Banco General

Management Discussion

Second Quarter 2026

General Information

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

The following discussion is based on the information contained in the condensed consolidated interim financial statements, as of June 30, 2026. Certain figures (including percentages) in this document have been rounded.

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

ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Assets

The Bank's gross loan portfolio increased by US$437.1 million or 3.4%, from US$13,013.1 million on June 30, 2025, to US$13,450.2 million, as of June 30, 2026. During this period, the Bank's consumer loan portfolio increased by 11.4%, from US$2,373.5 million to US$2,643.5 million; the residential mortgage portfolio increased by 0.3%, from US$4,643.1 million to US$4,655.5 million; the corporate loan portfolio, increased by 2.1%, from US$5,513.1 million to US$5,630.0 million; and other loans (comprising pledge loans, overdrafts, financial leases, and factoring) increased by 7.8% from US$483.4 million to US$521.3 million. The Bank's local corporate loan portfolio increased by 6.1%, from US$3,746.9 million to US$3,976.6 million, and the Bank's regional corporate loan portfolio decreased by 6.4%, from US$1,766.2 million to US$1,653.4 million. Meanwhile, the Bank's total investment portfolio, primarily made up of investment-grade fixed-income investments, as well as the local and regional corporate fixed-income portfolio, increased by 15.5%, from US$5,547.3 million, to US$6,408.1 million.

Liabilities

The Bank's total deposits increased by US$927.7 million or 6.6%, from US$14,015.6 million on June 30, 2025, to US$14,943.3 million, as of June 30, 2026. During this period, time deposits increased by US$392.0 million or 6.0%, from US$6,532.0 million to US$6,924.0 million, representing 46.3% of total deposits, with an average remaining life of 13 months, and 63.6% of them having original maturities greater than one year. Savings accounts increased by US$319.8 million or 6.8%, from US$4,728.5 million to US$5,048.3 million, representing 33.8% of total deposits. Demand deposits increased by US$215.9 million or 7.8%, from US$2,755.1 million to US$2,971.0 million, representing 19.9% of total deposits.

The Bank's total borrowings and placements increased by US$65.9 million or 5.7%, from US$1,161.4 million on June 30, 2025 to US$1,227.3 million on June 30, 2026.

Equity

As of June 30, 2026, the Bank's equity increased by US$227.2 million or 6.7%, from US$3,412.9 million on June 30, 2025, to US$3,640.1 million, mainly driven by an increase in retained earnings of US$168.1 million, and an increase in capital reserves of US$48.1 million (primarily due to an increase in the valuation of the investment portfolio). As of June 30, 2026, the Bank's equity to total assets ratio increased to 17.10%, as compared to 17.04% as of June 30, 2025.

Liquidity and Funding Sources

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

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

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

Consistent with the Bank's conservative financial policies, it historically maintains high levels of liquidity in investment-grade liquid investments, which are complemented by: (i) an adequate asset and liability maturity structure, (ii) a diversified and stable deposit base, (iii) access to multiple sources of financing (representing 6.95% of total liabilities as of June 30, 2026); and (iv) low levels of short-term institutional liabilities, which together provide a stable asset and liability structure.

As of June 30, 2026, primary liquidity amounted to 29.75%, comprising cash, bank deposits and liquid investment-grade fixed-income investments, as a percentage of total deposits and borrowings (excluding perpetual bonds). The Bank's total primary liquidity has an average credit rating of AA-, with 67.6% of investments rated AA+ or higher and 80.9% rated A- or higher. These liquid assets represented 31.39% of total deposits and 22.03% of total assets.

In addition to our internal liquidity limits, the Bank must comply with liquidity ratios established by the SBP, which require banks to have liquid assets of no less than 30% of qualified deposits, with maturities of less than 186 days, excluding deposits from subsidiaries and pledged deposits. For the calculation of this ratio, the SBP allows for all loan installments and maturities classified as standard with a term of less than 186 days to be considered liquid assets. The loan installments and maturities can only represent up to 30% of the total liquid assets used in this ratio. As of June 30, 2026, the Bank maintained a regulatory liquidity of 38.47%.

A. Loan Portfolio

The Bank's loan portfolio is well-diversified among client segments and has a wide variety of products. As of June 30, 2026, total gross loans amounted to US$13,450.2 million, comprising: (i) 54.3% retail loans (34.6% residential loans and 19.7% consumer loans), (ii) 41.9% corporate loans (29.6% local corporate loans and 12.3% foreign corporate loans), and (iii) 3.8% other loans (which include pledge loans, overdrafts, financial leases, and factoring).

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 June 30, 2026, 66.2% of all loans were secured: (i) 53.8% 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 0.70% and 0.40% of total loans, respectively, over the past two years ending June 30, 2026.

