# BAC INTERNATIONAL BANK, INC.
# AND SUBSIDIARIES
(Panama, Republic of Panama)

**Condensed Consolidated Interim**
**Financial Statements**
**(Unaudited)**

As of June 30, 2025

**BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES**
(Panama, Republic of Panama)

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## BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES
(Panama, Republic of Panama)

**Condensed Consolidated Statement of Financial Position**

As of June 30, 2025

(In U.S. dollars)

| **Assets** | **Note** | **(Unaudited) June 30, 2025** | **(Audited) December 31, 2024** |
|---|---|---|---|
| Cash and cash equivalents | | 846,838,701 | 935,806,774 |
| Securities purchased under resale agreements | 4, 7 | 94,603,400 | 10,399,111 |
| Deposits in banks: | | | |
| Demand | | 3,957,735,079 | 4,073,713,956 |
| Time deposits | | 349,009,363 | 628,097,606 |
| Allowance for impairment on deposits in banks | | (36,418) | (39,073) |
| **Total deposits in banks, net** | 4 | 4,306,708,024 | 4,701,772,489 |
| **Total cash, cash equivalents and deposits in banks** | 4, 6 | 5,248,150,125 | 5,647,978,374 |
| Investments in securities, net | 4, 8 | 4,922,842,732 | 4,883,433,488 |
| Loans: | | | |
| Loans granted | | 27,480,614,214 | 26,328,820,845 |
| Accrued interest receivable | | 194,817,185 | 193,216,967 |
| Unearned commissions | | (72,586,919) | (70,177,888) |
| **Total loans** | | 27,602,844,480 | 26,451,859,924 |
| Allowance impairment for loan losses | 4 | (752,331,751) | (752,442,275) |
| **Loans, net** | 4, 9 | 26,850,512,729 | 25,699,417,649 |
| Property and equipment, net | | 581,556,376 | 586,444,420 |
| Acceptances outstanding | | 7,875,175 | 23,272,915 |
| Other accounts receivable, net | 4 | 485,914,756 | 442,976,234 |
| Goodwill | | 335,941,149 | 335,849,896 |
| Intangible assets, net | | 93,534,597 | 88,167,700 |
| Deferred income tax | | 55,332,690 | 51,417,744 |
| Other assets | | 223,876,865 | 211,478,669 |
| **Total assets** | | 38,805,537,194 | 37,970,437,089 |

*The condensed consolidated statement of financial position should be read in along with the accompanying notes which are part integral of the condensed consolidated interim financial statements.*

| Liabilities and Equity | Note | (Unaudited) June 30, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| **Liabilities** | | | |
| Deposits from customers: | | | |
| Demand | | 10,006,985,553 | 10,328,727,278 |
| Savings | | 7,137,725,560 | 6,933,164,982 |
| Time deposits | | 11,739,099,459 | 11,140,417,256 |
| **Total deposits from customers** | 10 | 28,883,810,572 | 28,402,309,516 |
| Securities sold under repurchase agreements | | 25,000,000 | 91,171,039 |
| Financial obligations | 11 | 2,900,402,463 | 2,984,427,239 |
| Other financial obligations | 12 | 1,711,013,705 | 1,539,301,759 |
| Lease liabilities | 13 | 109,085,736 | 116,077,068 |
| Acceptances outstanding | | 7,875,175 | 23,272,915 |
| Income tax payable | | 30,915,945 | 33,892,785 |
| Deferred income tax | | 87,066,660 | 81,729,391 |
| Provisions | | 91,382,471 | 88,294,181 |
| Accounts payable and other liabilities | | 928,999,583 | 799,349,429 |
| **Total liabilities** | | 34,775,552,310 | 34,159,825,322 |
| **Equity** | | | |
| Common stock | 14 | 834,708,000 | 834,708,000 |
| Additional paid-in capital | | 140,897,488 | 140,897,488 |
| Treasury stock | | (5,218,370) | (5,218,370) |
| Retained earnings | | 2,921,453,940 | 2,742,356,715 |
| Regulatory reserves | | 428,426,322 | 408,272,595 |
| Other comprehensive losses | | (290,592,624) | (310,695,272) |
| **Total stockholders' equity excluding non-controlling interest** | | 4,029,674,756 | 3,810,321,156 |
| Non-controlling interest | | 310,128 | 290,611 |
| **Total equity** | | 4,029,984,884 | 3,810,611,767 |
| **Total liabilities and equity** | | 38,805,537,194 | 37,970,437,089 |

**BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES**
(Panama, Republic of Panama)

**Condensed Consolidated Statement of Profit or Loss**

For the six-months period ended June 30, 2025

(In U.S. dollars)

| | Note | (Unaudited) June 30, 2025 | 2024 |
|---|---|---|---|
| Interest income: | | | |
| Deposits in banks | | 31,525,000 | 36,342,874 |
| Investments in securities | | 146,506,825 | 149,030,786 |
| Loans | | 1,491,251,458 | 1,310,584,114 |
| **Total interest income** | | 1,669,283,283 | 1,495,957,774 |
| Interest expense: | | | |
| Deposits from customers | | 453,294,720 | 373,861,995 |
| Financial obligations | | 89,219,824 | 81,573,229 |
| Other financial obligations | | 74,056,977 | 64,120,803 |
| Securities sold under repurchase agreements | | 4,127,642 | 6,344,527 |
| Lease liabilities | 13 | 2,917,552 | 3,041,879 |
| **Total interest expense** | | 623,616,715 | 528,942,433 |
| **Net interest income** | | 1,045,666,568 | 967,015,341 |
| Credit risk impairment losses (recoveries): | | | |
| Loans | 4 | 291,159,627 | 223,917,159 |
| Deposits in banks and investments in securities | 4 | 674,360 | 3,010,015 |
| Other accounts receivable | 4 | 21,917 | 924,035 |
| Commitments and guarantees | 4 | (303,676) | 2,816,255 |
| Total credit risk impairment loss, net | | 291,552,228 | 230,667,464 |
| **Net interest income after credit risk impairment losses** | | 754,114,340 | 736,347,877 |
| Other income (expenses): | | | |
| Commissions and service charges | | 1,072,100,465 | 954,079,130 |
| Commissions and other charges | | (445,640,917) | (399,672,763) |
| Gain on financial instruments, net | 15 | 15,344,301 | 21,489,033 |
| Foreign exchange difference, net | | (4,294,494) | 2,145,559 |
| Other income | | 11,704,563 | 13,161,923 |
| **Total other income, net** | | 649,213,918 | 591,202,882 |
| General and administrative expenses: | | | |
| Salaries and employee benefits | | 363,279,756 | 349,929,610 |
| Depreciation and amortization | | 74,800,187 | 65,480,180 |
| Administrative | | 62,761,896 | 56,686,547 |
| Occupancy and related expenses | | 18,641,168 | 17,438,839 |
| Other expenses | | 366,685,775 | 323,641,847 |
| **Total general and administrative expenses** | | 886,168,782 | 813,177,023 |
| **Income before income tax** | | 517,159,476 | 514,373,736 |
| Current income tax | | (121,484,320) | (127,376,910) |
| Deferred income tax | | (7,424,536) | 2,099,144 |
| **Net income** | | 388,250,620 | 389,095,970 |
| **Net income attributable to:** | | | |
| Controlling interest | | 388,226,635 | 389,071,571 |
| Non-controlling interest | | 23,985 | 24,399 |
| | | 388,250,620 | 389,095,970 |

*The condensed consolidated statement of profit or loss should be read in along with the accompanying notes which are part integral of the condensed consolidated interim financial statements.*

**BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES**
(Panama, Republic of Panama)

**Condensed Consolidated Statement of Comprehensive Income**

For the six-months period ended June 30, 2025

(In U.S. dollars)

| | (Unaudited) June 30, 2025 | 2024 |
|---|---|---|
| Net income | 388,250,620 | 389,095,970 |
| **Other Comprehensive income:** | | |
| **Items that will not be reclassified to profit or loss:** | | |
| Employee benefits plan - change in actuarial effect | (145,415) | 520,388 |
| Net change in fair value of equity securities | 30,232 | (2,015) |
| **Items that are or may be reclassified to profit or loss:** | | |
| Foreign currency translation | (4,768,040) | (7,662,489) |
| Valuation of FVOCI securities: | | |
| Net amount reclassified to profit or loss | (10,950,057) | (12,776,652) |
| Net change in fair value | 35,931,478 | 15,284,746 |
| **Total other comprehensive income** | 20,098,198 | (4,636,022) |
| **Total comprehensive income** | 408,348,818 | 384,459,948 |
| **Total comprehensive income attributable to:** | | |
| Controlling interest | 408,329,283 | 384,437,560 |
| Non-controlling interest | 19,535 | 22,388 |
| | 408,348,818 | 384,459,948 |

*The condensed consolidated statement of comprehensive income should be read in along with the accompanying notes which are part integral of the condensed consolidated interim financial statements.*

**BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES**
(Panama, Republic of Panama)

**Condensed Consolidated Statement of Changes in Equity**

For the six-months period ended June 30, 2025

(In U.S. dollars)

| | Attributable to the Bank's owners | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Common stock | Additional paid in capital | Treasury stocks | Retained earnings | Regulatory reserves | Other comprehensive income | Total controlling interest | Non-controlling interest | Total |
| **Balance as of January 1, 2024 (Audited)** | 834,708,000 | 140,897,488 | (5,218,370) | 2,393,292,250 | 348,536,827 | (358,751,532) | 3,353,464,663 | 260,134 | 3,353,724,797 |
| Net income | 0 | 0 | 0 | 389,071,571 | 0 | 0 | 389,071,571 | 24,399 | 389,095,970 |
| **Other comprehensive income:** | | | | | | | | | |
| Foreign currency translation | 0 | 0 | 0 | 0 | 0 | (7,662,034) | (7,662,034) | (455) | (7,662,489) |
| Valuation of FVOCI securities: | | | | | | | | | |
| Net amount reclassified to profit or loss | 0 | 0 | 0 | 0 | 0 | (12,776,662) | (12,776,662) | 10 | (12,776,652) |
| Net change in fair value | 0 | 0 | 0 | 0 | 0 | 15,286,521 | 15,286,521 | (1,775) | 15,284,746 |
| Employee benefits plan - change in actuarial valuation | 0 | 0 | 0 | 0 | 0 | 520,179 | 520,179 | 209 | 520,388 |
| Net change in fair value of equity securities | 0 | 0 | 0 | 0 | 0 | (2,015) | (2,015) | 0 | (2,015) |
| Total other comprehensive income | 0 | 0 | 0 | 0 | 0 | (4,634,011) | (4,634,011) | (2,011) | (4,636,022) |
| Total comprehensive income | 0 | 0 | 0 | 389,071,571 | 0 | (4,634,011) | 384,437,560 | 22,388 | 384,459,948 |
| **Other changes in equity:** | | | | | | | | | |
| Regulatory reserves | 0 | 0 | 0 | (35,306,329) | 35,306,329 | 0 | 0 | 0 | 0 |
| **Transactions with the Bank's owners:** | | | | | | | | | |
| Decrease in non-controlling participation | | | | | | | | | |
| Complementary tax | 0 | 0 | 0 | 903,134 | 0 | 0 | 903,134 | 0 | 903,134 |
| Contributions and distributions: | | | | | | | | | |
| Dividends | 0 | 0 | 0 | (101,000,000) | 0 | 0 | (101,000,000) | (202) | (101,000,202) |
| Declared dividends | 0 | 0 | 0 | (2,907) | 0 | 0 | (2,907) | (196) | (3,103) |
| Paid dividends | | | | (100,997,093) | 0 | 0 | (100,997,093) | (6) | (100,997,099) |
| Total transactions with Bank's owners | 0 | 0 | 0 | (100,096,866) | 0 | 0 | (100,096,866) | (202) | (100,097,068) |
| **Balance as of June 30, 2024 (Unaudited)** | 834,708,000 | 140,897,488 | (5,218,370) | 2,646,960,626 | 383,843,156 | (363,385,543) | 3,637,805,357 | 282,320 | 3,638,087,677 |
| **Balance as of January 1, 2025 (Audited)** | 834,708,000 | 140,897,488 | (5,218,370) | 2,742,356,715 | 408,272,595 | (310,695,272) | 3,810,321,156 | 290,611 | 3,810,611,767 |
| Net income | 0 | 0 | 0 | 388,226,635 | 0 | 0 | 388,226,635 | 23,985 | 388,250,620 |
| **Other comprehensive income:** | | | | | | | | | |
| Employee benefits plan - change in actuarial valuation | 0 | 0 | 0 | 0 | 0 | (145,370) | (145,370) | (45) | (145,415) |
| Net change in fair value of equity securities | 0 | 0 | 0 | 0 | 0 | 30,232 | 30,232 | 0 | 30,232 |
| Foreign currency translation | 0 | 0 | 0 | 0 | 0 | (4,764,391) | (4,764,391) | (3,649) | (4,768,040) |
| Valuation of FVOCI securities: | | | | | | | | | |
| Net amount reclassified to profit or loss | 0 | 0 | 0 | 0 | 0 | (10,950,057) | (10,950,057) | 0 | (10,950,057) |
| Net change in fair value | 0 | 0 | 0 | 0 | 0 | 35,932,234 | 35,932,234 | (756) | 35,931,478 |
| Total other comprehensive income | 0 | 0 | 0 | 0 | 0 | 20,102,648 | 20,102,648 | (4,450) | 20,098,198 |
| Total comprehensive income | 0 | 0 | 0 | 388,226,635 | 0 | 20,102,648 | 408,329,283 | 19,535 | 408,348,818 |
| **Other changes in equity:** | | | | | | | | | |
| Regulatory reserves | 0 | 0 | 0 | (20,153,727) | 20,153,727 | 0 | 0 | 0 | 0 |
| **Transactions with the Bank's owners:** | | | | | | | | | |
| Complementary tax | 0 | 0 | 0 | 1,024,317 | 0 | 0 | 1,024,317 | 0 | 1,024,317 |
| Contributions and distributions: | | | | | | | | | |
| Dividends | 0 | 0 | 0 | (190,000,000) | 0 | 0 | (190,000,000) | (18) | (190,000,018) |
| Total transactions with Bank's owners | 0 | 0 | 0 | (188,975,683) | 0 | 0 | (188,975,683) | (18) | (188,975,701) |
| **Balance as of June 30, 2025 (Unaudited)** | 834,708,000 | 140,897,488 | (5,218,370) | 2,921,453,940 | 428,426,322 | (290,592,624) | 4,029,674,756 | 310,128 | 4,029,984,884 |

*The condensed consolidated statement of changes in equity should be read in along with the accompanying notes which are part integral of the condensed consolidated interim financial statements.*

**Condensed Consolidated Statement of Cash Flows**

For the six-months period ended June 30, 2025

(In U.S. dollars)

| | Note | (Unaudited) June 30, 2025 | 2024 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net Income | | 388,250,620 | 389,095,970 |
| Adjustments to reconcile net income and cash by operating activities: | | | |
| Depreciation and amortization | | 74,800,187 | 65,480,180 |
| Credit risk impairment loss on loans | 4 | 291,159,627 | 223,917,159 |
| Credit risk impairment loss on deposits in banks and investments in securities | 4 | 674,360 | 3,010,015 |
| Credit risk impairment loss on other accounts receivable | 4 | 21,917 | 924,035 |
| Loss (reversal) on commitments and guarantees | 4 | (303,676) | 2,816,255 |
| Impairment loss on assets held for sale | | 1,585,257 | 448042 |
| Net interest income | | (1,045,666,568) | (967,015,341) |
| Gain on financial instruments, net | 15 | (15,344,301) | (21,489,033) |
| Net loss on sale and disposal of property and equipment | | 459,700 | 367,995 |
| Net loss on disposal of intangible assets | | 211,772 | 111,058 |
| Net gain on sale of foreclosed assets | | (2,017,458) | (3,546,864) |
| Net loss on discarding of foreclosed assets | | 111,880 | 0 |
| Dividends on equity securities | | (729,465) | (1,680,664) |
| Income tax expense | | 128,908,856 | 125,277,766 |
| **Changes in operating assets and liabilities:** | | | |
| Deposits with original maturity greater than 90 days | | 7,187,448 | 2,475,725 |
| Investments in securities | | (25,437,032) | 11,499,622 |
| Loans | | (1,466,573,080) | (1,738,468,929) |
| Securities purchased under resale agreements | | (63,887,399) | 80,289,402 |
| Other accounts receivable | | (23,991,737) | 90,289,519 |
| Other assets | | (13,260,240) | (16,391,583) |
| Deposits from costumers | | 504,838,587 | 906,362,637 |
| Accounts payable and other liabilities | | 26,031,155 | (72,143,708) |
| **Cash generated by operations:** | | | |
| Interest received | | 1,618,774,920 | 1,436,828,813 |
| Interest paid | | (621,331,335) | (521,758,963) |
| Dividends received | | 729,465 | 1,680,664 |
| Income tax paid | | (118,226,795) | (77,137,667) |
| **Net cash used in operating activities** | | (353,023,335) | (78,757,895) |
| Cash flows from investment activities: | | | |
| Proceeds from sale of investments in securities | | 644,560,953 | 368,569,533 |
| Maturities and prepayments of investments in securities | | 2,653,868,497 | 2,291,988,874 |
| Purchase of investments in securities | | (3,251,038,899) | (2,901,625,773) |
| Acquisition of property and equipment | | (39,377,873) | (27,254,136) |
| Proceeds from sale of property and equipment | | 210,866 | 294,781 |
| Acquisition of intangible assets | | (25,989,310) | (17,789,265) |
| Proceeds from sale of assets held for sale | | 15,879,771 | 15,135,564 |
| **Net cash used in investment activities** | | (1,885,995) | (270,680,422) |
| Cash flows from financing activities: | | | |
| Proceeds from financial obligations | 11 | 1,196,090,475 | 806,514,662 |
| Payment of financial obligations | 11 | (1,273,796,368) | (752,017,125) |
| Proceeds from other financial obligations | 12 | 212,465,657 | 114,384,930 |
| Payment of other financial obligations | 12 | (47,048,634) | -58919221 |
| Payment of lease liabilities | 13 | (17,219,895) | (15,995,980) |
| Paid dividends | | (83,996,776) | (100,997,099) |
| **Net cash used in financing activities** | | (13,505,541) | (7,029,833) |
| Effect of exchange rate fluctuations on cash held | | (24,053,340) | (19,676,103) |
| Net decrease in cash and cash equivalents | | (392,468,211) | (376,144,253) |
| Cash and cash equivalents at the beginning of the period | | 5,608,725,272 | 5,280,690,179 |
| **Cash and cash equivalents at the end of the period** | 6 | 5,216,257,061 | 4,904,545,926 |

*The condensed consolidated statement of cash flows should be read in along with the accompanying notes which are part integral of the condensed consolidated interim financial statements.*

**Table of Contents to the Notes to the Condensed Consolidated Interim Financial Statements**

(In U.S. dollars)

## (1) Organization

BAC International Bank, Inc. ("the Parent Bank") was incorporated on August 25, 1995, in Panama City, Republic of Panama, as a banking institution and bank holding company.

Until May 9, 2025, the Parent Bank's shareholding structure was as follows: 90.5339% was held by BAC International Corporation (BIC), 9.4622% by BAC Holding International Corp. (the "Parent Company"), and 0.0039% by other shareholders. However, on May 9, 2025, the Parent Company made an additional capital contribution to its direct subsidiary BIC, by transferring its shares in BAC International Bank, Inc. As a result of this transaction, the Parent Bank's shareholding structure became 99.9961% held by BIC and 0.0039% by other shareholders.

The Parent Company's shares are listed on the Latin America Stock Exchange S.A. ("Latinex") and on the Colombian Stock Exchange ("BVC").

These condensed consolidated interim financial statements as of June 30, 2025, include the Bank and its subsidiaries, which are jointly referred to as "the Bank".

BAC International Bank, Inc. provides, directly and indirectly through its subsidiaries, a broad range of financial services to individuals clients and institutions in the markets of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama.

Banking operations in the Republic of Panama are regulated and supervised by the Superintendency of Banks of Panama, in accordance with the legislation established under Executive Decree No.52 dated April 30, 2008, which adopts the consolidated text of Decree Law No.9 dated February 26, 1998, as amended by Decree Law No.2 dated February 22, 2008. This legal framework establishes the banking regime of the Republic of Panama and creates the Superintendency of Banks, along the regulations governing its operation.

The Parent Bank consolidates directly and indirectly with the following entities:

| Subsidiary | Core Business | Country | Total voting rights held by the Bank |
|---|---|---|---|
| BAC Bahamas Bank Limited. | Banking | Bahamas | 100.0000% |
| BAC Valores (Panama) Inc. | Securities broker | Panama | 100.0000% |
| Rudas Hill 2 S.A. | Asset management | Panama | 100.0000% |
| BAC Latam SSC S.A. | Services | Costa Rica | 100.0000% |
| BAC Latam Honduras, S.A. | Services | Honduras | 100.0000% |
| Banco de America Central S.A. | Banking | Guatemala | 99.9999% |
| Financiera de Capitales S.A. | Financial services | Guatemala | 99.9996% |
| BAC Valores de Guatemala S.A. | Securities broker | Guatemala | 99.9929% |
| Credomatic de Guatemala S.A. | Card Industry | Guatemala | 99.9999% |
| Negocios y Transacciones Institucionales S.A. | Leasing | Guatemala | 99.9958% |

## (1) Organization, continued

| Subsidiary | Core Business | Country | Total voting rights held by the Bank |
|---|---|---|---|
| Banco de America Central Honduras S.A. | Banking | Honduras | 99.9776% |
| Credomatic de Honduras S.A. | Card Industry | Honduras | 99.9999% |
| Administradora de Fondos de Pensiones y Cesantias BAC Pensiones Honduras S.A. | Mutual funds | Honduras | 100.0000% |
| Inversiones Financieras Banco de America Central S.A. | Holding | El Salvador | 99.9987% |
| Banco de America Central S.A. | Banking | El Salvador | 99.9999% |
| Credomatic de El Salvador S.A. | Card Industry | El Salvador | 99.9997% |
| Sistemas Internacionales S.A. | Holding | El Salvador | 99.9948% |
| Viajes Credomatic El Salvador S.A. | Travel agency | El Salvador | 100.0000% |
| Credit Systems, Inc. | Banking | Panama | 100.0000% |
| Corporacion Tenedora BAC COM S.A. | Holding | Nicaragua | 99.9850% |
| Banco de America Central S.A. | Banking | Nicaragua | 99.9999% |
| Almacenes Generales de Deposito BAC S.A. | Fiscal warehouse | Nicaragua | 99.9994% |
| Credito S.A. | Card Industry | Nicaragua | 99.6631% |
| Corporacion de Inversiones Credomatic S.A. | Holding | Costa Rica | 100.0000% |
| Corporacion Tenedora BAC Credomatic S.A. | Holding | Costa Rica | 100.0000% |
| Banco BAC San Jose S.A. | Banking | Costa Rica | 100.0000% |
| BAC San Jose Puesto de Bolsa S.A. | Securities broker | Costa Rica | 100.0000% |
| BAC San Jose Leasing S.A. | Leasing | Costa Rica | 100.0000% |
| BAC San Jose Sociedad de Fondos de Inversion S.A. | Mutual funds | Costa Rica | 100.0000% |
| BAC San Jose Pensiones S.A. | Mutual funds | Costa Rica | 100.0000% |
| BAC Credomatic Corredora de Seguros S.A. | Insurance | Costa Rica | 100.0000% |
| BAC Tech Inc. | Holding | Panama | 100.0000% |
| BAC Move Inc. | Holding | Panama | 100.0000% |
| 3-101-934237 S.A. | Services | Costa Rica | 100.0000% |
| Namutek Panama Inc. | Holding | Panama | 100.0000% |
| Namutek S.A. | Telematic services | Costa Rica | 100.0000% |
| Comunicaciones Inalambricas de Centroamerica S.A. | Telematic services | Nicaragua | 97.0000% |
| Comunicaciones Inalambricas de Centroamerica S.A. | Telematic services | Honduras | 100.0000% |
| Agencia de Viajes Intertur S.A. | Travel agency | Costa Rica | 100.0000% |
| Credomatic of Florida, Inc. | Card Industry | United States of America | 100.0000% |
| Red Land Bridge Reinsurance Ltd. | Reinsurance | Grand Cayman | 100.0000% |

## (2) Basis of preparation of the condensed consolidated interim financial statements

*(a) Basis of accounting*

The Bank prepares its condensed consolidated interim financial statements incorporating its controlled entities. The Bank controls an entity if and only if it meets the following elements:

- Power over the entity that gives the Bank the right to direct any relevant activity that significantly affects the entity's performance.
- Exposure or rights to variable returns from their participation in the entity.
- Ability to affect those returns through its power over the entity.

