12.8% foreign corporate loans), and (iii) 3.6% other loans (which includes pledge loans, overdrafts, and financial leases).

To minimize the risk of credit losses, the Bank emphasizes granting loans secured by collateral, particularly single-family residences, other properties, and deposits, in addition to applying strict underwriting guidelines and "know your customer" policies. As of December 31, 2025, 67.1% of all loans were secured: (i) 54.7% by first lien mortgages on land and improvements, and (ii) 12.4% by pledged deposits and other assets. The Bank's robust underwriting policies and security interests held as collateral have resulted in historically low gross and net write-off levels, averaging 0.60% and 0.26%, respectively, over the last two years ending December 31, 2025.

As of December 31, 2025, 85.8% of the Bank's loan portfolio was comprised of local borrowers (individuals and corporations) based in Panama, and 14.2% was comprised of regional clients based primarily in Costa Rica, Colombia, Guatemala, El Salvador, Peru, and Mexico. Furthermore, 99.9% of the Bank's loans were denominated in US dollars, the legal tender in Panama.



The following table summarizes the composition of the loan portfolio by type of loan as of December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
(in thousands of U.S. dollars, except for percentages)					
<b>Local loans</b>					
Residential mortgage loans	4,563,249	4,574,596	4,659,178	(0.2%)	(1.8%)
Personal loans, auto loans and credit cards	2,508,063	2,203,922	1,963,721	13.8%	12.2%
Commercial mortgage loans	1,766,411	1,773,622	1,785,136	(0.4%)	(0.6%)
Lines of credit	1,239,220	1,163,943	1,019,344	6.5%	14.2%
Commercial	658,656	516,577	327,705	27.5%	57.6%
Interim construction loans	221,582	293,808	265,160	(24.6%)	10.8%
Leasing	121,806	110,162	91,931	10.6%	19.8%
Pledge loans and overdrafts	325,226	328,492	329,659	(1.0%)	(0.4%)
<b>Total local loans</b>	<b>11,404,213</b>	<b>10,965,122</b>	<b>10,441,835</b>	<b>4.0%</b>	<b>5.0%</b>
<b>Foreign loans</b>					
Residential mortgage loans	129,846	135,832	148,074	(4.4%)	(8.3%)
Personal loans, auto loans and credit cards	14,244	11,937	8,088	19.3%	47.6%
Commercial mortgage loans	184,117	140,403	139,405	31.1%	0.7%
Lines of credit	401,260	580,764	399,792	(30.9%)	45.3%
Commercial	1,118,532	881,397	788,221	26.9%	11.8%
Pledge loans and overdrafts	36,737	46,817	49,546	(21.5%)	(5.5%)
<b>Total foreign loans</b>	<b>1,884,737</b>	<b>1,797,149</b>	<b>1,533,126</b>	<b>4.9%</b>	<b>17.2%</b>
<b>Total loans</b>	<b>13,288,950</b>	<b>12,762,272</b>	<b>11,974,961</b>	<b>4.1%</b>	<b>6.6%</b>
<b>Less:</b>					
Allowance for loan losses	345,231	364,918	394,787	(5.4%)	(7.6%)
Unearned commissions	46,529	41,596	38,961	11.9%	6.8%
<b>Total loans, net</b>	<b>12,897,190</b>	<b>12,355,757</b>	<b>11,541,213</b>	<b>4.4%</b>	<b>7.1%</b>



## Non Accrual Loans

Regulation issued by the SBP requires the classification of loans with a non accrual status if any of the following conditions exist: (i) principal and interest payments exceeding past due limits established by the SBP (91 days or more of past due for all types of loans, except for mortgage loans and overdrafts, which have limits of 121 and 31 days or more, respectively); or (ii) a deterioration in the debtor's financial condition that places the loan's collection at risk, such as reduced payment capacity, weakened collateral, or other adverse factors known to the Bank (e.g. fraud, death of the debtor, insolvency, or bankruptcy).

The following table presents non accrual loans according to loan type as of December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
	(in thousands of U.S. dollars, except for percentages)				
<b>Non accrual loans</b>					
Residential mortgage loans	130,811	166,745	186,546	(21.6%)	(10.6%)
Personal loans, auto loans and credit cards	43,130	32,722	25,952	31.8%	26.1%
Commercial mortgage loans	40,548	40,937	39,457	(0.9%)	3.8%
Lines of credit	5,512	5,662	5,729	(2.6%)	(1.2%)
Commercial	3,083	3,469	873	(11.1%)	297.4%
Interim construction loans	53,961	7,586	-	611.4%	n/a
Leasing	207	1	81	n/a	(98.5%)
Pledge loans and overdrafts	400	153	157	161.0%	(2.8%)
<b>Total non accrual loans</b>	<b>277,653</b>	<b>257,274</b>	<b>258,795</b>	<b>7.9%</b>	<b>(0.6%)</b>
Total loans	13,288,950	12,762,272	11,974,961		
Allowance for loan losses	345,231	364,918	394,787		
Non accrual loans / total loans	2.09%	2.02%	2.16%		
Allowance for loans losses / non accrual loans	124.34%	141.84%	152.55%		

Non accrual loans increased to US\$277.7 million as of December 31, 2025, compared to US\$257.3 million as of December 31, 2024. This increase was mainly attributable to: (i) a US\$45.9 million increase in the corporate and other loans non accrual balance from US\$57.9 million to US\$103.8 million, (mainly due to an interim construction loan secured by a mortgage with a loan-to-value ratio of 50.4%, which also explains the increase observed in past due loans and Stage 3 loans, discussed in later sections), and (ii) a US\$10.4 million increase in the consumer non accrual balance from US\$32.7 million to US\$43.1 million; offset by a US\$35.9 million decrease in the residential mortgage non accrual balance which declined from US\$166.7 million to US\$130.8 million.