As of June 30, 2026, 86.4% of the Bank's loan portfolio consisted of local borrowers (individuals and corporations) based in Panama, while 13.6% consisted 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 June 30, 2026, and 2025, and December 31, 2025, 2024, and 2023, respectively:

	As of June 30			As of December 31		
	2026	2025	(%) Change	2025	2024	2023
	(in thousands of U.S. dollars, except for percentages)					
Local loans						
Residential mortgage loans	4,531,013	4,512,833	0.4%	4,563,249	4,574,596	4,659,178
Personal loans, auto loans and credit cards	2,628,428	2,360,259	11.4%	2,508,063	2,203,922	1,963,721
Commercial mortgage loans	1,776,201	1,818,285	(2.3%)	1,766,411	1,773,622	1,785,136
Lines of credit	1,333,213	1,135,414	17.4%	1,239,220	1,163,943	1,019,344
Commercial	648,211	507,037	27.8%	658,656	516,577	327,705
Interim construction loans	218,986	286,173	(23.5%)	221,582	293,808	265,160
Leasing	131,832	114,775	14.9%	121,806	110,162	91,931
Pledge loans and overdrafts	339,763	328,492	3.4%	325,226	328,492	329,659
Factoring	11,409	-	100.0%	-	-	-
Total local loans	**11,619,056**	**11,063,269**	**5.0%**	**11,404,213**	**10,965,122**	**10,441,835**
Foreign loans						
Residential mortgage loans	124,461	130,271	(4.5%)	129,846	135,832	148,074
Personal loans, auto loans and credit cards	15,075	13,240	13.9%	14,244	11,937	8,088
Commercial mortgage loans	179,033	187,022	(4.3%)	184,117	140,403	139,405
Lines of credit	364,758	519,177	(29.7%)	401,260	580,764	399,792
Commercial	1,109,591	1,060,027	4.7%	1,118,532	881,397	788,221
Pledge loans and overdrafts	38,274	40,104	(4.6%)	36,737	46,817	49,546
Total foreign loans	**1,831,192**	**1,949,840**	**(6.1%)**	**1,884,737**	**1,797,149**	**1,533,126**
Total loans	**13,450,248**	**13,013,109**	**3.4%**	**13,288,950**	**12,762,272**	**11,974,961**
Less:						
Allowance for loan losses	344,302	356,940	(3.5%)	345,231	364,918	394,787
Unearned commissions	50,837	44,429	14.4%	46,529	41,596	38,961
Total loans, net	**13,055,108**	**12,611,740**	**3.5%**	**12,897,190**	**12,355,757**	**11,541,213**

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 June 30, 2026, and 2025, and December 31, 2025, 2024, and 2023, respectively:

	As of June 30			As of December 31		
	2026	**2025**	**(%) Change**	**2025**	**2024**	**2023**
	(in thousands of U.S. dollars, except for percentages)					
Non accrual loans						
Residential mortgage loans	114,625	148,482	(22.8%)	130,811	166,745	186,546
Personal loans, auto loans and credit cards	48,687	42,207	15.4%	43,130	32,722	25,952
Commercial mortgage loans	46,460	42,808	8.5%	40,548	40,937	39,457
Lines of credit	4,676	4,991	(6.3%)	5,512	5,662	5,729
Commercial	3,172	3,245	(2.3%)	3,083	3,469	873
Interim construction loans	54,652	53,838	1.5%	53,961	7,586	-
Leasing	239	85	183.1%	207	1	81
Pledge loans and overdrafts	382	260	46.7%	400	153	157
Total non accrual loans	**272,893**	**295,915**	**(7.8%)**	**277,653**	**257,274**	**258,795**
Total loans	13,450,248	13,013,109		13,288,950	12,762,272	11,974,961
Allowance for loan losses	344,302	356,940		345,231	364,918	394,787
Non accrual loans / total loans	2.03%	2.27%		2.09%	2.02%	2.16%
Allowance for loans losses / non accrual loans	126.17%	120.62%		124.34%	141.84%	152.55%

As of June 30, 2026, non accrual loans decreased to US$272.9 million, compared to US$295.9 million on June 30, 2025. The change was mainly attributable to a US$33.9 million decrease in the residential mortgage non accrual loan balance, which declined from US$148.5 million to US$114.6 million; offset by a increase of:(i) US$6.5 million in the consumer non accrual balance from US$42.2 million to US$48.7 million, and (ii) US$4.4 million in the corporate and other loans non accrual balance from US$105.2 million to US$109.6 million.

Non accrual loans, represented 2.03% of total loans as of June 30, 2026, compared to 2.27% as of June 30, 2025. The Bank's coverage of allowance for loan losses was 126.17% of non accrual loans, as compared to 120.62% as of June 30, 2025.

Past Due Loans

The Bank classifies the loans as past due if: (i) scheduled interest or principal payments are 91 days or more past due during the life of the loan; 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 type of loan as of June 30, 2026, and 2025, and December 31, 2025, 2024, and 2023, respectively:

	As of June 30			As of December 31		
	2026	2025	(%) Change	2025	2024	2023
	(in thousands of U.S. dollars, except for percentages)					
Past due loans						
Residential mortgage loans	161,201	194,468	(17.1%)	178,513	214,598	233,429
Personal loans, auto loans and credit cards	48,265	41,539	16.2%	42,497	32,523	25,787
Commercial mortgage loans	46,367	42,830	8.3%	40,548	41,475	37,996
Lines of credit	4,766	5,401	(11.8%)	5,866	6,426	5,729
Commercial	3,172	3,245	(2.3%)	3,083	3,469	1,043
Interim construction loans	54,652	53,838	1.5%	53,961	7,586	-
Leasing	214	38	467.6%	207	-	143
Pledge loans and overdrafts	380	192	97.9%	324	148	157
Total past due loans	**319,017**	**341,550**	**(6.6%)**	**325,001**	**306,224**	**304,284**
Total loans	13,450,248	13,013,109		13,288,950	12,762,272	11,974,961
Allowance for loan losses	344,302	356,940		345,231	364,918	394,787
Past due loans / total loans	2.37%	2.62%		2.45%	2.40%	2.54%
Allowance for loan losses / past due loans	107.93%	104.51%		106.22%	119.17%	129.74%

As of June 30, 2026, past due loans decreased to US$319.0 million, compared to US$341.6 million as of June 30, 2025. The decrease was mainly attributable to a US$33.3 million decrease in the residential mortgage past due balance, which declined from US$194.5 million to US$161.2 million; offset by a US$6.8 million increase in the consumer past due balance from US$41.5 million to US$48.3 million, and a US$4.1 million increase in the corporate and other loans past due balance from US$105.5 million to US$109.6 million.

Past due loans represented 2.37% of total loans as of June 30, 2026, compared to 2.62% as of June 30, 2025. The Bank's coverage of allowance for loan losses was 107.93% of past due loans, compared to 104.51% as of June 30, 2025.

Allowance for Loan Losses

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

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

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

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

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

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

The following table presents the breakdown of the allowance for loan losses under IFRS 9 parameters as of June 30, 2026, and December 31, 2025:

	June 30, 2026			December 31, 2025			(%) Change	
	Loans	Allowance	%	Loans	Allowance	%	Loans	Allowance
	(in thousands of U.S. dollars, except for percentages)							
Stage 1	11,857,630	86,676	0.73%	11,642,531	86,845	0.75%	1.8%	(0.2%)
Stage 2	1,317,985	188,278	14.29%	1,364,501	191,248	14.02%	(3.4%)	(1.6%)
Stage 3	274,633	69,348	25.25%	281,918	67,138	23.81%	(2.6%)	3.3%
Total	**13,450,248**	**344,302**	**2.56%**	**13,288,950**	**345,231**	**2.60%**	**1.2%**	**(0.3%)**

As of June 30, 2026, the allowance for loan losses decreased to US$344.3 million or 2.56% of the total loan portfolio, from US$345.2 million or 2.60% of the total loan portfolio, as of December 31, 2025. Additionally, during this period:

Stage 1 loan balance increased US$215.1 million to US$11,857.6 million, and the allowance decreased from US$86.8 million (0.75% of stage 1 loans) to US$86.7 million (0.73% of stage 1 loans). Stage 2 loan balance decreased from US$1,364.5 million to US$1,318.0 million, and the allowance decreased from US$191.2 million (14.02% of stage 2 loans) to US$188.3 million (14.29% of stage 2 loans). Stage 3 loan balance decreased from US$281.9 million to US$274.6 million, and the allowance increased from US$67.1 million (23.81% of stage 3 loans) to US$69.3 million (25.25% of stage 3 loans).

As of June 30, 2026, the Bank's restructured loans decreased to US$544.6 million from US$587.0 million as of December 31, 2025. Of the total restructured loan portfolio, US$292.6 million or 53.7%, were current on their contractual payments. Furthermore, US$452.5 million or 83.1% of restructured loans were secured by mortgage collateral.

The following table presents the breakdown of the allowance for loans losses as of June 30, 2026, and 2025, and December 31, 2025, 2024, and 2023:

	As of June 30			As of December 31		
	2026	2025	(%) Change	2025	2024	2023
	(in thousands of U.S. dollars, except for percentages)					
Allowance at the beginning of period	**345,231**	**364,918**	**(5.4%)**	**364,918**	**394,787**	**432,999**
Provision (reversal) for loan losses, net	30,903	13,660	126.2%	34,279	(16,489)	(40,138)
Write-offs:						
Residential mortgage loans	2,298	1,684	36.5%	9,262	4,928	4,600
Personal loans, auto loans and credit cards	50,278	38,113	31.9%	80,680	56,142	40,925
Commercial mortgage loans	68	297	(77.2%)	1,213	280	288
Lines of credit	-	258	(100.0%)	708	13	44
Commercial	165	-	n/a	129	303	563
Interim construction loans	-	-	n/a	-	-	1,028
Leasing	7	-	n/a	18	14	52
Pledge loans and overdrafts	62	85	(26.5%)	146	202	140
Total write-offs	**52,878**	**40,437**	**30.8%**	**92,155**	**61,881**	**47,640**
Recoveries	21,046	18,799	12.0%	38,190	48,501	49,565
Allowance at the end of period	**344,302**	**356,940**	**(3.5%)**	**345,231**	**364,918**	**394,787**
Total loans	13,450,248	13,013,109		13,288,950	12,762,272	11,974,961
Allowance for loan losses / total loans	2.56%	2.74%		2.60%	2.86%	3.30%
Write-offs / total loans (1)	0.79%	0.62%		0.69%	0.48%	0.40%
Net write-offs / total loans (1)	0.47%	0.33%		0.41%	0.10%	(0.02%)

(1) Percentages are annualized.