To comply with this requirement, the Bank performs an annual reassessment of all its contractual relationships. No new entities are required to be consolidated as a result of this process, including structured entities.

The financial statements of the Bank's subsidiaries are included in the condensed consolidated interim financial statements from the date which the Bank acquired control or until the date which control is lost.

**(2) Basis of Preparation of the Condensed Consolidated Interim Financial Statements, continued**

During the consolidation process, the Bank consolidates the assets, liabilities and profits or losses of the entities under control, previously aligning the accounting policies in all its subsidiaries. Such process includes the elimination of intragroup balances and transactions and any unrealized and realized income and expenses (except foreign currency translation gains or losses and taxes that are not subject to elimination) arising from intragroup transactions. Unrealized and realized losses are eliminated in the same way as unrealized and realized gains, but only to the extent that there is no evidence of impairment.

*(b) Basis of accounting*

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *"Interim Financial Reporting"* and should be read in conjunction with the most recent annual consolidated financial statements as of and for the year ended December 31, 2024 (the "latest annual consolidated financial statements"). The condensed interim consolidated financial statements do not include all the information required for a complete set of consolidated financial statements prepared in accordance with IFRS accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Bank's financial position and performance since the latest annual consolidated financial statements.

The condensed interim consolidated financial statements were authorized for issuance by the Bank's management on July 31, 2025.

*(c) Basis of measurement*

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the following material items, which are measured as follows on each reporting date:

| | **Basis of measurement** |
|---|---|
| Investments at FVPL | Fair value |
| Investments at FVOCI | Fair value |
| Foreclosed assets | Lower of book value and fair value less cost to sell |

Initially, the Bank recognizes financial instruments on the date on which they are liquidated. Investments in securities are recorded when they are traded and loans at amortized cost when settled.

*(d) Functional and presentation currency*

Items included in the condensed consolidated interim financial statements of each entity of the Bank are determined using the currency of the primary economic environment in which each entity operates (functional currency).

The condensed consolidated interim financial statements are presented in US dollars, the functional currency of the Bank.

**(2) Basis of Preparation of the Condensed Consolidated Interim Financial Statements, continued**

*(e) Use of estimates and judgments*

In preparing these condensed consolidated interim financial statements, Management is required to make judgments, estimates and assumptions that affect the application of Bank's accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

***Judgments, assumptions and uncertainties in estimates***

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the condensed consolidated interim financial statements, is disclosed in note 5.

**(3) Material accounting policies**

The Bank has consistently applied the following accounting policies to the condensed interim consolidated financial statements, as reported in the annual consolidated financial statements as of December 31, 2024.

*(a) IFRS accounting standards issued but not yet adopted*

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Bank has not early adopted the new and amended accounting standards in preparing these condensed consolidated interim financial statements.

*(b) Reclassifications non-material*

Non-material amounts in the condensed consolidated interim financial statements as of June 30, 2024, have been reclassified to conform with the presentation of the condensed consolidated interim financial statements as of June 30, 2025. The Bank applied non-material reclassifications to improve the presentation that has been included in condensed consolidated statements of profit or loss and condensed consolidated statements of cash flows as of June 30, 2024.

The following table shows a description of the non-material reclassifications identified:

| | June 30, 2024 | | |
|---|---|---|---|
| | Previously reported amount | Reclassification | Reclassification amount |
| **Condensed Consolidated statement of profit or loss** | | | |
| Credit risk impairment losses (recoveries): | | | |
| Commitments and guarantees | 0 | (2,816,255) | (2,816,255) |
| Other income (expenses): | | | |
| Services charges | 336,562,829 | (336,562,829) | 0 |
| Commissions and services charges | 511,524,909 | 442,554,221 | 954,079,130 |
| Commissions and other charges | (390,209,123) | (9,463,640) | (399,672,763) |
| Foreign exchange difference, net | 95,857,056 | (93,711,497) | 2,145,559 |
| Impairment loss on assets held for sale | (448,042) | 448,042 | 0 |
| **General and administrative expenses:** | | | |
| Other expenses | (323,193,805) | (448,042) | (323,641,847) |

## (4) Risk management

Risk management is a fundamental part of the Bank. It has an infrastructure to comprehensively manage risks, in order to ensure a responsible and sustainable growth in time, to maintain the confidence of its stakeholders, and to assure with reasonable certainty the fulfillment of its short, medium and long-term goals, through a balance between meeting objectives and taking risks, in line with the corporate strategy.

### *Classification of financial assets*

See the classification under IFRS 9 in accounting policies in note 3 (c) to the annual consolidated financial statements as of December 31, 2024.

The following table provides a reconciliation between line items in the condensed consolidated statement of financial position and categories of financial instruments.

| | June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Designated FVPL – debt instruments | Designated FVPL - equity instruments | FVOCI - debt instruments | FVOCI - equity instruments | AC | Total |
| Cash, cash equivalents and deposits in banks | 0 | 0 | 0 | 0 | 5,248,150,125 | 5,248,150,125 |
| Investments in securities, net | 44,809,626 | 16,208,743 | 4,749,763,822 | 3,355,574 | 108,704,967 | 4,922,842,732 |
| Loans, net | 0 | 0 | 0 | 0 | 26,850,512,729 | 26,850,512,729 |
| Other accounts receivable, net | 0 | 0 | 0 | 0 | 485,914,756 | 485,914,756 |
| **Total financial assets** | 44,809,626 | 16,208,743 | 4,749,763,822 | 3,355,574 | 32,693,282,577 | 37,507,420,342 |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Designated FVPL – debt instruments | Designated FVPL - equity instruments | FVOCI - debt instruments | FVOCI - equity instruments | AC | Total |
| Cash, cash equivalents and deposits in banks | 0 | 0 | 0 | 0 | 5,647,978,374 | 5,647,978,374 |
| Investments in securities, net | 18,925,464 | 16,276,514 | 4,734,534,167 | 3,170,331 | 110,527,012 | 4,883,433,488 |
| Loans, net | 0 | 0 | 0 | 0 | 25,699,417,649 | 25,699,417,649 |
| Other accounts receivable, net | 0 | 0 | 0 | 0 | 442,976,234 | 442,976,234 |
| **Total financial assets** | 18,925,464 | 16,276,514 | 4,734,534,167 | 3,170,331 | 31,900,899,269 | 36,673,805,745 |

As of June 30, 2025 and December 31, 2024, all of the financial liabilities held by the Bank are classified at amortized cost.

The Bank is exposed to the following risks from financial instruments:

- Credit risk,
- Liquidity risk,
- Market risk and
- Operational risk.

For the management of these risks, an organizational framework based on current regulations in the region on risk management has been defined. This framework includes policies, procedures and a human and technical infrastructure to identify, analyze and assess risks, as well as to set adequate limits and controls, monitor risk management and comply with defined limits.

These policies and risk management systems are periodically reviewed, updated and reported to the respective committees, to ensure they reflect changes in market conditions, products and services offered.

**(4) Risk management, continued**

The Bank, through its management standards and procedures, develops a disciplined and constructive control environment in which all employees understand their roles and obligations.

The periodic oversight and management of risks is conducted through the following corporate governance bodies, established both regionally and in the countries where the Bank operates: Comprehensive Risk Management Committee, Assets and Liabilities Committee (ALICO), Compliance Committee, Credit Committee, and Audit Committee.

*(a) Credit Risk*

This is the risk of financial loss faced by the Bank when a client or counterparty fails to meet its contractual obligations, and is mainly originated from deposits, investments in securities and loans receivable.

To mitigate credit risk, risk management policies establish processes and controls to follow for the approval of loans or credit facilities. The Bank structures acceptable credit risk levels by setting limits on the amount of risk that is assumed in relation to one borrower or group of borrowers, and geographic segments. These credits are constantly controlled and subject to periodic review.

Exposure to credit risk is managed through periodic analysis of the borrowers' or potential borrowers' capacity to pay principal and interest. Exposure to credit risk is also mitigated in part through collateral, corporate and personal guarantees.

Credit is managed through policies that have been clearly defined by the Board of Directors and are reviewed and modified periodically based on changes and expectations in the market where the Bank operates, regulations and other factors considered while preparing these policies.

The Bank uses a series of credit reports to assess its portfolio's performance, and provision requirements and especially to anticipate events that could affect its debtor’s condition in the future.

The Bank has a regional guideline on investments that defines the general profile for the investment portfolio and establishes two large maximum levels to control the investments' exposure: a limit on country risk and issuer risk. The country’s risk limits are set based on an internal qualification scale and are measured as percentages of the Bank's equity or as absolute amounts. The guideline includes approval schemes and attributions for new limits or increases on existing limits.

Compliance with this guideline is monitored daily through SAP’s Treasury and Risk Management (TRM) module, a tool that enables the documentation of the entire investment process, including new approvals, adjustments to limits (both increases and decreases), purchases and sales, as well as the control of exposures by the issuer and the use of assigned quotas.

**(4) Risk management, continued**

The Board of Directors has delegated the responsibility of managing credit risk to the Credit Committee and Assets and Liabilities Committee (ALICO); both periodically monitor the financial condition of the respective debtors and issuers that represent a credit risk for the Bank.

***Information on the portfolio's quality***

*Quality of the portfolio of bank deposits and securities under resale agreements*

The Bank maintains deposits in banks for $4,306,708,024 as of June 30, 2025 (December 31, 2024: $4,701,772,489). Deposits are held at central banks and other financial institutions, most of which have risk ratings ranging from AA- to B- (December 31, 2024: ranging from A+ to B-), based on international risk ratings, prioritizing Standard & Poor’s, followed by Moody's, and then Fitch Ratings. Of total deposits, excluding those held at central banks, as of June 30, 2025, approximately $36.2 million do not have an assigned risk rating (December 31, 2024: $9.7 million).

The securities under resale agreements have risk ratings ranging from BB+ and BB- (December 31, 2024: risk ratings of BB), based on international risk ratings, prioritizing Standard & Poor's, followed by Moody's and finally Fitch Ratings.

As of June 30, 2025, all securities under resale agreements and bank deposits are up to date on the payment of principal and interest.

*Quality of the investments in securities*

The Bank segregates the investment portfolio into investments at fair value through PL (FVPL), investments at fair value through OCI (FVOCI) and investments at amortized cost (AC). As of June 30, 2025, investments amounted to $4,922,842,732 (December 31, 2024: $4,883,433,488).

- Investments at FVPL

  The credit quality of investments is monitored according to the international risk rating of the issuer provided by Standard & Poor’s, Moody’s, and/or Fitch Ratings

  The following table summarizes debts investments at FVPL categories:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Governments and agencies** | | |
| AA+ | 482,605 | 0 |
| BB- | 44,327,021 | 18,925,464 |
| **Total governments and agencies** | 44,809,626 | 18,925,464 |
| **Total investments at FVPL** | 44,809,626 | 18,925,464 |

## (4) Risk management, continued

- Investments at FVOCI
  The following table summarizes the investments at FVOCI categories:

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | 12 months ECL | Lifetime ECL - without impairment | Total investments at FVOCI | 12 months ECL | Lifetime ECL - without impairment | Total investments at FVOCI |
| **Governments and agencies** | | | | | | |
| AA+ | 698,006,120 | 0 | 698,006,120 | 669,872,418 | 0 | 669,872,418 |
| BBB | 5,570,406 | 0 | 5,570,406 | 5,379,479 | 0 | 5,379,479 |
| BBB- | 603,352,593 | 0 | 603,352,593 | 564,593,761 | 0 | 564,593,761 |
| BB+ to B- | 3,045,741,064 | 0 | 3,045,741,064 | 3,060,520,966 | 0 | 3,060,520,966 |
| **Total governments and agencies** | 4,352,670,183 | 0 | 4,352,670,183 | 4,300,366,624 | 0 | 4,300,366,624 |
| **Corporate** | | | | | | |
| A | 31,656,806 | 0 | 31,656,806 | 36,062,330 | 0 | 36,062,330 |
| A- | 68,500,006 | 0 | 68,500,006 | 70,110,815 | 0 | 70,110,815 |
| BBB+ | 10,086,509 | 0 | 10,086,509 | 26,129,629 | 0 | 26,129,629 |
| BBB | 45,339,664 | 0 | 45,339,664 | 52,932,877 | 0 | 52,932,877 |
| BBB- | 51,004,775 | 0 | 51,004,775 | 55,769,756 | 0 | 55,769,756 |
| BB+ to B- | 190,505,879 | 0 | 190,505,879 | 193,162,136 | 0 | 193,162,136 |
| **Total corporate** | 397,093,639 | 0 | 397,093,639 | 434,167,543 | 0 | 434,167,543 |
| **Total** | 4,749,763,822 | 0 | 4,749,763,822 | 4,734,534,167 | 0 | 4,734,534,167 |
| **Allowance for ECL** | 8,520,579 | 0 | 8,520,579 | 7,927,708 | 0 | 7,927,708 |

As of June 30, 2025, and December 31, 2024, investments at FVOCI are current.

- Investments at AC
  The following table summarizes the investments at AC categories:

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | 12 months ECL | Lifetime ECL - without impairment | Total investments at AC | 12 months ECL | Lifetime ECL - without impairment | Total investments at AC |
| **Governments and agencies** | | | | | | |
| BB+ to BB- | 65,215,699 | 0 | 65,215,699 | 67,045,978 | 0 | 67,045,978 |
| **Total governments and agencies** | 65,215,699 | 0 | 65,215,699 | 67,045,978 | 0 | 67,045,978 |
| **Corporate** | | | | | | |
| BB+ to B+ | 43,489,268 | 0 | 43,489,268 | 43,481,034 | 0 | 43,481,034 |
| **Total Corporate** | 43,489,268 | 0 | 43,489,268 | 43,481,034 | 0 | 43,481,034 |
| **Total** | 108,704,967 | 0 | 108,704,967 | 110,527,012 | 0 | 110,527,012 |
| **Allowance for ECL** | 213,906 | 0 | 213,906 | 149,144 | 0 | 149,144 |

*Quality of the loans portfolio*
Note 3 (c) to the annual consolidated financial statements as of December 31, 2024 contains an explanation of the measurement of the quality of financial instruments, which include the loan portfolio.

*The following table presents the loans portfolio and the credit commitments and guarantees according to its risk category, in accordance with the grading used for each stated term:*

## (4) Risk management, continued

| June 30, 2025 | Loans 12 months ECL | Lifetime ECL - credit unimpaired | Lifetime ECL - credit impaired | Total |
|---|---|---|---|---|
| **Corporate** | | | | |
| Satisfactory | 10,320,094,307 | 1,428,607 | 0 | 10,321,522,914 |
| Special mention | 0 | 252,123,409 | 0 | 252,123,409 |
| Sub-standard | 0 | 0 | 75,593,347 | 75,593,347 |
| Doubtful | 0 | 0 | 14,258,112 | 14,258,112 |
| Loss | 0 | 0 | 21,354,668 | 21,354,668 |
| **Gross amount** | 10,320,094,307 | 253,552,016 | 111,206,127 | 10,684,852,450 |
| Allowance for ECL | (24,522,231) | (17,555,797) | (43,147,425) | (85,225,453) |
| **Net amount** | 10,295,572,076 | 235,996,219 | 68,058,702 | 10,599,626,997 |
| **Medium company** | | | | |
| Satisfactory | 964,368,095 | 5,809,192 | 0 | 970,177,287 |
| Special mention | 0 | 21,921,064 | 0 | 21,921,064 |
| Sub-standard | 0 | 0 | 15,013,914 | 15,013,914 |
| Doubtful | 0 | 0 | 7,953,965 | 7,953,965 |
| Loss | 0 | 0 | 7,070,659 | 7,070,659 |
| **Gross amount** | 964,368,095 | 27,730,256 | 30,038,538 | 1,022,136,889 |
| Allowance for ECL | (2,702,671) | (900,857) | (12,567,455) | (16,170,983) |
| **Net amount** | 961,665,424 | 26,829,399 | 17,471,083 | 1,005,965,906 |
| **Small company** | | | | |
| Satisfactory | 1,246,515,080 | 54,357,959 | 0 | 1,300,873,039 |
| Special mention | 130,609 | 48,607,009 | 0 | 48,737,618 |
| Sub-standard | 0 | 0 | 8,713,561 | 8,713,561 |
| Doubtful | 0 | 0 | 10,934,095 | 10,934,095 |
| Loss | 0 | 0 | 4,065,213 | 4,065,213 |
| **Gross amount** | 1,246,645,689 | 102,964,968 | 23,712,869 | 1,373,323,526 |
| Allowance for ECL | (5,585,301) | (5,181,778) | (5,724,300) | (16,491,379) |
| **Net amount** | 1,241,060,388 | 97,783,190 | 17,988,569 | 1,356,832,147 |
| **Mortgage** | | | | |
| Satisfactory | 3,449,101,898 | 168,735,324 | 0 | 3,617,837,222 |
| Special mention | 4,322,879 | 411,320,563 | 0 | 415,643,442 |
| Sub-standard | 0 | 0 | 91,480,221 | 91,480,221 |
| Doubtful | 0 | 0 | 37,573,192 | 37,573,192 |
| Loss | 0 | 0 | 28,537,833 | 28,537,833 |
| **Gross amount** | 3,453,424,777 | 580,055,887 | 157,591,246 | 4,191,071,910 |
| Allowance for ECL | (2,318,406) | (18,338,840) | (14,347,361) | (35,004,607) |
| **Net amount** | 3,451,106,371 | 561,717,047 | 143,243,885 | 4,156,067,303 |
| **Personal Banking** | | | | |
| Satisfactory | 2,381,201,104 | 70,815,121 | 1,795,202 | 2,453,811,427 |
| Special mention | 1,412,091 | 66,436,364 | 1,553,840 | 69,402,295 |
| Sub-standard | 0 | 0 | 28,531,484 | 28,531,484 |
| Doubtful | 0 | 0 | 25,490,062 | 25,490,062 |
| Loss | 0 | 0 | 4,064,710 | 4,064,710 |
| **Gross amount** | 2,382,613,195 | 137,251,485 | 61,435,298 | 2,581,299,978 |
| Allowance for ECL | (48,933,305) | (19,920,790) | (31,653,843) | (100,507,938) |
| **Net amount** | 2,333,679,890 | 117,330,695 | 29,781,455 | 2,480,792,040 |
| **Vehicles** | | | | |
| Satisfactory | 1,669,847,458 | 24,651,208 | 0 | 1,694,498,666 |
| Special mention | 668,462 | 80,192,674 | 0 | 80,861,136 |
| Sub-standard | 0 | 0 | 6,677,509 | 6,677,509 |
| Doubtful | 0 | 0 | 5,540,786 | 5,540,786 |
| Loss | 0 | 0 | 627,010 | 627,010 |
| **Gross amount** | 1,670,515,920 | 104,843,882 | 12,845,305 | 1,788,205,107 |
| Allowance for ECL | (2,926,818) | (4,560,345) | (2,688,061) | (10,175,224) |
| **Net amount** | 1,667,589,102 | 100,283,537 | 10,157,244 | 1,778,029,883 |
| **Credit card** | | | | |
| Satisfactory | 4,841,873,253 | 345,852,081 | 4,061,786 | 5,191,787,120 |
| Special mention | 7,121,472 | 425,200,082 | 91,295,096 | 523,616,650 |
| Sub-standard | 0 | 0 | 18,363,631 | 18,363,631 |
| Doubtful | 190,053 | 75,836,794 | 18,037,305 | 94,064,152 |
| Loss | 253 | 0 | 134,122,814 | 134,123,067 |
| **Gross amount** | 4,849,185,031 | 846,888,957 | 265,880,632 | 5,961,954,620 |
| Allowance for ECL | (124,571,160) | (203,723,795) | (160,461,212) | (488,756,167) |
| **Net amount** | 4,724,613,871 | 643,165,162 | 105,419,420 | 5,473,198,453 |
| **Net carrying amount of loans** | 24,675,287,122 | 1,783,105,249 | 392,120,358 | 26,850,512,729 |

## (4) Risk management, continued

| | Loans | | | |
|---|---|---|---|---|
| December 31, 2024 | 12 months ECL | Lifetime ECL - credit unimpaired | Lifetime ECL - credit impaired | Total |
| **Corporate** | | | | |
| Satisfactory | 9,546,914,316 | 2,902,923 | 0 | 9,549,817,239 |
| Special mention | 0 | 223,742,784 | 0 | 223,742,784 |
| Sub-standard | 0 | 0 | 87,185,962 | 87,185,962 |
| Doubtful | 0 | 0 | 6,456,850 | 6,456,850 |
| Loss | 0 | 0 | 22,095,560 | 22,095,560 |
| **Gross amount** | 9,546,914,316 | 226,645,707 | 115,738,372 | 9,889,298,395 |
| Allowance for ECL | (23,796,847) | (18,028,526) | (40,964,217) | (82,789,590) |
| **Net amount** | 9,523,117,469 | 208,617,181 | 74,774,155 | 9,806,508,805 |
| **Medium company** | | | | |
| Satisfactory | 905,034,178 | 3,672,317 | 0 | 908,706,495 |
| Special mention | 0 | 24,604,569 | 0 | 24,604,569 |
| Sub-standard | 0 | 0 | 17,168,933 | 17,168,933 |
| Doubtful | 0 | 0 | 11,864,969 | 11,864,969 |
| Loss | 0 | 0 | 5,927,453 | 5,927,453 |
| **Gross amount** | 905,034,178 | 28,276,886 | 34,961,355 | 968,272,419 |
| Allowance for ECL | (2,809,232) | (1,151,328) | (16,278,753) | (20,239,313) |
| **Net amount** | 902,224,946 | 27,125,558 | 18,682,602 | 948,033,106 |
| **Small company** | | | | |
| Satisfactory | 1,238,319,774 | 42,184,183 | 0 | 1,280,503,957 |
| Special mention | 830,742 | 42,481,859 | 0 | 43,312,601 |
| Sub-standard | 0 | 0 | 7,563,975 | 7,563,975 |
| Doubtful | 0 | 0 | 10,322,664 | 10,322,664 |
| Loss | 0 | 0 | 3,967,821 | 3,967,821 |
| **Gross amount** | 1,239,150,516 | 84,666,042 | 21,854,460 | 1,345,671,018 |
| Allowance for ECL | (3,748,467) | (4,574,525) | (6,135,973) | (14,458,965) |
| **Net amount** | 1,235,402,049 | 80,091,517 | 15,718,487 | 1,331,212,053 |
| **Mortgage** | | | | |
| Satisfactory | 3,359,504,018 | 129,467,412 | 0 | 3,488,971,430 |
| Special mention | 5,110,768 | 424,156,286 | 0 | 429,267,054 |
| Sub-standard | 0 | 0 | 98,639,840 | 98,639,840 |
| Doubtful | 0 | 0 | 37,764,994 | 37,764,994 |
| Loss | 0 | 0 | 26,522,899 | 26,522,899 |
| **Gross amount** | 3,364,614,786 | 553,623,698 | 162,927,733 | 4,081,166,217 |
| Allowance for ECL | (2,467,355) | (23,504,446) | (18,628,178) | (44,599,979) |
| **Net amount** | 3,362,147,431 | 530,119,252 | 144,299,555 | 4,036,566,238 |
| **Personal banking** | | | | |
| Satisfactory | 2,308,301,636 | 78,491,707 | 2,105,506 | 2,388,898,849 |
| Special mention | 1,431,168 | 78,399,793 | 1,281,546 | 81,112,507 |
| Sub-standard | 0 | 0 | 30,605,816 | 30,605,816 |
| Doubtful | 0 | 0 | 19,006,651 | 19,006,651 |
| Loss | 0 | 0 | 7,375,250 | 7,375,250 |
| **Gross amount** | 2,309,732,804 | 156,891,500 | 60,374,769 | 2,526,999,073 |
| Allowance for ECL | (52,083,738) | (22,024,990) | (31,693,947) | (105,802,675) |
| **Net amount** | 2,257,649,066 | 134,866,510 | 28,680,822 | 2,421,196,398 |
| **Vehicles** | | | | |
| Satisfactory | 1,527,059,981 | 29,167,755 | 0 | 1,556,227,736 |
| Special mention | 396,890 | 83,100,404 | 0 | 83,497,294 |
| Sub-standard | 0 | 0 | 9,633,615 | 9,633,615 |
| Doubtful | 0 | 0 | 3,998,849 | 3,998,849 |
| Loss | 0 | 0 | 1,867,319 | 1,867,319 |
| **Gross amount** | 1,527,456,871 | 112,268,159 | 15,499,783 | 1,655,224,813 |
| Allowance for ECL | (2,077,143) | (3,665,349) | (3,834,308) | (9,576,800) |
| **Net amount** | 1,525,379,728 | 108,602,810 | 11,665,475 | 1,645,648,013 |
| **Credit card** | | | | |
| Satisfactory | 4,927,636,447 | 334,583,236 | 2,833,245 | 5,265,052,928 |
| Special mention | 6,840,091 | 383,753,579 | 94,616,690 | 485,210,360 |
| Sub-standard | 0 | 0 | 15,321,141 | 15,321,141 |
| Doubtful | 286,768 | 69,479,960 | 17,398,597 | 87,165,325 |
| Loss | 35 | 0 | 132,478,200 | 132,478,235 |
| **Gross amount** | 4,934,763,341 | 787,816,775 | 262,647,873 | 5,985,227,989 |
| Allowance for ECL | (122,284,917) | (191,047,376) | (161,642,660) | (474,974,953) |
| **Net amount** | 4,812,478,424 | 596,769,399 | 101,005,213 | 5,510,253,036 |
| **Net carrying amount of loans** | 23,618,399,113 | 1,686,192,227 | 394,826,309 | 25,699,417,649 |