Non accrual loans calculated in accordance with SBP regulations represented 2.09% of total loans as of December 31, 2025, compared to 2.02% as of December 31, 2024. The Bank's coverage of allowance for loan losses was 124.34% of non accrual loans, as compared to 141.84% as of December 31, 2024.



## Past Due Loans

The Bank classifies loans as past due if: (i) scheduled interest or principal payments are 91 days or more past due; and (ii) all amounts due are unpaid 31 days after the final maturity date of the loan.

The following table presents past due loans, according to loan type as of December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
(in thousands of U.S. dollars, except for percentages)					
<b>Past due loans</b>					
Residential mortgage loans	178,513	214,598	233,429	(16.8%)	(8.1%)
Personal loans, auto loans and credit cards	42,497	32,523	25,787	30.7%	26.1%
Commercial mortgage loans	40,548	41,475	37,996	(2.2%)	9.2%
Lines of credit	5,866	6,426	5,729	(8.7%)	12.2%
Commercial	3,083	3,469	1,043	(11.1%)	232.6%
Interim construction loans	53,961	7,586	-	611.4%	n/a
Leasing	207	-	143	n/a	(100.0%)
Pledge loans and overdrafts	324	148	157	119.8%	(6.3%)
<b>Total past due loans</b>	<b>325,001</b>	<b>306,224</b>	<b>304,284</b>	<b>6.1%</b>	<b>0.6%</b>
Total loans	13,288,950	12,762,272	11,974,961		
Allowance for loan losses	345,231	364,918	394,787		
Past due loans / total loans	2.45%	2.40%	2.54%		
Allowance for loan losses / past due loans	106.22%	119.17%	129.74%		

Past due loans increased to US\$325.0 million as of December 31, 2025, compared to US\$306.2 million as of December 31, 2024. The increase was mainly attributable to: (i) a US\$44.9 million increase in the corporate and other loans past due balance from US\$59.1 million to US\$104.0 million, and (ii) a US\$10.0 million increase in the consumer past due balance from US\$32.5 million to US\$42.5 million, offset by a US\$36.1 million decrease in the residential mortgage past due balance, which declined from US\$214.6 million to US\$178.5 million.

Past due loans represented 2.45% of total loans as of December 31, 2025, compared to 2.40% as of December 31, 2024. The Bank's coverage of allowance for loan losses was 106.22% of past due loans, compared to 119.17% as of December 31, 2024.

## Allowance for Loan Losses

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

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

The ECL model presents three stages of impairment for financial assets that are applied from the date of origin or acquisition. These stages are summarized below:

Stage 1: The Bank recognizes a credit loss allowance at an amount equivalent to the expected credit losses for the following 12-months period. This represents the portion of lifetime expected credit losses resulting from default events



that are possible within a 12-months period as of the reporting date, if credit risk has not increased significantly since initial recognition.

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

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

The following table presents the breakdown of the allowance for loan losses under IFRS 9 parameters as of December 31, 2025, and 2024:

	December 31, 2025			December 31, 2024			(% Change)	
	Loans	Allowance	%	Loans	Allowance	%	Loans	Allowance
	(in thousands of U.S. dollars, except for percentages)							
Stage 1	11,642,531	86,845	0.75%	10,924,287	88,759	0.81%	6.6%	(2.2%)
Stage 2	1,364,501	191,248	14.02%	1,573,821	220,845	14.03%	(13.3%)	(13.4%)
Stage 3	281,918	67,138	23.81%	264,164	55,314	20.94%	6.7%	21.4%
<b>Total</b>	<b>13,288,950</b>	<b>345,231</b>	<b>2.60%</b>	<b>12,762,272</b>	<b>364,918</b>	<b>2.86%</b>	<b>4.1%</b>	<b>(5.4%)</b>

As of December 31, 2025, the allowance for loan losses decreased to US\$345.2 million or 2.60% of the total loan portfolio, from US\$364.9 million or 2.86% of the total loan portfolio, as of December 31, 2024. Stage 1 loans increased US\$718.2 million to US\$11,642.5 million and the allowance level decreased from US\$88.8 million (0.81% of stage 1 loans) on December 31, 2024, to US\$86.8 million (0.75% of stage 1 loans) on December 31, 2025. The amount of loans in Stage 2 decreased from US\$1,573.8 million to US\$1,364.5 million, and the allowance level decreased from US\$220.8 million (14.03% of stage 2 loans) to US\$191.2 million (14.02% of stage 2 loans). The amount of loans in Stage 3 increased from US\$264.2 million to US\$281.9 million, and the allowance level increased from US\$55.3 million (20.94% of stage 3 loans) to US\$67.1 million (23.81% of stage 3 loans).