For the six months ended on June 30, 2026, total write-offs amounted to US$52.9 million (0.79% of total loans, annualized), as compared to US$40.4 million (0.62% of total loans, annualized) for the same period in the previous year, while net write-offs amounted to US$31.8 million (0.47% of total loans, annualized).

B. Capital Resources

A cornerstone of the Bank's financial strategy is its strong capital position, which exceeds local and international regulatory requirements contained in the Basel Accords and has supported our investment-grade ratings since 1997, currently holding the following ratings: BBB by Standard & Poor's, 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 June 30, 2026, the Bank had total capital of US$3,982.1 million, 3.2 times the SBP required regulatory capital. The ratio of total capital to RWA was 25.47%, comprised solely of primary capital, which increased by US$231.5 million or 6.2%, compared to June 30, 2025, and total risk-weighted assets of US$15,635.7 million. Total risk-weighted assets include: US$13,876.3 million of credit RWA, US$849.6 million of market RWA, and US$909.8 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 June 30, 2026, the Bank's dynamic reserve balance was US$167.6 million.

The Bank's subsidiaries General de Seguros, S.A., BG Valores, S.A., ProFuturo Administradora de Fondos de Pensiones y Cesantía, S.A., BG Trust, Inc., Banco General (Costa Rica), S.A., Banco General (Overseas), Inc., and Commercial Re Overseas, Ltd. are all subject to minimum capital requirements stipulated by their corresponding regulators including but not limited to the SBP, the Superintendence of Insurance and Reinsurance of Panama, the Superintendence of Capital Markets of Panama, the General Superintendency of Financial Entities of Costa Rica (SUGEF), the Monetary Authority of the Cayman Islands (CIMA), the British Virgin Islands Financial Services Commission, and others. As of June 30, 2026, all 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 June 30, 2026, and 2025, and December 31, 2025, 2024, and 2023:

	As of June 30		As of December 31		
	2026	**2025**	**2025**	**2024**	**2023**
	(in thousands of U.S. dollars, except for percentages)				
Regulatory primary capital					
Common shares	500,000	500,000	500,000	500,000	500,000
Legal reserve	221,238	207,650	212,613	205,261	192,810
Other items comprehensive income	(20,647)	(68,765)	3,331	(120,335)	(163,678)
Retained earnings	2,923,369	2,755,227	2,762,887	2,568,313	2,377,583
Less: Regulatory adjustments	41,884	43,470	42,677	44,263	46,021
Total regulatory primary capital - CET 1	**3,582,076**	**3,350,641**	**3,436,153**	**3,108,975**	**2,860,694**
Additional primary capital					
Subordinated perpetual bonds	400,000	400,000	400,000	400,000	400,000
Total additional primary capital	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**
Total primary capital	**3,982,076**	**3,750,641**	**3,836,153**	**3,508,975**	**3,260,694**
Total capital	**3,982,076**	**3,750,641**	**3,836,153**	**3,508,975**	**3,260,694**
Credit risk-weighted assets	13,876,278	13,001,228	13,412,954	12,673,282	12,045,910
Market risk-weighted assets	849,582	644,059	688,408	608,972	641,963
Operational risk-weighted assets	909,824	818,874	890,917	815,598	763,010
Risk-weighted assets	**15,635,684**	**14,464,161**	**14,992,280**	**14,097,851**	**13,450,883**
Capital ratios					
Total regulatory primary capital - CET 1	**22.91%**	**23.17%**	**22.92%**	**22.05%**	**21.27%**
Total primary capital ratio	**25.47%**	**25.93%**	**25.59%**	**24.89%**	**24.24%**
Total capital ratio	**25.47%**	**25.93%**	**25.59%**	**24.89%**	**24.24%**

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

C. Results of Operations

The following table presents the Bank's principal consolidated results of operations for the three and six months ended on June 30, 2026, and 2025:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	2025	(%) Change	2026	2025	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Net interest and commission income	**251,389**	**232,746**	**8.0%**	**494,133**	**461,479**	**7.1%**
Total provisions (reversal), net	**15,082**	**8,589**	**75.6%**	**31,211**	**16,869**	**85.0%**
Other Income (expenses):						
Fees and other commissions	127,086	110,875	14.6%	249,897	219,916	13.6%
Insurances premiums, net	15,658	14,202	10.3%	30,555	26,838	13.9%
Gain (Loss) on financial instruments, net	1,008	82	1123.5%	2,349	(484)	n/a
Other Income, net	16,717	14,970	11.7%	33,178	29,726	11.6%
Commission expenses and other expenses	(52,428)	(43,811)	19.7%	(103,318)	(88,742)	16.4%
Total other income, net	**108,040**	**96,319**	**12.2%**	**212,661**	**187,254**	**13.6%**
General and administrative expenses	100,132	94,095	6.4%	(199,022)	(186,494)	6.7%
Equity participation in associates	4,082	4,036	1.2%	8,662	7,555	14.7%
Net income before income tax	**248,298**	**230,417**	**7.8%**	**485,223**	**452,926**	**7.1%**
Income tax, net	29,723	27,506	8.1%	(56,786)	(54,424)	4.3%
Net Income	**218,575**	**202,911**	**7.7%**	**428,436**	**398,501**	**7.5%**