## (4) Risk management, continued

The following table presents the loans portfolio and the credit commitments and guarantee according to its risk category, in accordance with the classification used for each year indicated:

| | Credit commitments and guarantees | | | |
|---|---|---|---|---|
| **June 30, 2025** | **12 months ECL** | **Lifetime ECL - credit unimpaired** | **Lifetime ECL - credit impaired** | **Total** |
| **Corporate** | | | | |
| Satisfactory | 605,856,218 | 0 | 0 | 605,856,218 |
| Special mention | 0 | 4,973,833 | 0 | 4,973,833 |
| Sub-standard | 0 | 0 | 100,220 | 100,220 |
| Loss | 0 | 0 | 146,943 | 146,943 |
| **Gross amount** | 605,856,218 | 4,973,833 | 247,163 | 611,077,214 |
| Allowance for ECL | (127,573) | (15,040) | (198,523) | (341,136) |
| **Net amount** | 605,728,645 | 4,958,793 | 48,640 | 610,736,078 |
| **Medium company** | | | | |
| Satisfactory | 15,571,734 | 0 | 0 | 15,571,734 |
| Special mention | 0 | 295,827 | 0 | 295,827 |
| Sub-standard | 0 | 0 | 13,509 | 13,509 |
| Doubtful | 0 | 0 | 0 | 0 |
| Loss | 0 | 0 | 766,743 | 766,743 |
| **Gross amount** | 15,571,734 | 295,827 | 780,252 | 16,647,813 |
| Allowance for ECL | (2,123) | (880) | (766,744) | (769,747) |
| **Net amount** | 15,569,611 | 294,947 | 13,508 | 15,878,066 |
| **Small company** | | | | |
| Satisfactory | 3,885,578 | 0 | 0 | 3,885,578 |
| Special mention | 0 | 0 | 0 | 0 |
| Sub-standard | 0 | 0 | 45,000 | 45,000 |
| Doubtful | 0 | 0 | 0 | 0 |
| Loss | 0 | 0 | 0 | 0 |
| **Gross amount** | 3,885,578 | 0 | 45,000 | 3,930,578 |
| Allowance for ECL | (1,837) | 0 | (135) | (1,972) |
| **Net amount** | 3,883,741 | 0 | 44,865 | 3,928,606 |
| **Mortgage** | | | | |
| Satisfactory | 63,390,411 | 0 | 0 | 63,390,411 |
| Special mention | 0 | 0 | 0 | 0 |
| Sub-standard | 0 | 0 | 0 | 0 |
| Doubtful | 0 | 0 | 0 | 0 |
| Loss | 0 | 0 | 0 | 0 |
| **Gross amount** | 63,390,411 | 0 | 0 | 63,390,411 |
| Allowance for ECL | (6,338) | 0 | 0 | (6,338) |
| **Net amount** | 63,384,073 | 0 | 0 | 63,384,073 |
| **Net carrying amount, net of allowance** | 688,566,070 | 5,253,740 | 107,013 | 693,926,823 |

## (4) Risk management, continued

| | Credit commitments and guarantees | | | |
|---|---|---|---|---|
| December 31, 2024 | 12 months ECL | Lifetime ECL - credit unimpaired | Lifetime ECL - credit impaired | Total |
| **Corporate** | | | | |
| Satisfactory | 633,611,332 | 0 | 0 | 633,611,332 |
| Special mention | 0 | 1,707,024 | 0 | 1,707,024 |
| Sub-standard | 0 | 0 | 107,739 | 107,739 |
| Loss | 0 | 0 | 111,429 | 111,429 |
| **Gross amount** | 633,611,332 | 1,707,024 | 219,168 | 635,537,524 |
| Allowance for ECL | (145,986) | (5,452) | (113,659) | (265,097) |
| **Net amount** | 633,465,346 | 1,701,572 | 105,509 | 635,272,427 |
| **Medium company** | | | | |
| Satisfactory | 13,986,068 | 0 | 0 | 13,986,068 |
| Special mention | 0 | 0 | 0 | 0 |
| Sub-standard | 0 | 0 | 0 | 0 |
| Doubtful | 0 | 0 | 0 | 0 |
| Loss | 0 | 0 | 847,547 | 847,547 |
| **Gross amount** | 13,986,068 | 0 | 847,547 | 14,833,615 |
| Allowance for ECL | (3,033) | 0 | (847,547) | (850,580) |
| **Net amount** | 13,983,035 | 0 | 0 | 13,983,035 |
| **Small company** | | | | |
| Satisfactory | 3,510,821 | 0 | 0 | 3,510,821 |
| Special mention | 0 | 0 | 0 | 0 |
| Sub-standard | 0 | 0 | 0 | 0 |
| Doubtful | 0 | 0 | 0 | 0 |
| Loss | 0 | 0 | 0 | 0 |
| **Gross amount** | 3,510,821 | 0 | 0 | 3,510,821 |
| Allowance for ECL | (282,012) | 0 | 0 | (282,012) |
| **Net amount** | 3,228,809 | 0 | 0 | 3,228,809 |
| **Mortgage** | | | | |
| Satisfactory | 72,103,468 | 0 | 0 | 72,103,468 |
| Special mention | 0 | 0 | 0 | 0 |
| Sub-standard | 0 | 0 | 0 | 0 |
| Doubtful | 0 | 0 | 0 | 0 |
| Loss | 0 | 0 | 0 | 0 |
| **Gross amount** | 72,103,468 | 0 | 0 | 72,103,468 |
| Allowance for ECL | (14,420) | 0 | 0 | (14,420) |
| **Net amount** | 72,089,048 | 0 | 0 | 72,089,048 |
| **Net carrying amount, net of allowance** | 722,766,238 | 1,701,572 | 105,509 | 724,573,319 |

***Guarantees and other improvements to reduce credit risk and its financial effect***

The Bank maintains guarantees and other improvements to reduce credit risk to ensure the payment of financial assets exposed to credit risk. The types of mortgage guarantees include residential and commercial, buildings and land. The types of collateral include private vehicles, commercial use, leasing, machinery and other equipment.

The table below shows the main types of guarantees taken with respect to different types of financial assets.

## (4) Risk management, continued

| | June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Mortgage | Pledge | Time deposits certificates | Investments in securities | Unsecured | Total |
| **Securities under resale agreements** | 0 | 0 | 0 | 94,603,400 | 0 | 94,603,400 |
| **Investments in securities** | 0 | 0 | 0 | 0 | 4,903,278,415 | 4,903,278,415 |
| **Loans** | | | | | | |
| **Corporate** | | | | | | |
| Corporate | 3,967,052,232 | 935,118,576 | 428,864,623 | 0 | 5,058,730,723 | 10,389,766,154 |
| Corporate leases, net | 0 | 295,086,296 | 0 | 0 | 0 | 295,086,296 |
| **Total corporate** | 3,967,052,232 | 1,230,204,872 | 428,864,623 | 0 | 5,058,730,723 | 10,684,852,450 |
| **Personal banking, small and medium company** | | | | | | |
| **Medium company** | | | | | | |
| Medium company | 668,763,027 | 48,313,397 | 27,799,022 | 0 | 167,031,403 | 911,906,849 |
| Medium company leases, net | 0 | 110,230,040 | 0 | 0 | 0 | 110,230,040 |
| **Total Medium company** | 668,763,027 | 158,543,437 | 27,799,022 | 0 | 167,031,403 | 1,022,136,889 |
| **Small company** | | | | | | |
| Small company | 532,457,706 | 76,529,218 | 64,687,979 | 0 | 541,299,186 | 1,214,974,089 |
| Small company leases, net | 0 | 158,349,437 | 0 | 0 | 0 | 158,349,437 |
| **Total Small company** | 532,457,706 | 234,878,655 | 64,687,979 | 0 | 541,299,186 | 1,373,323,526 |
| **Personal Banking** | | | | | | |
| Mortgage | 4,191,071,910 | 0 | 0 | 0 | 0 | 4,191,071,910 |
| Personal | 437,867,890 | 610,682 | 58,107,148 | 0 | 2,084,714,258 | 2,581,299,978 |
| Vehicles | 0 | 1,584,177,474 | 0 | 0 | 0 | 1,584,177,474 |
| Personal leases, net of interest | 0 | 204,027,633 | 0 | 0 | 0 | 204,027,633 |
| Credit cards | 0 | 0 | 0 | 0 | 5,961,954,620 | 5,961,954,620 |
| **Total personal banking** | 4,628,939,800 | 1,788,815,789 | 58,107,148 | 0 | 8,046,668,878 | 14,522,531,615 |
| **Total personal banking and small company** | 5,830,160,533 | 2,182,237,881 | 150,594,149 | 0 | 8,754,999,467 | 16,917,992,030 |
| Allowance for ECL | (93,787,769) | (32,775,775) | (2,737,518) | 0 | (623,030,689) | (752,331,751) |
| **Total loans** | 9,703,424,996 | 3,379,666,978 | 576,721,254 | 0 | 13,190,699,501 | 26,850,512,729 |
| Commitments and guarantees, gross | 131,985,382 | 4,271,671 | 69,010,738 | 2,371,906 | 487,406,319 | 695,046,016 |
| Commitments and guarantees, provision | (28,815) | (855) | (35,463) | (82) | (1,053,978) | (1,119,193) |
| **Total commitments and guarantees, net** | 131,956,567 | 4,270,816 | 68,975,275 | 2,371,824 | 486,352,341 | 693,926,823 |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Mortgage | Pledge | Time deposits certificates | Investments in securities | Unsecured | Total |
| **Securities under resale agreements** | 0 | 0 | 0 | 10,399,111 | 0 | 10,399,111 |
| **Investments in securities** | 0 | 0 | 0 | 0 | 4,863,986,643 | 4,863,986,643 |
| **Loans** | | | | | | |
| **Corporate** | | | | | | |
| Corporate | 3,850,664,536 | 775,670,743 | 380,645,596 | 0 | 4,622,073,464 | 9,629,054,339 |
| Corporate leases, net | 0 | 260,244,056 | 0 | 0 | 0 | 260,244,056 |
| **Total corporate** | 3,850,664,536 | 1,035,914,799 | 380,645,596 | 0 | 4,622,073,464 | 9,889,298,395 |
| **Personal banking, medium and small company** | | | | | | |
| **Medium company** | | | | | | |
| Medium company | 650,657,380 | 54,649,784 | 28,062,414 | 0 | 138,674,408 | 872,043,986 |
| Medium company leases, net | 0 | 96,228,433 | 0 | 0 | 0 | 96,228,433 |
| **Total Medium company** | 650,657,380 | 150,878,217 | 28,062,414 | 0 | 138,674,408 | 968,272,419 |
| **Small company** | | | | | | |
| Small company | 540,442,738 | 75,688,691 | 62,234,321 | 0 | 512,237,591 | 1,190,603,341 |
| Small company leases, net | 0 | 155,067,677 | 0 | 0 | 0 | 155,067,677 |
| **Total Small company** | 540,442,738 | 230,756,368 | 62,234,321 | 0 | 512,237,591 | 1,345,671,018 |
| **Personal banking** | | | | | | |
| Mortgage | 4,081,166,217 | 0 | 0 | 0 | 0 | 4,081,166,217 |
| Personal | 467,546,167 | 421,469 | 47,054,576 | 0 | 2,011,976,861 | 2,526,999,073 |
| Vehicles | 0 | 1,468,738,919 | 0 | 0 | 0 | 1,468,738,919 |
| Personal leases, net of interest | 0 | 186,485,894 | 0 | 0 | 0 | 186,485,894 |
| Credit cards | 0 | 0 | 0 | 0 | 5,985,227,989 | 5,985,227,989 |
| **Total personal banking** | 4,548,712,384 | 1,655,646,282 | 47,054,576 | 0 | 7,997,204,850 | 14,248,618,092 |
| **Total personal banking and small company** | 5,739,812,502 | 2,037,280,867 | 137,351,311 | 0 | 8,648,116,849 | 16,562,561,529 |
| Allowance for ECL | (101,109,962) | (29,466,143) | (5,026,784) | 0 | (616,839,386) | (752,442,275) |
| **Total loans** | 9,489,367,076 | 3,043,729,523 | 512,970,123 | 0 | 12,653,350,927 | 25,699,417,649 |
| Commitments and guarantees, gross | 138,284,802 | 4,310,166 | 77,669,169 | 3,046,450 | 502,674,841 | 725,985,428 |
| Commitments and guarantees, provision | (35,872) | (463) | (16,435) | (233) | (1,359,106) | (1,412,109) |
| **Commitments and guarantees, net** | 138,248,930 | 4,309,703 | 77,652,734 | 3,046,217 | 501,315,735 | 724,573,319 |

## (4) Risk management, continued

The table below shows the portfolio and identifiable value of collateral (primarily commercial properties) backing the loans. For each loan, the corresponding value of its guarantees is capped by the guaranteed nominal amount:

| | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Loans | Covered amount | Loans | Covered amount |
| **Corporates** | | | | |
| Stages 1 and 2 | 4,568,381,210 | 4,367,041,248 | 4,432,360,053 | 4,260,957,164 |
| Stage 3 | 101,760,171 | 100,503,047 | 100,022,608 | 98,834,407 |
| Total | 4,670,141,381 | 4,467,544,295 | 4,532,382,661 | 4,359,791,571 |

The following are the non-financial assets that the Bank seized as collaterals to secure collection during the period.

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Property | 9,593,316 | 19,481,430 |
| Vehicles | 2,634,795 | 3,476,474 |
| Furniture & Equipment, Machinery | 20,238 | 0 |
| Total | 12,248,349 | 22,957,904 |

The Bank's policy is to promote the sale of these assets to cover the balances due. Using non-financial assets for its operations is not a Bank is policy.

### *Residential mortgage loans*

The following table shows the index of loans from the mortgage portfolio to the value of collateral (LTV) is calculated as a percentage of the gross amount of the loan in relation to the value of collateral. The gross amount of the loan excludes any loss impairment. The value of collateral for mortgages is based on the original value of the guarantee as of the date of disbursement. The corresponding values are updated based on requirements of local regulators, new disbursements with the same guarantee, credit restructuring or judicial processes that involve execution.

| | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| **LTV Ratio** | Loans | Credit and guarantee commitments | Loans | Credit and guarantee commitments |
| Less than 50% | 895,372,407 | 2,278,328 | 852,133,853 | 2,394,751 |
| 51-70% | 1,369,470,694 | 5,657,571 | 1,329,290,381 | 5,699,889 |
| 71-80% | 1,223,177,827 | 8,976,286 | 1,231,321,581 | 11,031,403 |
| 81-90% | 541,598,511 | 12,042,657 | 522,570,090 | 12,754,795 |
| 91-100% | 141,264,422 | 33,825,669 | 128,154,130 | 39,990,130 |
| More than 100% | 20,188,049 | 609,900 | 17,696,182 | 232,500 |
| **Total** | 4,191,071,910 | 63,390,411 | 4,081,166,217 | 72,103,468 |

*Impaired loans*

| **LTV Ratio** | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Less than 50% | 26,244,101 | 26,903,795 |
| 51-70% | 42,876,578 | 43,983,202 |
| 71-80% | 50,997,621 | 52,334,888 |
| 81-90% | 26,097,807 | 29,543,722 |
| 91-100% | 7,196,136 | 6,031,353 |
| More than 100% | 4,179,003 | 4,130,773 |
| **Total** | 157,591,246 | 162,927,733 |

## (4) Risk management, continued

***Expected credit loss allowance (ECL)***

***Projection of future conditions***

The upside, central and downside scenarios are described below, along with the main risks taken into consideration to define them.

External sector:

| External risks | Upside | Central | Downside |
|---|---|---|---|
| Slowdown of commercial partners: Lower dynamism is expected in developed economies, important trading partners for the region. Furthermore, a high-interest rate environment is perceived that will persist longer than expected. | Monetary policies are effective in controlling inflation and moderation is achieved without generating considerable distortions on economies at the global level. The inflation target in the US is reached at the end of the year, which allows the Federal Reserve to apply a looser monetary policy that relaxes financing conditions worldwide. | Economic growth is affected by the cycle of declining interest rates. Developed economies are slowing down but growth remains positive. U.S. inflation recedes, but remains at near-target levels and remains high for longer than expected. | Economic growth is considerably affected by policies to contain inflation. It results in significant levels of unemployment and growth is negative in several quarters of the year in developed countries. |
| Global financial volatility due to uncertainty in geopolitical conflicts and international trade: As a result of geopolitical shocks and the uncertainty generated by trade policies, greater volatility has been inserted into the financial markets. This represents a risk to monitor that can skew inflationary risks upwards for the region and bring other consequences such as pressure on | The cycle of lowering interest rates eases as inflation returns to its usual levels. The issue of geopolitical conflicts does not go any further and there are no climate shocks that could generate disruptions in prices. In addition, measures adopted by the U.S. government are handled prudently and gradually, which allows the world to react in time and soften their effects. Inflationary cycle concludes successfully without obstacles. | Geopolitical conflicts remain, but do not escalate to greater consequences, having a slight impact on commodity markets that is not significant in triggering producer prices and inflationary pressures. The U.S. government starts with protectionist measures that impact the region's economy in the medium term. The inflationary cycle comes to a moderate end. | Climatic events continue to hit the region and this is compounded by the escalation of geopolitical conflicts and tensions that trigger a series of sanctions and events that increase the prices of raw materials. This represents a challenge to contain inflation and rate levels must remain at contractionary levels for longer than expected. The inflationary cycle does not conclude successfully and remains the main issue in the economic spectrum. The U.S. government adopts aggressive and strong protectionist measures that affect the region in the short term, causing pressure on prices, exchange rates, remittances and trade balances. |

## (4) Risk management, continued

| Scenario | Scenario Synthesis | Upside | Central | Downside |
|---|---|---|---|---|
| Guatemala | Guatemala maintains a stable macroeconomic position, supported by solid fundamentals, contained inflation, and prudent monetary policy. Despite a less favorable global environment, the country maintains one of the highest growth prospects among the BAC economies.<br><br>Domestic consumption continues to be a key driver, driven by the steady flow of remittances. However, significant risks are identified associated with the evolution of immigration policies in the U.S., as well as global trade and geopolitical uncertainty. | In a more favorable external environment, with a recovery in global trade and stability in U.S. immigration policies, the country could benefit from increased remittance flows and more dynamic domestic consumption. This, coupled with inflation within the target range, would allow for higher-than-expected economic growth.<br><br>Continued rate cuts by the Bank of Guatemala, in line with a data-driven monetary policy, would strengthen economic activity without generating inflationary pressures. The exchange rate would remain stable thanks to international reserves and confidence in the institutional framework. | Guatemala is expected to maintain moderate growth, supported by macroeconomic stability and controlled inflation. Consumption is expected to remain an important pillar, although with less momentum given the weaker external environment.<br><br>Interest rates could adjust gradually, in line with the global trend, while the exchange rate is expected to depreciate slightly, without compromising financial stability. Inflation is expected to close within the target range, with balanced risks. | A further deterioration in the global environment, accompanied by more restrictive immigration policies in the US, could significantly reduce the flow of remittances, affecting private consumption and limiting economic growth.<br><br>In this context, inflation could be pushed upward by external factors such as geopolitical conflicts or adverse weather events. Although the country starts from a solid financial position, its response capacity would be limited by simultaneous shocks to remittances, trade, and international prices. |
| Honduras | The Honduran economy has shown signs of resilience, with an upward revision in growth projections due to recent strong performance, especially in sectors such as the financial sector. Despite the weakness in the manufacturing sector, overall momentum has been maintained, supported by solid domestic demand.<br><br>Regarding inflation, recent figures have been more favorable than expected, and the measures adopted by the Central Bank, in line with agreements with the IMF, point to a reduction in inflationary pressures. However, external risks such as geopolitical conflicts and climate events persist. | Better governance has strengthened the relationship between economic and social actors. Compliance with agreements with the IMF would contribute to consolidating a technically sound and predictable monetary policy, improving investor and economic confidence.<br><br>In this scenario, inflation is expected to remain within the target range, supported by measures such as increasing the reserve requirement and the monetary policy rate. International reserves and the steady flow of remittances would sustain exchange rate and financial stability. | The Honduran economy is expected to maintain moderate growth, with inflation within the target range and a gradually tightening monetary policy. Domestic consumption is expected to remain a key driver, although with less momentum amid tighter financial conditions.<br><br>The exchange rate is expected to remain relatively stable, with upward pressure from external factors and the agreement with the IMF. The implementation of measures agreed upon with the IMF is expected to remain an anchor of stability, although risks associated with insecurity and exposure to climate events persist. | A deterioration in international financial conditions, with increased volatility and financing restrictions, could affect macroeconomic stability. Capital outflows and rising credit costs would pose significant risks to the financial system.<br><br>Furthermore, a deeper global slowdown, coupled with more restrictive immigration policies in the U.S., could reduce the flow of remittances and affect consumption. Environmental risk remains high, especially in the agricultural sector, given the country's high vulnerability to extreme weather events. |
| El Salvador | El Salvador maintains a moderate growth outlook, with a slight downward revision due to the weakening global environment. However, domestic factors such as the rebound in tourism, foreign direct investment, and improved security have helped sustain economic dynamism.<br><br>Inflation has remained contained in recent months, and no significant changes are expected in the absence of external shocks. Financial conditions have improved, with positive signals in international markets and greater confidence in the country's fiscal and monetary management. | A sustained improvement in security and the political and social environment is boosting domestic consumption and tourism, while agreements with the IMF strengthen fiscal and financial credibility. The improved credit rating and access to external financing reinforce macroeconomic stability.<br><br>In this scenario, inflation remains low, external interest rates are trending downward, and the country is able to consolidate a more sustainable fiscal path. Investor confidence is translating into increased investment and economic growth above the regional average. | El Salvador is expected to maintain moderate growth, in line with projections from multilateral organizations. Improvements in sectors such as tourism and consumer spending partially offset the effects of a less favorable global environment.<br><br>Inflation is expected to remain within manageable levels, while interest rates are expected to remain stable. External risks such as the evolution of remittances and international financial volatility persist. | A deterioration in the global financial environment, with greater volatility and more restrictive financing conditions, could affect the country's macroeconomic stability.<br><br>Upcoming debt maturities could pose risks to fiscal sustainability. Furthermore, a deeper global slowdown and more restrictive immigration policies in the U.S. could reduce the flow of remittances, affecting domestic consumption. Although the environmental impact is relatively low, extreme weather events could affect vulnerable sectors such as tourism and infrastructure. |

