

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

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

March 31, 2026

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

Table of Contents

Condensed Consolidated Statement of Financial Position
Condensed Consolidated Statement of Profit or Loss
Condensed Consolidated Statement of Comprehensive Income
Condensed Consolidated Statement of Changes in Equity
Condensed Consolidated Statement of Cash Flows

Notes to the Condensed Consolidated Interim Financial Statements



BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES

(Panama, Republic of Panama)

**Condensed Consolidated Statement of Financial Position**

As of march 31, 2026

(In U.S. dollars)

Assets	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
Cash and cash equivalents		942,427,344	1,050,626,169
Securities purchased under resale agreements	4, 7	0	3,125,890
Deposits in banks:			
Demand		4,558,078,808	4,354,255,431
Time deposits		1,051,955,813	874,629,959
Allowance for impairment on deposits in banks		(14,183)	(35,874)
Total deposits in banks, net	4	<u>5,610,020,438</u>	<u>5,228,849,516</u>
Total cash, cash equivalents and deposits in banks	4, 6	6,552,447,782	6,282,601,575
Investment securities, net	4, 8	5,615,413,793	4,989,837,727
Loans:			
Loans granted		28,648,224,313	28,291,042,373
Accrued interest receivable		202,830,646	202,526,830
Unearned commissions		(72,270,479)	(71,088,927)
Total loans	9	<u>28,778,784,480</u>	<u>28,422,480,276</u>
Allowance for impairment on loans	4, 9	(768,560,099)	(765,061,321)
Loans, net	4, 9	<u>28,010,224,381</u>	<u>27,657,418,955</u>
Property and equipment, net		607,653,051	601,218,862
Acceptances outstanding		31,126,238	5,080,538
Other accounts receivable, net	4	448,095,145	485,838,780
Goodwill		336,849,743	336,084,994
Intangible assets, net		112,773,359	101,613,718
Deferred income tax		47,966,146	52,430,078
Other assets		<u>253,308,236</u>	<u>234,955,001</u>
Total assets		<u><u>42,015,857,874</u></u>	<u><u>40,747,080,228</u></u>

The condensed consolidated statement of financial position must be read in conjunction with the notes notes which are part integral of the condensed consolidated interim financial statements.

Liabilities and Equity	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
Liabilities			
Deposits from customers:			
Demand		11,738,559,545	11,359,804,085
Savings		8,110,028,143	7,764,751,403
Time deposits		11,760,102,999	11,089,588,461
Total deposits from customers	10	<u>31,608,690,687</u>	<u>30,214,143,949</u>
Securities sold under repurchase agreements		57,069,800	39,621,845
Financial obligations	11	3,173,999,149	3,202,906,524
Other financial obligations	12	1,838,337,029	1,787,385,012
Lease liabilities	13	108,465,838	112,273,451
Acceptances outstanding		31,126,238	5,080,538
Income tax payable		34,830,142	32,661,949
Deferred income tax		105,753,222	94,364,752
Provisions		100,954,189	97,756,776
Accounts payable and other liabilities		785,018,288	784,245,427
Total liabilities		<u>37,844,244,582</u>	<u>36,370,440,223</u>
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		2,865,398,130	3,187,862,060
Regulatory reserves		433,532,719	426,903,630
Other comprehensive losses		(98,039,732)	(208,834,691)
Total equity excluding non-controlling interest		<u>4,171,278,235</u>	<u>4,376,318,117</u>
Non-controlling interest		335,057	321,888
Total equity		<u>4,171,613,292</u>	<u>4,376,640,005</u>
Total liabilities and equity		<u>42,015,857,874</u>	<u>40,747,080,228</u>

BAC INTERNATIONAL BANK, INC. AND SUBSIDIARIES

(Panama, Republic of Panama)

**Condensed Consolidated Statement of Profit or Loss**

For the three-months period ended March 31, 2026

(In U.S. dollars)

		(Unaudited)	
	Note	2026	March 31, 2025
Interest income:			
Deposits in banks		19,025,899	15,975,620
Investments in securities		76,787,220	74,243,812
Loans		761,166,123	730,657,046
Total interest income		<u>856,979,242</u>	<u>820,876,478</u>
Interest expense:			
Deposits from customers		210,351,324	222,814,844
Financial obligations		45,156,951	44,642,118
Other financial obligations		38,740,878	36,043,314
Securities sold under repurchase agreements		603,374	2,046,839
Lease liabilities	13	1,431,445	1,498,738
Total interest expense		<u>296,283,972</u>	<u>307,045,853</u>
Net interest income		<u>560,695,270</u>	<u>513,830,625</u>
Credit risk impairment losses (reversal):			
Loans	4	146,282,680	145,058,651
Deposits in banks and investments in securities	4	407,153	71,113
Other accounts receivable	4	204,147	(645,425)
Commitments and guarantees	4	131,549	(313,529)
Total credit risk impairment loss, net		<u>147,025,529</u>	<u>144,170,810</u>
Net interest income after credit risk impairment losses		<u>413,669,741</u>	<u>369,659,815</u>
Other income (expenses):			
Commissions and service charges income		585,885,562	519,573,810
Commissions and other charges		(263,408,092)	(225,424,468)
Gain on financial instruments, net	15	4,921,259	10,992,517
Foreign currency translation, net		(75,027,372)	(13,516,925)
Other income		5,279,743	4,991,909
Total other income, net		<u>257,651,100</u>	<u>296,616,843</u>
Operating expenses:			
Salaries and employee benefits		182,493,772	180,832,786
Depreciation and amortization		34,160,995	35,238,152
Administrative expenses		29,570,788	28,572,663
Occupancy and related expenses		9,437,853	8,735,312
Other expenses		201,365,019	177,331,543
Total operating expenses		<u>457,028,427</u>	<u>430,710,456</u>
Income before income tax		214,292,414	235,566,202
Current income tax		(47,752,206)	(56,768,514)
Deferred income tax		(15,463,578)	(3,971,284)
Net income		<u>151,076,630</u>	<u>174,826,404</u>
Net income attributable to:			
Controlling interest		151,063,224	174,815,318
Non-controlling interest		13,406	11,086
		<u>151,076,630</u>	<u>174,826,404</u>

The condensed consolidated statement of profit or loss must be read in conjunction with the notes which are part 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 three-months period ended March 31, 2026

(In U.S. dollars)

	(Unaudited)	
	March 31,	
	<u>2026</u>	<u>2025</u>
Net income	151,076,630	174,826,404
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Net change in fair value of equity investments	310,728	0
Items that are or may be reclassified to profit or loss:		
Foreign currency translation	123,589,364	19,196,391
Valuation of investments at FVOCI:		
Net amount reclassified to profit or loss	(5,693,794)	(8,350,564)
Net change in fair value	(7,411,576)	14,136,923
Total other comprehensive income	<u>110,794,722</u>	<u>24,982,750</u>
Total comprehensive income	<u><u>261,871,352</u></u>	<u><u>199,809,154</u></u>
Total comprehensive income attributable to:		
Controlling interest	261,858,183	199,799,563
Non-controlling interest	13,169	9,591
	<u><u>261,871,352</u></u>	<u><u>199,809,154</u></u>

The condensed consolidated statement of comprehensive income must be read in conjunction with the notes which are part 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 three-months period ended March 31, 2026

(In U.S. dollars)

	Attributable to the Bank's owners							Non-controlling interest	Total
	Common stock	Additional paid in capital	Treasury stocks	Retained earnings	Regulatory reserves	Other comprehensive income (loss)	Total controlling interest		
Balance as of January 1, 2025	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	174,815,318	0	0	174,815,318	11,086	174,826,404
Other comprehensive income:									
Employee benefit plan - change in actuarial effect	0	0	0	0	0	(14)	(14)	14	-
Foreign currency translation	0	0	0	0	0	19,197,587	19,197,587	(1,196)	19,196,391
Valuation of FVOCI investments:									
Net amount reclassified to profit or loss	0	0	0	0	0	(8,350,566)	(8,350,566)	2	(8,350,564)
Net change in fair value	0	0	0	0	0	14,137,238	14,137,238	(315)	14,136,923
Total other comprehensive income	0	0	0	0	0	24,984,245	24,984,245	(1,495)	24,982,750
Total comprehensive income	0	0	0	174,815,318	0	24,984,245	199,799,563	9,591	199,809,154
Other changes in equity:									
Regulatory reserves	0	0	0	(12,457,534)	12,457,534	0	0	0	0
Transactions with the Bank's owners:									
Contributions and distributions:									
Dividends	0	0	0	0	0	0	0	(17)	(17)
Total transactions with the Bank's owners	0	0	0	0	0	0	0	(17)	(17)
Balance as of March 31, 2025 (Unaudited)	<u>834,708,000</u>	<u>140,897,488</u>	<u>(5,218,370)</u>	<u>2,904,714,499</u>	<u>420,730,129</u>	<u>(285,711,027)</u>	<u>4,010,120,719</u>	<u>300,185</u>	<u>4,010,420,904</u>
Balance as of January 1, 2026	834,708,000	140,897,488	(5,218,370)	3,187,862,060	426,903,630	(208,834,691)	4,376,318,117	321,888	4,376,640,005
Net income	0	0	0	151,063,224	0	0	151,063,224	13,406	151,076,630
Other comprehensive income:									
Net change in fair value of equity investments	0	0	0	0	0	310,728	310,728	0	310,728
Foreign currency translation	0	0	0	0	0	123,590,216	123,590,216	(852)	123,589,364
Valuation of FVOCI investments:									
Net amount reclassified to profit or loss	0	0	0	0	0	(5,693,793)	(5,693,793)	(1)	(5,693,794)
Net change in fair value	0	0	0	0	0	(7,412,192)	(7,412,192)	616	(7,411,576)
Total other comprehensive income	0	0	0	0	0	110,794,959	110,794,959	(237)	110,794,722
Total comprehensive income	0	0	0	151,063,224	0	110,794,959	261,858,183	13,169	261,871,352
Other changes in equity:									
Regulatory reserves	0	0	0	(6,629,089)	6,629,089	0	0	0	0
Transactions with the Bank's owners:									
Supplemental tax	0	0	0	1,101,935	0	0	1,101,935	0	1,101,935
Contributions and distributions:									
Dividends	0	0	0	(468,000,000)	0	0	(468,000,000)	0	(468,000,000)
Total transactions with the Bank's owners	0	0	0	(466,898,065)	0	0	(466,898,065)	0	(466,898,065)
Balance as of March 31, 2026 (Unaudited)	<u>834,708,000</u>	<u>140,897,488</u>	<u>(5,218,370)</u>	<u>2,865,398,130</u>	<u>433,532,719</u>	<u>(98,039,732)</u>	<u>4,171,278,235</u>	<u>335,057</u>	<u>4,171,613,292</u>

The condensed consolidated statement of changes in equity must be read in conjunction with the notes which are part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

For the three-months period ended March 31, 2026

(In U.S. dollars)

	<u>Note</u>	<u>2026</u>	<u>(Unaudited) March 31, 2025</u>
Cash flows from operating activities:			
Net income		151,076,630	174,826,404
Adjustments to reconcile net income and cash by operating activities:			
Depreciation and amortization		34,160,995	35,238,152
Credit risk impairment losses (reversal):			
Loans	4	146,282,680	145,058,651
Deposits in banks and investment securities	4	407,153	71,113
Other accounts receivable	4	204,147	(645,425)
Commitments and guarantees	4	131,549	(313,529)
Impairment loss on foreclosed assets		256,952	1,124,071
Net loss on sale and disposal of property and equipment		272,392	254,155
Net loss on disposals of intangible assets		0	209,600
Net gain on sale of foreclosed assets		(374,406)	(1,081,543)
Net loss on disposals of repossessed assets		60	2,966
Net interest income		(560,695,270)	(513,830,625)
Gain on financial instruments, net	15	(4,921,259)	(10,992,517)
Dividends on equity securities	8	(30,172)	(307,618)
Income tax expense		63,215,785	60,739,798
Changes in operating assets and liabilities:			
Deposits with original maturity greater than 90 days		(199,748,511)	2,447,418
Investments in securities		3,081,945	(133,694)
Loans		57,200,432	(577,305,594)
Other accounts receivable		17,273,578	(72,338,142)
Other assets		48,896,761	74,079,176
Deposits from customers		(10,060,415)	(10,688,250)
Securities sold under repurchase agreements		746,483,315	352,696,778
Accounts payable and other liabilities		(19,103,085)	(67,113,593)
Cash generated by operations:			
Interest received		819,386,501	756,730,182
Interest paid		(300,025,664)	(310,699,627)
Dividends received		30,172	307,618
Income tax paid		(40,695,136)	(45,325,201)
Net cash provided (used in) by operating activities		<u>952,707,129</u>	<u>(6,989,276)</u>
Cash flows from investment activities:			
Proceeds from sale of investment securities		800,095,983	267,027,892
Maturities and prepayments of investment securities		2,047,540,559	877,582,124
Purchase of investment securities		(3,409,776,370)	(1,401,879,885)
Purchase of property and equipment		(14,049,702)	(17,168,089)
Proceeds from sale of property and equipment		71,687	171,428
Acquisition of intangible assets		(11,021,911)	(10,709,763)
Proceeds from sale of foreclosed assets		5,447,885	9,080,936
Net cash used in investment activities		<u>(581,691,869)</u>	<u>(275,895,357)</u>
Cash flows from financing activities:			
Proceeds from financial obligations	11	626,367,513	326,148,334
Payment of financial obligations	11	(658,215,818)	(582,206,321)
Proceeds from other financial obligations	12	9,299,188	174,156,899
Payment of other financial obligations	12	(9,446,759)	(6,192,110)
Payment of lease liabilities	13	(8,065,150)	(8,616,036)
Paid dividends		(467,982,041)	0
Net cash used in financing activities		<u>(508,043,067)</u>	<u>(96,709,234)</u>
Effect of exchange rate fluctuations on cash held		205,876,880	75,061,234
Net increase (decrease) in cash and cash equivalents		68,849,073	(304,532,633)
Cash and cash equivalents at the beginning of the period		6,255,753,202	5,608,725,272
Cash and cash equivalents at the end of the period	6	<u>6,324,602,275</u>	<u>5,304,192,639</u>

The condensed consolidated statement of cash flows must be read in conjunction with the notes which are part of the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

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

- (1) Organization
 - (2) Basis of preparation of the condensed consolidated interim financial statements
 - (3) Material accounting policies
 - (4) Risk management
 - (5) Critical accounting estimates and judgments in the application of accounting policies
 - (6) Cash, cash equivalents and deposits in banks
 - (7) Securities purchased under resale agreements
 - (8) Investments in securities
 - (9) Loans
 - (10) Deposits from customers
 - (11) Financial obligations
 - (12) Other financial obligations
 - (13) Lease liabilities
 - (14) Common stock
 - (15) Gains from financial instruments
 - (16) Income taxes
 - (17) Off-balance sheet financial instruments with risk and other commitments
 - (18) Disclosures on the fair value of financial instruments
 - (19) Administration of trust contracts and securities custody
 - (20) Related party transactions
 - (21) Segments information
 - (22) Litigation
 - (23) Regulatory aspects
 - (24) Subsequent events
-

Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2026

(In U.S. dollars)

(1) Organization

BAC International Bank, Inc. (“the 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.