For the three months ended June 30, 2026, the Bank's net income amounted to US$218.6 million, representing an increase of US$15.7 million or 7.7%, compared to US$202.9 million for the same period last year. The return on average equity (ROAE) and return on average assets (ROAA), were 24.15% and 4.13%, 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 three and six months ended on June 30, 2026, and 2025:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	2025	(%) Change	2026	2025	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Total interest and commission income	356,841	338,369	5.5%	704,536	670,730	5.0%
Total interest expenses	105,453	105,623	(0.2%)	(210,403)	(209,251)	0.6%
Net interest and commission income	**251,389**	**232,746**	**8.0%**	**494,133**	**461,479**	**7.1%**
Average interest-earning assets	19,388,206	18,290,651	6.0%	19,306,405	18,219,114	6.0%
Average interest-bearing liabilities	14,224,351	13,377,338	6.3%	14,166,559	13,355,129	6.1%
Average interest rate earned (1)(4)	7.36%	7.40%		7.30%	7.36%	
Average interest rate paid (2)(4)	2.97%	3.16%		2.97%	3.13%	
Net interest margin (3)(4)	5.19%	5.09%		5.12%	5.07%	

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

Net interest and commission income increased 8.0% for the three months ended on June 30, 2026, compared to 2025. This growth was driven by a 6.0% increase in average interest-earning assets, and a 19 basis point decrease in the average rate paid on interest-bearing liabilities; offset by a 6.3% increase in average interest-bearing liabilities and a 4 basis point decrease in the average rate earned on interest-earning assets. As a result, the net interest margin increased by 10 basis points, from 5.09% in 2025 to 5.19% in 2026.

Total Interest and Commission Income

The following table presents information as to the Bank's total interest and commission income for the three and six months ended on June 30, 2026, and 2025:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	2025	(%) Change	2026	2025	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Total interest and commission income	**356,841**	**338,369**	**5.5%**	**704,536**	**670,730**	**5.0%**
Average interest-earning assets:						
Deposits with banks	231,244	350,118	(34.0%)	258,086	334,742	(22.9%)
Investments and other financial assets, net	6,229,523	5,395,862	15.4%	6,140,340	5,366,350	14.4%
Loans, net	12,927,439	12,544,671	3.1%	12,907,979	12,518,022	3.1%
Total	**19,388,206**	**18,290,651**	**6.0%**	**19,306,405**	**18,219,114**	**6.0%**
Average interest rate earned: (1)						
Deposits with banks	3.23%	3.55%		3.11%	3.80%	
Investments and other financial assets, net	5.01%	5.17%		4.93%	5.13%	
Loans, net	8.57%	8.47%		8.51%	8.42%	
Total	**7.36%**	**7.40%**		**7.30%**	**7.36%**	

(1) Percentages are annualized.

For the three months ended on June 30, 2026, our diversified loan portfolio represented 66.7% of the Bank's total average interest-earning assets and generated 77.6% of the total interest and commissions income.

Total interest and commission income increased by US$18.5 million or 5.5%, for the three months ended on June 30, 2026, and was the result of a US$1,097.5 million or 6.0% increase in average interest-earning assets; offset by a 4 basis point decrease in the average interest rate earned.

The increase in the average interest-earning assets was due to: (i) an increase of US$833.6 million or 15.4%, in investments and other financial assets, (ii) an increase of US$382.7 million or 3.1%, in net loans; offset by a decrease of US$118.9 million or 34.0%, in deposits with banks.

The 4 basis point decrease in the average interest rate earned on interest-earning assets was primarily due to: (i) a 16 basis point decrease in the average interest rate earned on investments and other financial assets, and (ii) a 32 basis point decrease in the average interest rate earned on deposits with banks, partially offset by a 10 basis points increase in the average interest rate earned on net loans.

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 the three months ended on June 30, 2026:

	Second Quarter 2026/2025 Increase (Decrease)		
	By volume	By rate	Net change
	(in thousands of U.S. dollars)		
Deposits with banks	(1,054)	(180)	(1,233)
Investments and other financial assets, net	10,765	(2,484)	8,281
Loans, net	8,104	3,320	11,424
Net Change	**17,815**	**657**	**18,472**

For the three months ended on June 30, 2026, compared to the same period in 2025, the US$1,097.5 million increase in average interest-earning assets, resulted in a US$17.8 million increase in interest and commission income.

Meanwhile, the decrease in the average interest rate earned on net investments and other financial assets from 5.17% to 5.01%, resulted in a US$2.5 million decrease in interest and commission income, offset by an increase in the average interest rate earned on net loans from 8.47% to 8.57%, which resulted in a US$3.3 million increase in the interest and commission income.