## (4) Risk management, continued

| Scenario | Scenario Synthesis | Upside | Central | Downside |
|---|---|---|---|---|
| Nicaragua | Nicaragua maintains robust economic growth compared to its peers, supported by better-than-expected recent figures and solid remittance receipts. Despite a slight downgrade in projections due to the global environment, the country shows resilience and dynamism.<br><br>On the inflation front, although levels remain high compared to the region, the fixed exchange rate policy and monetary measures have helped stabilize expectations. The country starts from a strengthened fiscal and external position, giving it greater room to maneuver in the face of external shocks. | A more favorable external environment, coupled with prudent fiscal policy and solid international reserves, would allow Nicaragua to maintain high growth. The improved credit rating and the strengthening of the financial system reinforce confidence in macroeconomic stability.<br><br>The fixed exchange rate policy, supported by adequate reserves, and a well-capitalized banking system consolidate a stable monetary environment. The steady flow of remittances and fiscal discipline would sustain economic dynamism without generating significant inflationary pressures. | Nicaragua is expected to maintain growth above the regional average, albeit with less momentum given a weaker global environment. Exchange rate stability and prudent monetary policy will remain key pillars of economic performance.<br><br>Inflation is expected to remain relatively stable, while interest rates could adjust moderately. The exchange rate is expected to remain close to the 0% target, supported by solid international reserves and a credible exchange rate policy. | A deterioration in international financial conditions, with increased volatility and financing restrictions, could affect the country's external stability. Exposure to global shocks, such as capital outflows or tensions in sovereign markets, represents a significant risk.<br><br>Furthermore, a deeper global slowdown and more restrictive immigration policies in the US could affect the flow of remittances, weakening domestic consumption. High climate vulnerability also represents a persistent risk, especially for sensitive sectors such as agriculture. |
| Costa Rica | Costa Rica maintains favorable growth prospects, driven by the dynamism in free trade zones, tourism, and foreign direct investment. Despite a slight downgrade in the outlook due to the global environment, improvements in the credit rating and market confidence support economic performance.<br><br>Inflation remains contained, while monetary conditions allow room for further cuts in the monetary policy rate. The exchange rate remains stable, although with upside risks due to external factors and the upcoming electoral cycle. | A more favorable external environment, along with disciplined fiscal policy and improved credit ratings, would allow Costa Rica to consolidate its growth. Tourism and foreign investment would remain key drivers, supported by institutional stability and market confidence.<br><br>Inflation would remain low, allowing for further cuts in the monetary policy rate. Exchange rate stability would be reinforced by high levels of international reserves and a more relaxed financial environment, with less pressure on the exchange rate. | Costa Rica is expected to maintain moderate growth, in line with projections from multilateral organizations. The dynamism in key sectors is expected to partially offset the effects of a weaker global environment, while inflation is expected to remain within the target range.<br><br>Interest rates are expected to continue a downward trajectory, albeit gradually. The exchange rate could experience upward pressure from external factors and electoral uncertainty, but is expected to remain within manageable limits thanks to solid fundamentals. | A deterioration in international financial conditions, with increased volatility and financing restrictions, could affect macroeconomic stability. Capital outflows and an appreciation of the dollar would pose risks to the exchange rate and access to financing.<br><br>Furthermore, a deeper global slowdown would affect external demand, reducing export and tourism revenues. Although Costa Rica has demonstrated resilience to climate-related events, environmental and social risks persist that could limit fiscal and economic room for maneuver. |
| Panama | Panama's growth outlook has improved after a negative 2024, with expectations of a gradual recovery driven by the reactivation of mining negotiations and a more favorable external environment. Projections from multilateral institutions support this view, although risks associated with trade tensions with the US persist.<br><br>Inflation remains contained, although with upside risks from external factors. Interest rates could face pressure from a sovereign rating downgrade, which would make domestic financing more expensive. Despite these challenges, macroeconomic stability and dollarization remain key anchors. | A sustained recovery in growth, supported by a favorable resolution of the mining conflict and a more stable external environment, would allow Panama to consolidate its position as a regional logistics hub. The improved banking environment and financial stability reinforce market confidence.<br><br>Inflation is expected to remain low, while interest rates are expected to stabilize thanks to a lower country risk environment. | Panama is expected to maintain moderate growth, with a gradual recovery after the impact of 2024. The economy is expected to benefit from the resilience of the logistics and services sectors, although there are still risks due to fiscal and trade uncertainty.<br><br>Inflation is expected to remain at manageable levels, while interest rates could show a slight upward trend due to domestic pressures. The financial environment is expected to remain stable, although influenced by the evolution of the credit rating and access to external financing. | A more volatile international financial environment, coupled with a global slowdown, could limit access to financing and affect investment. Capital outflows and rising credit costs would pose risks to macroeconomic stability.<br><br>Furthermore, persistent fiscal tensions, along with uncertainty about the future of mining and arbitration processes, could weaken investor confidence. Although the country has shown resilience, these factors could slow the recovery and put pressure on the financial system. |

## (4) Risk management, continued

The scenario probability weightings applied in measuring ECL in each of the countries where the Bank operates, are as follows:

| Scenario probability weighting | June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Guatemala | Honduras | El Salvador | Nicaragua | Costa Rica | Panama |
| Upside | 30% | 20% | 10% | 15% | 30% | 10% |
| Base | 60% | 65% | 65% | 70% | 65% | 75% |
| Downside | 10% | 15% | 25% | 15% | 5% | 15% |

| Scenario probability weighting | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Guatemala | Honduras | El Salvador | Nicaragua | Costa Rica | Panama |
| Upside | 30% | 20% | 10% | 15% | 30% | 10% |
| Base | 60% | 65% | 65% | 70% | 65% | 75% |
| Downside | 10% | 15% | 25% | 15% | 5% | 15% |

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios, advised by at least one external economist.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The key drivers for credit risk for loans' portfolios are: Monthly Economic Activity Index, Consumer Price Index, Exchange Rate, Local Currency Interest Rate and US Dollar Interest Rate.

The Bank estimates each key driver for credit risk over the active forecast period of one year.

The table below lists the macroeconomic assumptions used in the base, upside and downside scenarios over the forecast period.

| | | June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Guatemala | Honduras | El Salvador | Nicaragua | Costa Rica | Panama |
| | | % | % | % | % | % | % |
| **Annual rate of change in economic growth, expressed as a percentage** | **Upside** | 4.72 | 3.92 | 3.01 | 3.87 | 3.87 | 3.42 |
| | **Base** | 3.62 | 3.30 | 2.76 | 3.42 | 3.67 | 3.03 |
| | **Downside** | 3.58 | 2.54 | 2.23 | 3.26 | 2.90 | 2.79 |
| **Year-on-year rate of change of inflation, expressed as a percentage** | **Upside** | 2.54 | 1.49 | 1.13 | 2.57 | 2.37 | 1.51 |
| | **Base** | 3.50 | 3.56 | 1.57 | 4.15 | 2.59 | 2.15 |
| | **Downside** | 4.53 | 5.28 | 2.36 | 5.28 | 3.54 | 2.33 |
| **Nominal exchange rate of change, expressed as a percentage** | **Upside** | (0.07) | 0.06 | - | (0.05) | 0.81 | - |
| | **Base** | 0.00 | 1.29 | - | 0.01 | 3.36 | - |
| | **Downside** | 0.56 | 1.65 | - | 0.14 | 3.55 | - |
| **Annual difference in the local currency lending rate measured in basis points** | **Upside** | (0.87) | 0.10 | - | (0.79) | (1.45) | - |
| | **Base** | (0.34) | 1.30 | - | (0.56) | (1.12) | - |
| | **Downside** | (0.18) | 2.03 | - | 0.71 | (0.57) | - |
| **Annual difference in foreign currency lending rate measured in basis points** | **Upside** | (1.05) | (0.22) | (0.31) | (1.07) | (1.35) | (0.02) |
| | **Base** | (0.27) | (0.18) | (0.11) | (0.45) | (1.01) | 0.10 |
| | **Downside** | (0.19) | 0.13 | (0.08) | (0.17) | (0.25) | 0.14 |

## (4) Risk management, continued

| | | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Guatemala | Honduras | El Salvador | Nicaragua | Costa Rica | Panama |
| | | % | % | % | % | % | % |
| Annual rate of change in economic growth, expressed as a percentage | Upside | 4.72 | 3.92 | 3.01 | 3.87 | 3.87 | 3.42 |
| | Base | 3.62 | 3.30 | 2.76 | 3.42 | 3.67 | 3.03 |
| | Downside | 3.58 | 2.54 | 2.23 | 3.26 | 2.90 | 2.79 |
| Year-on-year rate of change of inflation, expressed as a percentage | Upside | 2.54 | 1.49 | 1.13 | 2.57 | 2.37 | 1.51 |
| | Base | 3.50 | 3.56 | 1.57 | 4.15 | 2.59 | 2.15 |
| | Downside | 4.53 | 5.28 | 2.36 | 5.28 | 3.54 | 2.33 |
| Nominal exchange rate of change, expressed as a percentage | Upside | (0.07) | 0.06 | - | (0.05) | 0.81 | - |
| | Base | 0.00 | 1.29 | - | 0.01 | 3.36 | - |
| | Downside | 0.56 | 1.65 | - | 0.14 | 3.55 | - |
| Annual difference in the local currency lending rate measured in basis points | Upside | (0.87) | 0.10 | - | (0.79) | (1.45) | - |
| | Base | (0.34) | 1.30 | - | (0.56) | (1.12) | - |
| | Downside | (0.18) | 2.03 | - | 0.71 | (0.57) | - |
| Annual difference in foreign currency lending rate measured in basis points | Upside | (1.05) | (0.22) | (0.31) | (1.07) | (1.35) | (0.02) |
| | Base | (0.27) | (0.18) | (0.11) | (0.45) | (1.01) | 0.10 |
| | Downside | (0.19) | 0.13 | (0.08) | (0.17) | (0.25) | 0.14 |

***Sensitivity of ECL to future economic conditions***

The ECL are sensitive to judgments and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognized on material classes of its assets.

## (4) Risk management, continued

The table below shows the loss allowance on loans assuming each forward-looking scenario (e.g. central, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios, described in note 3 (c) to the latest consolidated financial statements as of December 31, 2024.

| | June 30, 2025 | | |
|---|---|---|---|
| | Upside | Base | Downside |
| **Book Value** | | | |
| Corporate | 10,684,852,450 | 10,684,852,450 | 10,684,852,450 |
| Medium company | 1,022,136,889 | 1,022,136,889 | 1,022,136,889 |
| Small company | 1,373,323,526 | 1,373,323,526 | 1,373,323,526 |
| Mortgage | 4,191,071,910 | 4,191,071,910 | 4,191,071,910 |
| Personal banking | 2,581,299,978 | 2,581,299,978 | 2,581,299,978 |
| Vehicles | 1,788,205,107 | 1,788,205,107 | 1,788,205,107 |
| Credit card | 5,961,954,620 | 5,961,954,620 | 5,961,954,620 |
| | 27,602,844,480 | 27,602,844,480 | 27,602,844,480 |
| **ECL Allowance** | | | |
| Corporate | 96,845,485 | 97,641,513 | 98,716,719 |
| Medium company | 16,028,711 | 16,151,767 | 16,475,481 |
| Small company | 14,595,664 | 16,005,687 | 16,781,902 |
| Mortgage | 33,235,458 | 33,461,138 | 35,439,800 |
| Personal banking | 103,616,773 | 105,989,803 | 110,060,796 |
| Vehicles | 9,318,701 | 9,832,543 | 10,437,755 |
| Credit card | 442,970,988 | 489,645,810 | 497,729,992 |
| | 716,611,780 | 768,728,261 | 785,642,445 |
| **Proportion of assets in Stage 2** | | | |
| Corporate | 2.36% | 2.36% | 2.36% |
| Medium company | 2.69% | 2.69% | 2.69% |
| Small company | 6.81% | 7.18% | 7.64% |
| Mortgage | 13.49% | 13.55% | 13.74% |
| Personal banking | 5.22% | 5.30% | 5.79% |
| Vehicles | 5.74% | 5.76% | 6.03% |
| Credit card | 13.09% | 14.05% | 14.35% |
| | 7.09% | 7.33% | 7.51% |

| | December 31, 2024 | | |
|---|---|---|---|
| | Upside | Base | Downside |
| **Book Value** | | | |
| Corporate | 9,889,298,395 | 9,889,298,395 | 9,889,298,395 |
| Medium company | 968,272,419 | 968,272,419 | 968,272,419 |
| Small company | 1,345,671,018 | 1,345,671,018 | 1,345,671,018 |
| Mortgage | 4,081,166,217 | 4,081,166,217 | 4,081,166,217 |
| Personal banking | 2,526,999,073 | 2,526,999,073 | 2,526,999,073 |
| Vehicles | 1,655,224,813 | 1,655,224,813 | 1,655,224,813 |
| Credit card | 5,985,227,989 | 5,985,227,989 | 5,985,227,989 |
| | 26,451,859,924 | 26,451,859,924 | 26,451,859,924 |
| **ECL Allowance** | | | |
| Corporate | 82,367,818 | 82,945,498 | 83,717,014 |
| Medium company | 20,156,123 | 20,257,580 | 20,352,065 |
| Small company | 14,126,427 | 14,626,134 | 15,216,531 |
| Mortgage | 42,826,067 | 45,315,586 | 47,732,764 |
| Personal banking | 105,839,630 | 112,432,486 | 116,295,625 |
| Vehicles | 9,274,956 | 9,704,913 | 10,193,794 |
| Credit card | 471,544,137 | 476,665,470 | 480,462,411 |
| | 746,135,158 | 761,947,667 | 773,970,204 |
| Proportion of assets in Stage 2 | | | |
| Corporate | 2.28% | 2.28% | 2.28% |
| Medium company | 2.90% | 2.90% | 2.90% |
| Small company | 6.06% | 6.26% | 6.56% |
| Mortgage | 13.19% | 13.35% | 13.47% |
| Personal banking | 5.81% | 7.17% | 7.82% |
| Vehicles | 6.65% | 6.71% | 7.01% |
| Credit card | 12.95% | 13.01% | 13.08% |
| | 7.20% | 7.38% | 7.51% |

## (4) Risk management, continued

The following table shows a reconciliation of the opening and closing balances of the period as of June 30, 2025, of the financial assets' ECL allowance.

| Deposits in Banks | June 30, 2025 | | | | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | 12 months ECL | Lifetime ECL – non-impaired | Lifetime ECL - impaired | Total | 12 months ECL | Lifetime ECL - non-impaired | Lifetime ECL – impaired | Total |
| **Balance at year beginning** | 39,073 | 0 | 0 | 39,073 | 85,968 | 0 | 0 | 85,968 |
| Net remeasurement of loss allowance | (14,632) | 0 | 0 | (14,632) | (55,103) | 0 | 0 | (55,103) |
| New financial assets originated | 12,172 | 0 | 0 | 12,172 | 8,576 | 0 | 0 | 8,576 |
| Foreign currency translation | (195) | 0 | 0 | (195) | (368) | 0 | 0 | (368) |
| **Balance at period end** | 36,418 | 0 | 0 | 36,418 | 39,073 | 0 | 0 | 39,073 |

| Investments at FVOCI | June 30, 2025 | | | | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | 12 months ECL | Lifetime ECL - non-impaired | Lifetime ECL - impaired | Total | 12 months ECL | Lifetime ECL - non-impaired | Lifetime ECL - impaired | Total |
| **Balance at year beginning** | 7,927,708 | 0 | 0 | 7,927,708 | 6,107,894 | 0 | 0 | 6,107,894 |
| Net remeasurement of loss allowance | (2,839,656) | 0 | 0 | (2,839,656) | (4,019,392) | 0 | 0 | (4,019,392) |
| New financial assets originated | 3,449,461 | 0 | 0 | 3,449,461 | 5,873,195 | 0 | 0 | 5,873,195 |
| Foreign currency translation | (16,934) | 0 | 0 | (16,934) | (33,989) | 0 | 0 | (33,989) |
| **Balance at period end** | 8,520,579 | 0 | 0 | 8,520,579 | 7,927,708 | 0 | 0 | 7,927,708 |

| Investments at AC | June 30, 2025 | | | | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | 12 months ECL | Lifetime ECL – non-impaired | Lifetime ECL - impaired | Total | 12 months ECL | Lifetime ECL - non-impaired | Lifetime ECL – impaired | Total |
| **Balance at year beginning** | 149,144 | 0 | 0 | 149,144 | 185,768 | 0 | 0 | 185,768 |
| Net remeasurement of loss allowance | (8,688) | 0 | 0 | (8,688) | (50,855) | 0 | 0 | (50,855) |
| New financial assets originated | 75,703 | 0 | 0 | 75,703 | 17,535 | 0 | 0 | 17,535 |
| Foreign currency translation | (2,253) | 0 | 0 | (2,253) | (3,304) | 0 | 0 | (3,304) |
| **Balance at period end** | 213,906 | 0 | 0 | 213,906 | 149,144 | 0 | 0 | 149,144 |

## (4) Risk management, continued

| Loans | June 30, 2025 12 months ECL | June 30, 2025 Lifetime ECL - non-impaired | June 30, 2025 Lifetime ECL - impaired | June 30, 2025 Total | December 31, 2024 12 months ECL | December 31, 2024 Lifetime ECL – non-impaired | December 31, 2024 Lifetime ECL - impaired | December 31, 2024 Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at year beginning** | 209,267,699 | 263,996,540 | 279,178,036 | 752,442,275 | 200,884,075 | 241,452,983 | 292,324,462 | 734,661,520 |
| Transfer from stage 1 to 2 | (54,468,609) | 54,468,609 | 0 | 0 | (138,451,800) | 138,451,800 | 0 | 0 |
| Transfer from stage 1 to 3 | (69,809) | 0 | 69,809 | 0 | (102,147) | 0 | 102,147 | 0 |
| Transfer from stage 2 to 3 | 0 | (183,763,895) | 183,763,895 | 0 | 0 | (356,339,340) | 356,339,340 | 0 |
| Transfer from stage 3 to 2 | 0 | 58,106,710 | (58,106,710) | 0 | 0 | 117,817,007 | (117,817,007) | 0 |
| Transfer from stage 2 to 1 | 115,718,532 | (115,718,532) | 0 | 0 | 263,980,180 | (263,980,180) | 0 | 0 |
| Transfer from stage 3 to 1 | 8,799,999 | 0 | (8,799,999) | 0 | 16,391,779 | 0 | (16,391,779) | 0 |
| Net remeasurement of loss allowance | (93,558,880) | 206,561,057 | 181,367,805 | 294,369,982 | (185,381,812) | 421,388,710 | 301,621,259 | 537,628,157 |
| New financial assets originated | 101,067,290 | 44,432,727 | 22,330,423 | 167,830,440 | 191,557,881 | 64,991,719 | 19,084,993 | 275,634,593 |
| Net derecognition of financial assets | (75,196,330) | (57,901,014) | (37,943,451) | (171,040,795) | (142,458,454) | (99,786,159) | (58,817,859) | (301,062,472) |
| Reclassification | 0 | 0 | 0 | 0 | 2,847,997 | 0 | 0 | 2,847,997 |
| Charge-offs | 0 | 0 | (385,437,203) | (385,437,203) | 0 | 0 | (643,965,872) | (643,965,872) |
| Recovery | 0 | 0 | 95,983,953 | 95,983,953 | 0 | 0 | 150,845,111 | 150,845,111 |
| Foreign currency translation | 0 | 0 | (1,816,901) | (1,816,901) | 0 | 0 | (4,146,759) | (4,146,759) |
| **Balance at period end** | 211,559,892 | 270,182,202 | 270,589,657 | 752,331,751 | 209,267,699 | 263,996,540 | 279,178,036 | 752,442,275 |

| Commitments and guarantees | June 30, 2025 12 months ECL | June 30, 2025 Lifetime ECL - non-impaired | June 30, 2025 Lifetime ECL - impaired | June 30, 2025 Total | December 31, 2024 12 months ECL | December 31, 2024 Lifetime ECL – non-impaired | December 31, 2024 Lifetime ECL - impaired | December 31, 2024 Total |
|---|---|---|---|---|---|---|---|---|
| **Balance on January 1** | 445,451 | 5,452 | 961,206 | 1,412,109 | 138,507 | 10,126 | 1,217,035 | 1,365,668 |
| Transfer from stage 1 to 2 | (223) | 223 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer from stage 1 to 3 | (305,199) | 0 | 305,199 | 0 | (38,834) | 0 | 38,834 | 0 |
| Transfer from stage 3 to 2 | 0 | 961,206 | (961,206) | 0 | 0 | 0 | 0 | 0 |
| Transfer from stage 2 to 1 | 0 | 0 | 0 | 0 | 331 | (331) | 0 | 0 |
| Transfer from stage 3 to 1 | 0 | 0 | 0 | 0 | 1,217,035 | 0 | (1,217,035) | 0 |
| Net remeasurement of loss allowance | 224,186 | (965,893) | (63,530) | (805,237) | 1,578,989 | (2,297) | 120,149 | 1,696,841 |
| New financial assets originated | 137,871 | 15,920 | 804,667 | 958,458 | 445,452 | 5,452 | 849,299 | 1,300,203 |
| Net derecognition of financial assets | (374,975) | (988) | (80,934) | (456,897) | (81,902) | (7,498) | (47,076) | (136,476) |
| Reclassification | 0 | 0 | 0 | 0 | (2,847,997) | 0 | 0 | (2,847,997) |
| Foreign currency translation | 10,760 | 0 | 0 | 10,760 | 33,870 | 0 | 0 | 33,870 |
| **Balance at period end** | 137,871 | 15,920 | 965,402 | 1,119,193 | 445,451 | 5,452 | 961,206 | 1,412,109 |

| Other accounts receivable | June 30, 2025 12 months ECL | June 30, 2025 Lifetime ECL - non-impaired | June 30, 2025 Lifetime ECL - impaired | June 30, 2025 Total | December 31, 2024 12 months ECL | December 31, 2024 Lifetime ECL - non-impaired | December 31, 2024 Lifetime ECL - impaired | December 31, 2024 Total |
|---|---|---|---|---|---|---|---|---|
| **Balance on January 1** | 6,999,193 | 0 | 0 | 6,999,193 | 6,633,884 | 0 | 0 | 6,633,884 |
| Net remeasurement of loss allowance | (2,594,104) | 0 | 0 | (2,594,104) | (5,076,945) | 0 | 0 | (5,076,945) |
| New financial assets originated | 2,616,021 | 0 | 0 | 2,616,021 | 6,859,685 | 0 | 0 | 6,859,685 |
| Charge-offs | (791,957) | 0 | 0 | (791,957) | (2,148,050) | 0 | 0 | (2,148,050) |
| Recovery | 323,045 | 0 | 0 | 323,045 | 705,836 | 0 | 0 | 705,836 |
| Foreign currency translation | (4,612) | 0 | 0 | (4,612) | 24,783 | 0 | 0 | 24,783 |
| **Balance at period end** | 6,547,586 | 0 | 0 | 6,547,586 | 6,999,193 | 0 | 0 | 6,999,193 |

## (4) Risk management, continued

### *Modified financial assets*

The following table provides information on individually significant financial assets that were modified while having a provision for losses measured in an amount equal to the ECL for the expected life.