On March 18, 2026, BIC acquired 99.569068% of the issued and outstanding shares of Multi Financial Group, Inc., which owns 100% of Multibank, Inc., a financial institution providing banking and related financial services in the Republic of Panama.

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 March 31, 2026, 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 wide variety of financial services to individual clients and institutions in Central America: 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 by Executive Decree No.52 of April 30, 2008, which adopts the consolidated text of Decree Law No.9 of February 26, 1998, as amended by Decree Law No.2 of 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%

Notes to the Condensed Consolidated Interim Financial Statements

(1) Organization, continued

Subsidiary	Core Business	Country	Total voting rights held by the Bank
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%
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%
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.	Bonded 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%
Move Tech International Inc.	Holding	Panama	100.0000%
3-101-934237 S.A.	Services	Costa Rica	100.0000%
Namutek Panama S.A.	Holding	Panama	100.0000%
Namutek S.A.	Telematic services	Costa Rica	100.0000%
Comunicaciones Inalambricas de Centroamerica S.A.	Telematic services	Nicaragua	97.0000%
Agencia de Viajes Intertur S.A.	Travel agency	Costa Rica	100.0000%
		United States of	
Credomatic of Florida, Inc.	Card Industry	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.

Notes to the Condensed Consolidated Interim Financial Statements

(2) Basis of Preparation of the condensed consolidated interim financial statements, continued

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.

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, 2025 (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 April 30, 2026.

(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 carrying amount and fair value less cost to sell

Initially, the Bank recognizes financial instruments on the date on which they are settled. 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.

Notes to the Condensed Consolidated Interim Financial Statements

(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 consolidated interim financial statements, as reported in the annual consolidated financial statements as of December 31, 2025.

(a) IFRS accounting standards issued but not yet adopted

New IFRS accounting standards, interpretations, and amendments have been issued but are not mandatorily effective as of March 31, 2026, and have not been early adopted by the Bank.

Amendments	Mandatory application for annual periods beginning on:
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18: Presentation and Disclosure in the Financial Statements	January 1, 2027
IFRS 19: Non-Publicly Accountable Subsidiaries: Disclosing Information	January 1, 2027

IFRS 18, which replaces IAS 1, will be mandatorily effective as of January 1, 2027, and will require the presentation of a new classification of income and expenses as operating, investing, and financing activities in the statement of profit or loss, introducing the presentation of certain specific totals and subtotals. The principal change relates to the mandatory inclusion of the subtotal "Operating profit or loss." The other mandatory subtotals are "Profit or loss for the year" and "Profit or loss before financing and income tax."

The objective of this new structure is to reduce diversity in the presentation of the statement of profit or loss and to enhance comparability among entities, thereby facilitating users' understanding.

Notes to the Condensed Consolidated Interim Financial Statements

(3) Material accounting policies, continued

The Bank has not early adopted IFRS 18 and is currently assessing the impact of its application, including the potential effects on comparative figures for prior periods. As of the reporting date, such effects have not yet been quantified and will be disclosed in the consolidated financial statements once reasonably estimable information becomes available.

The Bank does not expect that the adoption of IFRS 19 or the amendments to IFRS 9 and IFRS 7 will have a significant impact on the financial statements.

(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) of the annual consolidated financial statements as of December 31, 2025.

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

	March 31, 2026				AC	Total
	Designated FVPL – debt instruments	Designated FVPL – equity instruments	FVOCI - debt instruments	FVOCI - equity instruments		
Cash, cash equivalents and deposits in banks	0	0	0	0	6,552,447,782	6,552,447,782
Investments in securities, net	22,895,131	19,783,535	5,384,602,448	3,515,855	184,616,824	5,615,413,793
Loans, net	0	0	0	0	28,010,224,381	28,010,224,381
Other accounts receivable, net	0	0	0	0	448,095,145	448,095,145
Total financial assets	22,895,131	19,783,535	5,384,602,448	3,515,855	35,195,384,132	40,626,181,101

	December 31, 2025				AC	Total
	Designated FVPL – debt instruments	Designated FVPL – equity instruments	FVOCI - debt instruments	FVOCI - equity instruments		
Cash, cash equivalents and deposits in banks	0	0	0	0	6,282,601,575	6,282,601,575
Investments in securities, net	25,870,930	19,802,916	4,753,074,082	3,200,766	187,889,033	4,989,837,727
Loans, net	0	0	0	0	27,657,418,955	27,657,418,955
Other accounts receivable, net	0	0	0	0	485,838,780	485,838,780
Total financial assets	25,870,930	19,802,916	4,753,074,082	3,200,766	34,613,748,343	39,415,697,037

As of March 31, 2026 and December 31, 2025, 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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

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.

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 specially 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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

Compliance with this guideline is monitored daily through the Treasury and Risk Management module (TRM) of SAP. This tool enables the documentation of the entire investment process, including new approvals, increases or decreases in limits, purchases and sales, as well as the monitoring of exposures by issuer and the utilization of the assigned limits.

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 \$5,610,020,438 as of March 31, 2026 (December 31, 2025: \$5,228,849,516). Deposits are maintained at central banks and other financial institutions, most of which have risk ratings ranging from AA- to B- (December 31, 2025: ranging from AA- 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 March 31, 2026, approximately \$7.8 million do not have an assigned risk rating (December 31, 2025: \$9.2 million).

As of March 31, 2026, there are no securities purchased under resale agreements. As of December 31, 2025, the securities under resale agreements have risk ratings between BB+ and BB-, based on the international risk rating, taking first the rating of Standard & Poor's, then Moody's and finally Fitch Ratings.

Quality of the investments in securities

The Bank classifies the investment portfolio at fair value through PL (FVPL), at fair value through OCI (FVOCI) and at amortized cost (AC). As of March 31, 2026, investments amounted to \$5,615,413,793 (December 31, 2025: \$4,989,837,727).

- **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:

	March 31, 2026	December 31, 2025
Governments and agencies		
BB	22,895,131	25,870,930
Total governments and agencies	<u>22,895,131</u>	<u>25,870,930</u>
Total investments at FVPL	<u>22,895,131</u>	<u>25,870,930</u>

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

- Investments at FVOCI

The following table summarizes the investments at FVOCI categories:

	March 31, 2026			December 31, 2025		
	Lifetime ECL		Total investments at FVOCI	Lifetime ECL		Total investments at FVOCI
	12 months ECL	- without impairment		12 months ECL	- without impairment	
Governments and agencies						
AA+	856,104,018	0	856,104,018	728,302,986	0	728,302,986
BBB	5,619,736	0	5,619,736	5,644,830	0	5,644,830
BBB-	706,682,413	0	706,682,413	653,336,884	0	653,336,884
BB+ to B-	<u>3,455,909,321</u>	<u>0</u>	<u>3,455,909,321</u>	<u>2,967,586,522</u>	<u>0</u>	<u>2,967,586,522</u>
Total governments and agencies	<u>5,024,315,488</u>	<u>0</u>	<u>5,024,315,488</u>	<u>4,354,871,222</u>	<u>0</u>	<u>4,354,871,222</u>
Corporate						
A+	7,628,676	0	7,628,676	7,609,021	0	7,609,021
A	39,593,556	0	39,593,556	39,575,045	0	39,575,045
A-	78,475,383	0	78,475,383	79,220,151	0	79,220,151
BBB+	10,956,543	0	10,956,543	19,085,265	0	19,085,265
BBB	42,061,461	0	42,061,461	45,531,296	0	45,531,296
BBB-	47,975,089	0	47,975,089	48,075,677	0	48,075,677
BB+ to B-	133,596,252	0	133,596,252	159,106,405	0	159,106,405
Total corporate	<u>360,286,960</u>	<u>0</u>	<u>360,286,960</u>	<u>398,202,860</u>	<u>0</u>	<u>398,202,860</u>
Total	<u>5,384,602,448</u>	<u>0</u>	<u>5,384,602,448</u>	<u>4,753,074,082</u>	<u>0</u>	<u>4,753,074,082</u>
Allowance for ECL	<u>7,875,788</u>	<u>0</u>	<u>7,875,788</u>	<u>7,375,731</u>	<u>0</u>	<u>7,375,731</u>

As of March 31, 2026, and December 31, 2025, investments at FVOCI are current.

- Investments at AC

The following table summarizes the investments at AC categories:

	March 31, 2026			December 31, 2025		
	Lifetime ECL		Total investments at AC	Lifetime ECL		Total investments at AC
	12 months ECL	- without impairment		12 months ECL	- without impairment	
Governments and agencies						
BB+ to B-	<u>65,258,993</u>	<u>0</u>	<u>65,258,993</u>	<u>64,660,927</u>	<u>0</u>	<u>64,660,927</u>
Total governments and Agencies	<u>65,258,993</u>	<u>0</u>	<u>65,258,993</u>	<u>64,660,927</u>	<u>0</u>	<u>64,660,927</u>
Corporate						
BB+ to B-	<u>119,357,831</u>	<u>0</u>	<u>119,357,831</u>	<u>123,228,106</u>	<u>0</u>	<u>123,228,106</u>
Total Corporate	<u>119,357,831</u>	<u>0</u>	<u>119,357,831</u>	<u>123,228,106</u>	<u>0</u>	<u>123,228,106</u>
Total	<u>184,616,824</u>	<u>0</u>	<u>184,616,824</u>	<u>187,889,033</u>	<u>0</u>	<u>187,889,033</u>
Allowance for ECL	<u>360,474</u>	<u>0</u>	<u>360,474</u>	<u>378,431</u>	<u>0</u>	<u>378,431</u>

Quality of the loans portfolio

Note 3 (c) on the annual consolidated financial statements as of December 31, 2025, includes an explanation of the measurement of the quality of financial instruments, which includes the loan portfolio.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

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:

March 31, 2026	Loans			Total
	12 months ECL	Lifetime ECL - credit unimpaired	Lifetime ECL - credit impaired	
Corporate				
Satisfactory	10,683,754,562	2,784,361	0	10,686,538,923
Special mention	0	335,374,220	0	335,374,220
Sub-standard	0	0	61,652,961	61,652,961
Doubtful	0	0	16,963,500	16,963,500
Loss	0	0	22,131,623	22,131,623
Gross amount	<u>10,683,754,562</u>	<u>338,158,581</u>	<u>100,748,084</u>	<u>11,122,661,227</u>
Allowance for ECL	<u>(24,533,069)</u>	<u>(18,908,118)</u>	<u>(45,536,385)</u>	<u>(88,977,572)</u>
Net amount	<u>10,659,221,493</u>	<u>319,250,463</u>	<u>55,211,699</u>	<u>11,033,683,655</u>
Medium company				
Satisfactory	991,509,508	2,699,227	0	994,208,735
Special mention	0	29,613,386	0	29,613,386
Sub-standard	0	0	13,891,398	13,891,398
Doubtful	0	0	13,245,804	13,245,804
Loss	0	0	4,005,477	4,005,477
Gross amount	<u>991,509,508</u>	<u>32,312,613</u>	<u>31,142,679</u>	<u>1,054,964,800</u>
Allowance for ECL	<u>(2,951,443)</u>	<u>(1,542,530)</u>	<u>(12,870,789)</u>	<u>(17,364,762)</u>
Net amount	<u>988,558,065</u>	<u>30,770,083</u>	<u>18,271,890</u>	<u>1,037,600,038</u>
Small company				
Satisfactory	1,385,986,637	50,141,967	0	1,436,128,604
Special mention	476,885	54,830,016	0	55,306,901
Sub-standard	0	0	7,903,318	7,903,318
Doubtful	0	0	11,169,465	11,169,465
Loss	0	0	3,580,623	3,580,623
Gross amount	<u>1,386,463,525</u>	<u>104,971,983</u>	<u>22,653,406</u>	<u>1,514,088,911</u>
Allowance for ECL	<u>(8,040,415)</u>	<u>(6,642,808)</u>	<u>(6,349,921)</u>	<u>(21,033,144)</u>
Net amount	<u>1,378,423,107</u>	<u>98,329,175</u>	<u>16,303,485</u>	<u>1,493,055,767</u>
Mortgage				
Satisfactory	3,576,686,935	170,544,301	0	3,747,231,236
Special mention	6,285,234	405,107,042	0	411,392,276
Sub-standard	0	0	106,670,319	106,670,319
Doubtful	0	0	44,316,501	44,316,501
Loss	0	0	25,252,244	25,252,244
Gross amount	<u>3,582,972,169</u>	<u>575,651,343</u>	<u>176,239,064</u>	<u>4,334,862,576</u>
Allowance for ECL	<u>(2,596,514)</u>	<u>(16,177,503)</u>	<u>(17,065,770)</u>	<u>(35,839,789)</u>
Net amount	<u>3,580,375,653</u>	<u>559,473,840</u>	<u>159,173,294</u>	<u>4,299,022,787</u>
Personal Banking				
Satisfactory	2,433,368,463	100,356,442	3,480,923	2,537,205,828
Special mention	4,224,339	79,541,362	1,479,732	85,245,433
Sub-standard	0	0	23,087,007	23,087,007
Doubtful	0	0	22,853,152	22,853,152
Loss	0	0	4,820,279	4,820,279
Gross amount	<u>2,437,592,802</u>	<u>179,897,804</u>	<u>55,721,093</u>	<u>2,673,211,699</u>
Allowance for ECL	<u>(48,665,944)</u>	<u>(29,252,386)</u>	<u>(26,948,772)</u>	<u>(104,867,102)</u>
Net amount	<u>2,388,926,858</u>	<u>150,645,418</u>	<u>28,772,321</u>	<u>2,568,344,597</u>
Vehicles				
Satisfactory	1,844,941,705	31,092,620	0	1,876,034,325
Special mention	439,914	84,975,998	0	85,415,912
Sub-standard	0	0	6,041,208	6,041,208
Doubtful	0	0	4,541,016	4,541,016
Loss	0	0	773,047	773,047
Gross amount	<u>1,845,381,619</u>	<u>116,068,618</u>	<u>11,355,271</u>	<u>1,972,805,508</u>
Allowance for ECL	<u>(3,912,971)</u>	<u>(4,827,399)</u>	<u>(2,704,201)</u>	<u>(11,444,571)</u>
Net amount	<u>1,841,468,648</u>	<u>111,241,219</u>	<u>8,651,070</u>	<u>1,961,360,937</u>
Credit card				
Satisfactory	5,088,862,917	213,578,048	4,475,057	5,306,916,020
Special mention	12,306,404	475,651,310	89,113,991	577,071,705
Sub-standard	0	0	20,227,760	20,227,760
Doubtful	565,301	71,012,427	18,621,014	90,198,742
Loss	13,504	0	111,762,028	111,775,532
Gross amount	<u>5,101,748,124</u>	<u>760,241,785</u>	<u>244,199,850</u>	<u>6,106,189,759</u>
Allowance for ECL	<u>(132,475,469)</u>	<u>(203,332,895)</u>	<u>(153,224,795)</u>	<u>(489,033,159)</u>
Net amount	<u>4,969,272,655</u>	<u>556,908,890</u>	<u>90,975,055</u>	<u>5,617,156,600</u>
Net carrying amount of loans	<u>25,806,246,479</u>	<u>1,826,619,088</u>	<u>377,358,814</u>	<u>28,010,224,381</u>

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

	Loans			Total
	12 months ECL	Lifetime ECL - credit unimpaired	Lifetime ECL - credit impaired	
December 31, 2025				
Corporate				
Satisfactory	10,423,042,047	832,215	0	10,423,874,262
Special mention	0	341,375,161	0	341,375,161
Sub-standard	0	0	58,443,371	58,443,371
Doubtful	0	0	17,896,737	17,896,737
Loss	0	0	22,038,699	22,038,699
Gross amount	<u>10,423,042,047</u>	<u>342,207,376</u>	<u>98,378,807</u>	<u>10,863,628,230</u>
Allowance for ECL	<u>(24,255,321)</u>	<u>(19,101,443)</u>	<u>(44,694,644)</u>	<u>(88,051,408)</u>
Net amount	10,398,786,726	323,105,933	53,684,163	10,775,576,822
Medium company				
Satisfactory	988,234,918	3,041,146	0	991,276,064
Special mention	0	24,351,710	0	24,351,710
Sub-standard	0	0	14,487,624	14,487,624
Doubtful	0	0	12,253,410	12,253,410
Loss	0	0	5,392,222	5,392,222
Gross amount	<u>988,234,918</u>	<u>27,392,856</u>	<u>32,133,256</u>	<u>1,047,761,030</u>
Allowance for ECL	<u>(2,932,661)</u>	<u>(963,467)</u>	<u>(11,831,206)</u>	<u>(15,727,334)</u>
Net amount	985,302,257	26,429,389	20,302,050	1,032,033,696
Small company				
Satisfactory	1,330,544,335	46,469,290	0	1,377,013,625
Special mention	1,040,552	55,161,727	0	56,202,279
Sub-standard	0	0	9,030,696	9,030,696
Doubtful	0	0	10,329,254	10,329,254
Loss	0	0	4,427,566	4,427,566
Gross amount	<u>1,331,584,887</u>	<u>101,631,017</u>	<u>23,787,516</u>	<u>1,457,003,420</u>
Allowance for ECL	<u>(6,175,856)</u>	<u>(5,092,259)</u>	<u>(6,255,344)</u>	<u>(17,523,459)</u>
Net amount	1,325,409,031	96,538,758	17,532,172	1,439,479,961
Mortgage				
Satisfactory	3,524,715,858	170,593,300	0	3,695,309,158
Special mention	4,268,097	413,248,572	0	417,516,669
Sub-standard	0	0	108,588,984	108,588,984
Doubtful	0	0	47,682,547	47,682,547
Loss	0	0	26,473,087	26,473,087
Gross amount	<u>3,528,983,955</u>	<u>583,841,872</u>	<u>182,744,618</u>	<u>4,295,570,445</u>
Allowance for ECL	<u>(2,545,734)</u>	<u>(16,989,477)</u>	<u>(17,831,285)</u>	<u>(37,366,496)</u>
Net amount	3,526,438,221	566,852,395	164,913,333	4,258,203,949
Personal banking				
Satisfactory	2,416,432,245	94,428,768	2,742,309	2,513,603,322
Special mention	2,681,648	73,735,766	1,658,053	78,075,467
Sub-standard	0	0	26,403,249	26,403,249
Doubtful	0	0	25,077,197	25,077,197
Loss	0	0	6,055,658	6,055,658
Gross amount	<u>2,419,113,893</u>	<u>168,164,534</u>	<u>61,936,466</u>	<u>2,649,214,893</u>
Allowance for ECL	<u>(48,809,918)</u>	<u>(25,843,338)</u>	<u>(31,619,992)</u>	<u>(106,273,248)</u>
Net amount	2,370,303,975	142,321,196	30,316,474	2,542,941,645
Vehicles				
Satisfactory	1,786,522,570	29,759,110	0	1,816,281,680
Special mention	458,291	84,951,808	0	85,410,099
Sub-standard	0	0	6,633,239	6,633,239
Doubtful	0	0	4,648,025	4,648,025
Loss	0	0	1,653,924	1,653,924
Gross amount	<u>1,786,980,861</u>	<u>114,710,918</u>	<u>12,935,188</u>	<u>1,914,626,967</u>
Allowance for ECL	<u>(3,761,217)</u>	<u>(4,876,179)</u>	<u>(3,543,522)</u>	<u>(12,180,918)</u>
Net amount	1,783,219,644	109,834,739	9,391,666	1,902,446,049
Credit card				
Satisfactory	5,185,295,796	217,993,585	6,029,858	5,409,319,239
Special mention	11,623,323	459,279,429	89,850,823	560,753,575
Sub-standard	0	0	18,658,420	18,658,420
Doubtful	378,620	67,590,407	19,421,625	87,390,652
Loss	52	0	118,553,353	118,553,405
Gross amount	<u>5,197,297,791</u>	<u>744,863,421</u>	<u>252,514,079</u>	<u>6,194,675,291</u>
Allowance for ECL	<u>(134,743,815)</u>	<u>(196,179,476)</u>	<u>(157,015,167)</u>	<u>(487,938,458)</u>
Net amount	<u>5,062,553,976</u>	<u>548,683,945</u>	<u>95,498,912</u>	<u>5,706,736,833</u>
Net carrying amount of loans	<u>25,452,013,830</u>	<u>1,813,766,355</u>	<u>391,638,770</u>	<u>27,657,418,955</u>

Notes to the Condensed Consolidated Interim Financial Statements

(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			Total
	12 months ECL	Lifetime ECL - credit unimpaired	Lifetime ECL - credit impaired	
March 31, 2026				
Corporate				
Satisfactory	719,000,672	0	0	719,000,672
Special mention	0	1,765,798	0	1,765,798
Sub-standard	0	0	571	571
Doubtful	0	0	0	0
Loss	0	0	87,140	87,140
Gross amount	<u>719,000,672</u>	<u>1,765,798</u>	<u>87,711</u>	<u>720,854,181</u>
Allowance for ECL	(165,080)	(5,697)	(87,542)	(258,319)
Net amount	<u>718,835,592</u>	<u>1,760,101</u>	<u>169</u>	<u>720,595,862</u>
Medium company				
Satisfactory	13,746,710	0	0	13,746,710
Special mention	0	300,204	0	300,204
Sub-standard	0	0	42,755	42,755
Doubtful	0	0	0	0
Loss	0	0	766,743	766,743
Gross amount	<u>13,746,710</u>	<u>300,204</u>	<u>809,498</u>	<u>14,856,412</u>
Allowance for ECL	(2,049)	(945)	(766,781)	(769,775)
Net amount	<u>13,744,661</u>	<u>299,259</u>	<u>42,717</u>	<u>14,086,637</u>
Small company				
Satisfactory	3,142,537	0	0	3,142,537
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	<u>3,142,537</u>	<u>0</u>	<u>45,000</u>	<u>3,187,537</u>
Allowance for ECL	(7,842)	0	(139)	(7,981)
Net amount	<u>3,134,695</u>	<u>0</u>	<u>44,861</u>	<u>3,179,556</u>
Mortgage				
Satisfactory	40,828,612	0	0	40,828,612
Special mention	0	0	0	0
Sub-standard	0	0	0	0
Doubtful	0	0	0	0
Loss	0	0	0	0
Gross amount	<u>40,828,612</u>	<u>0</u>	<u>0</u>	<u>40,828,612</u>
Allowance for ECL	(4,082)	0	0	(4,082)
Net amount	<u>40,824,530</u>	<u>0</u>	<u>0</u>	<u>40,824,530</u>
Net carrying amount, net of allowance	<u>776,539,478</u>	<u>2,059,360</u>	<u>87,747</u>	<u>778,686,585</u>

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

<u>December 31, 2025</u>	Credit commitments and guarantees			Total
	12 months ECL	Lifetime ECL - credit unimpaired	Lifetime ECL - credit impaired	
Corporate				
Satisfactory	694,469,722	0	0	694,469,722
Special mention	0	2,400,415	0	2,400,415
Sub-standard	0	0	571	571
Doubtful	0	0	0	0
Loss	0	0	87,922	87,922
Gross amount	694,469,722	2,400,415	88,493	696,958,630
Allowance for ECL	(130,911)	(7,491)	(88,323)	(226,725)
Net amount	694,338,811	2,392,924	170	696,731,905
Medium company				
Satisfactory	14,193,037	0	0	14,193,037
Special mention	0	240,578	0	240,578
Sub-standard	0	0	39,893	39,893
Doubtful	0	0	0	0
Loss	0	0	766,743	766,743
Gross amount	14,193,037	240,578	806,636	15,240,251
Allowance for ECL	(1,921)	(761)	(766,779)	(769,461)
Net amount	14,191,116	239,817	39,857	14,470,790
Small company				
Satisfactory	3,272,909	0	0	3,272,909
Special mention	0	0	0	0
Sub-standard	0	0	0	0
Doubtful	0	0	109,915	109,915
Loss	0	0	0	0
Gross amount	3,272,909	0	109,915	3,382,824
Allowance for ECL	(1,899)	0	(11)	(1,910)
Net amount	3,271,010	0	109,904	3,380,914
Mortgage				
Satisfactory	42,185,562	0	0	42,185,562
Special mention	0	0	0	0
Sub-standard	0	0	0	0
Doubtful	0	0	0	0
Loss	0	0	0	0
Gross amount	42,185,562	0	0	42,185,562
Allowance for ECL	(4,218)	0	0	(4,218)
Net amount	42,181,344	0	0	42,181,344
Net carrying amount, net of allowance	753,982,281	2,632,741	149,931	756,764,953

Guarantees and other enhancements to reduce credit risk and its financial effect

The Bank maintains guarantees and other enhancements 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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