Total Interest Expenses

The following table presents information as to the Bank's total interest expenses for the three and six months ended on June 30, 2026, and 2025:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	**2025**	**(%) Change**	**2026**	**2025**	**(%) Change**
	(in thousands of U.S. dollars, except for percentages)					
Total interest expenses	**105,453**	**105,623**	**(0.2%)**	**210,403**	**209,251**	**0.6%**
Average interest-bearing liabilties:						
Savings and other deposits	6,249,893	5,774,041	8.2%	6,230,783	5,775,821	7.9%
Time deposits	6,868,462	6,478,085	6.0%	6,841,373	6,394,154	7.0%
Borrowings and placements [1]	1,105,996	1,125,212	(1.7%)	1,094,404	1,185,154	(7.7%)
Total	**14,224,351**	**13,377,338**	**6.3%**	**14,166,559**	**13,355,129**	**6.1%**
Average interest rate paid: [2]						
Savings and other deposits	1.01%	1.15%		1.01%	1.14%	
Time deposits	4.51%	4.71%		4.52%	4.68%	
Borrowings and placements	4.43%	4.57%		4.42%	4.53%	
Total	**2.97%**	**3.16%**		**2.97%**	**3.13%**	

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

The Bank's total interest expenses are mainly attributable to interest paid on deposits, which represented 88.4% of total interest expense for the three months ended on June 30, 2026, compared to 87.8% for the same period last year.

Total interest expense decreased by US$0.2 million or 0.2%, for the three months ended on June 30, 2026, and was primarily due to a 19 basis point decrease in the average interest rate paid on interest-bearing liabilities; offset by a 6.3% increase in average interest-bearing liabilities.

The increase in the average interest-bearing liabilities was due to: (i) a US$475.9 million or 8.2% increase in savings and other deposits, and (ii) a US$390.4 million or 6.0% increase in time deposits; offset by a US$19.2 million or 1.7% decrease in borrowings and placements.

The decrease in the average interest rate paid was mainly attributable to: (i) 20 basis point decrease in the average interest rate paid on time deposits, (ii) a 14 basis point decrease in the average interest rate paid on savings and other deposits, and (iii) a 14 basis point decrease in the average interest rate paid on borrowings and placements.

The following table sets forth the effect of changes in the Bank's total interest expense as a result of changes in: (i) the average volume of interest-bearing liabilities, and (ii) the average interest rate paid during the three months ended on June 30, 2026:

	Second Quarter 2026/2025 Decrease (Increase)		
	By volume	**By rate**	**Net change**
	(in thousands of U.S. dollars)		
Savings and other deposits	1,365	(2,168)	(803)
Time deposits	4,593	(3,370)	1,223
Borrowings and placements	(219)	(372)	(591)
Net change	**5,739**	**(5,910)**	**(171)**

For the three months ended June 30, 2026, compared to the same period in 2025, the decrease in the average rate paid on interest-bearing liabilities, from 3.16% to 2.97%, resulted in a US$5.9 million decrease in interest expense. Meanwhile, the US$847.0 million increase in interest-bearing liabilities resulted in a US$5.7 million increase in 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 three and six months ended June 30, 2026, and 2025:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	2025	(%) Change	2026	2025	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Allowance for loan losses at the beginning of period	**345,087**	**362,107**	**(4.7%)**	**345,231**	**364,918**	**(5.4%)**
Provision (reversal) for loan losses, net	15,128	5,837	159.2%	30,903	13,660	126.2%
Write-offs	26,828	20,763	29.2%	52,878	40,437	30.8%
Recoveries	10,915	9,759	11.8%	21,046	18,799	12.0%
Allowance for loan losses at the end of period	**344,302**	**356,940**	**(3.5%)**	**344,302**	**356,940**	**(3.5%)**
Total loans	13,450,248	13,013,109		13,450,248	13,013,109	
Provision (reversal) for loan losses, net / total loans (1)	0.45%	0.18%		0.46%	0.21%	
Write-offs / total loans (1)	0.80%	0.64%		0.79%	0.62%	
Net write-offs / total loans (1)	0.47%	0.34%		0.47%	0.33%	
Allowance for loan losses / total loans	2.56%	2.74%		2.56%	2.74%	

(1) Percentages are annualized.

For the three months ended June 30, 2026, the net provision charged to expenses was US$15.1 million, compared to US$5.8 million for the same period in 2025.

Write-offs increased by US$6.0 million from US$20.8 million on June 30, 2025 (0.64% of total loans, annualized), to US$26.8 million on June 30, 2026 (0.80% of total loans, annualized), while recoveries increased by US$1.1 million, from US$9.8 million on June 30, 2025 to US$10.9 million on June 30, 2026.

Consequently, the allowance for loan losses decreased US$12.6 million or 3.5%, from US$356.9 million (2.74% of total loans) to US$344.3 million (2.56% of total loans).

Other Income, Net

The following table presents the information as to the Bank's fees, commission and other income, net for the three and six months ended on June 30, 2026, and 2025:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	2025	(%) Change	2026	2025	(%) Change
	(in thousands of U.S. dollars, except for percentages)					
Fees and commission income, net	74,658	67,065	11.3%	146,579	131,174	11.7%
Insurance premiums, net	15,658	14,202	10.3%	30,555	26,838	13.9%
Gain (Loss) on financial instruments, net	1,008	82	1123.5%	2,349	(484)	n/a
Other income, net	16,717	14,970	11.7%	33,178	29,726	11.6%
Total of other income, net	**108,040**	**96,319**	**12.2%**	**212,661**	**187,254**	**13.6%**

The 12.2% increase in total other income, net for the three months ended on June 30, 2026, compared to the same period in 2025, was primarily driven by the following factors:

Fees and Commission Income, Net

The 11.3% increase in fees and commission income, net of commission expenses and other expenses, for the three months ended June 30, 2026, was primarily due to an increase on earned commissions from debit and credit cards and Yappy.