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Amortized cost before modification | 1,520,521 | 30,350,274 |
| Net loss due modification | 0 | 296 |
| **Total** | 1,520,521 | 30,350,570 |

### *Concentration of credit risk*

The Bank follows up the concentration of credit risk by sector and geographic location. The geographic location of loans and deposits in banks is based on the location of the debtor. Regarding investments, they are based on the location of the issuer. The analysis of the concentration of credit risks as of the reporting date is as follows:

| | June 30, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Loans | Commitments and guarantees | Securities purchased under resale agreements | Deposits in banks | Investments at FVOCI | Investments at FVPL | Investments at AC |
| **Concentration by sector** | | | | | | | |
| Government | 0 | 0 | 18,019,201 | 3,571,200,473 | 4,352,670,183 | 44,809,626 | 65,215,699 |
| **Corporate** | | | | | | | |
| Trade | 2,920,627,365 | 155,596,412 | 0 | 0 | 0 | 0 | 0 |
| General industry | 2,260,826,466 | 153,965,490 | 0 | 0 | 6,067,659 | 0 | 0 |
| Real estate | 2,069,538,204 | 19,965,175 | 0 | 0 | 41,518,117 | 0 | 34,578,167 |
| Services | 1,432,008,041 | 66,037,034 | 0 | 0 | 10,012,538 | 0 | 0 |
| Food industry | 1,293,008,051 | 34,286,462 | 0 | 0 | 4,965,765 | 0 | 0 |
| Agricultural | 942,385,506 | 6,827,396 | 0 | 0 | 0 | 0 | 0 |
| Hotels and restaurants | 803,972,983 | 4,710,183 | 0 | 0 | 3,037,929 | 0 | 0 |
| Financial | 525,816,620 | 96,895,770 | 76,584,199 | 735,543,969 | 168,018,989 | 0 | 3,895,337 |
| Transport | 310,782,145 | 19,286,285 | 0 | 0 | 2,810,167 | 0 | 0 |
| Construction | 278,828,658 | 58,200,439 | 0 | 0 | 5,030,255 | 0 | 0 |
| Telecommunications | 242,518,826 | 15,884,959 | 0 | 0 | 27,245,921 | 0 | 5,015,764 |
| Oil and derivatives | 0 | 0 | 0 | 0 | 16,848,145 | 0 | 0 |
| Public services | 0 | 0 | 0 | 0 | 5,029,574 | 0 | 0 |
| Energy | 0 | 0 | 0 | 0 | 84,521,442 | 0 | 0 |
| Media | 0 | 0 | 0 | 0 | 5,311,376 | 0 | 0 |
| Technology | 0 | 0 | 0 | 0 | 6,825,801 | 0 | 0 |
| Pharmacy | 0 | 0 | 0 | 0 | 2,859,197 | 0 | 0 |
| Personal banking | 14,522,531,615 | 63,390,411 | 0 | 0 | 6,990,764 | 0 | 0 |
| Allowance for ECL | (752,331,751) | (1,119,193) | 0 | (36,418) | 0 | 0 | 0 |
| **Net carrying amount** | 26,850,512,729 | 693,926,823 | 94,603,400 | 4,306,708,024 | 4,749,763,822 | 44,809,626 | 108,704,967 |
| **Geographic location:** | | | | | | | |
| Costa Rica | 8,183,407,255 | 254,225,275 | 0 | 1,643,372,894 | 1,292,068,083 | 44,327,021 | 5,015,764 |
| Panama | 6,004,381,698 | 183,320,050 | 0 | 104,954,532 | 780,543,261 | 0 | 38,473,504 |
| Guatemala | 4,827,291,083 | 23,485,053 | 18,019,201 | 516,855,945 | 898,846,359 | 0 | 0 |
| Honduras | 3,954,796,549 | 80,879,839 | 76,584,199 | 600,425,459 | 425,068,430 | 0 | 65,215,699 |
| El Salvador | 2,882,799,607 | 140,817,581 | 0 | 472,483,279 | 244,382,621 | 0 | 0 |
| Nicaragua | 1,750,168,288 | 12,318,218 | 0 | 316,614,758 | 184,939,948 | 0 | 0 |
| North America | 0 | 0 | 0 | 627,876,987 | 870,940,226 | 482,605 | 0 |
| Europe | 0 | 0 | 0 | 24,149,266 | 0 | 0 | 0 |
| South America | 0 | 0 | 0 | 0 | 52,974,894 | 0 | 0 |
| Others | 0 | 0 | 0 | 11,322 | 0 | 0 | 0 |
| Allowance for ECL | (752,331,751) | (1,119,193) | 0 | (36,418) | 0 | 0 | 0 |
| **Net carrying amount** | 26,850,512,729 | 693,926,823 | 94,603,400 | 4,306,708,024 | 4,749,763,822 | 44,809,626 | 108,704,967 |

## (4) Risk management, continued

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Loans | Commitments and guarantees | Securities purchased under resale agreements | Deposits in banks | Investments at FVOCI | Investments at FVPL | Investments at AC |
| **Concentration by sector** | | | | | | | |
| Government | 0 | 0 | 10,399,111 | 3,764,173,191 | 4,300,366,624 | 18,925,464 | 67,045,978 |
| **Corporate** | | | | | | | |
| Trade | 2,744,959,928 | 195,563,007 | 0 | 0 | 0 | 0 | 0 |
| General industry | 2,137,916,030 | 142,460,219 | 0 | 0 | 5,937,051 | 0 | 0 |
| Real estate | 1,987,691,788 | 37,718,261 | 0 | 0 | 48,195,731 | 0 | 35,581,023 |
| Services | 1,469,112,542 | 66,172,457 | 0 | 0 | 14,574,041 | 0 | 0 |
| Agricultural | 1,049,935,358 | 33,934,939 | 0 | 0 | 4,912,578 | 0 | 0 |
| Food industry | 967,979,297 | 5,146,778 | 0 | 0 | 0 | 0 | 0 |
| Hotels and restaurants | 590,400,039 | 1,975,381 | 0 | 0 | 3,063,793 | 0 | 0 |
| Financial | 458,269,507 | 78,284,255 | 0 | 937,638,371 | 187,196,989 | 0 | 2,896,565 |
| Telecommunications | 320,122,843 | 17,758,201 | 0 | 0 | 2,754,003 | 0 | 0 |
| Transport | 242,106,815 | 59,951,940 | 0 | 0 | 5,684,049 | 0 | 0 |
| Construction | 234,747,685 | 14,916,522 | 0 | 0 | 26,627,101 | 0 | 5,003,446 |
| Oil and derivatives | 0 | 0 | 0 | 0 | 19,424,952 | 0 | 0 |
| Public services | 0 | 0 | 0 | 0 | 8,403,160 | 0 | 0 |
| Energy | 0 | 0 | 0 | 0 | 85,872,987 | 0 | 0 |
| Media | 0 | 0 | 0 | 0 | 5,333,028 | 0 | 0 |
| Technology | 0 | 0 | 0 | 0 | 6,793,163 | 0 | 0 |
| Materials | 0 | 0 | 0 | 0 | 2,783,639 | 0 | 0 |
| Personal banking | 14,248,618,092 | 72,103,468 | 0 | 0 | 6,611,278 | 0 | 0 |
| Allowance for ECL | (752,442,275) | (1,412,109) | 0 | (39,073) | 0 | 0 | 0 |
| **Net carrying amount** | 25,699,417,649 | 724,573,319 | 10,399,111 | 4,701,772,489 | 4,734,534,167 | 18,925,464 | 110,527,012 |
| | | | | | | | |
| **Geographic location:** | | | | | | | |
| Costa Rica | 7,805,753,248 | 270,632,334 | 0 | 1,749,699,657 | 1,280,258,151 | 18,925,464 | 5,003,446 |
| Panama | 5,595,989,337 | 194,133,050 | 0 | 149,401,908 | 741,353,097 | 0 | 38,477,591 |
| Guatemala | 4,767,793,277 | 15,182,003 | 10,399,111 | 505,073,952 | 884,539,324 | 0 | 0 |
| Honduras | 3,929,031,605 | 75,652,205 | 0 | 688,383,240 | 402,552,479 | 0 | 67,045,975 |
| El Salvador | 2,727,557,205 | 147,333,504 | 0 | 416,635,852 | 306,100,448 | 0 | 0 |
| Nicaragua | 1,625,735,252 | 23,052,332 | 0 | 331,339,989 | 179,587,883 | 0 | 0 |
| North America | 0 | 0 | 0 | 841,216,795 | 888,710,296 | 0 | 0 |
| Europe | 0 | 0 | 0 | 20,045,871 | 0 | 0 | 0 |
| South America | 0 | 0 | 0 | 0 | 51,432,489 | 0 | 0 |
| Others | 0 | 0 | 0 | 14,298 | 0 | 0 | 0 |
| Allowance for ECL | (752,442,275) | (1,412,109) | 0 | (39,073) | 0 | 0 | 0 |
| **Net carrying amount** | 25,699,417,649 | 724,573,319 | 10,399,111 | 4,701,772,489 | 4,734,534,167 | 18,925,464 | 110,527,012 |

The Bank has been and will continue to monitor the evolution of the liquidity and the quality of the portfolio of financial instruments placed or acquired in that country, in order to mitigate and manage the impacts of this situation.

*(b) Liquidity Risk*

Liquidity risk is defined as the contingency of not being able to comply fully, in a timely and efficient manner, the expected and unexpected cash flows, current and future, without affecting the course of daily operations or the financial condition of the entity. This contingency (liquidity risk) is evidenced by insufficient liquid assets available and/or the need to assume unusual funding costs. The liquidity management conducted by the Bank seeks to meet its obligations of (i) withdrawals of deposits by its customers, (ii) repayment of the service of its debts from institutional funding according to maturity and the scheduled payment scheme, and (iii) compliance with the credit demand and investment funds according to its requirements. In this regard, the Bank has constant control over its short-term liabilities and assets.

**(4) Risk management, continued**

The liquidity of the Bank is carefully managed and adjusted daily based on the estimated liquidity in a contingent and expected scenario.

The Bank's liquidity management is in compliance with the policies and guidelines issued by Senior management and/or Regional and Local Boards of Directors; the regulators of each country in which it operates and the contractual obligations. These best practices are primarily defensive, in the sense of seeking to always maintain appropriate levels of liquidity. In addition, the Bank has implemented the internal liquidity requirements that force it to keep excesses above regulatory requirements.

Specifically, the Bank's liquidity risk is managed through the calculation of liquidity coverage indicators in the short term, net of obligations and requirements, and in normal and stressful situations, as well as a stress model of liquidity based on its cash flows, which considers the activity of assets and liabilities in a time horizon of up to one year, under a variety of scenarios, which include both normal market conditions and more severe conditions. In addition, the Bank seeks to maintain a term matching, which enables it to meet its financial obligations over time.

As for market risk, Senior Management engages actively in liquidity risk management through regional and local Assets and Liabilities Committees (ALICO) and Comprehensive Risk Management Committee; thus, giving greater support to the strategic decision-making process. The liquidity risk assumed by the Bank is in line with the structure, complexity, size and nature of its operation, while always respecting the local regulations, the regional guidelines and the guidelines issued by Senior Management and/or Regional and Local Boards of Directors.

At the level of the entire Bank the obligation of properly documenting the periodic assessment of measurement indicators and compliance with regional guidelines and local regulations is established; as well as ensuring that reports related to liquidity risk to be remitted to the different internal and external instances (including the regulator) are adequate in terms of content, quality of information, generation, transmission and validation according to the requirements set forth in the respective standards.

The following table shows the results of the ratios for high-quality liquidity coverage with respect to the outflow of deposits under normal and stressful conditions, calculated based on internal policies, as of the reporting date and during the period:

| | % of Liquidity | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| As of period end | 26.5 | 28.6 |
| Maximum | 31.7 | 31.7 |
| Average | 28.5 | 28.1 |
| Minimum | 25.6 | 25.5 |

## (4) Risk management, continued

As of June 30, 2025, and December 31, 2024, the banking operations of the Bank comply with the liquidity requirements established by the regulators.

### *Quantitative information*

The following table details the undiscounted cash flows of financial liabilities and financial assets, and disbursements due to financial derivatives in contractual maturity groups for the remaining period from the reporting date.

| | June 30, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| *Amounts in thousands* | Carrying amount | Total nominal gross amount inflows /(outflows) | Up to 1 month | From 1 to 3 months | From 3 months to 1 year | From 1 to 5 years | More than 5 years |
| **Liabilities** | | | | | | | |
| Demand deposits | 10,006,986 | (10,006,986) | (10,006,986) | 0 | 0 | 0 | 0 |
| Savings deposits | 7,137,726 | (7,137,726) | (7,137,726) | 0 | 0 | 0 | 0 |
| Time deposits | 11,739,099 | (12,273,939) | (1,343,673) | (2,279,827) | (6,682,524) | (1,940,276) | (27,639) |
| Securities sold under repurchase agreements | 25,000 | (25,000) | (25,000) | 0 | 0 | 0 | 0 |
| Financial obligations | 2,900,402 | (3,276,804) | (72,981) | (390,735) | (1,223,371) | (1,304,307) | (285,410) |
| Other financial obligations | 1,711,014 | (2,780,932) | (79,111) | (63,737) | (173,260) | (1,162,262) | (1,302,562) |
| Lease liabilities | 109,086 | (123,996) | (3,056) | (13,994) | (14,306) | (67,422) | (25,218) |
| **Sub-total liabilities** | 33,629,313 | (35,625,383) | (18,668,533) | (2,748,293) | (8,093,461) | (4,474,267) | (1,640,829) |
| Commitments and guarantees | 76,941 | (76,941) | (5,289) | (12,778) | (58,874) | 0 | 0 |
| Acceptances | 7,875 | (7,875) | (4,615) | (3,182) | (78) | 0 | 0 |
| **Total liabilities** | 33,714,129 | (35,710,199) | (18,678,437) | (2,764,253) | (8,152,413) | (4,474,267) | (1,640,829) |
| **Assets** | | | | | | | |
| Cash and cash equivalents | 846,839 | 846,839 | 846,839 | 0 | 0 | 0 | 0 |
| Securities purchased under resale agreements | 94,603 | 94,603 | 76,922 | 17,681 | 0 | 0 | 0 |
| Deposits in banks, net | 4,306,708 | 4,308,183 | 4,272,474 | 5,844 | 13,039 | 16,826 | 0 |
| Investments at FVPL (1) | 44,810 | 51,385 | 487 | 396 | 3,279 | 42,841 | 4,382 |
| Investments at FVOCI (1) | 4,749,764 | 5,611,293 | 347,115 | 457,097 | 1,403,001 | 2,146,218 | 1,257,862 |
| Investments at AC (1) | 108,704 | 196,774 | 26 | 409 | 9,264 | 30,052 | 157,023 |
| Other accounts receivable, net | 485,915 | 485,915 | 371,744 | 44,191 | 36,904 | 33,076 | 0 |
| Loans, net | 26,850,513 | 37,678,850 | 2,551,593 | 6,200,394 | 5,867,172 | 10,888,347 | 12,179,609 |
| **Sub-total assets** | 37,487,856 | 49,282,107 | 8,467,200 | 6,726,012 | 7,332,659 | 13,150,360 | 13,598,876 |
| Acceptances outstanding | 7,875 | 7,875 | 4,615 | 3,182 | 78 | 0 | 0 |
| **Total assets** | 37,495,731 | 49,289,982 | 8,471,815 | 6,729,194 | 7,332,737 | 13,150,360 | 13,598,876 |

**(1) Equity securities are excluded**

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| *Amounts in thousands* | Carrying amount | Total nominal gross amount inflows /(outflows) | Up to 1 month | From 1 to 3 months | From 3 months to 1 year | From 1 to 5 years | More than 5 years |
| **Liabilities** | | | | | | | |
| Demand deposits | 10,328,727 | (10,328,727) | (10,328,727) | 0 | 0 | 0 | 0 |
| Savings deposits | 6,933,165 | (6,933,165) | (6,933,165) | 0 | 0 | 0 | 0 |
| Time deposits | 11,140,417 | (10,721,542) | (1,316,986) | (2,021,795) | (5,812,091) | (1,545,496) | (25,174) |
| Securities sold under repurchase agreements | 91,171 | (91,365) | (55,848) | (35,517) | 0 | 0 | 0 |
| Financial obligations | 2,984,427 | (3,416,827) | (320,113) | (293,630) | (1,471,459) | (1,126,237) | (205,388) |
| Other financial obligations | 1,539,302 | (1,730,361) | (7,585) | (32,005) | (745,888) | (730,683) | (214,200) |
| Lease liabilities | 116,077 | (118,986) | (3,157) | (15,123) | (14,857) | (66,314) | (19,535) |
| **Sub-total liabilities** | 33,133,286 | (33,340,973) | (18,965,581) | (2,398,070) | (8,044,295) | (3,468,730) | (464,297) |
| Commitments and guarantees | 86,791 | (86,792) | (2,898) | (19,739) | (64,155) | 0 | 0 |
| Acceptances | 23,273 | (23,273) | (10,309) | (11,629) | (1,335) | 0 | 0 |
| **Total liabilities** | 33,243,350 | (33,451,038) | (18,978,788) | (2,429,438) | (8,109,785) | (3,468,730) | (464,297) |
| **Assets** | | | | | | | |
| Cash and cash equivalents | 935,807 | 935,807 | 935,807 | 0 | 0 | 0 | 0 |
| Securities purchased under resale agreements | 10,399 | 10,399 | 924 | 9,475 | 0 | 0 | 0 |
| Deposits in banks, net | 4,701,772 | 4,704,115 | 4,647,366 | 19,067 | 14,623 | 23,059 | 0 |
| Investments at FVPL (1) | 18,925 | 22,406 | 8 | 292 | 6,523 | 10,356 | 5,227 |
| Investments at FVOCI (1) | 4,734,534 | 5,654,610 | 236,408 | 410,808 | 1,294,140 | 2,363,977 | 1,349,277 |
| Investments at AC (1) | 110,528 | 194,616 | 23 | 426 | 5,829 | 29,853 | 158,485 |
| Other accounts receivable, net | 442,976 | 442,976 | 332,683 | 31,622 | 43,829 | 34,842 | 0 |
| Loans, net | 25,699,418 | 36,853,978 | 3,127,736 | 5,542,337 | 5,695,228 | 10,709,082 | 11,779,595 |
| **Sub-total assets** | 36,654,359 | 48,818,907 | 9,280,955 | 6,014,027 | 7,060,172 | 13,171,169 | 13,292,584 |
| Acceptances outstanding | 23,273 | 23,273 | 10,309 | 11,629 | 1,335 | 0 | 0 |
| **Total assets** | 36,677,632 | 48,842,180 | 9,291,264 | 6,025,656 | 7,060,172 | 13,171,169 | 13,292,584 |

**(1) Equity securities are excluded**

## (4) Risk management, continued

The Bank's expected cash flows from some financial assets and financial liabilities vary significantly from the contractual cash flows. The main differences are the following:

- customer demand deposits are expected to remain stable or increase;
- not all unrecognized loan commitments are expected to be withdrawn immediately; and
- retail mortgage loans have an original contractual maturity of between 20 and 30 years, but an expected average maturity of eight years because customers take advantage of early repayment options.

The liquidity of the Bank is measured and monitored on a daily basis by Treasury of each country. In addition, the Bank maintains appropriate levels of cash in vaults, deposits in banks and short-term deposits which constitute the Bank's basis of liquidity reserves. The composition of liquidity is shown in the following table:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | 846,838,701 | 935,806,774 |
| Securities bought under resale agreements | 94,603,400 | 10,399,111 |
| Deposits in central banks | 3,345,024,845 | 3,325,083,187 |
| Deposits due from banks maturing in less than 90 days | 929,790,115 | 1,337,436,199 |
| Deposits due from banks maturing after 90 days | 31,893,064 | 39,253,103 |
| **Total cash, cash equivalents and deposits in banks, net** | 5,248,150,125 | 5,647,978,374 |
| | | |
| Uncommitted sovereign debt instruments | 4,362,241,003 | 4,310,325,987 |
| Other credit lines available (1) | 2,144,136,483 | 1,749,679,501 |
| **Total liquidity reserve** | 11,754,527,611 | 11,707,983,862 |

(1) Amounts not disbursed as of the reporting date.

The available credit lines are for use in normal business scenarios. They may have restricted use in stressful situations.

The following table shows the availability of the Bank's financial assets to support the future financing:

| June 30, 2025 | Committed | Uncommitted | | | |
|---|---|---|---|---|---|
| | As Collateral | Available as Collateral | Legal Reserve (1) | Others (2) | Total |
| Cash and cash equivalents | 0 | 0 | 0 | 846,838,701 | 846,838,701 |
| Securities purchased under resale agreements | 0 | 0 | 94,603,400 | 0 | 94,603,400 |
| Deposits due from banks, net | 460,757 | 195,154,969 | 3,220,991,408 | 890,100,890 | 4,306,708,024 |
| Investments in securities, net | 0 | 4,513,599,164 | 105,537,552 | 303,706,016 | 4,922,842,732 |
| Loans, net | 273,762,683 | 0 | 0 | 26,576,750,046 | 26,850,512,729 |
| **Total assets** | 274,223,440 | 4,708,754,133 | 3,421,132,360 | 28,617,395,653 | 37,021,505,586 |

(1) It represents uncommitted assets, which the Bank considers to use to guarantee financing, for legal or other reasons. Committed deposits in banks comprise the legal reserve required by the different jurisdictions in which the Bank operates and can be used according to the regulation of each country.

(2) It represents assets that are uncommitted for use as collateral.

| December 31, 2024 | Committed | Uncommitted | | | |
|---|---|---|---|---|---|
| | As Collateral | Available as Collateral | Legal Reserve (1) | Others (2) | Total |
| Cash and cash equivalents | 0 | 0 | 0 | 935,806,774 | 935,806,774 |
| Securities purchased under resale agreements | 0 | 0 | 10,399,111 | 0 | 10,399,111 |
| Deposits due from banks, net | 0 | 385,417,910 | 3,169,495,462 | 1,146,859,117 | 4,701,772,489 |
| Investments in securities, net | 95,096,049 | 4,502,709,475 | 67,045,976 | 218,581,988 | 4,883,433,488 |
| Loans, net | 218,936,117 | 0 | 0 | 25,480,481,532 | 25,699,417,649 |
| **Total assets** | 314,032,166 | 4,888,127,385 | 3,246,940,549 | 27,781,729,411 | 36,230,829,511 |

(1) It represents uncommitted assets, which the Bank considers to use to guarantee financing, for legal or other reasons. Committed deposits in banks comprise the legal reserve required by the different jurisdictions in which the Bank operates and can be used according to the regulation of each country.

(2) It represents assets that are uncommitted for use as collateral.

**(4) Risk management, continued**

*(c) Market risk*

Market risks are those that may result in losses as a result of adverse price movements in the financial markets where positions are maintained. It comprises the following risks:

- Interest rate risk: there is the possibility of an economic loss due to adverse variations in interest rates.

- Exchange rate risk: there is the possibility of an economic loss due to adverse variations in the exchange rates of currencies other than the US dollar.

The main objectives of the Bank's corporate governance structure include supervising the performance of the management team in each country, ensuring the proper functioning of the internal control system, monitoring the exposure to risks and managing them effectively. For such purposes, management engages actively in market risk management through the regional and local Assets and Liabilities Committees (ALICO) and the Comprehensive Risk Management Committee; thus, giving greater support to the strategic decision-making process.

Market risks assumed by the Bank are in line with the structure, complexity, size and nature of its operation, while always respecting the local regulations, the regional guidelines and the guidelines issued by management and/or regional and local boards of directors.

The Bank establishes the requirement of properly documenting the periodic assessment of measurement indicators and compliance with regional guidelines and local regulations, as well as ensuring that reports related to market risk to be remitted to the different internal and external instances (including the regulator) are adequate in terms of the content, quality of information, generation, transmission and validation according to the requirements set forth in the respective standards.

For the measurement, control and management of market risk, the Bank uses the indicators required by the regulator of each country as well as another set of indicators established in the internal regional guideline, which are calculated by country and in a consolidated manner based on internal sources of information.

Exchange risk is measured through the determination of the equity percentage that is not dollarized (also known as monetary position). The main objective of the policy is to establish that the difference between assets denominated in US dollars and liabilities denominated in US dollars is at least equal to equity, which is equivalent to having a 100% dollarized equity, however, due to regulatory restrictions applicable in each country that limit the position in US dollars, the consolidated monetary position may be below this desirable limit.