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

	Mortgage	Pledge	Time deposits certificates	Investments in securities	Unsecured	Total
March 31, 2026						
Securities under resale agreements	0	0	0	0	0	0
Investments in securities	0	0	0	0	5,592,114,403	5,592,114,403
Loans						
Corporate						
Corporate	4,540,372,151	878,512,093	260,889,912	0	5,074,019,809	10,753,793,965
Corporate leases, net	0	368,867,369	0	0	(107)	368,867,262
Total corporate	4,540,372,151	1,247,379,462	260,889,912	0	5,074,019,702	11,122,661,227
Personal banking, small and medium company						
Medium company						
Medium company	678,597,105	51,138,769	24,557,732	0	181,321,326	935,614,932
Medium company leases, net	0	119,349,866	0	0	2	119,349,868
Total Medium company	678,597,105	170,488,635	24,557,732	0	181,321,328	1,054,964,800
Small company						
Small company	548,865,655	85,020,269	74,841,539	0	634,894,911	1,343,622,374
Small company leases, net	0	170,467,048	0	0	(511)	170,466,537
Total Small company	548,865,655	255,487,317	74,841,539	0	634,894,400	1,514,088,911
Personal Banking						
Mortgage	4,334,889,986	0	0	0	(27,410)	4,334,862,576
Personal	466,425,570	531,690	56,231,024	0	2,150,023,415	2,673,211,699
Vehicles	0	1,752,299,991	0	0	(42,019)	1,752,257,972
Personal leases, net of interest	0	220,548,077	0	0	(541)	220,547,536
Credit cards	0	0	0	0	6,106,189,759	6,106,189,759
Total personal banking	4,801,315,556	1,973,379,758	56,231,024	0	8,256,143,204	15,087,069,542
Total personal banking and small company	6,028,778,316	2,399,355,710	155,630,295	0	9,072,358,932	17,656,123,253
Allowance for ECL	(103,126,198)	(34,142,536)	(2,772,155)	0	(628,519,210)	(768,560,099)
Total loans	10,466,024,269	3,612,592,636	413,748,052	0	13,517,859,424	28,010,224,381
Commitments and guarantees, gross	109,781,873	3,329,102	66,910,282	1,976,009	597,729,476	779,726,742
Commitments and guarantees, provision	(26,960)	(2,837)	(72,608)	(246)	(937,506)	(1,040,157)
Total commitments and guarantees, net	109,754,913	3,326,265	66,837,674	1,975,763	596,791,970	778,686,585
December 31, 2025						
Securities under resale agreements	0	0	0	3,125,890	0	3,125,890
Investments in securities	0	0	0	0	4,966,834,045	4,966,834,045
Loans						
Corporate						
Corporate	4,376,009,398	922,885,958	319,396,461	0	4,878,793,209	10,497,085,026
Corporate leases, net	0	366,543,204	0	0	0	366,543,204
Total corporate	4,376,009,398	1,289,429,162	319,396,461	0	4,878,793,209	10,863,628,230
Personal banking, medium and small company						
Medium company						
Medium company	673,519,954	56,404,204	27,253,509	0	177,585,676	934,763,343
Medium company leases, net	0	112,997,687	0	0	0	112,997,687
Total Medium company	673,519,954	169,401,891	27,253,509	0	177,585,676	1,047,761,030
Small company						
Small company	539,160,833	93,266,200	66,903,951	0	591,815,332	1,291,146,316
Small company leases, net	0	165,857,104	0	0	0	165,857,104
Total Small company	539,160,833	259,123,304	66,903,951	0	591,815,332	1,457,003,420
Personal banking						
Mortgage	4,295,570,445	0	0	0	0	4,295,570,445
Personal	458,092,690	658,260	56,939,357	0	2,133,524,586	2,649,214,893
Vehicles	0	1,697,545,397	0	0	0	1,697,545,397
Personal leases, net of interest	0	217,081,570	0	0	0	217,081,570
Credit cards	0	0	0	0	6,194,675,291	6,194,675,291
Total personal banking	4,753,663,135	1,915,285,227	56,939,357	0	8,328,199,877	15,054,087,596
Total personal banking and small company	5,966,343,922	2,343,810,422	151,096,817	0	9,097,600,885	17,558,852,046
Allowance for ECL	(111,985,141)	(24,148,820)	(3,042,670)	0	(625,884,690)	(765,061,321)
Total loans	10,230,368,179	3,609,090,764	467,450,608	0	13,350,509,404	27,657,418,955
Commitments and guarantees, gross	132,337,489	3,108,873	66,904,335	3,097,249	552,319,321	757,767,267
Commitments and guarantees, provision	(24,499)	(512)	(34,388)	(129)	(942,786)	(1,002,314)
Commitments and guarantees, net	132,312,990	3,108,361	66,869,947	3,097,120	551,376,535	756,764,953

Notes to the Condensed Consolidated Interim Financial Statements

(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:

	March 31, 2026		December 31, 2025	
	Loans	Covered amount	Loans	Covered amount
Corporates				
Stages 1 and 2	4,901,650,380	4,660,846,025	4,862,647,105	4,630,473,002
Stage 3	<u>92,285,546</u>	<u>90,768,187</u>	<u>91,278,275</u>	<u>89,957,664</u>
Total	<u>4,993,935,926</u>	<u>4,751,614,212</u>	<u>4,953,925,380</u>	<u>4,720,430,666</u>

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

	March 31, 2026	December 31, 2025
Property	8,481,077	28,805,783
Vehicles	1,472,666	4,875,807
Machinery	0	20,168
Total	<u>9,953,743</u>	<u>33,701,758</u>

The Bank's policy is to promote the sale of these assets to recover 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.

LTV Ratio	March 31, 2026		December 31, 2025	
	Loans	Credit and guarantee commitments	Loans	Credit and guarantee commitments
Less than 50%	874,695,972	2,650,368	911,476,397	1,207,175
51-70%	1,448,948,192	4,522,788	1,395,755,444	5,824,336
71-80%	1,245,516,997	7,905,894	1,235,175,479	7,502,265
81-90%	561,682,957	14,429,534	575,643,448	17,420,114
91-100%	177,827,672	8,070,058	140,064,958	10,069,672
More than 100%	<u>26,190,787</u>	<u>3,249,970</u>	<u>37,454,719</u>	<u>162,000</u>
Total	<u>4,334,862,577</u>	<u>40,828,612</u>	<u>4,295,570,445</u>	<u>42,185,562</u>

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

Impaired loans

LTV Ratio	March 31, 2026	December 31, 2025
Less than 50%	25,487,337	27,513,615
51-70%	50,659,758	52,382,491
71-80%	61,079,273	63,171,290
81-90%	27,177,107	28,902,817
91-100%	8,899,471	7,169,164
More than 100%	<u>2,936,118</u>	<u>3,605,241</u>
Total	<u>176,239,064</u>	<u>182,744,618</u>

***Expected credit loss allowance (ECL)
Projection of future conditions***

The upside, base and downside scenarios are described below, together with the main risks considered in defining them.

External sector:

External risks	Upside	Base	Downside
Slowdown of commercial partners: The possibility of slightly lower economic momentum in developed economies is anticipated after a year of high uncertainty due to geopolitical conflicts and distortions in international trade, which may affect consumption among key trading partners for the region.	Monetary policies prove effective in controlling inflation, achieving moderation without generating significant distortions across global economies. Inflation targets are reached in the U.S., allowing the Federal Reserve to implement a more accommodative monetary policy that eases global financing conditions.	Developed economies slow down slightly but remain in positive territory. Inflation continues to moderate, although it remains close to target, requiring interest rates to stay relatively high for a longer period. Lower external momentum partially reduces demand for the region's exports and services, without representing a deep deterioration.	Economic growth is significantly affected by policies aimed at containing inflation, tariff distortions, and more aggressive migration policies that generate weak labor supply in key trading partners, affecting labor markets and growth. This results in lower consumption and employment, negatively impacting exports, remittance flows, tourism, and foreign direct investment (FDI) in the region.
Global financial volatility driven by uncertainty related to geopolitical conflicts and international trade: As a result of geopolitical shocks and uncertainty generated by new administrations in major trading partners, increased volatility has been introduced into financial markets. This represents a risk to be monitored, as it may skew inflation risks to the upside for the region and generate additional pressures on remittances, trade, and exchange rates.	The interest rate easing cycle progresses as inflation returns to its usual level. Geopolitical conflicts do not escalate further, and no climate-related shocks arise that could generate price disruptions. Measures adopted by major trading partners are implemented cautiously and gradually, allowing the global economy to react in a timely manner and smooth their effects. The inflationary cycle concludes successfully without obstacles.	Geopolitical conflicts persist but do not escalate into more severe consequences, having a mild impact on commodity markets that is not significant enough to trigger production price increases or inflationary pressures. The inflationary cycle comes to an end in a moderate manner.	Climate events continue to impact the region, compounded by escalating geopolitical conflicts and tensions that trigger sanctions and higher commodity prices. This poses a challenge for containing inflation, delaying interest rate cuts longer than expected. Trading partners adopt more aggressive protectionist measures that affect the region in the short term, generating pressure on prices, exchange rates, remittances, and the trade balance.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

The scenarios for each country are detailed below:

Scenario	Scenario Synthesis	Upside	Base	Downside
Guatemala	Economic growth in Guatemala has remained favorable, driven mainly by financial activities, services, construction, and growth in hotels and restaurants. The country has enjoyed exchange rate and inflation stability; pressures from food supply shocks have dissipated, and fuel prices have declined. Tourism has also shown notable growth, with an 11% increase in tourist arrivals during 2025 compared to 2024.	More relaxed international financial conditions due to interest rate cuts contribute to a favorable growth environment. Macroeconomic variables remain stable, with inflation within the target range and high levels of international reserves that reduce external vulnerabilities. Strong consumption driven by remittances and a resilient labor market, along with solid export performance, supports higher-than-expected economic expansion.	Economic growth moderates but remains positive. Inflationary pressures continue to decline in line with global and domestic dynamics, allowing for interest rate stability. The country preserves strength in external and fiscal indicators, and the exchange rate remains stable. Monitoring continues regarding the effects of U.S. migration policies and potential external shocks, although without substantive changes to the short-term outlook.	Risks persist related to climate conditions, particularly due to the agricultural sector's high exposure to extreme weather events. Structural challenges in social, institutional, and infrastructure areas remain sources of vulnerability. Geopolitical risks or deterioration in remittance flows could affect consumption. Potential social or political tensions, although recently contained, remain downside risks.
Honduras	The Honduran economy maintains positive growth driven by consumption, exports, and greater dynamism in sectors such as financial intermediation, transportation, and commerce. Remittances continue to grow and support domestic demand. However, inflation remains the highest in Central America, and the exchange rate has depreciated more than anticipated. The IMF agreement provides an important anchor, although social, security, and environmental risks persist.	The IMF agreement strengthens the economic institutional framework and supports the fiscal and monetary policy framework. A gradual reduction in inflation and a more benign external environment allow for improvements in interest rates and local financial conditions. Exports remain dynamic, and remittance flows sustain consumption. Progress in governance and political stability increases investor confidence.	The economy maintains moderate growth, with inflation continuing to decelerate gradually but remaining relatively high. The depreciation of the lempira follows the trend observed in 2025. Medium-term risks persist related to the country risk profile, external investor confidence, public security, and a fragile social environment.	Risks derived from climate vulnerability may have significant impacts on agriculture and prices. A high impact is identified, mainly due to historical effects of extreme weather events and overall high vulnerability (exposure to extreme events and deteriorated social indicators). Exchange rate depreciation could accelerate, pressuring inflation and reducing purchasing power. Political tensions under the new government may generate uncertainty.
El Salvador	The Salvadoran economy shows greater macroeconomic stability, supported by low inflation during 2025, improved market expectations, and strengthened fiscal sustainability, with significant growth in construction, professional services, financial activities, and commerce. The IMF agreement and reduced financing needs have significantly improved country risk perception. Tourism, foreign direct investment, and consumer confidence continue to show dynamism.	More relaxed international financial conditions driven by interest rate cuts in developed countries and controlled inflation favor economic activity; U.S. rate reductions transmit favorably to the local financial system. The IMF agreement strengthens credibility and improves debt metrics and sovereign risk indicators. Tourism and investment continue to advance, enhancing the growth outlook.	Economic growth slows but remains stable thanks to expansionary fiscal policies, improvements in the security environment, and a moderate increase in public investment. Financial conditions improve due to engagement with the IMF and international rate cuts. Risks related to exports and remittances stemming from U.S. migration policies remain relevant.	If new financing sources do not materialize, the country could face abrupt fiscal adjustments. Social and environmental risks persist, as well as tensions arising from a potential increase in financing costs. A deterioration in remittance inflows or access to international markets would exacerbate fiscal pressure and hinder growth.
Nicaragua	Nicaragua's economy continues to show strong growth driven by consumption and private investment, alongside solid performance in remittances, exchange rate stability, and sectors such as construction, mining, commerce, hotels, and restaurants. Inflation has remained low and stable, supported by subsidies and a fixed exchange rate regime. The country holds high international reserves and has strengthened its fiscal position, although risks persist related to trade tensions with the U.S. and climate vulnerability.	The country maintains macroeconomic stability supported by a well-capitalized financial system, controlled inflation, a solid fiscal position, and an exchange rate regime reinforced by high levels of international reserves. Remittances remain a key support to consumption, and a moderate global environment favors exports and tourism.	Moderate growth continues with consistent fiscal discipline, contained inflation, and exchange rate stability in line with the Central Bank's objectives. Remittances continue to support consumption, while the international environment shows a mild slowdown without severe shocks.	Main risks stem from potential trade retaliation by the U.S. through tariff measures, which would directly affect exports, employment, and investment flows. High risks related to climate vulnerability and exposure to extreme weather events persist. The country continues to face limitations in access to external financing, which could pressure economic activity.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

Scenario	Scenario Synthesis	Upside	Base	Downside
Costa Rica	Costa Rica's economy maintains favorable growth supported by dynamism in manufacturing, transportation, and services, with GDP growth of 5% as of the third quarter of 2025. Inflation remains low and inflation expectations stay below the target range. Monetary policy continues to ease with interest rate cuts by the Central Bank. Fiscal discipline has strengthened, and credit rating agencies have improved risk perception.	Both the global financial environment and local monetary policy contribute to improved financial conditions. Low inflation allows continuation of the interest rate cutting cycle, supporting credit and investment. Export diversification in services and manufacturing underpins growth, while sound fiscal conditions and recent credit rating upgrades enhance confidence and macroeconomic stability.	Growth remains positive but moderates due to lower expected momentum among trading partners. Inflation remains controlled and close to low levels, allowing stability in monetary policy. Risks related to U.S. tariff measures and uncertainty surrounding the 2026 political cycle are monitored, without significantly affecting the central outlook.	External risks from U.S. protectionist measures could affect key export sectors such as medical devices. Domestic uncertainty related to the electoral process could generate episodes of exchange rate volatility. Climate risks remain present, although the country has historically shown resilience to such events.
Panama	Panama's economy showed stable growth throughout 2025 and remains the fastest-growing economy projected in the region. It has recovered from the impact of the Cobre Panama mine closure, and sectors such as hotels, transportation, entertainment, and infrastructure projects continue to drive GDP. Inflation remains low due to the dollarized regime and limited external price pressures, while fiscal challenges and episodes of social tension remain factors to monitor.	International financial conditions improve due to interest rate cuts in advanced economies, reducing financing costs and boosting investment. Ongoing infrastructure projects, logistical dynamism, and low inflation support higher-than-expected growth.	Economic growth remains positive, supported by the strength of the logistics sector, services, and infrastructure projects. Fiscal indicators require attention, and social conditions remain a monitoring factor, although without deteriorating the central macroeconomic outlook.	Risks related to social tensions, fiscal challenges, and arbitration processes linked to the mine closure could affect confidence and public finances. Adverse climate events or logistical disruptions could pressure Canal operations. Deterioration in country risk perception could increase financing costs and limit fiscal flexibility.