As of December 31, 2025, the Bank's total restructured loans decreased to US\$587.0 million, as compared to US\$742.6 million, as of December 31, 2024. Additionally, of the total restructured loans, US\$299.8 million or 51.1%, are current with their contractual payments. Furthermore, US\$496.2 million or 84.5% of restructured loans are backed by mortgage collateral.



The following table presents the breakdown of the allowance for loans losses as of as of December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/ 2025	2023/ 2024
	(in thousands of U.S. dollars, except for percentages)				
<b>Allowance at the beginning of period</b>	<b>364,918</b>	<b>394,787</b>	<b>432,999</b>	<b>(7.6%)</b>	<b>(8.8%)</b>
Provision (reversal) for loan losses, net	34,279	(16,489)	(40,138)	n/a	(58.9%)
<b>Write-offs:</b>					
Residential mortgage loans	9,262	4,928	4,600	87.9%	7.1%
Personal loans, auto loans and credit cards	80,680	56,142	40,925	43.7%	37.2%
Commercial mortgage loans	1,213	280	288	333.6%	(2.9%)
Lines of credit	708	13	44	n/a	(71.0%)
Commercial	129	303	563	(57.4%)	(46.2%)
Interim construction loans	-	-	1,028	n/a	n/a
Leasing	18	14	52	23.6%	(72.8%)
Pledge loans and overdrafts	146	202	140	(27.6%)	44.5%
<b>Total write-offs</b>	<b>92,155</b>	<b>61,881</b>	<b>47,640</b>	<b>48.9%</b>	<b>29.9%</b>
Recoveries	38,190	48,501	49,565	(21.3%)	(2.1%)
<b>Allowance at the end of period</b>	<b>345,231</b>	<b>364,918</b>	<b>394,787</b>	<b>(5.4%)</b>	<b>(7.6%)</b>
Total loans	13,288,950	12,762,272	11,974,961		
Allowance for loan losses / total loans	2.60%	2.86%	3.30%		
Write-offs / total loans	0.69%	0.48%	0.40%		
Net write-offs / total loans	0.41%	0.10%	(0.02%)		

For the year ended December 31, 2025, total write-offs amounted to US\$92.2 million (0.69% of total loans), as compared to US\$61.9 million (0.48% of total loans) for the year ended December 31, 2024. Meanwhile net write-offs, for the year ended on December 31, 2025, amounted to US\$54.0 million (0.41% of total loans).

## B. Capital Resources

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

Panamanian regulatory capital requirements to risk-weighted assets ("RWA") are comprised of: (i) regulatory primary capital (CET 1) of 4.50%, (ii) total primary capital of 6.00%, and (iii) total capital of 8.00%. Furthermore, agreement 5-2023, issued by the SBP on October 10, 2023, mandates that in addition to the abovementioned capital requirements, all general license banks must maintain an additional capital conservation buffer, comprised of regulatory primary capital to RWA of 2.50%. The SBP has adopted a gradual application of the capital conservation buffer as shown below:

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

As of December 31, 2025, the Bank has a total capital of US\$3,836.2 million or 3.2 times the SBP required regulatory capital of 8.0%. The ratio of total capital to RWA of 25.59% is comprised solely of primary capital, and increased by US\$327.2 million or 9.3%, compared to December 31, 2024. Total risk-weighted assets of US\$14,992.3 million includes: US\$13,413.0 million of credit RWA, US\$688.4 million of market RWA, and US\$890.9 million of operational RWA.



Agreement 4-2013 issued by the SBP requires that all banks maintain a countercyclical dynamic reserve of at least 1.25% and no more than 2.50% of the risk-weighted loans classified as standard loans. The dynamic reserve is presented as part of the legal reserves in the equity section of the Bank's financial statements. As of December 31, 2025, the Bank's dynamic reserve balance was US\$161.2 million.

The Bank's subsidiaries General de Seguros, S.A., BG Valores, S.A., ProFuturo Administradora de Fondos de Pensiones y Cesantía, S.A., BG Trust, Inc., Banco General (Costa Rica), S.A., Banco General (Overseas), Inc., and Commercial Re Overseas, Ltd. are all subject to minimum capital requirements stipulated by their corresponding regulators including but not limited to the SBP, the Superintendence of Insurance and Reinsurance of Panama, the Superintendence of Capital Markets of Panama, the General Superintendency of Financial Entities of Costa Rica (SUGEF), the Cayman Islands Monetary Authority (CIMA), the British Virgin Islands Financial Services Commission, and others. As of December 31, 2025, all the subsidiaries of the Bank complied with the minimum capital requirements applicable according to their respective regulations.