## (4) Risk management, continued

### *Quantitative information*

The Bank maintains operations in the condensed consolidated statement of financial position, contracted in local currency other than US dollars, which are listed below:

| **June 30, 2025** *Amounts in US millions* | Euro | Quetzales | Lempiras | Cordobas | Colones | Total |
|---|---|---|---|---|---|---|
| Cash, cash equivalents and deposits in banks | 50 | 513 | 508 | 183 | 948 | 2,202 |
| Investments in securities | 0 | 624 | 436 | 160 | 649 | 1,869 |
| Loans, net | 0 | 2,791 | 2,897 | 231 | 3,215 | 9,134 |
| **Total assets** | 50 | 3,928 | 3,841 | 574 | 4,812 | 13,205 |
| Deposits | 12 | 3,272 | 2,910 | 532 | 3,692 | 10,418 |
| Obligations | 0 | 296 | 366 | 0 | 660 | 1,322 |
| **Total liabilities** | 12 | 3,568 | 3,276 | 532 | 4,352 | 11,740 |
| **Contingencies** | 2 | 0 | 35 | 1 | 73 | 111 |
| **Exchange risk exposure** | 40 | 360 | 600 | 43 | 533 | 1,576 |

| **December 31, 2024** *Amounts in US millions* | Euro | Quetzales | Lempiras | Cordobas | Colones | Total |
|---|---|---|---|---|---|---|
| Cash, cash equivalents and deposits in banks | 39 | 494 | 588 | 217 | 1,143 | 2,481 |
| Investments in securities | 0 | 662 | 422 | 170 | 561 | 1,815 |
| Loans, net | 0 | 2,788 | 2,948 | 192 | 3,079 | 9,007 |
| **Total assets** | 39 | 3,944 | 3,958 | 579 | 4,783 | 13,303 |
| Deposits | 19 | 3,153 | 3,021 | 506 | 3,717 | 10,416 |
| Obligations | 0 | 296 | 332 | 0 | 748 | 1,376 |
| **Total liabilities** | 19 | 3,449 | 3,353 | 506 | 4,465 | 11,792 |
| **Contingencies** | 2 | 0 | 33 | 1 | 69 | 105 |
| **Exchange risk exposure** | 22 | 495 | 638 | 74 | 387 | 1,616 |

Interest rate risk is analyzed based on the location of future principal and interest flows for each of the items of financial assets and liabilities exposed to this risk.

## (4) Risk management, continued

The summary exposure of the Bank's condensed consolidated statement of financial position to interest rate risk is presented in the following table. Assets and liabilities are included in the table at their nominal value, classified by categories of time considering the next repricing date or the maturity date, as applicable:

| | June 30, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | From 1 to 5 years | More than 5 years | Total |
| Cash and cash equivalents | 4,107,570,693 | 0 | 0 | 4,107,570,693 |
| Securities purchased under resale agreements | 94,517,727 | 0 | 0 | 94,517,727 |
| Deposits due from Banks, net | 204,634,786 | 16,903,451 | 0 | 221,538,237 |
| Investments in securities, net | 2,379,439,017 | 2,173,342,406 | 1,241,760,595 | 5,794,542,018 |
| Loans, net | 23,898,103,924 | 4,559,906,527 | 1,128,428,739 | 29,586,439,190 |
| **Total assets** | 30,684,266,147 | 6,750,152,384 | 2,370,189,334 | 39,804,607,865 |
| | | | | |
| Deposits | 18,930,203,991 | 8,852,030,393 | 1,603,333,730 | 29,385,568,114 |
| Securities sold under resale agreements | 25,112,500 | 0 | 0 | 25,112,500 |
| Financial obligations | 2,447,924,402 | 422,245,337 | 238,712,437 | 3,108,882,176 |
| Other financial obligations | 662,963,165 | 577,635,592 | 185,461,117 | 1,426,059,874 |
| **Total liabilities** | 22,066,204,058 | 9,851,911,322 | 2,027,507,284 | 33,945,622,664 |
| **Exposure to interest rate risk** | 8,618,062,089 | (3,101,758,938) | 342,682,050 | 5,858,985,201 |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Up to 1 year | From 1 to 5 years | More than 5 years | Total |
| Cash and cash equivalents | 4,312,653,663 | 0 | 0 | 4,312,653,663 |
| Securities purchased under resale agreements | 10,394,161 | 0 | 0 | 10,394,161 |
| Deposits due from Banks, net | 365,893,760 | 23,058,928 | 0 | 388,952,688 |
| Investments in securities, net | 2,162,631,613 | 2,358,007,866 | 1,284,793,585 | 5,805,433,064 |
| Loans, net | 23,033,107,682 | 4,183,055,254 | 998,047,414 | 28,214,210,350 |
| **Total assets** | 29,884,680,879 | 6,564,122,048 | 2,282,840,999 | 38,731,643,926 |
| | | | | |
| Deposits | 18,112,966,639 | 9,256,785,404 | 1,609,766,503 | 28,979,518,546 |
| Securities sold under resale agreements | 91,437,584 | 0 | 0 | 91,437,584 |
| Financial obligations | 2,562,458,637 | 549,765,851 | 161,511,245 | 3,273,735,733 |
| Other financial obligations | 367,682,469 | 655,277,497 | 251,833,057 | 1,274,793,023 |
| **Total liabilities** | 21,134,545,329 | 10,461,828,752 | 2,023,110,805 | 33,619,484,886 |
| **Exposure to interest rate risk** | 8,750,135,550 | (3,897,706,704) | 259,730,194 | 5,112,159,040 |

Interest rate risk is assessed based on the gap analysis, in order to approximate the change in equity of the Bank's condensed consolidated statement of financial position and in the net income from eventual changes in market interest rates. The economic value of an instrument involves an assessment of the current value of its expected net cash flows, discounted to reflect market rates. By extension, the economic value of a financial entity can be determined as the present value of expected net cash flows from the entity, defined as expected cash flows from assets, less expected cash flows from liabilities. In this sense, the perspective of economic value reflects a view of the sensitivity of the financial entity is net value to interest rate fluctuations.

Based on the above, the Bank calculates the total exposure of the condensed consolidated statement of financial position to interest rate risk. The Bank states that the interest rate risk should be measured for each currency in which assets and liabilities are maintained.

## (4) Risk management, continued

The estimate of the impact of variations in interest rates is conducted under a scenario of increase or decrease of 100 basis points in assets and liabilities at the different terms (parallel movement of the curve). The following table presents a summary of the impact on the Bank's economic value and on the net interest income applying these variations:

| | Increase of 100 bps (1) | Decrease of 100 bps (1) |
|---|---|---|
| **Impact on equity to interest rate movements** | | |
| **June 30, 2025** | (5,670,675) | 8,844,387 |
| Average for the period | 10,169,902 | (7,198,291) |
| Maximum for the period | 18,741,768 | (16,460,030) |
| Minimum for the period | (5,670,675) | 8,844,387 |
| **December 31, 2024** | 20,360,507 | (17,578,243) |
| Average for the year | 29,971,435 | (27,982,617) |
| Maximum for the year | 41,716,310 | (40,432,067) |
| Minimum for the year | 13,713,010 | (10,713,124) |
| **Impact on net income from interests** | | |
| **June 30, 2025** | 22,109,936 | (22,109,936) |
| Average for the period | 29,188,426 | (29,188,426) |
| Maximum for the period | 32,928,891 | (32,928,891) |
| Minimum for the period | 22,109,936 | (22,109,936) |
| **December 31, 2024** | 30,971,511 | (30,971,511) |
| Average for the year | 29,353,558 | (29,353,558) |
| Maximum for the year | 34,659,594 | (34,659,594) |
| Minimum for the year | 24,708,599 | (24,708,599) |

(1) According to the nature of the instruments on demand, the sensitivity of annual income and expenses to a decrease or increase in rates for currencies with rates below 1% is measured using a variation of 25 basis points.

### *(d) Operational risk*

The Bank has established a minimum framework for operational risk management within its companies, which is intended to provide general guidelines to ensure the identification, assessment, control, monitoring and reporting of operational risks and materialized events that may affect the organization with the objective of ensuring the proper management, mitigation or reduction of the managed risks and contributing to provide a reasonable assurance with respect to the achievement of organizational objectives.

The operational risk management model considers the best practices issued by the Basel Committee on Banking Supervision and by COSO (Committee of Sponsoring Organizations of the Treadway Commission). In addition, it complies with the regulatory requirements of the region, which have been defined by the regulators of the countries where the Bank operates.

Based on the above, operational risk is defined as the possibility that the events resulting from personnel, information technologies or inadequate or failed internal processes, or produced by external causes, may generate negative impacts that may prevent achievement of objectives. By its nature, it is present in all of the organization’s activities.

The priority of the Bank is, therefore, to identify and manage the major risk factors, regardless of whether they can produce monetary losses. Measurement also contributes to the establishment of priorities in operational risk management.

**(4) Risk management, continued**

The operational risk management system is properly documented in the Operational Risk Guideline and Manual. It is a continuous process with several stages:

- Measurement of the control environment perspective
- Identification and assessment of operational risks
- Treatment and mitigation of operational risks
- Risk monitoring and review
- Registration and accounting of losses due to operational risk incidents

Additionally, the Bank has policies formally established for management of information security, business continuity, fraud prevention and code of ethics that support the proper management of operational risks in the organization.

At the regional level and in all countries where the Bank operates, there is an operational risk management unit that monitors, advises and assesses management conducted by the administration with regard to operational risks. In addition, there is a specialized Operational Risk Committee (OR Committee) composed of senior management. The OR Committee reports to the Comprehensive Risk Management Committee, monitors management and ensures that identified operational risks are kept at accepted levels by the organization.

Compliance with the Bank's standards is supported by a program of periodic reviews undertaken by Internal Audit, which reports the results to the Audit Committee of each entity where the Bank operates.

**(5) Critical accounting estimates and judgments in the implementation of accounting policies**

The Bank's management is responsible for the development, selection, disclosure of policies and critical accounting estimates and their implementation in a manner consistent with the assumptions selected and related to the significant estimate uncertainties.

***Loan impairment losses***

The Bank reviews its loan portfolio to assess the impairment at least on a biannual basis. When determining whether an impairment loss should be recorded the consolidated statement of profit or loss, the Bank's makes decisions as to whether observable information exists indicating that there is a measurable reduction in estimated future cash flows from a loan portfolio before such reduction may be identified with an individual loan in that portfolio. This evidence includes observable information indicating that an adverse change in the payment condition of borrowers in a group, on national or local economic conditions that correlate with non-compliance instances in Bank's assets have occurred.

## (6) Cash, cash equivalents and deposits in banks

Cash and cash equivalents are listed below for reconciliation purposes with the consolidated statement of cash flows:

| | June 30, 2025 | June 30, 2024 |
|---|---|---|
| Cash and cash equivalents | 846,838,701 | 804,140,516 |
| Securities purchased under resale agreements | 94,603,400 | 580,603 |
| Deposits in central banks | 3,345,024,845 | 3,019,149,628 |
| Deposits in banks and deposits due in less than 90 days | 929,790,115 | 1,080,675,179 |
| **Cash and cash equivalents in the condensed consolidated statement of cash flows** | 5,216,257,061 | 4,904,545,926 |
| Deposits in banks with maturity greater than 90 days, net | 31,893,064 | 52,585,372 |
| | 5,248,150,125 | 4,957,131,298 |

## (7) Securities purchased under resale agreements

As of June 30, 2025, securities purchased under resale agreements amounted to $$94,603,400 (December 31, 2024: $10,399,111), which have an expiration date in April and June 2025 (December 31, 2024: January and February 2025) and an interest rate between 5% and 6% (December 31, 2024: between 5.1% and 5.3%). These securities were guaranteed with local government bonds and corporate bonds, which amounted to $98,359,664 (December 31, 2024: $10,394,161).

## (8) Investments in securities

As of June 30, 2025, investments in securities amounting to $4,922,842,732 (December 31, 2024: $4,883,433,488) are summarized as follows:

*(a) Investments at FVPL*

The portfolio of investments in securities at FVPL is detailed as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Government bonds | 44,809,626 | 18,925,464 |
| Equity securities | 16,208,743 | 16,276,514 |
| | 61,018,369 | 35,201,978 |

As of June 30, 2025, the Bank received $170,194 in dividends of common stock at FVPL (December 31, 2024: $1,974,722).

As of June 30, 2025 and December 31, 2024, there are no investments in securities at FVPL used as collateral of repurchase agreements.

*(b) Investments at FVOCI*

The portfolio of investments at FVOCI is detailed as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Government and agencies: | | |
| United States of America | 698,742,941 | 669,872,418 |
| Other governments | 3,653,927,242 | 3,630,494,206 |
| | 4,352,670,183 | 4,300,366,624 |
| Corporate bonds | 397,093,639 | 434,167,543 |
| Equity securities | 3,355,574 | 3,170,331 |
| | 4,753,119,396 | 4,737,704,498 |

## (8) Investments in securities, continued

The Bank maintains a portfolio of equity securities issued by the following companies:

| Entity | Country | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| Compania de Procesamiento de Medio de Pago | Guatemala | 594,392 | 453,896 |
| Latinex Holdings, Inc. | Panama | 509,589 | 479,357 |
| Grupo APC, S.A. | Panama | 445,582 | 445,582 |
| Transacciones y Transferencias, S.A. | Guatemala | 312,185 | 311,303 |
| Servicios Financieros, S.A. | El Salvador | 247,500 | 247,500 |
| ACH de Nicaragua | Nicaragua | 184,304 | 184,304 |
| Bancajeros BANET | Honduras | 169,382 | 174,317 |
| Fondo Hondureno de Inversion Turistica | Honduras | 166,600 | 171,454 |
| ICG Imagenes Computarizadas de Guatemala, S.A. | Guatemala | 143,422 | 143,017 |
| Asociacion Bancaria de Guatemala | Guatemala | 93,942 | 93,676 |
| Other | | 488,676 | 465,925 |
| | | 3,355,574 | 3,170,331 |

As of June 30, 2025, the portfolio of shares common to stocks at FVOCI had a variation in the Bank's other comprehensive income by $30,232 (December 31, 2024: $22,170). As of June 30, 2025, the Bank received $559,271 in dividends from equity securities at FVOCI (December 31, 2024: $473,495).

*(c) Investments at AC*

The investment portfolio at AC is detailed as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Government bonds | 65,215,699 | 67,045,978 |
| Corporate bonds | 43,489,268 | 43,481,034 |
| | 108,704,967 | 110,527,012 |

## (9) Loans

A breakdown of the loan portfolio by type is as follows:

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Portfolio | Allowance for ECL | Portfolio net of allowance | Portfolio | Allowance for ECL | Portfolio net of allowance |
| **Loans** | | | | | | |
| **Corporate** | | | | | | |
| Corporate loans | 10,389,766,154 | (83,001,818) | 10,306,764,336 | 9,629,054,339 | (80,082,631) | 9,548,971,708 |
| Corporate leases, net (1) | 295,086,296 | (2,223,635) | 292,862,661 | 260,244,056 | (2,706,959) | 257,537,097 |
| **Total Corporate** | 10,684,852,450 | (85,225,453) | 10,599,626,997 | 9,889,298,395 | (82,789,590) | 9,806,508,805 |
| **Personal banking, Small and Medium company** | | | | | | |
| **Medium company** | | | | | | |
| Medium company loans | 911,906,849 | (14,389,724) | 897,517,125 | 872,043,986 | (18,114,844) | 853,929,142 |
| Medium company leases, net (1) | 110,230,040 | (1,781,259) | 108,448,781 | 96,228,433 | (2,124,469) | 94,103,964 |
| **Total Medium company** | 1,022,136,889 | (16,170,983) | 1,005,965,906 | 968,272,419 | (20,239,313) | 948,033,106 |
| **Small company** | | | | | | |
| Small company loans | 1,214,974,089 | (14,605,022) | 1,200,369,067 | 1,190,603,341 | (12,769,086) | 1,177,834,255 |
| Small company leases, net (1) | 158,349,437 | (1,886,357) | 156,463,080 | 155,067,677 | (1,689,879) | 153,377,798 |
| **Total Small company** | 1,373,323,526 | (16,491,379) | 1,356,832,147 | 1,345,671,018 | (14,458,965) | 1,331,212,053 |
| **Personal banking** | | | | | | |
| Mortgage loans | 4,191,071,910 | (35,004,607) | 4,156,067,303 | 4,081,166,217 | (44,599,979) | 4,036,566,238 |
| Personals | 2,581,299,978 | (100,507,938) | 2,480,792,040 | 2,526,999,073 | (105,802,675) | 2,421,196,398 |
| Vehicles | 1,584,177,474 | (8,386,805) | 1,575,790,669 | 1,468,738,919 | (7,887,641) | 1,460,851,278 |
| Personal leases, net (1) | 204,027,633 | (1,788,419) | 202,239,214 | 186,485,894 | (1,689,159) | 184,796,735 |
| Credit cards | 5,961,954,620 | (488,756,167) | 5,473,198,453 | 5,985,227,989 | (474,974,953) | 5,510,253,036 |
| **Total Personal banking** | 14,522,531,615 | (634,443,936) | 13,888,087,679 | 14,248,618,092 | (634,954,407) | 13,613,663,685 |
| **Total Personal banking and Small company** | 16,917,992,030 | (667,106,298) | 16,250,885,732 | 16,562,561,529 | (669,652,685) | 15,892,908,844 |
| **Total loans** | 27,602,844,480 | (752,331,751) | 26,850,512,729 | 26,451,859,924 | (752,442,275) | 25,699,417,649 |
| (1) Total leases, net of interest | 767,693,406 | (7,679,670) | 760,013,736 | 698,026,060 | (8,210,466) | 689,815,594 |

The net value of finance leases receivable is presented below:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Minimum lease payments receivable | 788,756,938 | 711,773,156 |
| Less: unearned interest | 9,985,493 | 3,619,316 |
| Minimum lease payments receivable, net | 778,771,445 | 708,153,840 |
| Less: allowance for losses on leases | 7,679,670 | 8,210,466 |
| Less: net deferred commissions | 11,078,039 | 10,127,780 |
| Net value of investment in finance leases | 760,013,736 | 689,815,594 |

The following table summarizes the minimum lease payments receivable as of June 30, 2025:

| Year ending December 31 | |
|---|---|
| 2025 | 90,078,735 |
| 2026 | 160,210,556 |
| 2027 | 153,636,128 |
| 2028 | 132,931,421 |
| 2029 and thereafter | 241,914,605 |
| | 778,771,445 |

## (10) Deposits from customers

Deposits from customers by type are detailed below:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Individual customers** | | |
| Demand | 1,685,814,092 | 1,728,001,972 |
| Savings | 6,547,564,714 | 6,152,602,328 |
| Time deposits | 5,005,209,571 | 4,469,753,188 |
| **Corporate customers** | | |
| Demand | 8,321,171,461 | 8,600,725,306 |
| Savings | 590,160,846 | 780,562,654 |
| Time deposits | 6,733,889,888 | 6,670,664,068 |
| | 28,883,810,572 | 28,402,309,516 |

As of June 30, 2025, time deposits include instruments subscribed with special purpose vehicles (hereinafter VPE), whose value net of origination costs amounts to $835,763,555 (December 31, 2024: $943,314,199). The breakdown of these instruments is presented below:

| Vehicule | Series | Fixed interest rate | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|---|---|
| | | | Principal amount | Origination cost | Principal amount | Origination cost |
| BIB Merchant Voucher Receivables Limited | 2017-1 | 4.08% | 117,682,297 | 987,442 | 145,640,066 | 1,245,153 |
| BIB Merchant Voucher Receivables Limited | 2018-1 | 4.18% | 198,076,092 | 1,367,613 | 228,752,412 | 1,626,521 |
| BIB Central American Card Receivables Limited | 2019-1 | 3.50% | 526,851,678 | 4,491,457 | 577,404,722 | 5,611,327 |
| | | | 842,610,067 | 6,846,512 | 951,797,200 | 8,483,001 |

BIB Merchant Voucher Receivables Limited (SPV) issued financial obligations subscribed by international investors, secured by the collection rights of accounts receivable generated from transactions at affiliated merchants and processed by the Bank using credit cards issued under the Visa and MasterCard brands in Panama. These obligations have an original average term of 7 years. Principal repayments for the 2017-1 and 2018-1 obligations began to be made through Citibank N.A. in January 2021 and January 2022, respectively. As of June 30, 2025, the weighted average remaining term of the corresponding certificates is 1.14 years and 1.66 years, respectively.

BIB Central American Card Receivables Limited (SPV) issued financial obligations subscribed by international investors, secured by the collection rights of accounts receivable generated from transactions at affiliated merchants and processed by the Bank using credit cards issued by international financial institutions under the Visa and MasterCard brands in Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, as well as under the American Express brand for those countries and Panama. These obligations have an original average term of 7 years. Principal repayments for the 2019-1 obligation began to be made through Citibank N.A. in October 2023. As of June 30, 2025, the weighted average remaining term of the certificates is 2.57 years.

The collection rights of the accounts receivable were assigned by BAC International Bank Inc., to the respective SPV's, and the SPV's invested the funds obtained for the placements of the notes in fixed-term deposits certificates issued by BAC International Bank Inc.

## (11) Financial obligations

Financial obligations are detailed below:

| | June 30, 2025 | | |
|---|---|---|---|
| | Interest rate | Maturities up to | Carrying amount |
| Payable in US dollars: | | | |
| Fixed rate | 1.50% to 7.14% | 2038 | 561,101,623 |
| Floating rate | 4.61% to 11.19% | 2031 | 1,747,521,475 |
| Payable in quetzales (Guatemala): | | | |
| Fixed rate | 7.00% to 8.00% | 2027 | 299,978,156 |
| Payable in lempiras (Honduras): | | | |
| Fixed rate | 1.00% to 11.50% | 2058 | 260,493,647 |
| Payable in colones (Costa Rica): | | | |
| Floating rate | 5.71% to 7.91% | 2038 | 31,307,562 |
| | | | 2,900,402,463 |

| | December 31, 2024 | | |
|---|---|---|---|
| | Interest rate | Maturities up to | Carrying amount |
| Payable in US dollars: | | | |
| Fixed rate | 1.50% to 8.49% | 2038 | 879,975,183 |
| Floating rate | 4.67% to 11.23% | 2031 | 1,446,359,590 |
| Payable in quetzales (Guatemala): | | | |
| Fixed rate | 7.00% to 8.00% | 2027 | 299,162,439 |
| Floating rate | | | |
| Payable in lempiras (Honduras): | 0.00% to 11.50% | 2058 | 205,803,557 |
| Fixed rate | | | |
| Payable in colones (Costa Rica): | 0.80% | 2025 | 118,428,301 |
| Floating rate | 5.97% to 7.67% | 2038 | 34,698,169 |
| | | | 2,984,427,239 |

As of June 30, 2025, the carrying amount of the principal issued by BAC San Jose DPR Funding Limited, a special purpose vehicle (hereinafter SPV), amounted to $105,000,000 (December 2024: $120,000,000), corresponding to the 2020-1 series with a nominal balance of $150,000,000. The unamortized origination costs associated of this certificates amounted to $1,076,596 as of June 30, 2025 (December 31, 2024: $1,234,508). The notes issued by the SPV are secured by current and future Diversified Payment Rights (DPRs) denominated in US dollars, originated by a subsidiary of the Bank and assigned to the SVP. The series 2020-1 obligations bear interest at a fixed rate of 3.70%, payable in February, May, August and November of each year. These notes have an original average term of 5.58 years. As of June 30, 2025, the weighted average remaining term of the notes is 1.78 years.

The Bank has had no defaults of principal, interest or other contractual clauses concerning its financial obligations.

Reconciliation of movements of financial obligations to cash flows arising from financing activities are detailed below:

| | June 30, | |
|---|---|---|
| | 2025 | 2024 |
| **Balance at year beginning** | 2,984,427,239 | 2,443,136,750 |
| **Changes from financing cash flows** | | |
| Proceeds from financial obligations | 1,196,090,475 | 806,514,662 |
| Payment of financial obligations | (1,273,796,368) | (752,017,125) |
| **Total changes from financing cash flows** | (77,705,893) | 54,497,537 |
| Effect of changes in foreign exchange rates | (5,067,091) | 1,344,303 |
| **Other changes (liability-related)** | | |
| Interest expense | 89,219,824 | 81,573,229 |
| Interest paid | (90,471,616) | (80,607,915) |
| **Total liability-related other changes** | (1,251,792) | 965,314 |
| **Balance at period end** | 2,900,402,463 | 2,499,943,904 |

## (12) Other financial obligations

The Bank has placed, through its subsidiaries and through the stock markets of Costa Rica, El Salvador, Honduras and Panama, debt certificates with fixed and variable rates, which are described below:

| | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| **Payable in:** | **Interest rate** | **Carrying amount** | **Interest rate** | **Carrying amount** |
| US dollars | 3.50% to 10.00% | 976,642,504 | 3.50% to 10.00% | 826,646,985 |
| Colones | 6.02% to 12.35% | 628,719,686 | 4.71% to 12.35% | 594,642,440 |
| Lempiras | 5.00% to 12.00% | 105,651,515 | 4.75% to 12.00% | 118,012,334 |
| | | 1,711,013,705 | | 1,539,301,759 |

Through Resolution No. 208-20 dated May 14, 2020, issued by the Superintendency of the Securities Market of the Republic of Panama, BAC International Bank Inc. was authorized to carry out a Public Offering of Perpetual Subordinated Corporate Bonds Convertible into Common Shares, with a nominal value of $700 million. The bonds are issued in registered form, without coupons, in denominations of $1,000,000 and in integral multiples of $100,000, with no specific maturity or redemption date. The bonds bear a fixed interest rate of 10%, with quarterly payments, unless the issuer exercises its right to suspend interest payments. As of June 30, 2025, the outstanding balance of the perpetual bonds was $520,000,000, which have been acquired by Grupo Aval Limited, an entity considered a related party.