Insurance Premiums, Net

Net insurance premiums increased by 10.3% for the three months ended on June 30, 2026, as compared to the same period in 2025, mainly due to an increase in insurance premiums of 9.8%, partially offset by an increase of 13.5% in insurance claims, and a 6.7% increase in acquisition costs.

Gain (Loss) on Financial Instruments, Net

Gain (loss) on financial instruments, net for the three months ended on June 30, 2026, resulted in gains of US$1.0 million, mainly due to realized and unrealized gains on securities, partially offset by realized losses on derivatives.

Other Income, Net

The increase of US$1.7 million or 11.7%, in other income, net, for the three months ended June 30, 2026, compared to the same period in 2025, was primarily due to higher returns from the Bank’s pension fund.

General and Administrative Expenses

The following table presents the Bank’s principal general and administrative expenses for the three and six months ended on June 30, 2026, and 2025 respectively:

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2026	**2025**	**(%) Change**	**2026**	**2025**	**(%) Change**
	(in thousands of U.S. dollars)					
Salaries and other employee expenses	56,477	53,554	5.5%	112,074	105,549	6.2%
Depreciation and amortization expenses	11,960	10,311	16.0%	23,800	20,374	16.8%
Premises and equipment expenses	12,067	10,596	13.9%	23,826	20,492	16.3%
Other expenses	19,628	19,633	(0.0%)	39,323	40,079	(1.9%)
Total	**100,132**	**94,095**	**6.4%**	**199,022**	**186,494**	**6.7%**

The 6.4% increase in general and administrative expenses for the three months ended on June 30, 2026, compared to the same period in 2025, was primarily driven by the following factors:

Salaries and Other Employee Expenses

For the three months ended June 30, 2026, salaries and other employee expenses represented 56.4% of total general and administrative expenses, as compared to 57.0% for the same period in 2025. The 5.5% increase in salaries and other employee expenses was attributable to a combination of a moderate increase in salaries and other employee benefits.

Depreciation and Amortization Expenses

The Bank’s total depreciation and amortization expense for the three months ended on June 30, 2026, increased by US$1.7 million or 16.0%, compared to the same period in 2025. The increase was mainly due to investments in technology to enhance operational resilience and support the development of new digital solutions for the Bank’s and growing customer base.

Premises and Equipment Expenses

The premises and equipment expenses, including maintenance, repairs, and lease expenses, increased by US$1.5 million or 13.9%, for the three months ended June 30, 2026, compared to the same period in 2025. The increase was mainly due to higher technology-related costs associated with software licenses and subscriptions, as well as investments aimed at strengthening the resilience of the Bank's operations.

Other Expenses

Other general and administrative expenses for the three months ended June 30, 2026, remained stable compared to the same period in 2025.

Operational Efficiency

The Bank's operational efficiency ratio was 27.55% for the three months ended June 30, 2026, compared to 28.25% for the same period in 2025 mainly as a result of: (i) a US$30.4 million increase or 9.1%, in operating income, and (ii) a US$6.0 million or 6.4%, increase in the Bank's general and administrative expenses.

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

	30-Jun-26	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25
	(in thousands of U.S. dollars)				
Total interest and commission income	356,841	347,695	352,379	348,639	338,369
Total interest expenses	105,453	104,951	108,770	108,277	105,623
Net interest and commission income	**251,389**	**242,744**	**243,610**	**240,362**	**232,746**
Total provisions (reversal), net	15,082	16,129	16,401	6,783	8,589
Net interest and commission income after provisions	**236,307**	**226,615**	**227,208**	**233,579**	**224,157**
Other Income (expenses):					
Fees and other commissions	127,086	122,811	128,227	115,972	110,875
Insurance premiums, net	15,658	14,898	15,202	13,602	14,202
Gain (Loss) on financial instruments, net	1,008	1,341	2,144	(314)	82
Other income, net	16,717	16,461	16,110	15,513	14,970
Commission expenses and other expenses	(52,428)	(50,890)	(48,289)	(44,796)	(43,811)
Total other income, net	**108,040**	**104,621**	**113,393**	**99,978**	**96,319**
General and administrative expenses	100,132	98,891	101,668	97,177	94,095
Equity participation in associates	4,082	4,580	3,023	4,107	4,036
Net income before income tax	**248,298**	**236,925**	**241,956**	**240,486**	**230,417**
Income tax, estimated	29,513	27,144	21,426	27,149	26,224
Income tax, deferred	210	(80)	1,001	2,025	1,283
Income tax, net	**29,723**	**27,064**	**22,426**	**29,174**	**27,506**
Net income	**218,575**	**209,861**	**219,530**	**211,312**	**202,911**