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

Scenario probability weighting	March 31, 2026					
	Guatemala	Honduras	El Salvador	Nicaragua	Costa Rica	Panama
Upside	40%	25%	15%	15%	40%	30%
Base	50%	60%	75%	60%	50%	60%
Downside	10%	15%	10%	25%	10%	10%

Scenario probability weighting	December 31, 2025					
	Guatemala	Honduras	El Salvador	Nicaragua	Costa Rica	Panama
Upside	40%	25%	15%	15%	40%	30%
Base	50%	60%	75%	60%	50%	60%
Downside	10%	15%	10%	25%	10%	10%

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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

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.

		March 31, 2026					
		Guatemala	Honduras	El Salvador	Nicaragua	Costa Rica	Panama
		%	%	%	%	%	%
Annual rate of change in economic growth, expressed as a percentage	Upside	4.36	4.39	2.94	4.38	4.00	4.46
	Base	3.73	3.61	2.48	3.27	3.56	4.12
	Downside	2.92	3.08	2.13	3.04	3.00	3.69
Year-on-year rate of change of inflation, expressed as a percentage	Upside	2.63	3.11	0.56	0.08	1.18	1.21
	Base	2.95	4.32	1.00	2.19	2.20	1.57
	Downside	3.85	6.10	1.95	3.05	3.71	2.51
Nominal exchange rate of change, expressed as a percentage	Upside	(1.18)	2.19	-	0.02	0.88	-
	Base	0.41	3.57	-	0.02	5.04	-
	Downside	2.01	4.58	-	0.85	7.48	-
Annual difference in the local currency lending rate measured in basis points	Upside	(1.09)	(0.78)	-	(1.61)	(1.23)	-
	Base	(0.51)	(0.39)	-	(1.16)	(1.03)	-
	Downside	0.43	0.52	-	0.43	0.68	-
Annual difference in foreign currency lending rate measured in basis points	Upside	(0.71)	(0.64)	(1.13)	(1.05)	(0.88)	(0.42)
	Base	(0.49)	(0.53)	(0.58)	(0.23)	(0.34)	(0.30)
	Downside	0.38	0.11	0.84	0.41	0.40	0.49

		December 31, 2025					
		Guatemala	Honduras	El Salvador	Nicaragua	Costa Rica	Panama
		%	%	%	%	%	%
Annual rate of change in economic growth, expressed as a percentage	Upside	4.36	4.39	2.94	4.38	4.00	4.46
	Base	3.73	3.61	2.48	3.27	3.56	4.12
	Downside	2.92	3.08	2.13	3.04	3.00	3.69
Year-on-year rate of change of inflation, expressed as a percentage	Upside	2.63	3.11	0.56	0.08	1.18	1.21
	Base	2.95	4.32	1.00	2.19	2.20	1.57
	Downside	3.85	6.10	1.95	3.05	3.71	2.51
Nominal exchange rate of change, expressed as a percentage	Upside	(1.18)	2.19	-	0.02	0.88	-
	Base	0.41	3.57	-	0.02	5.04	-
	Downside	2.01	4.58	-	0.85	7.48	-
Annual difference in the local currency lending rate measured in basis points	Upside	(1.09)	(0.78)	-	(1.61)	(1.23)	-
	Base	(0.51)	(0.39)	-	(1.16)	(1.03)	-
	Downside	0.43	0.52	-	0.43	0.68	-
Annual difference in foreign currency lending rate measured in basis points	Upside	(0.71)	(0.64)	(1.13)	(1.05)	(0.88)	(0.42)
	Base	(0.49)	(0.53)	(0.58)	(0.23)	(0.34)	(0.30)
	Downside	0.38	0.11	0.84	0.41	0.40	0.49

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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

The table below shows the loss allowance on loans, assuming each forward-looking scenario were weighted at 100% instead of applying scenario probability weights across the three scenarios, described in note 3 (c). of the latest consolidated financial statements as of December 31, 2025.

<u>March 31, 2026</u>	<u>Upside</u>	<u>Base</u>	<u>Downside</u>
Book Value			
Corporate	11,122,661,227	11,122,661,227	11,122,661,227
Medium company	1,054,964,800	1,054,964,800	1,054,964,800
Small company	1,514,088,911	1,514,088,911	1,514,088,910
Mortgage	4,334,862,576	4,334,862,576	4,334,862,576
Personal banking	2,673,211,699	2,673,211,699	2,673,211,699
Vehicles	1,972,805,508	1,972,805,508	1,972,805,508
Credit card	<u>6,106,189,759</u>	<u>6,106,189,759</u>	<u>6,106,189,759</u>
	<u>28,778,784,480</u>	<u>28,778,784,480</u>	<u>28,778,784,480</u>
ECL Allowance			
Corporate	88,242,605	88,773,146	91,614,566
Medium company	17,256,060	17,368,328	17,657,145
Small company	19,993,827	21,507,225	22,464,278
Mortgage	33,931,715	36,708,549	38,867,635
Personal banking	101,980,365	105,587,054	109,158,283
Vehicles	10,733,601	11,788,978	12,521,574
Credit card	<u>484,224,263</u>	<u>489,903,518</u>	<u>498,117,551</u>
	<u>756,362,436</u>	<u>771,636,798</u>	<u>790,401,032</u>
Proportion of assets in Stage 2			
Corporate	3.04%	3.04%	3.04%
Medium company	3.02%	3.02%	3.02%
Small company	6.66%	6.90%	7.24%
Mortgage	12.93%	13.14%	13.36%
Personal banking	6.48%	6.63%	6.87%
Vehicles	5.79%	5.83%	5.88%
Credit card	<u>12.31%</u>	<u>12.32%</u>	<u>12.44%</u>
	<u>7.21%</u>	<u>7.27%</u>	<u>7.37%</u>
<u>December 31, 2025</u>	<u>Upside</u>	<u>Base</u>	<u>Downside</u>
Book Value			
Corporate	10,863,628,230	10,863,628,230	10,863,628,230
Medium company	1,047,761,030	1,047,761,030	1,047,761,030
Small company	1,457,003,420	1,457,003,420	1,457,003,420
Mortgage	4,295,570,445	4,295,570,445	4,295,570,445
Personal banking	2,649,214,893	2,649,214,893	2,649,214,893
Vehicles	1,914,626,967	1,914,626,967	1,914,626,967
Credit card	<u>6,194,675,291</u>	<u>6,194,675,291</u>	<u>6,194,675,291</u>
	<u>28,422,480,276</u>	<u>28,422,480,276</u>	<u>28,422,480,276</u>
ECL Allowance			
Corporate	86,807,066	87,337,040	90,759,891
Medium company	15,630,687	15,730,003	15,997,462
Small company	16,754,585	17,867,182	18,557,770
Mortgage	35,343,023	38,292,992	40,579,534
Personal banking	105,899,485	109,507,011	113,220,223
Vehicles	11,461,343	12,518,228	13,272,956
Credit card	<u>482,568,330</u>	<u>489,012,209</u>	<u>498,341,766</u>
	<u>754,464,519</u>	<u>770,264,665</u>	<u>790,729,602</u>
Proportion of assets in Stage 2			
Corporate	3.13%	3.13%	3.13%
Medium company	2.58%	2.58%	2.58%
Small company	6.69%	6.94%	7.26%
Mortgage	13.22%	13.46%	13.77%
Personal banking	6.15%	6.30%	6.58%
Vehicles	5.90%	5.94%	5.97%
Credit card	<u>11.89%</u>	<u>11.89%</u>	<u>12.01%</u>
	<u>7.20%</u>	<u>7.26%</u>	<u>7.38%</u>

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

The following table shows a reconciliation of the opening and closing balances of the period as of March 31, 2026, of the financial assets' ECL allowance.

	March 31, 2026				December 31, 2025			
	12 months ECL	Lifetime ECL – non-impaired	Lifetime ECL – impaired	Total	12 months ECL	Lifetime ECL – non-impaired	Lifetime ECL – impaired	Total
Deposits in banks								
Balance at year beginning	35,874	0	0	35,874	39,073	0	0	39,073
Net remeasurement of loss allowance	(24,650)	0	0	(24,650)	(22,298)	0	0	(22,298)
New financial assets originated	3,013	0	0	3,013	19,386	0	0	19,386
Foreign currency translation	(54)	0	0	(54)	(287)	0	0	(287)
Balance at period end	14,183	0	0	14,183	35,874	0	0	35,874
Investments at FVOCI								
Balance at year beginning	7,375,731	0	0	7,375,731	7,927,708	0	0	7,927,708
Net remeasurement of loss allowance	(2,124,699)	0	0	(2,124,699)	(3,626,238)	0	0	(3,626,238)
New financial assets originated	2,570,908	0	0	2,570,908	3,084,505	0	0	3,084,505
Foreign currency translation	53,848	0	0	53,848	(10,244)	0	0	(10,244)
Balance at period end	7,875,788	0	0	7,875,788	7,375,731	0	0	7,375,731
Investments at AC								
Balance at year beginning	378,431	0	0	378,431	149,144	0	0	149,144
Net remeasurement of loss allowance	(18,734)	0	0	(18,734)	(1,305)	0	0	(1,305)
New financial assets originated	1,315	0	0	1,315	233,545	0	0	233,545
Foreign currency translation	(538)	0	0	(538)	(2,953)	0	0	(2,953)
Balance at period end	360,474	0	0	360,474	378,431	0	0	378,431

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

	March 31, 2026				December 31, 2025			
	12 months ECL	Lifetime ECL - non-impaired	Lifetime ECL - impaired	Total	12 months ECL	Lifetime ECL - non-impaired	Lifetime ECL - impaired	Total
Loans								
Balance at year beginning	223,224,522	269,045,639	272,791,160	765,061,321	209,267,699	263,996,540	279,178,036	752,442,275
Transfer from stage 1 to 2	(24,587,770)	24,587,770	0	0	(108,375,807)	108,375,807	0	0
Transfer from stage 1 to 3	(73,810)	0	73,810	0	(115,707)	0	115,707	0
Transfer from stage 2 to 3	0	(89,327,249)	89,327,249	0	0	(372,941,841)	372,941,841	0
Transfer from stage 3 to 2	0	29,669,415	(29,669,415)	0	0	117,644,035	(117,644,035)	0
Transfer from stage 2 to 1	54,272,938	(54,272,938)	0	0	244,783,759	(244,783,759)	0	0
Transfer from stage 3 to 1	3,504,567	0	(3,504,567)	0	18,836,369	0	(18,836,369)	0
Net remeasurement of loss allowance	(45,105,643)	104,277,692	84,550,806	143,722,855	(197,957,633)	423,873,005	387,199,390	613,114,762
New financial assets originated	51,580,590	22,208,476	9,074,597	82,863,663	213,661,216	88,238,569	33,614,410	335,514,195
Net derecognition of financial assets	(39,639,567)	(25,505,166)	(15,159,105)	(80,303,838)	(156,875,374)	(115,356,717)	(69,461,630)	(341,693,721)
Charge-offs	0	0	(200,009,050)	(200,009,050)	0	0	(789,653,492)	(789,653,492)
Recovery	0	0	47,726,495	47,726,495	0	0	196,533,010	196,533,010
Foreign currency translation	0	0	9,498,653	9,498,653	0	0	(1,195,708)	(1,195,708)
Balance at period end	<u>223,175,827</u>	<u>280,683,639</u>	<u>264,700,633</u>	<u>768,560,099</u>	<u>223,224,522</u>	<u>269,045,639</u>	<u>272,791,160</u>	<u>765,061,321</u>
Commitments and guarantees								
Balance on January 1	138,949	8,252	855,113	1,002,314	445,451	5,452	961,206	1,412,109
Transfer from stage 1 to 2	0	0	0	0	(32)	32	0	0
Transfer from stage 1 to 3	(145,990)	0	145,990	0	(319,897)	0	319,897	0
Transfer from stage 3 to 2	0	855,113	(855,113)	0	0	961,206	(961,206)	0
Transfer from stage 2 to 1	0	0	0	0	0	0	0	0
Transfer from stage 3 to 1	0	0	0	0	0	0	0	0
Net remeasurement of loss allowance	37,713	(856,788)	709,684	(109,391)	256,485	(965,519)	(125,511)	(834,545)
New financial assets originated	179,053	6,643	796,347	982,043	138,951	8,251	796,426	943,628
Net derecognition of financial assets	(77,876)	(6,578)	(797,559)	(882,013)	(404,793)	(1,170)	(135,699)	(541,662)
Foreign currency translation	47,204	0	0	47,204	22,784	0	0	22,784
Balance at period end	<u>179,053</u>	<u>6,642</u>	<u>854,462</u>	<u>1,040,157</u>	<u>138,949</u>	<u>8,252</u>	<u>855,113</u>	<u>1,002,314</u>
Other accounts receivable								
Balance on January 1	6,973,468	0	0	6,973,468	6,999,193	0	0	6,999,193
Net remeasurement of loss allowance	(1,032,809)	0	0	(1,032,809)	(3,695,350)	0	0	(3,695,350)
New financial assets originated	1,236,956	0	0	1,236,956	4,975,426	0	0	4,975,426
Charge-offs	(1,241,404)	0	0	(1,241,404)	(1,924,010)	0	0	(1,924,010)
Recovery	108,476	0	0	108,476	614,777	0	0	614,777
Foreign currency translation	29,153	0	0	29,153	3,432	0	0	3,432
Balance at period end	<u>6,073,840</u>	<u>0</u>	<u>0</u>	<u>6,073,840</u>	<u>6,973,468</u>	<u>0</u>	<u>0</u>	<u>6,973,468</u>

Notes to the Condensed Consolidated Interim Financial Statements

(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.