The following table presents information regarding the Bank's capital levels as of December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% ) Change	
	2025	2024	2023	2024/ 2025	2023/ 2024
	(in thousands of U.S. dollars, except for percentages)				
<b>Regulatory primary capital</b>					
Common shares	500,000	500,000	500,000	0.0%	0.0%
Legal reserve	212,613	205,261	192,810	3.6%	6.5%
Other items comprehensive income	3,331	(120,335)	(163,678)	n/a	(26.5%)
Retained earnings	2,762,887	2,568,313	2,377,583	7.6%	8.0%
Less: Regulatory adjustments	42,677	44,263	46,021	(3.6%)	(3.8%)
<b>Total regulatory primary capital - CET 1</b>	<b>3,436,153</b>	<b>3,108,975</b>	<b>2,860,694</b>	<b>10.5%</b>	<b>8.7%</b>
<b>Additional primary capital</b>					
Subordinated perpetual bonds	400,000	400,000	400,000	0.0%	0.0%
<b>Total additional primary capital</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total primary capital</b>	<b>3,836,153</b>	<b>3,508,975</b>	<b>3,260,694</b>	<b>9.3%</b>	<b>7.6%</b>
<b>Total capital</b>	<b>3,836,153</b>	<b>3,508,975</b>	<b>3,260,694</b>	<b>9.3%</b>	<b>7.6%</b>
Credit risk-weighted assets	13,412,954	12,673,282	12,045,910	5.8%	5.2%
Market risk-weighted assets	688,408	608,972	641,963	13.0%	(5.1%)
Operational risk-weighted assets	890,917	815,598	763,010	9.2%	6.9%
<b>Risk-weighted assets</b>	<b>14,992,280</b>	<b>14,097,851</b>	<b>13,450,883</b>	<b>6.3%</b>	<b>4.8%</b>
<b>Capital ratios</b>					
<b>Total regulatory primary capital - CET 1</b>	<b>22.92%</b>	<b>22.05%</b>	<b>21.27%</b>		
<b>Total primary capital ratio</b>	<b>25.59%</b>	<b>24.89%</b>	<b>24.24%</b>		
<b>Total capital ratio</b>	<b>25.59%</b>	<b>24.89%</b>	<b>24.24%</b>		

The Bank's capitalization reflects the Board of Director's commitment to maintaining a strong capital base to support depositors and enables us to grow and weather unexpected adverse events.



### C. Results of Operations for the years ended on December 31, 2025, 2024, and 2023

The following table presents the Bank's principal consolidated results of operations for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
	(in thousands of U.S. dollars, except for percentages)				
<b>Net interest and commission income</b>	<b>945,451</b>	<b>905,828</b>	<b>838,599</b>	<b>4.4%</b>	<b>8.0%</b>
<b>Total Provisions, net</b>	<b>40,053</b>	<b>(13,431)</b>	<b>(42,265)</b>	<b>n/a</b>	<b>(68.2%)</b>
Other Income (expenses):					
Fees and other commissions	464,115	411,828	353,110	12.7%	16.6%
Insurances premiums, net	55,642	49,429	41,624	12.6%	18.8%
Gain (Loss) on financial instruments, net	1,346	(10,416)	(46,978)	n/a	(77.8%)
Other Income, net	61,349	51,752	52,018	18.5%	(0.5%)
Commission expenses and other expenses	(181,827)	(172,589)	(158,157)	5.4%	9.1%
<b>Total other income, net</b>	<b>400,625</b>	<b>330,005</b>	<b>241,616</b>	<b>21.4%</b>	<b>36.6%</b>
General and administrative expenses	(385,339)	(361,791)	(341,937)	6.5%	5.8%
Equity participation in associates	14,684	14,908	14,509	(1.5%)	2.8%
<b>Net income before income tax</b>	<b>935,368</b>	<b>902,382</b>	<b>795,053</b>	<b>3.7%</b>	<b>13.5%</b>
Income tax, net	(106,025)	(117,845)	(114,337)	(10.0%)	3.1%
<b>Net Income</b>	<b>829,343</b>	<b>784,537</b>	<b>680,716</b>	<b>5.7%</b>	<b>15.3%</b>

For the year ended December 31, 2025, the Bank's net income was US\$829.3 million, which represents an increase of US\$44.8 million or 5.7%, compared to US\$784.5 million for the same period in 2024. ROAE and ROAA were 24.07% and 4.12%, respectively. These results were mainly due to the following factors:

#### Net Interest and Commission Income

The following table presents the Bank's net interest and commission income and related average rate and margin information for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
	(in thousands of U.S. dollars, except for percentages)				
Total interest and commission income	1,371,748	1,293,471	1,159,228	6.1%	11.6%
Total interest expenses	426,297	387,643	320,629	10.0%	20.9%
<b>Net interest and commission income</b>	<b>945,451</b>	<b>905,828</b>	<b>838,599</b>	<b>4.4%</b>	<b>8.0%</b>
Average interest-earning assets	18,503,687	17,444,925	16,729,806	6.1%	4.3%
Average interest-bearing liabilities	13,553,955	12,711,925	12,401,655	6.6%	2.5%
Average interest rate earned <sup>(1)</sup>	7.41%	7.41%	6.93%		
Average interest rate paid <sup>(2)</sup>	3.15%	3.05%	2.59%		
Net interest margin <sup>(3)</sup>	5.11%	5.19%	5.01%		

<sup>(1)</sup> Total interest and commission income divided by average interest earning assets. <sup>(2)</sup> Total interest expenses divided by average interest bearing liabilities. <sup>(3)</sup> Net interest and commission income (before provisions for possible loan losses) as a percentage of average total interest earning assets.

The 4.4% increase in net interest and commission income for the year 2025, as compared to 2024, was a result of an increase of 6.1% in the average interest-earning assets, partially offset by an increase of 6.6% in the average interest-bearing liabilities. As a result, the net interest margin decreased 8 basis points, from 5.19% in 2024, to 5.11%, in 2025.