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

	30-Jun-26	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25
	(in thousands of U.S. dollars)				
Assets					
Cash and deposits with banks	436,963	609,884	645,284	571,317	606,677
Investments and other financial assets, net	6,367,878	5,985,574	5,968,302	5,656,354	5,510,096
Loans	13,450,248	13,225,589	13,288,950	13,161,767	13,013,109
Allowance for possible loans losses	344,302	345,087	345,231	349,037	356,940
Unearned comissions	50,837	49,151	46,529	45,780	44,429
Investments in associates	40,206	36,591	32,073	39,679	37,183
Other assets	1,391,821	1,502,452	1,336,946	1,402,187	1,259,206
Total assets	**21,291,977**	**20,965,853**	**20,879,794**	**20,436,488**	**20,024,903**
Liabilities and shareholder's equity					
Total deposits	14,943,260	14,743,663	14,817,923	14,362,180	14,015,586
Borrowings and placements	827,306	683,638	699,837	604,755	761,424
Perpetual bonds	400,000	400,000	400,000	400,000	400,000
Other liabilities	1,481,278	1,609,792	1,466,564	1,490,217	1,434,960
Total liabilities	**17,651,844**	**17,437,093**	**17,384,324**	**16,857,152**	**16,611,970**
Shareholder's equity	**3,640,134**	**3,528,760**	**3,495,470**	**3,579,336**	**3,412,933**
Total liabilities and shareholder's equity	**21,291,977**	**20,965,853**	**20,879,794**	**20,436,488**	**20,024,903**
Operational data (in units)					
Number of customers [1]	2,091,516	2,053,847	2,006,760	1,971,132	1,933,915
% active customers in digital channels [1] [2]	85.0%	85.0%	84.8%	84.3%	83.9%
Number of employees [3]	5,074	5,084	5,129	5,141	5,164
Number of branches [4]	80	80	83	83	83
Number of ATMs [4]	625	621	629	626	629
Assets under management (in US$ million) [5]	22,611	21,644	19,854	18,921	17,895

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

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

	30-Jun-26	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25
Profitability and efficiency:					
Net Interest Margin (1) (2)	5.19%	5.06%	5.13%	5.18%	5.09%
Return on average assets (1) (3)	4.13%	4.02%	4.23%	4.18%	4.09%
Return on average equity (1) (3)	24.15%	23.55%	24.26%	24.02%	24.13%
Efficiency ratio (4)	27.55%	28.10%	28.24%	28.21%	28.25%
Operating expenses / average total assets (1) (3)	1.89%	1.89%	1.96%	1.92%	1.89%
Other income / operating income (5)	30.89%	30.72%	31.16%	29.39%	29.27%
Liquidity:					
Primary Liquidity / total deposits and obligations (6)	29.75%	30.15%	29.54%	29.00%	28.20%
Regulatory Liquidity / qualified deposits	38.47%	37.99%	39.01%	39.11%	34.46%
Net Loans / client deposits (7)	88.28%	87.71%	87.50%	89.49%	90.48%
Capital:					
Equity / assets	17.10%	16.83%	16.74%	17.51%	17.04%
Total regulatory primary capital ratio (CET 1) (8)	22.91%	23.16%	22.92%	24.01%	23.17%
Total primary capital ratio (8)	25.47%	25.82%	25.59%	26.74%	25.93%
Total Capital Ratio (8)	25.47%	25.82%	25.59%	26.74%	25.93%
Asset quality:					
Non accrual loans / total loans (9)	2.03%	2.01%	2.09%	2.23%	2.27%
Past due loans / total loans (10)	2.37%	2.39%	2.45%	2.58%	2.62%
Allowance for loan losses / total loans	2.56%	2.61%	2.60%	2.65%	2.74%
Allowance for loan losses / non accrual loans (9)	126.17%	129.85%	124.34%	119.00%	120.62%
Allowance for loan losses / past due loans (10)	107.93%	109.22%	106.22%	102.89%	104.51%
Write-offs / total loans (1)	0.80%	0.79%	0.82%	0.74%	0.64%
Net write-offs / total loans (1)	0.47%	0.48%	0.56%	0.41%	0.34%

(1) Percentages are annualized. (2) Net interest margin refers to net interest and commission income divided by average interest-earning assets. Average interest-earning assets are determined on average monthly balances. (3) Percentages have been calculated using monthly averages. (4) Efficiency is defined as general and administrative expenses divided by the sum of net interest, commission income, other income, net, and equity participation in associates. (5) Other income corresponds to the sum of fees and other commissions, insurance premiums, net, and other income, net; while operating income corresponds to the sum of income from interest and commissions, fees and other commissions, insurance premiums, net and other income, net. (6) Primary liquidity is comprised of: (a) cash and deposits with banks, and (b) high quality (investment grade) fixed income securities, including repos, fixed income mutual funds, treasury bills, negotiable CDs, commercial paper, corporate and sovereign bonds, MBS, CMOs and ABS. (7) Client deposits exclude interbank deposits. (8) Capital ratios as a percentage of risk weighted assets. (9) Non accrual loans: all loans past due 91+ days on interest and/or principal payments, residential mortgages past due 121+ days, and overdrafts past due +31 days. (10) Past due loans: all loans past due 91+ days on interest and/or principal payments and all loans past due 31 days post maturity.