The Bank has not had payment default of principal, interest or other contractual clauses in relation to its other financial obligations.

Reconciliation of movements of other financial obligations to cash flows arising from financing activities are detailed below:

| | June 30, | |
|---|---|---|
| | **2025** | **2024** |
| **Balance at year beginning** | 1,539,301,759 | 1,365,943,096 |
| **Changes from financing cash flows** | | |
| Proceeds from other financial obligations | 212,465,657 | 114,384,930 |
| Payment from other financial obligations | (47,048,634) | (58,919,221) |
| **Total changes from financing cash flows** | 165,417,023 | 55,465,709 |
| Effect of changes in foreign exchange rates | 4,387,072 | (4,694,906) |
| **Other changes (liability-related)** | | |
| Interest expense | 74,056,977 | 64,120,803 |
| Interest paid | (72,149,126) | (62,018,374) |
| **Total other liability-related changes** | 1,907,851 | 2,102,429 |
| **Balance at period end** | 1,711,013,705 | 1,418,816,328 |

## (13) Lease liabilities

Lease liabilities are detailed below:

| | June 30, 2025 | | | |
|---|---|---|---|---|
| | Interest rate | Maturities up to | Carrying amount | Undiscounted cash flows |
| Payable in US dollars | 5.10% to 5.22% | 2038 | 107,098,037 | 121,633,087 |
| Payable in quetzales (Guatemala) | 5.22% | 2032 | 1,316,649 | 1,423,973 |
| Payable in lempiras (Honduras) | 5.22% to 7.58% | 2033 | 567,517 | 818,786 |
| Payable in colones (Costa Rica) | 3.96% to 7.99% | 2033 | 103,533 | 118,579 |
| | | | 109,085,736 | 123,994,425 |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Interest rate | Maturities up to | Carrying amount | Undiscounted cash flows |
| Payable in US dollars | 5.22% | 2038 | 113,442,839 | 116,043,330 |
| Payable in quetzales (Guatemala) | 5.22% | 2032 | 1,540,999 | 1,678,723 |
| Payable in lempiras (Honduras) | 5.22% to 7.58% | 2033 | 529,091 | 614,147 |
| Payable in colones (Costa Rica) | 3.96% to 7.99% | 2033 | 564,139 | 649,921 |
| | | | 116,077,068 | 118,986,121 |

The following is the detail of the maturity of the undiscounted contractual cash flows related to lease liabilities:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Less than a year | 31,355,232 | 33,137,332 |
| One to two years | 24,462,426 | 24,114,581 |
| Two to three years | 19,530,371 | 19,407,863 |
| Three to four years | 12,877,980 | 13,648,825 |
| Four to five years | 10,550,846 | 9,142,295 |
| More than five years | 25,217,570 | 19,535,225 |
| | 123,994,425 | 118,986,121 |

The following are the items recognized in profit or loss, related to lease liabilities:

| | June 30, | |
|---|---|---|
| | 2025 | 2024 |
| Interest on leases | 2,917,552 | 3,041,879 |
| Expense for leases for less than 12 months | 2,072,366 | 1,944,114 |
| Expense for leases of low-value assets | 9,368,353 | 8,173,365 |

Reconciliation of movements of lease liabilities to cash flows arising from financing activities are detailed below:

| | June 30, | |
|---|---|---|
| | 2025 | 2024 |
| **Balance at year beginning** | 116,077,068 | 119,512,038 |
| **Changes from financing cash flows** | | |
| Payment of lease liabilities | (17,219,895) | (15,995,980) |
| **Total changes from financing cash flows** | (17,219,895) | (15,995,980) |
| Effect of changes in foreign exchange rates | 16,005,879 | 10,983,503 |
| Effect of new lease liabilities | (5,777,316) | (419,498) |
| **Other changes (liability-related)** | | |
| Interest expense | 2,917,552 | 3,041,879 |
| Interest paid | (2,917,552) | (3,041,879) |
| **Total other liability-related changes** | 0 | 0 |
| **Balance at period end** | 109,085,736 | 114,080,063 |

## (14) Common stock

As of June 30, 2025, and December 31, 2024, the Bank's authorized common stock comprises:

- 850,000 class A authorized shares with a par value of $1,000 each. Of these class A shares, 834,708 have been issued, of which 814 are treasury stock.
- 1,000,000 class B authorized shares of no-par value each. None of the class B shares have been issued yet.

## (15) Gains from financial instruments

Gains from financial instruments, net, included in the condensed consolidated statement of profit or loss are summarized below:

| | June 30, 2025 | June 30, 2024 |
|---|---|---|
| Net income from the sales of investments at FVOCI | 15,760,891 | 18,276,198 |
| Unrealized net gain (losses) from securities at FVPL | (2,617,343) | 164,141 |
| Realized gain on investments at FVPL | 2,200,753 | 3,048,694 |
| | 15,344,301 | 21,489,033 |

## (16) Income taxes

As of June 30, 2025, the Bank maintains an effective tax rate of 24.93% (December 31, 2024: 23.77%).

The Bank's earnings are taxed in various jurisdictions. As of June 30, 2025, the Bank had unrecognized tax positions for $220,397 (December 31, 2024: $218,484). Interest expense and penalties related to income tax liabilities and recognized as part of income tax expenses for the period ended June 30, 2025 amounted to $9,218 (June 30, 2024: -$198,593). As of June 30, 2025, total interest and penalties expenses included in other liabilities amounted to 287,551 (December 31, 2024: $275,922).

## (17) Off-Balance financial instruments with risk and other commitments

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include, principally, commitments to extend credit, financial guarantees and letters of credit, the balances of which are not reflected in the accompanying consolidated balance sheets.

Letters of credit are conditional commitments issued by the Bank to guarantee performance of a customer to a third party. Those letters of credit are primarily used to support trade transactions and borrowing arrangements. Generally, all letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments may expire without being drawn upon; therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Bank, is based on management's credit evaluation of the customer.

**(17) Off-Balance financial instruments with risk and other commitments, continued**

As of June 30, 2025, the Bank had outstanding revolving lines of credit available for its credit card customers in each of the countries where it operates. that ranged from approximately $11,689 million (December 31, 2024: from $11,776 million). The unused portion of the total available amounts to $7,636 million (December 2024: $7,734 million). Although these amounts represented the available amounts of lines of credit granted to customers, the Bank has never experienced, and does not anticipate, that all customers exercise all available lines of credit simultaneously at one time specific.

The Bank generally has the right to increase, reduce, cancel, alter or amend the terms of these available lines of credit at any time.

Financial guarantees are used in various transactions to enhance the credit standing of the Bank's customers. They represent irrevocable assurances that the Bank will make payment in the event the customer fails to fulfill its obligations to third parties.

The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments . As of June 30, 2025, outstanding letters of credit and financial guarantees are as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Stand-by letters of credit | 199,419,354 | 205,422,190 |
| Commercial letters of credit | 40,266,084 | 54,526,716 |
| Financial guarantees | 378,419,597 | 379,245,078 |
| Commitments and guarantees (1) | 76,940,981 | 86,791,444 |
| | 695,046,016 | 725,985,428 |

(1) Includes commercial and mortgage payment promise letter

The nature, terms and maximum potential amount of future payments the Bank could be required to make under the standby letters of credit and guarantees as of June 30, 2025, are detailed as follows:

| | June 30, 2025 | December 31, 2023 |
|---|---|---|
| Up to 1 year | 565,321,140 | 565,754,584 |
| Over 1 year | 89,458,792 | 105,704,128 |
| | 654,779,932 | 671,458,712 |

Generally, the Bank has resources to recover from clients the amounts paid under these guarantees; additionally, the Bank can hold cash or other collateral to cover for these guarantees. As of June 30, 2025, the assets held as collateral, that the Bank can obtain and liquidate to recover totally or partially the amounts paid under guarantees amounted to $205,267,790 (December 31, 2024: $220,264,136).

As of June 30, 2025, and December 31, 2024, BAC International Bank, Inc. maintains irrevocable guarantees and stand-by letters of credit to support interchange settlement payments in favor of Visa, MasterCard and American Express. The total guaranteed amount is $71,971,918.

## (18) Disclosures on the fair value of financial instruments

The Bank has a process for determining the fair value. The fair value is primarily based on quoted market prices, when available. If market prices or quotes are not available, fair value is determined based on internally developed models that primarily use market information or other information obtained as inputs regardless of market parameters, including but not limited to yield curves, interest rates, debt prices, foreign exchange rates and credit curves. However, in situations where there is little or no market activity for the asset or liability at the measurement date, the fair value measurement reflects the Bank's own judgments about assumptions that market participants would use in setting the price of the asset or liability.

Judgments are developed by the Bank based on the best information available in the circumstances, including expected cash flows, discount rates adjusted for risks and the availability of observable and unobservable inputs.

The methods described above can generate fair value estimates that may not be indicative of the net realizable value or that do not reflect future values. In addition, while the Bank believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value estimates as of the reporting date.

*Recurring Fair Value Measurement*
The following is a description of the valuation methodologies used to value instruments carried at fair value, including a general classification of such instruments according to the fair value hierarchy.

*Securities*
When there are market prices in an active market, securities are classified in Level 1 of the fair value hierarchy. Level 1 securities include highly liquid bonds from governments and agencies and investments in highly traded shares.

If market prices are not available for specific security, the fair value is determined using market prices of securities with similar characteristics or discounted cash flows and are classified in Level 2. In certain cases where there is limited activity or less transparency in determining the assumptions used in the valuation, securities are classified in Level 3 of the fair value hierarchy.

Therefore, when valuing certain debt obligations, determining fair value may require comparisons with similar instruments or default and collection rate analysis.

## (18) Disclosures on the fair value of financial instruments, continued

Assets and liabilities recorded at fair value on a recurring basis are summarized below:

| | Other significant observable assumptions (Level 2) | Significant unobservable assumptions (Level 3) | June 30, 2025 |
|---|---|---|---|
| **Assets** | | | |
| Investments at FVPL: | | | |
| United States of America | 482,605 | 0 | 482,605 |
| Other governments | 44,327,021 | 0 | 44,327,021 |
| Equity securities | 0 | 16,208,743 | 16,208,743 |
| Total investments at FVPL | 44,809,626 | 16,208,743 | 61,018,369 |
| Investments at FVOCI: | | | |
| Governments and agencies bonds: | | | |
| United States of America | 698,742,941 | 0 | 698,742,941 |
| Other governments | 3,653,927,242 | 0 | 3,653,927,242 |
| | 4,352,670,183 | 0 | 4,352,670,183 |
| Corporate debentures | 397,093,639 | 0 | 397,093,639 |
| Equity securities | 955,171 | 2,400,403 | 3,355,574 |
| Total investments at FVOCI | 4,750,718,993 | 2,400,403 | 4,753,119,396 |
| Investments at AC: | | | |
| Other governments | 65,215,699 | 0 | 65,215,699 |
| Corporate debentures | 43,489,268 | 0 | 43,489,268 |
| Total investments at AC | 108,704,967 | 0 | 108,704,967 |
| **Total assets** | 4,904,233,586 | 18,609,146 | 4,922,842,732 |

| | Other significant observable assumptions (Level 2) | Significant unobservable assumptions (Level 3) | December 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| Investments at FVPL: | | | |
| United States of America | 0 | 0 | 0 |
| Other governments | 18,925,464 | 0 | 18,925,464 |
| Equity securities | 0 | 16,276,514 | 16,276,514 |
| Total investments at FVPL | 18,925,464 | 16,276,514 | 35,201,978 |
| Investments at FVOCI: | | | |
| Governments and agencies bonds: | | | |
| United States of America | 669,872,418 | 0 | 669,872,418 |
| Other governments | 3,630,494,206 | 0 | 3,630,494,206 |
| | 4,300,366,624 | 0 | 4,300,366,624 |
| Corporate debentures | 434,167,543 | 0 | 434,167,543 |
| Equity securities | 924,939 | 2,245,392 | 3,170,331 |
| Total investments at FVOCI | 4,735,459,106 | 2,245,392 | 4,737,704,498 |
| Investments at AC: | | | |
| Other governments | 67,045,978 | 0 | 67,045,978 |
| Corporate debentures | 43,481,034 | 0 | 43,481,034 |
| Total investments at AC | 110,527,012 | 0 | 110,527,012 |
| **Total assets** | 4,864,911,582 | 18,521,906 | 4,883,433,488 |

The Bank's accounting policies include the recognition of transfers between the levels of the fair value hierarchy on the date of the event or change in the circumstances that caused the transfer.

As of June 30, 2025, there were no transfers between levels.

## (18) Disclosures on the fair value of financial instruments, continued

The table below includes the roll forward in the condensed consolidated statement of financial position for the period ended June 30, 2025 (including changes in fair value) of the financial instruments at FVPL and FVOCI classified by the Bank within Level 3 of the fair value hierarchy. When determining whether to classify an instrument in Level 3, the decision is based on the importance of unobservable assumptions within the overall fair value measurement.

| | Investments in equity securities at | | |
|---|---|---|---|
| **June 30, 2025** | **FVPL** | **FVOCI** | **Total** |
| **Assets** | | | |
| **Fair value at January 1, 2025** | 16,276,514 | 2,245,392 | 18,521,906 |
| Purchase of shares | 0 | 140,012 | 140,012 |
| Capital adjustment | 0 | 8,205 | 8,205 |
| Valuation of investments | 0 | 0 | 0 |
| Foreign currency translation | (67,771) | 6,794 | (60,977) |
| **Fair value at June 30, 2025** | 16,208,743 | 2,400,403 | 18,609,146 |

| | Investments in equity securities at | | |
|---|---|---|---|
| **December 31, 2024** | **FVPL** | **FVOCI** | **Total** |
| **Assets** | | | |
| **Fair value at January 1, 2024** | 14,285,693 | 2,136,053 | 16,421,746 |
| Purchase of shares | 0 | 105,719 | 105,719 |
| Capital adjustment | 0 | 15,832 | 15,832 |
| Valuation of investments | 2,034,726 | 0 | 2,034,726 |
| Foreign currency translation | (43,905) | (12,212) | (56,117) |
| **Fair value at December 31, 2024** | 16,276,514 | 2,245,392 | 18,521,906 |

The table below describes the valuation techniques and input data used in the financial instruments' recurring fair value measurements:

| Financial instrument | Valuation technique and entry data used | Level |
|---|---|---|
| Corporate bonds and government and agencies bonds | Consensus prices obtained from price vendors (Bloomberg). For part of these instruments, the Bank applies cash flows discounted using a market rate of an instrument with a similar remaining maturity.<br><br>Market prices provided by price vendors or local regulators, in lower trading markets.<br><br>Discounted cash flows using a market rate of an instrument with similar remaining maturity are used for several bonds. | (2,3) |
| Equity securities | Discounted cash flows using a premium-for-size adjusted cost of capital rate.<br><br>Market prices provided by local stock exchanges and/or net asset value.<br><br>Book value of instruments acquired or received for specific business purposes and not used for liquidity management | (2.3) |
| Embedded financial derivative instruments | Functional currency cash flows.<br><br>Foreign currency cash flows. | (3) |

**(18) Disclosures on the fair value of financial instruments, continued**
**Fair Value of Financial Instruments, Additional Disclosures**
A description of the methods and assumptions used to estimate the fair value of the main financial instruments held by the Bank is provided below:

*Financial instruments with carrying amounts that approach fair value*
Cash and cash equivalents, deposits that bear interest and clients' obligations for acceptances and acceptances outstanding are measured at carrying value reported in the condensed consolidated statement of financial position, which is considered a reasonable fair value estimate due to the characteristics and maturity of these instruments.

*Loans*
To determine the fair value of the loan portfolio, the cash flows were discounted at a rate that reflects:

*a.* actual market rate, and
*b.* future interest rate expectations, for a term that reflects the expected payments on the loan portfolio.

*Deposits from customers*
To determine the fair value of these instruments, the cash flows were discounted at a rate that reflects:

*a.* Actual market rate, and
*b.* Future interest rate expectations, for the remaining term of these instruments.

*Securities sold under repurchase agreements*
There are no market price quotes for these instruments; therefore, their fair value is determined using discounted cash flow techniques. Cash flows are estimated based on the contractual terms, considering any incorporated derivative characteristic or other factors. Expected cash flows are discounted using market rates that approach the maturity of the instrument, as well as the nature and amount of the guarantee given or received.

*Financial obligations*
Fair value is estimated based on current interest rates for debt with similar and adjusted maturities to reflect the credit rating of the Bank and its guarantees.

*Other financial obligations*
Fair value is estimated based on the market price quotes for the same issuance or similar issuances or on the current rates offered by the Bank for debts with the same terms, adjusted for credit quality.

## (18) Disclosures on the fair value of financial instruments, continued

Below are described the valuation techniques and significant unobservable input data used in determining the fair value of recurring and nonrecurring assets and liabilities categorized within Level 3 of the fair value hierarchy that are recognized in the consolidated statement of financial position:

| December 31, 2024 | Quantitative information of Level 3 fair values | | | |
|---|---|---|---|---|
| | Fair value | Valuation technique | Unobservable assumptions | Range (weighted average) |
| Equity securities FVPL | 16,276,514 | Discounted cash flows | Increase annual rate | 10% - 15% |
| Equity securities FVOCI | 2,245,392 | Discounted cash flows | Increase annual rate | 0% - 5% |

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorized:

| | June 30, 2025 | | | |
|---|---|---|---|---|
| | Level 2 | Level 3 | Total fair value | Total carrying amount |
| **Financial assets** | | | | |
| Cash and cash equivalents | 846,838,701 | 0 | 846,838,701 | 846,838,701 |
| Securities purchased under resale agreements | 0 | 94,603,400 | 94,603,400 | 94,603,400 |
| Deposits in banks, net | 0 | 4,306,708,024 | 4,306,708,024 | 4,306,708,024 |
| Loans, net (excluding financial leases) | 0 | 24,553,315,978 | 24,553,315,978 | 26,090,498,993 |
| Acceptances outstanding | 0 | 7,875,175 | 7,875,175 | 7,875,175 |
| **Total financial assets** | 846,838,701 | 28,962,502,577 | 29,809,341,278 | 31,346,524,293 |
| **Financial liabilities** | | | | |
| Deposits from customers | 17,144,711,113 | 11,101,640,385 | 28,246,351,498 | 28,883,810,572 |
| Securities sold under repurchase agreements | 0 | 25,000,000 | 25,000,000 | 25,000,000 |
| Financial obligations | 0 | 2,992,693,219 | 2,992,693,219 | 2,900,402,463 |
| Other financial obligations | 0 | 1,686,331,904 | 1,686,331,904 | 1,711,013,705 |
| Acceptances outstanding | 0 | 7,875,175 | 7,875,175 | 7,875,175 |
| **Total financial liabilities** | 17,144,711,113 | 15,813,540,683 | 32,958,251,796 | 33,528,101,915 |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Level 2 | Level 3 | Total fair value | Total carrying amount |
| **Financial assets** | | | | |
| Cash and cash equivalents | 935,806,774 | 0 | 935,806,774 | 935,806,774 |
| Securities purchased under resale agreements | 0 | 10,399,111 | 10,399,111 | 10,399,111 |
| Deposits in banks, net | 0 | 4,701,772,489 | 4,701,772,489 | 4,701,772,489 |
| Loans, net (excluding financial leases) | 0 | 24,124,405,690 | 24,124,405,690 | 25,009,602,055 |
| Acceptances outstanding | 0 | 23,272,915 | 23,272,915 | 23,272,915 |
| **Total financial assets** | 935,806,774 | 28,859,850,205 | 29,795,656,979 | 30,680,853,344 |
| **Financial liabilities** | | | | |
| Deposits from customers | 17,261,892,260 | 10,429,083,814 | 27,690,976,074 | 28,402,309,516 |
| Securities sold under repurchase agreements | 0 | 91,171,039 | 91,171,039 | 91,171,039 |
| Financial obligations | 0 | 3,141,968,910 | 3,141,968,910 | 2,984,427,239 |
| Other financial obligations | 0 | 1,531,628,573 | 1,531,628,573 | 1,539,301,759 |
| Acceptances outstanding | 0 | 23,272,915 | 23,272,915 | 23,272,915 |
| **Total financial liabilities** | 17,261,892,260 | 15,217,125,251 | 32,479,017,511 | 33,040,482,468 |

## (19) Administration of trust contracts and securities custody

As of June 30, 2025, several subsidiaries of the Bank manage and keep custody of securities for a total amount of 5,882,918,568 (December 2024: $5,458,601,619).

## (20) Related party transactions

In the normal course of business, the Bank conducts transactions with related parties, including main executives and directors. These transactions, according to the internal policies of the Bank are carried out at book value, complying with the arm's length principle.

The following table shows the balances and transactions with related parties as of June 30, 2025:

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Key personnel and directors | Controlling interest | Related parties | Key personnel and directors | Controlling interest | Related parties |
| Assets: | | | | | | |
| Interest bearing deposits | 0 | 0 | 27,700,000 | 0 | 0 | 33,470,000 |
| Investments at FVOCI | 0 | 0 | 915,643 | 0 | 0 | 880,628 |
| Loans | 21,357,667 | 0 | 502,112,588 | 19,267,057 | 0 | 271,784,539 |
| Allowance for loan losses | (77,101) | 0 | (690,800) | (40,585) | 0 | (2,527,710) |
| Accrued interest receivable and other accounts receivable | 72,443 | 143,888 | 3,614,560 | 72,172 | 56,181 | 1,414,637 |
| | 21,353,009 | 143,888 | 533,651,991 | 19,298,644 | 56,181 | 305,022,094 |
| Liabilities: | | | | | | |
| Demand deposits | 6,292,884 | 6,336,865 | 146,367,470 | 5,924,906 | 32,864,957 | 141,002,563 |
| Time deposits | 21,805,919 | 0 | 69,537,785 | 21,487,810 | 0 | 72,573,357 |
| Other financial obligations | 0 | 0 | 520,000,000 | 0 | 0 | 520,000,000 |
| Dividends payable | 0 | 105,995,932 | 0 | 0 | 0 | 0 |
| Accrued interest payable and other liabilities | 317,186 | 0 | 3,976,199 | 366,927 | 0 | 3,829,068 |
| | 28,415,989 | 112,332,797 | 739,881,454 | 27,779,643 | 32,864,957 | 737,404,988 |

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Key personnel and directors | Controlling interest | Related parties | Key personnel and directors | Controlling interest | Related parties |
| Interest income and other income | 583,799 | 366,726 | 20,105,047 | 577,778 | 130,547 | 19,159,528 |
| Interest expense and other expenses | 634,571 | 190,831 | 34,085,583 | 448,073 | 51,921 | 30,072,222 |
| Expense (recovery) for credit risk on loans | 74,133 | 0 | 1,175,957 | 73,930 | 0 | 477,687 |
| Key management personnel benefits | 10,740,682 | 0 | 0 | 10,472,436 | 0 | 0 |

The benefits to key personnel that the Bank grants are short-term. No other benefits are granted to key personnel.

## (21) Segments information

The Bank segregates its operations according to each of the countries in which it operates ("Operating Groups"). Each operating group offers similar products and services (consumer and corporate banking, asset management and investment banking), and is managed separately based on the Bank's internal reporting and management structure. The Bank's Administration reviews the internal management reports of each operating group at least once a month.