## Total Interest and Commission Income

The following table presents information as to the Bank's total interest and commission income for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% ) Change	
	2025	2024	2023	2024/ 2025	2023/ 2024
(in thousands of U.S. dollars, except for percentages)					
<b>Total interest and commission income</b>	<b>1,371,748</b>	<b>1,293,471</b>	<b>1,159,228</b>	<b>6.1%</b>	<b>11.6%</b>
<b>Average interest-earning assets:</b>					
Deposits with banks	310,389	308,566	317,579	0.6%	(2.8%)
Investments and other financial assets, net	5,543,562	5,168,360	5,108,572	7.3%	1.2%
Loans, net	12,649,736	11,967,998	11,303,656	5.7%	5.9%
<b>Total</b>	<b>18,503,687</b>	<b>17,444,925</b>	<b>16,729,806</b>	<b>6.1%</b>	<b>4.3%</b>
<b>Average interest rate earned:</b>					
Deposits with banks	3.87%	5.03%	3.84%		
Investments and other financial assets, net	5.11%	5.14%	4.77%		
Loans, net	8.51%	8.46%	7.99%		
<b>Total</b>	<b>7.41%</b>	<b>7.41%</b>	<b>6.93%</b>		

For the year ended on December 31, 2025, our diversified loan portfolio represented 68.4% of the Bank's total average interest earning assets and generated 78.5% of the total interest and commissions income.

Total interest and commission income increased by US\$78.2 million or 6.1% for the year ended on December 31, 2025, and was the result of a US\$1,058.8 million or 6.1% increase in average interest-earning assets.

The increase in the average interest-earning assets was mainly due to: (i) an increase of US\$681.7 million or 5.7%, in net loans, and (ii) an increase of US\$375.2 million or 7.3%, in investments and other financial assets.

The average interest rate earned on interest-earning assets remained stable as compared to the same period in 2024, this was mainly due to: a 5 basis points increase of the interest received on net loans; offset by (i) a 116 basis points decrease of the interest received on deposits with banks, and (ii) a 3 basis points decrease of the interest received on investments and other financial assets.

The following table presents the effect of changes in the Bank's interest and commission income as a result of changes in: (i) the average volume of interest earning assets, and (ii) the average interest rate earned during year ended on December 31, 2025:

	2024/ 2025			2023/ 2024		
	By volume	By rate	Net change	By volume	By rate	Net change
(in thousands of U.S. dollars)						
Deposits with banks	92	(3,613)	(3,522)	(346)	3,683	3,337
Investments and other financial assets, net	19,284	(1,455)	17,829	2,849	19,348	22,197
Loans, net	57,664	6,306	63,970	53,106	55,603	108,710
<b>Net Change</b>	<b>77,040</b>	<b>1,237</b>	<b>78,277</b>	<b>55,609</b>	<b>78,634</b>	<b>134,243</b>

For the year 2025, the increase in the average interest-earning assets generated an increase of US\$77.0 million on the interest and commission income, while the difference in the average interest rate earned generated an increase of US\$1.2 million.



## Total Interest Expenses

The following table presents information as to the Bank's total interest expenses for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
(in thousands of U.S. dollars, except for percentages)					
<b>Total interest expenses</b>	<b>426,297</b>	<b>387,643</b>	<b>320,629</b>	<b>10.0%</b>	<b>20.9%</b>
<b>Average interest-bearing liabilities:</b>					
Savings and other deposits	5,856,156	5,688,967	5,793,986	2.9%	(1.8%)
Time deposits	6,534,227	5,848,334	5,358,134	11.7%	9.1%
Borrowings and placements <sup>(1)</sup>	1,163,572	1,174,624	1,249,536	(0.9%)	(6.0%)
<b>Total</b>	<b>13,553,955</b>	<b>12,711,925</b>	<b>12,401,655</b>	<b>6.6%</b>	<b>2.5%</b>
<b>Average interest rate paid:</b>					
Savings and other deposits	1.12%	1.13%	1.00%		
Time deposits	4.72%	4.58%	3.80%		
Borrowings and placements	4.45%	4.71%	4.73%		
<b>Total</b>	<b>3.15%</b>	<b>3.05%</b>	<b>2.59%</b>		

<sup>(1)</sup> Includes Repos and Perpetual Bonds.

The Bank's total interest expenses are mainly attributable to interest paid on deposits, which represented 87.9% of the total interest expense for the year ended on December 31, 2025, as compared to 85.7% for the same period in 2024.

Total interest expense increased by US\$38.7 million or 10.0% for the year ended on December 31, 2025, and was result of a 6.6% increase in average interest-bearing liabilities, and a 10 basis points increase in the average interest rate paid on interest bearing liabilities.

The 10 basis point increase in the average interest rate paid was mainly attributable to: a 14 basis point increase in the average interest rate paid on time deposits, offset by a 26 basis point decrease in the average interest rate paid on borrowings and placements.

The 6.6% increase in the average interest-bearing liabilities was mainly due to: (i) an increase of 11.7% in average time deposits, and (ii) 2.9% in average savings and other deposits, offset by a decrease of 0.9% in the average borrowings and placements.