	March 31, 2026	December 31, 2025
Amortized cost before modification	0	6,474,499
Net loss due modification	<u>0</u>	<u>67,018</u>
Total	<u>0</u>	<u>6,541,517</u>

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:

	March 31, 2026					
	Loans	Commitments and guarantees	Securities purchased under resale agreements	Deposits in banks	Investments at FVOCI	Investments at AC
Concentration by sector						
Government	0	0	0	4,374,096,549	5,024,315,488	65,339,414
Corporate						
Trade	2,919,579,842	186,172,153	0	0	0	0
General industry	2,418,465,425	181,979,452	0	0	3,080,445	0
Real estate	2,092,245,345	21,891,691	0	0	36,033,558	34,179,607
Services	1,562,990,102	68,082,795	0	0	9,185,583	0
Food industry	1,222,118,923	52,867,307	0	0	10,062,279	0
Agricultural	1,074,514,729	6,950,026	0	0	0	0
Hotels and restaurants	850,416,462	3,567,496	0	0	0	0
Financial	478,621,837	129,076,419	0	1,235,938,072	168,021,436	3,007,736
Telecommunications	404,217,384	13,904,424	0	0	28,912,528	4,551,036
Transport	353,254,139	13,884,834	0	0	2,881,908	0
Construction	315,290,750	60,521,533	0	0	3,973,408	0
Oil and derivatives	0	0	0	0	15,381,697	0
Energy	0	0	0	0	66,540,151	77,899,506
Media	0	0	0	0	5,064,070	0
Technology	0	0	0	0	5,238,684	0
Pharmacy	0	0	0	0	2,895,537	0
Personal banking	15,087,069,542	40,828,612	0	0	3,015,676	0
Allowance for ECL	<u>(768,560,099)</u>	<u>(1,040,157)</u>	<u>0</u>	<u>(14,183)</u>	<u>0</u>	<u>(360,475)</u>
Net carrying amount	<u>28,010,224,381</u>	<u>778,686,585</u>	<u>0</u>	<u>5,610,020,438</u>	<u>5,384,602,448</u>	<u>184,616,824</u>
Geographic location:						
Costa Rica	8,637,438,031	310,131,648	0	2,060,950,278	1,423,533,818	4,551,036
Panama	6,135,764,104	190,324,484	0	307,352,775	854,122,743	115,086,849
Guatemala	5,061,278,620	29,182,929	0	712,441,527	798,441,016	0
Honduras	4,065,359,728	70,405,396	0	725,705,909	629,886,390	65,339,414
El Salvador	2,961,442,570	168,188,152	0	462,442,410	277,954,276	0
Nicaragua	1,917,501,427	11,494,133	0	345,158,391	286,965,430	0
North America	0	0	0	960,129,433	1,040,533,854	0
Europe	0	0	0	35,839,624	7,628,676	0
South America	0	0	0	0	65,536,245	0
Others	0	0	0	14,274	0	0
Allowance for ECL	<u>(768,560,099)</u>	<u>(1,040,157)</u>	<u>0</u>	<u>(14,183)</u>	<u>0</u>	<u>(360,475)</u>
Net carrying amount	<u>28,010,224,381</u>	<u>778,686,585</u>	<u>0</u>	<u>5,610,020,438</u>	<u>5,384,602,448</u>	<u>184,616,824</u>

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

	December 31, 2025					
	Loans	Commitments and guarantees	Securities purchased under resale agreements	Deposits in banks	Investments at FVOCI	Investments at AC
Concentration by sector						
Government	0	0	3,125,890	4,330,314,005	4,354,871,222	64,740,613
Corporate						
Trade	2,804,927,376	186,466,265	0	0	0	0
General industry	2,241,780,054	144,415,366	0	0	3,077,026	0
Real estate	2,126,402,762	31,380,114	0	0	40,713,472	34,678,282
Services	1,477,220,795	66,087,861	0	0	9,567,302	0
Food industry	1,276,910,109	39,919,036	0	0	10,001,348	0
Agricultural	1,081,322,515	12,075,307	0	0	0	0
Hotels and restaurants	838,198,003	6,798,596	0	0	1,618,243	0
Financial	470,872,836	126,314,870	0	898,571,385	186,895,594	5,416,071
Telecommunications	381,808,659	10,500,227	0	0	32,714,235	5,077,100
Transport	366,559,433	12,861,545	0	0	2,899,274	0
Construction	302,390,138	78,762,518	0	0	4,384,891	0
Oil and derivatives	0	0	0	0	19,597,551	0
Energy	0	0	0	0	66,481,175	78,355,398
Media	0	0	0	0	5,074,171	0
Technology	0	0	0	0	9,209,557	0
Pharmacy	0	0	0	0	2,905,679	0
Personal banking	15,054,087,596	42,185,562	0	0	3,063,342	0
Allowance for ECL	<u>(765,061,321)</u>	<u>(1,002,314)</u>	<u>0</u>	<u>(35,874)</u>	<u>0</u>	<u>(378,431)</u>
Net carrying amount	<u>27,657,418,955</u>	<u>756,764,953</u>	<u>3,125,890</u>	<u>5,228,849,516</u>	<u>4,753,074,082</u>	<u>187,889,033</u>
Geographic location:						
Costa Rica	8,529,443,074	299,566,233	0	1,853,872,426	1,200,424,767	5,077,100
Panama	6,067,847,743	180,568,218	0	144,691,219	806,780,061	118,449,751
Guatemala	5,015,247,356	18,064,258	3,125,890	704,925,632	736,593,030	0
Honduras	3,980,972,270	94,615,956	0	877,246,277	502,366,376	64,740,613
El Salvador	2,932,216,889	154,043,390	0	480,973,338	269,048,573	0
Nicaragua	1,896,752,944	10,909,212	0	324,165,906	244,572,222	0
North America	0	0	0	816,249,059	926,713,062	0
Europe	0	0	0	26,735,517	7,609,021	0
South America	0	0	0	0	58,966,970	0
Others	0	0	0	26,016	0	0
Allowance for ECL	<u>(765,061,321)</u>	<u>(1,002,314)</u>	<u>0</u>	<u>(35,874)</u>	<u>0</u>	<u>(378,431)</u>
Net carrying amount	<u>27,657,418,955</u>	<u>756,764,953</u>	<u>3,125,890</u>	<u>5,228,849,516</u>	<u>4,753,074,082</u>	<u>187,889,033</u>

The Bank has been and will continue to be monitoring the evolution of 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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

The liquidity management conducted by the Bank seeks to ensure that it can meet its obligations, including: (i) withdrawals of customer deposits; (ii) repayment of institutional funding obligations according to their maturities and scheduled payment terms; (iii) meeting credit demand and providing investment funds as needed; and (iv) covering diverse operating expenses. In this regard, the Bank exercises constant control over its short-term assets and liabilities. The Bank's liquidity is carefully managed and adjusted daily based on estimated liquidity in contingent and expected scenarios.

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	
	March 31, 2026	December 31, 2025
As of period end	33.7	32.1
Maximum	38.2	33.6
Average	34.7	29.9
Minimum	32.1	25.6

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

As of March 31, 2026, and December 31, 2025, 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.

	March 31, 2026						
	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
<i>Amounts in thousands</i>							
Liabilities							
Demand deposits	11,738,560	(11,738,560)	(11,738,560)	0	0	0	0
Savings deposits	8,110,028	(8,110,028)	(8,110,028)	0	0	0	0
Time deposits	11,760,103	(12,560,894)	(1,260,286)	(1,859,568)	(6,140,737)	(2,342,423)	(957,880)
Securities sold under repurchase agreements	57,070	(57,070)	0	0	(57,070)	0	0
Financial obligations	3,173,999	(3,578,198)	(143,535)	(261,916)	(1,094,238)	(1,748,561)	(329,948)
Other financial obligations	1,838,337	(2,902,304)	(20,366)	(67,589)	(294,430)	(1,260,684)	(1,259,235)
Lease liabilities	108,466	(206,860)	(6,349)	(28,095)	(27,136)	(111,952)	(33,328)
Sub-total liabilities	36,786,563	(39,153,914)	(21,279,124)	(2,217,168)	(7,613,611)	(5,463,620)	(2,580,391)
Commitments and guarantees	60,983	(60,983)	(12,379)	(7,083)	(41,521)	0	0
Acceptances	31,126	(31,126)	(312)	(2,834)	(27,980)	0	0
Total liabilities	36,878,672	(39,246,023)	(21,291,815)	(2,227,085)	(7,683,112)	(5,463,620)	(2,580,391)
Assets							
Cash and cash equivalents	942,427	942,427	942,427	0	0	0	0
Securities purchased under resale agreements	0	0	0	0	0	0	0
Deposits in banks, net	5,610,020	5,610,281	5,382,412	223,115	4,754	0	0
Investments at FVPL (1)	22,895	29,195	12	109	1,683	10,866	16,525
Investments at FVOCI (1)	5,384,602	6,550,706	419,455	452,675	1,072,523	2,518,669	2,087,384
Investments at AC (1)	184,617	325,405	9	2,684	9,028	69,250	244,434
Other accounts receivable, net	448,095	448,095	330,612	44,928	42,690	29,865	0
Loans, net	28,010,224	40,076,460	3,086,488	5,672,490	6,208,714	11,917,473	13,191,295
Sub-total assets	40,602,880	53,982,569	10,161,415	6,396,001	7,339,392	14,546,123	15,539,638
Acceptances outstanding	31,126	31,126	312	2,834	27,980	0	0
Total assets	40,634,006	54,013,695	10,161,727	6,398,835	7,367,372	14,546,123	15,539,638

(1) Equity securities are excluded

	December 31, 2026						
	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
<i>Amounts in thousands</i>							
Liabilities							
Demand deposits	11,359,804	(11,359,804)	(11,359,804)	0	0	0	0
Savings deposits	7,764,751	(7,764,751)	(7,764,751)	0	0	0	0
Time deposits	11,089,588	(11,600,919)	(1,466,896)	(2,317,130)	(5,918,168)	(1,870,078)	(28,647)
Securities sold under repurchase agreements	39,622	(39,622)	(39,622)	0	0	0	0
Financial obligations	3,202,907	(3,601,479)	(226,438)	(474,786)	(1,062,784)	(1,507,451)	(330,020)
Other financial obligations	1,787,385	(2,862,520)	(7,557)	(36,987)	(325,052)	(1,235,907)	(1,257,017)
Lease liabilities	112,273	(129,136)	(3,105)	(14,663)	(16,144)	(69,124)	(26,100)
Sub-total liabilities	35,356,330	(37,358,231)	(20,868,173)	(2,843,566)	(7,322,148)	(4,682,560)	(1,641,784)
Commitments and guarantees	66,639	(66,639)	(8,456)	(14,421)	(43,762)	0	0
Acceptances	5,081	(5,081)	(1,285)	(1,527)	(2,269)	0	0
Total liabilities	35,428,050	(37,429,951)	(20,877,914)	(2,859,514)	(7,368,179)	(4,682,560)	(1,641,784)
Assets							
Cash and cash equivalents	1,050,626	1,050,626	1,050,626	0	0	0	0
Securities purchased under resale agreements	3,126	3,126	3,126	0	0	0	0
Deposits in banks, net	5,228,850	5,230,081	5,201,500	4,411	13,447	10,723	0
Investments at FVPL (1)	25,871	32,527	0	70	2,985	13,218	16,254
Investments at FVOCI (1)	4,753,074	5,642,441	235,087	393,499	1,272,382	2,268,764	1,472,709
Investments at AC (1)	187,889	335,249	31	3,762	10,490	66,827	254,139
Other accounts receivable, net	485,839	485,839	365,798	38,619	44,038	37,384	0
Loans, net	27,657,419	39,997,531	3,184,911	5,583,101	6,204,650	11,806,729	13,218,140
Sub-total assets	39,392,694	52,777,420	10,041,079	6,023,462	7,547,992	14,203,645	14,961,242
Acceptances outstanding	5,081	5,081	1,285	1,527	2,269	0	0
Total assets	39,397,775	52,782,501	10,042,364	6,024,989	7,550,261	14,203,645	14,961,242

(1) Equity securities are excluded

Notes to the Condensed Consolidated Interim Financial Statements

(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 Bank's liquidity position is measured and monitored on a daily basis by each country's treasury. Additionally, maintaining adequate levels of cash in vaults, bank deposits, and short-term funds constitute the basis of the Bank's liquidity reserves. The fair value of liquidity is close to its carrying amount, and its composition is presented in the following table:

	March 31, 2026	December 31, 2025
Cash and cash equivalents	942,427,344	1,050,626,169
Securities bought under resale agreements	0	3,125,890
Deposits in central banks	3,620,384,216	3,578,054,764
Deposits due from banks maturing in less than 90 days	1,761,790,715	1,623,946,378
Deposits due from banks maturing after 90 days	<u>227,845,507</u>	<u>26,848,374</u>
Total cash, cash equivalents and deposits in banks, net	<u>6,552,447,782</u>	<u>6,282,601,575</u>
Uncommitted sovereign debt instruments	4,946,545,784	4,294,864,754
Other credit lines available (1)	<u>2,542,886,720</u>	<u>2,362,710,189</u>
Total liquidity reserve	<u>14,041,880,286</u>	<u>12,940,176,518</u>

(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:

March 31, 2026

	Committed		Uncommitted		Total
	As Collateral	Available as Collateral	Legal Reserve (1)	Others (2)	
Cash and cash equivalents	0	0	0	942,427,344	942,427,344
Securities purchased under resale agreements	0	0	0	0	0
Deposits due from banks, net	0	895,490,057	3,528,730,059	1,185,800,322	5,610,020,438
Investments in securities, net	63,488,610	5,120,349,405	165,923,824	265,651,954	5,615,413,793
Loans, net	<u>308,608,162</u>	<u>0</u>	<u>0</u>	<u>27,701,616,219</u>	<u>28,010,224,381</u>
Total assets	<u>372,096,772</u>	<u>6,015,839,462</u>	<u>3,694,653,883</u>	<u>30,095,495,839</u>	<u>40,178,085,956</u>

(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, 2025

	Committed		Uncommitted		Total
	As Collateral	Available as Collateral	Legal Reserve (1)	Others (2)	
Cash and cash equivalents	0	0	0	1,050,626,169	1,050,626,169
Securities purchased under resale agreements	0	0	3,125,890	0	3,125,890
Deposits due from banks, net	0	661,561,013	3,465,172,700	1,102,115,803	5,228,849,516
Investments in securities, net	22,257,990	4,481,007,833	150,538,323	336,033,581	4,989,837,727
Loans, net	<u>314,316,606</u>	<u>0</u>	<u>0</u>	<u>27,343,102,349</u>	<u>27,657,418,955</u>
Total assets	<u>336,574,596</u>	<u>5,142,568,846</u>	<u>3,618,836,913</u>	<u>29,831,877,902</u>	<u>38,929,858,257</u>

(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.

Notes to the Condensed Consolidated Interim Financial Statements

(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; US dollars, the consolidated monetary position may be below this desirable limit.

Notes to the Condensed Consolidated Interim Financial Statements

(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:

March 31, 2026						
<i>Amounts in US millions</i>	Euro	Quetzales	Lempiras	Cordobas	Colones	Total
Cash, cash equivalents and deposits in banks	50	587	582	246	1,337	2,802
Investments in securities	0	545	654	287	836	2,322
Loans, net	<u>0</u>	<u>2,870</u>	<u>2,840</u>	<u>263</u>	<u>3,501</u>	<u>9,474</u>
Total assets	50	4,002	4,076	796	5,674	14,598
Deposits	10	3,227	3,063	659	4,488	11,447
Obligations	<u>0</u>	<u>302</u>	<u>403</u>	<u>0</u>	<u>728</u>	<u>1,433</u>
Total liabilities	10	3,529	3,466	659	5,216	12,880
Contingencies	<u>1</u>	<u>1</u>	<u>34</u>	<u>2</u>	<u>87</u>	<u>125</u>
Exchange risk exposure	41	<u>474</u>	<u>644</u>	<u>139</u>	<u>545</u>	<u>1,843</u>
December 31, 2025						
<i>Amounts in US millions</i>	Euro	Quetzales	Lempiras	Cordobas	Colones	Total
Cash, cash equivalents and deposits in banks	42	630	763	205	1,212	2,852
Investments in securities	0	491	517	245	658	1,911
Loans, net	<u>0</u>	<u>2,894</u>	<u>2,836</u>	<u>261</u>	<u>3,402</u>	<u>9,393</u>
Total assets	42	4,015	4,116	711	5,272	14,156
Deposits	11	3,165	3,095	621	4,215	11,107
Obligations	<u>0</u>	<u>339</u>	<u>411</u>	<u>0</u>	<u>681</u>	<u>1,431</u>
Total liabilities	11	3,504	3,506	621	4,896	12,538
Contingencies	<u>1</u>	<u>1</u>	<u>38</u>	<u>1</u>	<u>80</u>	<u>121</u>
Exchange risk exposure	32	<u>512</u>	<u>648</u>	<u>91</u>	<u>456</u>	<u>1,739</u>

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.

Notes to the Condensed Consolidated Interim Financial Statements

(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:

March 31, 2026	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Cash and cash equivalents	4,711,706,829	0	0	4,711,706,829
Securities purchased under resale agreements	0	0	0	0
Deposits due from Banks, net	950,837,534	7,720,885	0	958,558,419
Investments in securities, net	2,192,240,709	2,529,063,310	2,074,262,670	6,795,566,689
Loans, net	<u>25,000,193,809</u>	<u>4,455,691,559</u>	<u>1,192,124,634</u>	<u>30,648,010,002</u>
Total assets	<u>32,854,978,881</u>	<u>6,992,475,754</u>	<u>3,266,387,304</u>	<u>43,113,841,939</u>
Deposits	19,332,487,890	10,472,014,494	2,587,671,588	32,392,173,972
Securities sold under resale agreements	57,804,504	0	0	57,804,504
Financial obligations	2,969,582,414	716,337,210	283,509,722	3,969,429,346
Other financial obligations	<u>939,854,329</u>	<u>792,643,807</u>	<u>157,893,744</u>	<u>1,890,391,880</u>
Total liabilities	<u>23,299,729,137</u>	<u>11,980,995,511</u>	<u>3,029,075,054</u>	<u>38,309,799,702</u>
Exposure to interest rate risk	<u>9,555,249,744</u>	<u>(4,988,519,757)</u>	<u>237,312,250</u>	<u>4,804,042,237</u>

December 31, 2025	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Cash and cash equivalents	4,563,546,823	0	0	4,563,546,823
Securities purchased under resale agreements	3,100,000	0	0	3,100,000
Deposits due from Banks, net	719,826,460	10,723,379	0	730,549,839
Investments in securities, net	2,088,554,348	2,281,627,171	1,455,723,452	5,825,904,971
Loans, net	<u>24,856,181,876</u>	<u>4,405,425,089</u>	<u>1,211,773,233</u>	<u>30,473,380,198</u>
Total assets	<u>32,231,209,507</u>	<u>6,697,775,639</u>	<u>2,667,496,685</u>	<u>41,596,481,831</u>
Deposits	19,294,104,586	9,580,581,099	1,774,205,202	30,648,890,887
Securities sold under resale agreements	39,753,451	0	0	39,753,451
Financial obligations	2,587,740,160	573,949,236	283,330,852	3,445,020,248
Other financial obligations	<u>736,796,433</u>	<u>593,443,718</u>	<u>151,546,079</u>	<u>1,481,786,230</u>
Total liabilities	<u>22,658,394,630</u>	<u>10,747,974,053</u>	<u>2,209,082,133</u>	<u>35,615,450,816</u>
Exposure to interest rate risk	<u>9,572,814,877</u>	<u>(4,050,198,414)</u>	<u>458,414,552</u>	<u>5,981,031,015</u>

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, and 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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

The estimate of the impact of variations in interest rates is conducted under scenarios 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		
March 31, 2026	46,449,390	(45,845,877)
Average for the period	42,061,801	(41,264,191)
Maximum for the period	64,888,338	(65,982,248)
Minimum for the period	14,847,675	(11,964,448)
December 31, 2025	11,258,867	(8,267,491)
Average for the year	5,827,611	(2,782,256)
Maximum for the year	18,741,768	(16,460,030)
Minimum for the year	(5,670,675)	8,844,387
Impact on net income from interests		
March 31, 2026	38,365,686	(38,365,686)
Average for the period	43,977,818	(43,977,818)
Maximum for the period	52,894,146	(52,894,146)
Minimum for the period	38,365,686	(38,365,686)
December 31, 2025	36,065,500	(36,065,500)
Average for the year	28,272,693	(28,272,693)
Maximum for the year	36,065,500	(36,065,500)
Minimum for the year	15,364,651	(15,364,651)

(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.

Notes to the Condensed Consolidated Interim Financial Statements

(4) Risk management, continued

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.

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 perspective of control environment
- 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 application 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.

Notes to the Condensed Consolidated Interim Financial Statements

(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 are detailed below:

	March 31,	
	2026	2025
Cash and cash equivalents	942,427,344	764,372,144
Securities purchased under resale agreements	0	138,388,722
Deposits in central banks	3,620,384,216	2,948,010,641
Deposits in banks and deposits due in less than 90 days	<u>1,761,790,715</u>	<u>1,453,421,132</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	6,324,602,275	5,304,192,639
Deposits in banks with maturity over 90 days, net	<u>227,845,507</u>	<u>36,773,339</u>
Total cash, cash equivalents and deposits in banks	<u>6,552,447,782</u>	<u>5,340,965,978</u>

(7) Securities purchased under resale agreements

As of March 31, 2026, there were no securities purchased under resale agreements outstanding. As of December 31, 2025, securities purchased under resale agreements amounted to \$3,125,890, which matured in January 2026 and bore interest at rates ranging from 5.3% and 6.3%. These securities were collateralized by local government bonds and corporate bonds with a total value of \$3,100,000.

(8) Investments in securities

As of March 31, 2026, investments in securities amounting to \$5,615,413,793 (December 31, 2025 \$4,989,837,727) are summarized as follows:

(a) Investments at FVPL

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

	March 31, 2026	December 31, 2025
Government bonds	22,895,131	25,870,930
Equity securities	<u>19,783,535</u>	<u>19,802,916</u>
	<u>42,678,666</u>	<u>45,673,846</u>

As of March 31, 2026, the Bank no received common share dividends from equity securities at FVPL (December 31, 2025: \$1,386,227).

As of March 31, 2026 and December 31, 2025, 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:

	March 31, 2026	December 31, 2025
Government and agencies:		
United States of America	856,104,019	703,196,235
Other governments	<u>4,168,211,469</u>	<u>3,651,674,987</u>
	5,024,315,488	4,354,871,222
Corporate bonds	360,286,960	398,202,860
Equity securities	<u>3,515,855</u>	<u>3,200,766</u>
	<u>5,388,118,303</u>	<u>4,756,274,848</u>

Notes to the Condensed Consolidated Interim Financial Statements

(8) Investments in securities, continued

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

Entity	Country	March 31, 2026	December 31, 2025
Grupo APC, S.A.	Panama	910,114	910,112
Latinex Holdings, Inc.	Panama	820,317	509,589
Transacciones y Transferencias, S.A.	Guatemala	313,724	312,998
Servicios Financieros, S.A.	El Salvador	247,500	247,500
ACH de Nicaragua	Nicaragua	184,304	184,304
Bancajeros BANET	Honduras	166,553	167,749
Fondo Hondureno de Inversion Turistica	Honduras	163,818	164,994
ICG Imagenes Computarizadas de Guatemala, S.A.	Guatemala	144,129	143,796
Asociacion Bancaria de Guatemala	Guatemala	94,405	94,187
Other		<u>470,991</u>	<u>465,537</u>
		<u>3,515,855</u>	<u>3,200,766</u>

As of March 31, 2026, the portfolio of equity securities at FVOCI had a increase in the Bank's other comprehensive income of \$310,728 (December 31, 2025: increase of \$494,760). As of March 31, 2026, the Bank received \$30,172 in dividends from equity securities at FVOCI (December 31, 2025: \$1,213,295).

(c) Investments at AC

The investment portfolio at AC is detailed as follows:

	March 31, 2026	December 31, 2025
Government bonds	65,258,993	64,660,927
Corporate bonds	<u>119,357,831</u>	<u>123,228,106</u>
	<u>184,616,824</u>	<u>187,889,033</u>