## (21) Segments information, continued

The information related to each operation group is presented below. The segment's profit before taxes, as included in the internal management reports reviewed by the Bank's Management, is used to measure performance because management considers that this information is the most relevant for evaluating the profit or loss of the respective groups of companies in relation to other entities operating within the industry.

| June 30, 2025 | BAC Guatemala | BAC El Salvador | BAC Honduras | BAC Nicaragua | BAC Costa Rica | BAC Panama | Others | Eliminations | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | 6,692,209,545 | 3,868,141,715 | 5,435,293,527 | 2,595,371,625 | 11,892,315,086 | 8,569,139,119 | 344,615,939 | (591,549,362) | 38,805,537,194 |
| **Total liabilities** | 5,960,129,961 | 3,473,823,346 | 4,726,910,740 | 2,003,526,342 | 10,357,047,781 | 8,780,206,635 | 65,456,867 | (591,549,362) | 34,775,552,310 |
| **Condensed Consolidated Statement of Income** | | | | | | | | | |
| Interest income | 275,786,618 | 163,239,026 | 325,850,622 | 109,123,984 | 507,174,336 | 297,438,938 | 3,644,060 | (12,974,301) | 1,669,283,283 |
| Interest expense | 118,360,761 | 57,040,929 | 115,877,851 | 14,236,370 | 146,846,295 | 183,520,018 | 708,792 | (12,974,301) | 623,616,715 |
| Net interest income | 157,425,857 | 106,198,097 | 209,972,771 | 94,887,614 | 360,328,041 | 113,918,920 | 2,935,268 | 0 | 1,045,666,568 |
| Credit risk impairment loss, net | 62,702,855 | 31,540,734 | 68,934,184 | 5,255,646 | 80,924,442 | 42,186,734 | 7,633 | 0 | 291,552,228 |
| Net interest income after credit risk impairment losses | 94,723,002 | 74,657,363 | 141,038,587 | 89,631,968 | 279,403,599 | 71,732,186 | 2,927,635 | 0 | 754,114,340 |
| Commissions and service charges income | 175,783,194 | 49,184,435 | 156,299,816 | 66,411,656 | 415,063,591 | 130,337,718 | 93,695,784 | (14,675,729) | 1,072,100,465 |
| Commissions and other charges expenses | (97,250,882) | (25,889,606) | (68,476,443) | (28,484,058) | (142,032,300) | (83,457,793) | (83,003) | 33,168 | (445,640,917) |
| Gain on financial instruments, net | 28,541 | (74,999) | 10,706 | 0 | 15,608,816 | (228,763) | 0 | 0 | 15,344,301 |
| Foreign currency exchange, net | (961,190) | 0 | 2,966,989 | (27,385) | (5,863,656) | (30,267) | (378,985) | 0 | (4,294,494) |
| Other income, net | 2,262,679 | 857,694 | 772,826 | 119,002 | 3,953,544 | 4,735,879 | 155,344,555 | (156,341,616) | 11,704,563 |
| General and administrative expense | 124,349,998 | 80,307,308 | 148,957,526 | 60,847,934 | 377,512,563 | 106,866,843 | 158,310,787 | (170,984,177) | 886,168,782 |
| Income before income tax | 50,235,346 | 18,427,579 | 83,654,955 | 66,803,249 | 188,621,031 | 16,222,117 | 93,195,199 | 0 | 517,159,476 |
| Less: Incomer tax | 7,040,006 | 3,942,484 | 19,657,230 | 23,211,255 | 64,794,656 | 10,069,345 | 193,880 | 0 | 128,908,856 |
| Net income | 43,195,340 | 14,485,095 | 63,997,725 | 43,591,994 | 123,826,375 | 6,152,772 | 93,001,319 | 0 | 388,250,620 |

| December 31, 2024 | BAC Guatemala | BAC El Salvador | BAC Honduras | BAC Nicaragua | BAC Costa Rica | BAC Panama | Others | Eliminations | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | 6,547,384,248 | 3,725,159,485 | 5,540,916,485 | 2,395,280,778 | 11,680,484,309 | 8,404,761,579 | 338,419,721 | (661,969,516) | 37,970,437,089 |
| **Total liabilities** | 5,832,685,939 | 3,345,821,414 | 4,858,389,069 | 1,846,765,484 | 10,231,017,817 | 8,623,961,019 | 83,139,640 | (661,955,060) | 34,159,825,322 |
| **June 30, 2024** | | | | | | | | | |
| **Condensed Consolidated Statement of Income** | | | | | | | | | |
| Interest income | 260,184,390 | 148,231,107 | 259,001,093 | 97,131,947 | 474,962,833 | 269,671,808 | 3,801,850 | (17,027,254) | 1,495,957,774 |
| Interest expense | 106,493,272 | 49,378,361 | 64,286,587 | 10,699,933 | 143,696,473 | 170,426,950 | 988,111 | (17,027,254) | 528,942,433 |
| Net interest income | 153,691,118 | 98,852,746 | 194,714,506 | 86,432,014 | 331,266,360 | 99,244,858 | 2,813,739 | 0 | 967,015,341 |
| Credit risk impairment loss, net | 55,991,740 | 19,095,553 | 43,496,766 | (3,826,993) | 85,294,512 | 30,614,890 | 996 | 0 | 230,667,464 |
| Net interest income after credit risk impairment losses | 97,699,378 | 79,757,193 | 151,217,740 | 90,259,007 | 245,971,848 | 68,629,968 | 2,812,743 | 0 | 736,347,877 |
| Commissions and service charges income | 149,525,501 | 42,776,567 | 139,288,766 | 58,246,312 | 368,880,400 | 125,535,538 | 82,993,834 | (13,167,788) | 954,079,130 |
| Commissions and other charges expenses | (86,109,138) | (21,868,189) | (61,907,291) | (24,355,923) | (132,253,181) | (73,049,954) | (168,937) | 39,850 | (399,672,763) |
| Gain on financial instruments, net | (18,552) | (16,305) | (47,471) | 0 | 21,592,127 | (20,766) | 0 | 0 | 21,489,033 |
| Foreign currency exchange, net | (2,270,777) | 0 | (469,564) | (17,973) | 5,127,552 | (20,267) | (203,411) | 0 | 2,145,560 |
| Other income, net | 2,603,921 | 608,032 | 829,985 | 91,007 | 5,973,209 | 4,660,474 | 130,534,249 | (132,138,954) | 13,161,923 |
| General and administrative expense | 112,987,043 | 72,569,413 | 139,131,315 | 51,312,365 | 351,346,948 | 97,770,326 | 133,326,506 | (145,266,892) | 813,177,024 |
| Income before income tax | 48,443,290 | 28,687,885 | 89,780,850 | 72,910,065 | 163,945,007 | 27,964,667 | 82,641,972 | 0 | 514,373,736 |
| Less: Incomer tax | 7,516,788 | 7,606,238 | 23,348,613 | 23,398,298 | 53,900,324 | 9,397,772 | 109,733 | 0 | 125,277,766 |
| Net income | 40,926,502 | 21,081,647 | 66,432,237 | 49,511,767 | 110,044,683 | 18,566,895 | 82,532,239 | 0 | 389,095,970 |

**(22) Litigations**

As of June 30, 2025, the Bank maintains litigation against various parties, which are not material when evaluated individually and collectively. These litigations are in the process of resolution and would not represent a significant effect on the condensed consolidated interim financial statements of the Bank in the event of an adverse result.

**(23) Regulatory aspects**

The Bank's banking operations are subject to various regulatory requirements managed by the government agencies of the countries in which it operates or has a license. Failure to comply with these regulatory requirements can lead to certain mandatory actions and possibly additional discretionary actions by the regulators that, if performed, could have a significant effect on the Bank's condensed consolidated interim financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective actions, the Bank's banking operations must comply with specific capital guidelines that provide quantitative asset measurements and certain elements out of the condensed consolidated balance sheet, in accordance with the regulatory accounting practices. The amounts of capital of the Bank's banking operations and their classification are subject to qualitative judgments by the regulators about their components, risk weightings and other factors.

As June 30, 2025 and December 31, 2024, the Banking operations of the Bank meet all capital adequacy minimum requirements to which they are subject to, which vary from 8.05% to 12.00% plus other regulatory requirements.

Main Laws and Regulations applicable for banking operations in the Republic of Panama regulated and supervised by the Superintendency of Banks of the Republic of Panama:

- *Director's Board General Resolution SBP-GJD-003-2013 issued by the Superintendency on July 9, 2013.*

This Resolution establishes that in the event the calculation of a provision or reserve in accordance with prudential rules applicable to banks, which present specific aspects in addition to those required by IFRS, is greater than the respective calculation determined under IFRS, over-provision or reserve under prudential rules will be recognized in an equity regulatory reserve.

Agreement No. 4-2013 "By which provisions are established for management and administration of credit risk inherent in letter of credit and off-balance sheet transactions", issued by the Superintendency on May 28, 2013.

- Among other aspects, this Agreement defines the classification categories for credit facilities for specific and dynamic provisions, as well as the criteria that policies for restructured loans, acceptance of guarantees and punishment of operations must follow. Specific impairment provisions of the loan portfolio should be determined and recognized in the financial statements according to the classification of credit facilities in the risk categories currently in use, according to certain weightings of calculations set out in the Agreement and considering certain percentages of minimum provisions per category.

## (23) Regulatory aspects, continued

- Dynamic provisions, as a prudential regulatory criterion, will be determined and recognized quarterly as equity reserves following certain calculation criteria and restrictions that will be gradually applied.

The table below summarizes the classification of the loan portfolio at amortized cost and the reserves for loan losses based on Agreement No. 4-2013, as of June 30, 2025 and December 31, 2024

| | June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Satisfactory | Special Mention | Substandard | Doubtful | Loss | Total |
| Corporate and other loans | 12,452,004,114 | 423,136,061 | 105,358,058 | 23,889,628 | 49,283,987 | 13,053,671,848 |
| Consumer loans | 13,540,956,444 | 580,782,823 | 118,187,857 | 130,615,110 | 56,481,294 | 14,427,023,528 |
| **Total** | 25,992,960,558 | 1,003,918,884 | 223,545,915 | 154,504,738 | 105,765,281 | 27,480,695,376 |
| Specific reserve | 0 | 94,078,698 | 76,978,072 | 96,293,461 | 45,972,697 | 313,322,928 |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Satisfactory | Special Mention | Substandard | Doubtful | Loss | Total |
| Corporate and other loans | 11,515,020,339 | 478,146,624 | 113,632,136 | 11,119,285 | 59,709,101 | 12,177,627,485 |
| Consumer loans | 13,345,413,517 | 516,768,890 | 110,341,835 | 117,338,262 | 61,480,557 | 14,151,343,061 |
| **Total** | 24,860,433,856 | 994,915,514 | 223,973,971 | 128,457,547 | 121,189,658 | 26,328,970,546 |
| Specific reserve | 399,347 | 88,161,531 | 77,000,526 | 85,330,219 | 62,794,491 | 313,686,114 |

Agreement No. 4-2013 defines a credit facility as past due when any amount of principal, interest or expenses agreed contractually remains unpaid for more than 30 days and up to 90 days, from the contractually stipulated due date.

Agreement No. 4-2013 defines as overdue any credit facility whose non-payment of contractually agreed amounts is more than 90 days in arrears. This period shall be calculated from the date set for the payment to be made. Transactions with a single payment at maturity and overdrafts will be considered due when non-payment period exceeds 30 days, from the date on which the payment obligation was established.

As of June 30, 2025, and December 31, 2024 the classification of the loan portfolio at amortized cost by maturity profile based on Agreement No. 4-2013 is as follows:

| | June 30, 2025 | | | |
|---|---|---|---|---|
| | Current | Past due | Overdue | Total |
| Corporate and other loans | 12,944,051,430 | 62,437,599 | 47,182,819 | 13,053,671,848 |
| Consumer loans | 13,830,171,927 | 319,950,044 | 276,901,557 | 14,427,023,528 |
| **Total** | 26,774,223,358 | 382,387,643 | 324,084,376 | 27,480,695,376 |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Current | Past due | Overdue | Total |
| Corporate and other loans | 12,080,162,979 | 38,652,007 | 58,812,499 | 12,177,627,485 |
| Consumer loans | 13,590,081,046 | 305,769,829 | 255,492,186 | 14,151,343,061 |
| **Total** | 25,670,244,025 | 344,421,836 | 314,304,685 | 26,328,970,546 |

**(23) Regulatory aspects, continued**

Based on Agreement No. 8-2014, for regulatory purposes, interest recognition as income based on the days of arrears in payment of principal and/or interest and the type of credit transaction is operationally suspended as follows:

a) For consumer and business credits, if there is a default of more than 90 days; and
b) For home mortgage loans, if there is a default of more than 120 days.

For total loans from BAC International Bank, Inc., ("Parent Bank") as of June 30, 2025, in interest in non-accrual status amounts to $140,781,294 (December 31, 2024: $134,719,051). Total unrecognized interest income on these loans is $5,148,281 (December 31, 2024: $7,942,631).

Article 1 of Agreement No.11-2019 amends Article 27 of Agreement No. 004-2013 as follows:

Article 27. Write-offs: Each bank shall write off all loans classified as unrecoverable within a period of no more than one year from the date on which it was classified in this category. The following loans shall be exempt from the application of this period:

- Mortgage loans, consumer loans with real estate guarantees and corporate loans with real estate guarantees, classified as risk mitigators in accordance with Article 42 of Agreement No. 11-2019 and whose guarantee has been duly constituted in the Republic of Panama in favor of the Bank. In these cases, each bank will write off all loans classified as unrecoverable within a period of no more than two years, from the date on which it was classified in this category. The above provision may be extended only once for an additional year upon approval by the Superintendent.

  After the year of extension, if the Bank has not yet made any write off, it must create an equity reserve, by appropriating its retained earnings to which the net loan value will be charged, according to the percentages set out in the following table:

| Loans | Period | Applicable percentage |
|---|---|---|
| Mortgage loans and consumer loans with real estate guarantees | At the beginning of the first year after the extension (fourth year) | 50% |
| Corporate loans with real estate guarantees | At the beginning of the third year | 50% |

As of June 30, 2025, and December 31, 2024, the Bank constituted an equity reserve of $6,530,880 y $5,784,555, respectively, pursuant to Agreement No. 11-2019.

The General Resolution of the Board of Directors SBP-GJD-0007-2020 of July 16, 2020, for the purposes of the provisions of articles 36, 37 and 38 of Agreement No.4-2013 on credit risk, temporarily suspends the obligation to constitute the dynamic provision established in the aforementioned articles, in order to provide financial relief to the banks in the marketplace during the State of National Emergency decreed by the National Government due to the pandemic of COVID-19.

## (23) Regulatory aspects, continued

On June 6, 2023, the General Resolution of the Board of Directors SBP-GJD-R-2023-01125 was issued, which reinstates the recognition of the dynamic provision, in accordance with the regulatory criteria established in articles 36, 37 and 38 of Agreement No.4-2013 and repeals in all its parts the General Resolution of the Board of Directors SBP-GJD-0007-2020 of July 16, 2020.

As of June 30, 2025, in compliance with the provisions set out in Articles 36 and 38 of Agreement No. 4-2013, the Bank established a dynamic provision with a balance of 412,030,295 (December 2024: $393,234,267), appropriated from retained profits. The credit balance of this dynamic provision is part of the regulatory capital but does not replace or compensate the requirements for the minimum capital adequacy percentage established by the Superintendency of Banks of Panama.

As of June 30, 2025, the Bank maintains a percentage of 1.75% on risk-weighted assets. Agreement No. 4-2013 establishes a dynamic provision which shall not be less than 1.25%, nor more than 2.50% of the risk-weighted assets corresponding to credit facilities classified as normal, as of June 30, 2025. These percentages represent the following amounts:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| 1.25% | 293,698,942 | 279,137,929 |
| 2.50% | 587,397,884 | 558,275,858 |

The following table is the calculation of the dynamic provision, at the consolidated level:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Component 1** | | |
| Risk – weighted assets (credit facilities – Normal category) | 23,495,915,358 | 22,331,034,332 |
| For alpha coefficient (1.50%) | | |
| **Result** | 352,438,730 | 334,965,515 |
| **Component 2** | | |
| Variation (positive) between the current quarter versus the previous risk – weighted assets | | |
| For beta coefficient (5.00%) | 645,843,393 | 584,296,162 |
| **Result** | | |
| **Less:** | 32,292,170 | 29,214,808 |
| **Component 3** | | |
| Amount of change in the balance of specific provisions in the quarter | 10,028,763 | 12,054,765 |
| **Gross dynamic reserve balance** | 374,702,137 | 352,125,558 |
| **Plus:** | | |
| Restricted amount as set forth in paragraphs “a” and “b” of Article 37 and consolidation effect. | 37,328,158 | 41,108,709 |
| **Net dynamic provision balance** | 412,030,295 | 393,234,267 |

As of June 30, 2025, and December 31, 2024, we present the composition of the dynamic provision by subsidiary:

| | June 30, 2025 | December 31, 2024 | Variance |
|---|---|---|---|
| **Increase by subsidiaries** | | | |
| BAC International Bank Inc. | 86,233,659 | 80,445,532 | 5,788,127 |
| BAC Bahamas Bank Ltd. | 644,018 | 644,018 | 0 |
| Banco de America Central S.A. (Guatemala) | 62,104,224 | 62,104,224 | 0 |
| Credomatic de Guatemala S.A. | 8,447,681 | 8,447,681 | 0 |
| Banco de America Central Honduras, S.A. | 55,164,509 | 53,787,801 | 1,376,708 |
| Inversiones Financieras Banco de America Central, S.A. | 47,250,608 | 44,945,761 | 2,304,847 |
| Corporacion Tenedora BAC COM, S.A. | 33,921,927 | 24,595,581 | 9,326,346 |
| Corporacion de Inversiones Credomatic, S.A. | 118,263,669 | 118,263,669 | 0 |
| **Total** | 412,030,295 | 393,234,267 | 18,796,028 |

**(23) Regulatory aspects, continued**

As of June 30, 2025 and December 31, 2024, the Bank has not recognized an excess regulatory credit reserve based on Agreement No. 4-2013.

- *Capital Management*

  Banking law in Panama states that general license banks must maintain a minimum paid or allocated capital of $10 million; and a minimum capital adequacy rate of 8% of its risk-weighted assets, which should include off-balance sheet operations.

  Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts of Total Capital and Primary Capital (Pillar 1) on risk-weighted assets. Management considers that, as of June 30, 2025, and December 31, 2024, the Bank meets all the financial adequacy requirements to which it is subject to.

  The Bank presents its consolidated capital funds on its risk-weighted assets based on Agreements No.1-2015, No.3-2016, No.2-2018 and No.11-2018 of the Superintendency of Banks of Panama.

  Agreement No.1-2015, which states capital adequacy rules for banks and banking groups, became effective on 1 January 2016.

  Agreement No.3-2016, which states rules for the determination of assets weighted by credit risks and counterparty risk, became effective on 1 July 2016.

  Agreement No.2-2018, which states the provisions on liquidity risk management and the short-term liquidity hedging ratio, became effective on 1 January 2020.

  In October 2023, the Superintendency of Banks of Panama issued Agreement No. 05-2023 with the objective of establishing a capital conservation buffer that seeks to guarantee that banks accumulate reserves that can be used in the event of incurring losses, so to avoid non-compliance with the established minimum requirements, without considering the conservation buffer, in episodes of deterioration of solvency. This agreement became effective on July 1, 2024.

  Banking entities must establish a capital conservation buffer of 2.5% of risk-weighted assets (credit, market and operating), made up of ordinary primary capital and in addition to all established minimum regulatory capital requirements. The minimum levels required, considering the mattress, are established as follows:

| | June 30, 2025 | 2026 |
|---|---|---|
| Capital Adequacy Ratio | 8.50% | 10.50% |
| Primary Capital Ratio Total | 6.50% | 8.50% |
| Ordinary Primary Capital Ratio | 5.00% | 7.00% |

## (23) Regulatory aspects, continued

The Bank presents consolidated capital funds on its risk weighted assets, in accordance with the requirements of the Superintendency of Banks of Panama, as follows:

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Ordinary Primary Capital (Pilar I)** | | |
| Common stock | 834,708,000 | 834,708,000 |
| Additional paid in capital | 140,897,488 | 140,897,488 |
| Retained earnings | 2,921,453,940 | 2,742,356,715 |
| Non-controlling interest | 310,128 | 290,611 |
| Other comprehensive losses | (290,592,624) | (310,695,272) |
| Less: Goodwill | (335,941,149) | (335,849,896) |
| Less: Intangible assets | (93,534,597) | (88,167,700) |
| Less: Treasury stock | (5,218,370) | (5,218,370) |
| **Total Ordinary Primary Capital** | 3,172,082,816 | 2,978,321,576 |
| **Additional Primary Capital** | | |
| Perpetual bonds issued by the Bank | 520,000,000 | 520,000,000 |
| **Total Additional Primary Capital** | 520,000,000 | 520,000,000 |
| **Total Primary Capital (Net)** | 3,692,082,816 | 3,498,321,576 |
| **Total Secondary Capital** | 0 | 0 |
| **Dynamic Provision** | 412,030,295 | 393,234,267 |
| **Total Regulatory Capital Fund** | 4,104,113,111 | 3,891,555,843 |
| Total Assets Weighted by Net Risk deductions | 30,691,759,869 | 30,068,346,759 |
| Operational Risk Weighted Assets (Agreement No.11-2018) | 1,808,134,231 | 1,727,512,984 |
| Market Risk Weighted Assets (Agreement No.3-2018) | 441,318,300 | 313,141,898 |
| **Total risk weighted assets** | 32,941,212,400 | 32,109,001,641 |
| **Ratios:** | | |
| Capital Adequacy Ratio | 12.46% | 12.12% |
| Primary Capital Ratio Total | 11.21% | 10.90% |
| Ordinary Primary Capital Ratio | 9.63% | 9.28% |

**(23) Regulatory aspects, continued**

- *Liquidity Ratio*
  The percentage of the liquidity index reported by BAC International Bank, Inc., to the regulatory body, under the parameters of Agreement No. 4-2008, as of June 30, 2025, was 44.88% (December 31, 2024: 50.70%).

- *Assets Held for Sale*
  Agreement No. 3-2009 issued by the Superintendency of Banks of Panama, by which the provisions on disposal of property were updated, sets a five (5) year's period to dispose of property acquired in settlement of unpaid loans.

  The foreclosed property held for sale is recognized at the lowest value between the carrying value of unpaid loans or the estimated realizable value of property. The agreement provides that the provision of the foreclosed property, appropriated from retained earnings, is progressive within a range of 10% from the first year of recognition up to 90% in the fifth year after foreclosure, through the establishment of an equity reserve. The following is the progressive booking table:

| Years | Minimum Reserve Percentage |
|---|---|
| First | 10% |
| Second | 20% |
| Third | 35% |
| Fourth | 15% |
| Fifth | 10% |

  As of June 30, 2025, the Bank constituted a reserve for assets held for sale amounting to $9,865,147 (December 31, 2024: $9,253,773), as an equity reserve appropriated from retained earnings.

- *Financial Bank Act*
  The operations of financial companies in Panama are regulated by the Directorate of Financial Enterprises of the Ministry of Commerce and Industry in accordance with the laws established in Law No.42 of 23 July 2001.

- *Lease Acts*
  Leasing operations in Panama are regulated by the Directorate of Financial Enterprises of the Ministry of Commerce and Industry in accordance with the legislation established by the Act No.7 of July 10, 1990.

- *Securities Act*
  The stock market operations in Panama are regulated by the Superintendency of the Securities Market in accordance with the legislation established in Decree Law No.1 of 8 July 1999, reformed by Law No. 67 of September 1, 2011.

  The broker firm's operations are regulated by Agreement No. 4-2011, modified in certain aspects by the Agreements No. 8-2013 and No. 3-2015, issued by the Superintendency of the Securities. The Agreements specify that broker firms must comply with capital adequacy requirements and its amendments.

## (24) Subsequent events

The Bank has assessed the subsequent events to July 31, 2025, to assess the need for their recognition or disclosure in the accompanying financial statements. Based on this assessment, we determined that there were no subsequent events which require recognition or disclosure in these condensed consolidated interim financial statements.