The following table presents the effect of changes in the Bank's total interest expense as a result of changes in: (i) the average volume of interest-bearing liabilities, and (ii) the average interest rate paid during the year ended December 31, 2025:

	2024/2025			2023/2024		
	By volume	By rate	Net change	By volume	By rate	Net change
(in thousands of U.S. dollars)						
Savings and other deposits	1,892	(432)	1,460	(1,053)	7,313	6,260
Time deposits	31,426	9,322	40,748	18,614	45,885	64,499
Borrowings and placements <sup>(1)</sup>	(520)	(3,032)	(3,553)	(3,541)	(204)	(3,744)
<b>Net change</b>	<b>32,797</b>	<b>5,857</b>	<b>38,654</b>	<b>14,020</b>	<b>52,994</b>	<b>67,014</b>

<sup>(1)</sup> Includes Repos and Perpetual Bonds.



As compared to the same period in 2024, the increase of US\$842.0 million in average interest-bearing liabilities for the year ended on December 31, 2025, resulted in an increase of US\$32.8 million on interest expense, while the increase in the average rate paid, from 3.05% to 3.15%, resulted in an increase of US\$5.9 million on interest expense.

### Provision for Loan Losses

The following table presents the Bank's allowance for loan losses, net of write-offs and recoveries included in the Bank's results of operations for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
	(in thousands of U.S. dollars, except for percentages)				
<b>Allowance for loan losses at the beginning of period</b>	<b>364,918</b>	<b>394,787</b>	<b>432,999</b>	<b>(7.6%)</b>	<b>(8.8%)</b>
Provision (reversal) for loan losses, net	34,279	(16,489)	(40,138)	n/a	(58.9%)
Write-offs	92,155	61,881	47,640	48.9%	29.9%
Recoveries	38,190	48,501	49,565	(21.3%)	-2.1%
<b>Allowance for loan losses at the end of period</b>	<b>345,231</b>	<b>364,918</b>	<b>394,787</b>	<b>(5.4%)</b>	<b>(7.6%)</b>
Total loans	13,288,950	12,762,272	11,974,961		
Provision (reversal) for loan losses, net / total loans	0.26%	(0.13%)	(0.34%)		
Write-offs / total loans	0.69%	0.48%	0.40%		
Net write-offs / total loans	0.41%	0.10%	(0.02%)		
Allowance for loan losses / total loans	2.60%	2.86%	3.30%		

For the year ended December 31, 2025, the provision charged to expenses, net of recoveries amounted to US\$34.3 million, as compared to a net release of reserves of US\$16.5 million for the same period in 2024.

For the year ended on December 31, 2025, write-offs increased by US\$30.3 million, from US\$61.9 million in 2024 (or 0.48% of total loans) to US\$92.2 million in 2025 (or 0.69% of total loans), while recoveries decreased by US\$10.3 million from US\$48.5 million in 2024, to US\$38.2 million in 2025.

During 2025, the allowances for loan losses decreased by US\$19.7 million, from US\$364.9 million on December 31, 2024, to US\$345.2 million on December 31, 2025. As a result, the allowance for loan losses as a percentage of total loans was 2.60% on December 31, 2025.

### Other Income, Net

The following table presents the information as to the Bank's fees, commission and other income, net for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
	(in thousands of U.S. dollars, except for percentages)				
Fees and commission income, net	282,288	239,240	194,953	18.0%	22.7%
Insurance premiums, net	55,642	49,429	41,624	12.6%	18.8%
Gain (Loss) on financial instruments, net	1,346	(10,416)	(46,978)	n/a	(77.8%)
Other income, net	61,349	51,752	52,018	18.5%	(0.5%)
<b>Total of other income, net</b>	<b>400,625</b>	<b>330,005</b>	<b>241,616</b>	<b>21.4%</b>	<b>36.6%</b>

The 21.4% increase in total other income, net for the year ended on December 31, 2025, primarily reflects the following factors:



### Fees and Commission Income, Net

The 18.0% increase in fees and commission income, net of commission expenses and other expenses for the year ended on December 31, 2025, resulted primarily due to an increase on earned commissions on debit and credit cards, Yappy, and Confirming.

### Insurance Premiums, Net

Net insurance premiums increased by 12.6% for the year ended on December 31, 2025, as compared to the same period in 2024, mainly due to an increase in insurance premiums of 12.6%, offset by a 14.5% increase in acquisition expenses, and a 9.8% increase in insurance claims.

### Gain (Loss) on Financial Instruments, Net

Gain (loss) on financial instruments, net for the year ended on December 31, 2025, resulted in gains of US\$1.3 million, mainly due to realized and unrealized gains on securities, offset by realized and unrealized losses on derivatives.

### Other Income, Net

Other income, net increased by US\$9.5 million, in the year ended on December 31, 2025, was primarily due to: an increase on the Bank's pension fund returns, FX gains on international wire transfers, and an increase in certain mobile and online banking revenues.

### General and Administrative Expenses

The following table presents the Bank's principal general and administrative expenses for the years ended December 31, 2025, 2024, and 2023, respectively:

	As of December 31			(% Change)	
	2025	2024	2023	2024/2025	2023/2024
	(in thousands of U.S. dollars, except for percentages)				
Salaries and other employee expenses	216,619	202,828	189,660	6.8%	6.9%
Depreciation and amortization expenses	42,900	37,686	37,166	13.8%	1.4%
Premises and equipment expenses	41,120	38,003	34,596	8.2%	9.8%
Other expenses	84,700	83,274	80,514	1.7%	3.4%
<b>Total</b>	<b>385,339</b>	<b>361,791</b>	<b>341,937</b>	<b>6.5%</b>	<b>5.8%</b>

The 6.5% increase in general and administrative expenses for the year ended on December 31, 2025, primarily reflects the following factors:

#### Salaries and Other Employee Expenses

For the year ended December 31, 2025, salaries and other employee expenses represented 56.2% of total general and administrative expenses, as compared to 56.1% for the same period in 2024. The 6.8% increase in salaries and other employee expenses was attributable to a combination of a moderate increase in salaries and a 0.8% increase in the number of employees.

#### Depreciation and Amortization Expenses

The increase of US\$5.2 million or 13.8%, in the total depreciation and amortization expense, for the year ended on December 31, 2025, as compared to the same period in 2024, was mainly due to an increase in investments in hardware and software as the Bank continues to develop its technological capabilities.



### **Premises and Equipment Expenses**

The increase of US\$3.1 million or 8.2%, in the premises and equipment expenses, for the year ended on December 31, 2025, as compared to the same period in 2024, was mainly due to an increase in technological expenses associated with software licenses and subscriptions, and initiatives aimed at strengthening the resilience of our operations.

### **Other Expenses**

Other expenses increased by US\$1.4 million or 1.7%, for the year ended on December 31, 2025, mainly due to an increase in professional and legal services.

### **Taxes**

Net income tax amounted to US\$106.0 million for the year ended on December 31, 2025 (US\$100.7 million in estimated income tax and US\$5.3 million in deferred income tax).

### **Operational Efficiency**

The Bank's operational efficiency ratio was 28.32% for the year ended December 31, 2025, as compared to 28.93% for the same period in 2024 mainly due to: (i) a US\$110.0 million increase or 8.8% in operating income, and (ii) a US\$23.5 million, or 6.5% increase in the Bank's general and administrative expenses.



**BANCO GENERAL, S.A. & Subsidiaries**  
**Consolidated Income Statement**  
**For the years ended December 31**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	(in thousands of U.S. dollars)				
Total interest and commission income	1,371,748	1,293,471	1,159,228	981,120	915,487
Total interest expenses	426,297	387,643	320,629	264,276	279,046
<b>Net interest and commission income</b>	<b>945,451</b>	<b>905,828</b>	<b>838,599</b>	<b>716,843</b>	<b>636,441</b>
Total provisions (reversal), net	40,053	(13,431)	(42,265)	(34,683)	152,251
<b>Net interest and commission income after provisions</b>	<b>905,398</b>	<b>919,259</b>	<b>880,864</b>	<b>751,526</b>	<b>484,191</b>
Other Income (expenses):					
Fees and other commissions	464,115	411,828	353,110	313,279	256,690
Insurance premiums, net	55,642	49,429	41,624	38,516	32,688
Gain (Loss) on financial instruments, net	1,346	(10,416)	(46,978)	(94,685)	8,346
Other income, net	61,349	51,752	52,018	28,471	29,230
Commission expenses and other expenses	(181,827)	(172,589)	(158,157)	(110,891)	(92,081)
<b>Total other income, net</b>	<b>400,625</b>	<b>330,005</b>	<b>241,616</b>	<b>174,690</b>	<b>234,872</b>
General and administrative expenses	385,339	361,791	341,937	326,005	296,869
Equity participation in associates	14,684	14,908	14,509	15,137	10,833
<b>Net income before income tax</b>	<b>935,368</b>	<b>902,382</b>	<b>795,053</b>	<b>615,348</b>	<b>433,026</b>
Income tax, estimated	100,678	109,309	105,369	71,250	43,654
Income tax, deferred	5,347	8,536	8,968	5,841	(18,815)
<b>Income tax, net</b>	<b>106,025</b>	<b>117,845</b>	<b>114,337</b>	<b>77,091</b>	<b>24,839</b>
<b>Net income</b>	<b>829,343</b>	<b>784,537</b>	<b>680,716</b>	<b>538,256</b>	<b>408,187</b>



**BANCO GENERAL, S.A. & Subsidiaries**  
**Consolidated Balance Sheet**  
**As of December 31, 2025**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	(in thousands of U.S. dollars, except for percentages)				
<b>Assets</b>					
Cash and deposits with banks	645,284	528,508	809,845	657,810	645,454
Investments and other financial assets, net	5,968,302	5,347,769	5,124,922	5,249,921	6,175,130
Loans	13,288,950	12,762,272	11,974,961	11,690,196	11,297,779
Allowance for possible loans losses	345,231	364,918	394,787	432,999	467,706
Unearned comissions	46,529	41,596	38,961	38,496	36,092
Investments in associates	32,073	30,071	30,112	29,917	25,021
Other assets	1,336,946	1,185,392	1,225,515	1,250,384	1,142,412
<b>Total assets</b>	<b>20,879,794</b>	<b>19,447,499</b>	<b>18,731,607</b>	<b>18,406,731</b>	<b>18,781,998</b>
<b>Liabilities and shareholder's equity</b>					
Local deposits	14,505,567	13,445,802	12,876,708	12,740,553	13,293,164
Foreign deposits	312,356	295,063	357,944	426,089	507,448
Total deposits	14,817,923	13,740,865	13,234,652	13,166,642	13,800,612
Borrowings and placements	699,837	793,176	860,648	1,000,511	893,646
Perpetual bonds	400,000	400,000	400,000	400,000	400,000
Other liabilities	1,466,564	1,340,800	1,308,960	1,260,962	996,692
<b>Total liabilities</b>	<b>17,384,324</b>	<b>16,274,840</b>	<b>15,804,260</b>	<b>15,828,114</b>	<b>16,090,949</b>
<b>Shareholder's equity</b>	<b>3,495,470</b>	<b>3,172,659</b>	<b>2,927,347</b>	<b>2,578,617</b>	<b>2,691,048</b>
<b>Total liabilities and shareholder's equity</b>	<b>20,879,794</b>	<b>19,447,499</b>	<b>18,731,607</b>	<b>18,406,731</b>	<b>18,781,998</b>
<b>Operational data (in units)</b>					
Number of customers <sup>(1)</sup>	2,006,760	1,870,164	1,726,509	1,594,413	1,389,161
% active customers in digital channels <sup>(1) (2)</sup>	84.8%	83.4%	81.9%	79.1%	74.0%
Number of employees <sup>(3)</sup>	5,129	5,089	4,983	4,674	4,510
Number of branches <sup>(4)</sup>	83	82	80	80	82
Number of ATMs <sup>(4)</sup>	629	624	637	637	633
Assets under management (in US\$ million) <sup>(5)</sup>	19,854	16,423	14,447	12,752	12,140

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



**BANCO GENERAL, S.A. & Subsidiaries**  
**Financial Ratios**  
**For the years ended December 31**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Profitability and efficiency:</b>					
Net Interest Margin <sup>(1)</sup>	5.11%	5.19%	5.01%	4.23%	3.70%
Return on average assets <sup>(2)</sup>	4.12%	4.13%	3.71%	2.90%	2.17%
Return on average equity <sup>(2)</sup>	24.07%	24.82%	24.28%	21.21%	15.25%
Efficiency ratio <sup>(3)</sup>	28.32%	28.93%	31.23%	35.96%	33.65%
Operating expenses / average total assets <sup>(2)</sup>	1.91%	1.90%	1.86%	1.76%	1.58%
Other income / operating income <sup>(4)</sup>	29.76%	28.40%	27.82%	27.93%	25.82%
<b>Liquidity:</b>					
Primary Liquidity / total deposits and obligations <sup>(5)</sup>	29.54%	27.74%	29.58%	29.75%	35.25%
Regulatory Liquidity / qualified deposits	39.01%	42.16%	41.83%	39.04%	44.84%
Net Loans/ client deposits <sup>(6)</sup>	87.50%	89.98%	87.26%	85.22%	78.23%
<b>Capital:</b>					
Total regulatory primary capital ratio (CET 1) <sup>(7)</sup>	22.92%	22.05%	21.27%	19.86%	19.75%
Total primary capital ratio <sup>(7)</sup>	25.59%	24.89%	24.24%	23.02%	22.75%
Total Capital Ratio <sup>(7)</sup>	25.59%	24.89%	24.24%	23.02%	22.75%
Equity / assets	16.74%	16.31%	15.63%	14.01%	14.33%
<b>Asset quality:</b>					
Non accrual loans / total loans <sup>(8)</sup>	2.09%	2.02%	2.16%	2.38%	3.01%
Past due loans / total loans <sup>(9)</sup>	2.45%	2.40%	2.54%	2.69%	3.37%
Allowance for loan losses / total loans	2.60%	2.86%	3.30%	3.70%	4.14%
Allowance for loan losses / non accrual loans <sup>(8)</sup>	124.34%	141.84%	152.55%	155.87%	137.75%
Allowance for loan losses / past due loans <sup>(9)</sup>	106.22%	119.17%	129.74%	137.74%	122.72%
Write-offs / total loans	0.69%	0.48%	0.40%	0.27%	0.86%
Net write-offs / total loans	0.41%	0.10%	(0.02%)	(0.07%)	0.63%

<sup>(1)</sup> Net interest margin refers to net interest and commission income divided by average interest-earning assets. Average interest-earning assets are determined on average monthly balances. <sup>(2)</sup> Percentages have been calculated using monthly averages. <sup>(3)</sup> Efficiency is defined as general and administrative expenses divided by the sum of net interest, commission income, other income, net, and equity participation in associates. <sup>(4)</sup> Other income corresponds to the sum of fees and other commissions, insurance premiums, net, and other income, net; while operating income corresponds to the sum of income from interest and commissions, fees and other commissions, insurance premiums, net and other income, net. <sup>(5)</sup> Primary liquidity is comprised of: (a) cash and deposits with banks, and (b) high quality (investment grade) fixed income securities, including repos, fixed income mutual funds, treasury bills, negotiable CDs, commercial paper, corporate and sovereign bonds, MBS, CMOs and ABS. <sup>(6)</sup> Client deposits exclude interbank deposits. <sup>(7)</sup> Capital ratios as a percentage of risk weighted assets. <sup>(8)</sup> Non accrual loans: all loans past due 91+ days on interest and/or principal payments, residential mortgages past due 121+ days, and overdrafts past due +31 days. <sup>(9)</sup> Past due loans: all loans past due 91+ days on interest and/or principal payments and all loans past due 31 days past maturity.