(9) Loans

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

	March 31, 2026			December 31, 2025		
	Portfolio	Allowance for ECL	Portfolio net of allowance	Portfolio	Allowance for ECL	Portfolio net of allowance
Loans						
Corporate						
Corporate loans	10,753,793,965	(86,884,243)	10,666,909,722	10,497,085,026	(85,874,392)	10,411,210,634
Corporate leases, net (1)	<u>368,867,262</u>	<u>(2,093,329)</u>	<u>366,773,933</u>	<u>366,543,204</u>	<u>(2,177,016)</u>	<u>364,366,188</u>
Total Corporate	<u>11,122,661,227</u>	<u>(88,977,572)</u>	<u>11,033,683,655</u>	<u>10,863,628,230</u>	<u>(88,051,408)</u>	<u>10,775,576,822</u>
Personal banking, Small and Medium company						
Medium company						
Medium company loans	935,614,930	(16,606,308)	919,008,622	934,763,336	(14,978,364)	919,784,972
Medium company leases, net (1)	<u>119,349,870</u>	<u>(758,454)</u>	<u>118,591,416</u>	<u>112,997,694</u>	<u>(748,970)</u>	<u>112,248,724</u>
Total Medium company	<u>1,054,964,800</u>	<u>(17,364,762)</u>	<u>1,037,600,038</u>	<u>1,047,761,030</u>	<u>(15,727,334)</u>	<u>1,032,033,696</u>
Small company						
Small company loans	1,343,622,374	(18,945,489)	1,324,676,885	1,291,146,316	(15,928,057)	1,275,218,259
Small company leases, net (1)	<u>170,466,537</u>	<u>(2,087,655)</u>	<u>168,378,882</u>	<u>165,857,104</u>	<u>(1,595,402)</u>	<u>164,261,702</u>
Total Small company	<u>1,514,088,911</u>	<u>(21,033,144)</u>	<u>1,493,055,767</u>	<u>1,457,003,420</u>	<u>(17,523,459)</u>	<u>1,439,479,961</u>
Personal banking						
Mortgage loans	4,334,862,576	(35,839,789)	4,299,022,787	4,295,570,445	(37,366,496)	4,258,203,949
Personals	2,673,211,699	(104,867,102)	2,568,344,597	2,649,214,893	(106,273,248)	2,542,941,645
Vehicles	1,752,257,972	(9,685,632)	1,742,572,340	1,697,545,397	(10,139,813)	1,687,405,584
Personal leases, net (1)	220,547,536	(1,758,939)	218,788,597	217,081,570	(2,041,105)	215,040,465
Credit cards	<u>6,106,189,759</u>	<u>(489,033,159)</u>	<u>5,617,156,600</u>	<u>6,194,675,291</u>	<u>(487,938,458)</u>	<u>5,706,736,833</u>
Total Personal banking	<u>15,087,069,542</u>	<u>(641,184,621)</u>	<u>14,445,884,921</u>	<u>15,054,087,596</u>	<u>(643,759,120)</u>	<u>14,410,328,476</u>
Total Personal banking and Small company	<u>17,656,123,253</u>	<u>(679,582,527)</u>	<u>16,976,540,726</u>	<u>17,558,852,046</u>	<u>(677,009,913)</u>	<u>16,881,842,133</u>
Total loans	<u>28,778,784,480</u>	<u>(768,560,099)</u>	<u>28,010,224,381</u>	<u>28,422,480,276</u>	<u>(765,061,321)</u>	<u>27,657,418,955</u>
(1) Total leases, net of interest	<u>879,231,205</u>	<u>(6,698,377)</u>	<u>872,532,828</u>	<u>862,479,572</u>	<u>(6,562,493)</u>	<u>855,917,079</u>

Notes to the Condensed Consolidated Interim Financial Statements

(9) Loans, continued

The net value of finance leases receivable is presented below:

	March, 31 2026	December 31, 2025
Minimum lease payments receivable	924,997,635	908,621,815
Less: unearned interest	<u>34,152,695</u>	<u>34,650,814</u>
Minimum lease payments receivable, net	890,844,940	873,971,001
Less: allowance for losses on leases	6,698,377	6,562,493
Less: net deferred commissions	<u>11,613,735</u>	<u>11,491,429</u>
Net value of investment in finance leases	<u>872,532,828</u>	<u>855,917,079</u>

The following table summarizes the minimum lease payments receivable as of March 31, 2026:

<u>Year ending December 31</u>	
2026	144,946,043
2027	185,279,915
2028	168,803,193
2029	147,501,167
2030 and thereafter	<u>244,314,618</u>
	<u>890,844,936</u>

(10) Deposits from customers

Deposits from customers by type are detailed below:

	March 31, 2026	December 31, 2025
Individual customers		
Demand	1,857,983,205	1,829,627,619
Savings	7,194,264,256	6,928,165,703
Time deposits	5,407,430,692	5,235,837,770
Corporate customers		
Demand	9,880,576,340	9,530,176,466
Savings	915,763,887	836,585,700
Time deposits	<u>6,352,672,307</u>	<u>5,853,750,691</u>
	<u>31,608,690,687</u>	<u>30,214,143,949</u>

As of March 31, 2026, time deposits from corporate customers include instruments subscribed with special-purpose vehicles (SPVs), whose carrying amount net of origination costs totals \$1,315,829,802 (December 31, 2025: \$725,981,030). The corresponding detail of these instruments is presented below:

Vehicle	Serie	Fixed interest rate	March 31, 2026		December 31, 2025	
			Principal amount	Origination cost	Principal amount	Origination cost
BIB Merchant Voucher Receivables Limited	2017-1	4.08%	74,667,141	503,743	89,151,281	630,433
BIB Merchant Voucher Receivables Limited	2018-1	4.18%	150,848,982	1,069,247	166,755,287	1,199,439
BIB Central American Card Receivables Limited	2019-1	3.50%	449,351,213	3,076,158	475,410,085	3,505,751
BIB Merchant Voucher Receivables Limited	2026-1	5.66%	325,000,000	2,194,193	0	0
BIB Merchant Voucher Receivables Limited	2026-2	6.08%	<u>325,000,000</u>	<u>2,194,193</u>	<u>0</u>	<u>0</u>
			<u>1,324,867,336</u>	<u>9,037,534</u>	<u>731,316,653</u>	<u>5,335,623</u>

BIB Merchant Voucher Receivables Limited (SPV) issued financial obligations subscribed by international holders, secured by the collection rights of accounts receivable, which are generated in transactions in affiliated businesses generated from transactions at affiliated merchants and processed by the Bank, with credit cards issued with 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 March 31, 2026, the weighted average remaining term of the corresponding certificates is 0.63 years and 1.14 years, respectively. (December 31, 2025: 0.88 years).

Notes to the Condensed Consolidated Interim Financial Statements

(10) Deposits from customers, continued

BIB Central American Card Receivables Limited (SPV) issued financial obligations subscribed by international holders guaranteed, secured by the collection rights of accounts receivable, which are generated in transactions in affiliate businesses and processed by the Bank, with credit cards issued by international financial institutions, with 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 March 31, 2026, the weighted average remaining term of the certificates is 2.04 years. (December 31, 2025: 2.29 years).

BIB Merchant Voucher Receivables Limited (SPV) issued financial obligations subscribed by international investors, secured by the collection rights over accounts receivable generated from transactions at affiliated merchants and processed by the Bank using Visa and MasterCard credit cards issued in Panama. The obligations have an average original maturity of 12 years. Principal repayments on the 2026-1 and 2026-2 obligations will commence through Citibank N.A. in October 2029 and April 2034, respectively. As of March 31, 2026, the weighted average maturity of the certificates is 7.07 years and 11.08 years, respectively.

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 amounts received for the notes issued in fixed-term certificates of deposits in BAC International Bank Inc.

(11) Financial obligations

Financial obligations are detailed below:

	March 31, 2026		
	Interest rate	Maturities up to	Carrying amount
Payable in US dollars:			
Fixed rate	1.50% to 5.92%	2038	689,037,547
Floating rate	4.00% to 8.15%	2031	1,863,350,974
Payable in quetzales (Guatemala):			
Fixed rate	7.00%	2028	302,106,444
Payable in lempiras (Honduras):			
Fixed rate	1.00% to 11.50%	2058	288,699,094
Payable in colones (Costa Rica):			
Floating rate	5.50% to 5.70%	2038	<u>30,805,090</u>
			<u>3,173,999,149</u>
	December 31, 2025		
	Interest rate	Maturities up to	Carrying amount
Payable in US dollars:			
Fixed rate	1.50% to 6.10%	2038	741,485,830
Floating rate	4.03% to 8.23%	2031	1,794,298,484
Payable in quetzales (Guatemala):			
Fixed rate	7.26% to 8.00%	2027	340,501,212
Floating rate			
Payable in lempiras (Honduras):			
Fixed rate	1.00% to 13.25%	2058	296,859,371
Payable in colones (Costa Rica):			
Floating rate	5.58% to 5.78%	2038	<u>29,761,627</u>
			<u>3,202,906,524</u>

Notes to the Condensed Consolidated Interim Financial Statements

(11) Financial Obligations, continued

As of March 31, 2026, the carrying amount of the principal issued by BAC San Jose DPR Funding Limited, a special purpose vehicle (hereinafter SPV), amounted to \$82,500,000 (December 31, 2025: \$89,518,607), corresponding to the 2020-1 series with a nominal balance of \$82,500,000 (December 31, 2025: 90,000,000). The unamortized origination costs associated of this certificates amounted to \$892,059 as of March 31, 2026 (December 31, 2025: \$916,143). 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 SPV. 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 March 31, 2026, the weighted average remaining term of the notes is 1.40 years (December 31, 2025: 1.52 years).

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

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

	March 31,	
	2026	2025
Balance at year beginning	3,202,906,524	2,984,427,239
Changes from financing cash flows		
Proceeds from financial obligations	626,367,513	326,148,334
Payment of financial obligations	<u>(658,215,818)</u>	<u>(582,206,321)</u>
Total changes from financing cash flows	<u>(31,848,305)</u>	<u>(256,057,987)</u>
Effect of changes in foreign exchange rates	827,233	(723,677)
Other changes (liability-related)		
Interest expense	45,156,951	44,642,118
Interest paid	<u>(43,043,254)</u>	<u>(45,064,203)</u>
Total liability-related other changes	<u>2,113,697</u>	<u>(422,085)</u>
Balance at period end	<u>3,173,999,149</u>	<u>2,727,223,490</u>

(12) Other financial obligations

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

Payable in:	March 31, 2026		December 31, 2025	
	Interest rate	Carrying amount	Interest rate	Carrying amount
US dollars	3.50% to 10.00%	1,025,379,760	3.50% to 10.00%	1,021,338,194
Colones	5.72% to 12.35%	697,455,887	5.72% to 12.35%	651,112,717
Lempiras	5.50% to 10.88%	114,075,877	5.50% to 12.19%	114,601,578
Quetzales	6.50%	<u>1,425,505</u>	6.50%	<u>332,523</u>
		<u>1,838,337,029</u>		<u>1,787,385,012</u>

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 March 31, 2026, 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.

Notes to the Condensed Consolidated Interim Financial Statements

(12) Other Financial Obligations, continued

Through Resolution No. 392-12 dated November 27, 2012, 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 under a Revolving Corporate Bond Program for a maximum aggregate nominal amount of up to \$100,000,000 (one hundred million). The bonds are issued in global, registered and non-coupon-bearing form, in denominations of \$1,000 or multiples thereof, and are denominated in the legal currency of the United States of America. Issuances may be made in various series, depending on the issuer's funding needs and market demand. The bonds may bear a fixed or variable annual interest rate, as determined by the issuer at the time of each offering. In the case of variable-rate bonds, interest is calculated based on the three-month SOFR rate (originally three-month LIBOR), plus a spread. As of March 31, 2026, there were no bonds outstanding under this program.

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:

	March 31,	
	2026	2025
Balance at year beginning	1,787,385,012	1,539,301,759
Changes from financing cash flows		
Proceeds from other financial obligations	9,299,188	174,156,898
Payment from other financial obligations	<u>(9,446,759)</u>	<u>(6,192,109)</u>
Total changes from financing cash flows	<u>(147,571)</u>	<u>167,964,789</u>
Effect of changes in foreign exchange rates	50,160,938	10,395,250
Other changes (liability-related)		
Interest expense	38,740,878	36,043,315
Interest paid	<u>(37,802,228)</u>	<u>(34,104,986)</u>
Total other liability-related changes	<u>938,650</u>	<u>1,938,329</u>
Balance at period end	<u>1,838,337,029</u>	<u>1,719,600,127</u>

(13) Lease liabilities

Lease liabilities are detailed below:

	March 31, 2026			
	Interest rate	Maturities up to	Carrying amount	Undiscounted cash flows
Payable in US dollars	5.10% to 5.22%	2039	106,583,987	204,767,423
Payable in quetzales (Guatemala)	5.22%	2032	1,127,552	1,218,543
Payable in lempiras (Honduras)	5.22% to 7.58%	2034	593,852	681,167
Payable in colones (Costa Rica)	3.96% to 7.99%	2036	<u>160,447</u>	<u>192,151</u>
			<u>108,465,838</u>	<u>206,859,284</u>
	December 31, 2025			
	Interest rate	Maturities up to	Carrying amount	Undiscounted cash flows
Payable in US dollars	5.22%	2038	107,854,765	123,487,819
Payable in quetzales (Guatemala)	5.22%	2032	1,033,220	1,111,491
Payable in lempiras (Honduras)	5.22% to 7.58%	2039	3,286,279	4,424,342
Payable in colones (Costa Rica)	3.96% to 7.99%	2033	<u>99,187</u>	<u>112,921</u>
			<u>112,273,451</u>	<u>129,136,573</u>

Notes to the Condensed Consolidated Interim Financial Statements

(13) Lease liabilities, continued

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

	March 31, 2026	December 31, 2025
Less than a year	61,578,839	33,912,431
One to two years	42,427,924	27,139,744
Two to three years	30,121,918	18,462,821
Three to four years	22,473,765	12,963,407
Four to five years	16,928,745	10,557,887
More than five years	<u>33,328,093</u>	<u>26,100,283</u>
	<u>206,859,284</u>	<u>129,136,573</u>

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

	March 31, 2026	March 31, 2025
Interest on leases	1,431,445	1,498,738
Expense for leases for less than 12 months	1,163,553	958,359
Expense for leases of low-value assets	4,987,121	4,323,358

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

	March 31, 2026	March 31, 2025
Balance at year beginning	112,273,451	116,077,068
Changes from financing cash flows		
Payment of lease liabilities	<u>(8,065,150)</u>	<u>(8,616,036)</u>
Total changes from financing cash flows	<u>(8,065,150)</u>	<u>(8,616,036)</u>
Effect of changes in foreign exchange rates	4,394,254	10,489,581
Effect of new lease liabilities	(136,717)	(1,043,676)
Other changes (liability-related)		
Interest expense	1,431,445	1,498,738
Interest paid	<u>(1,431,445)</u>	<u>(1,498,738)</u>
Total other liability-related changes	<u>0</u>	<u>0</u>
Balance at period end	<u>108,465,838</u>	<u>116,906,937</u>

Notes to the Condensed Consolidated Interim Financial Statements

(14) Common stock

As of March 31, 2026, and December 31, 2025, 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:

	March 31,	
	2026	2025
Net income from the sales of investments at FVOCI	6,372,926	11,944,800
Unrealized net gain (losses) from securities at FVPL	(1,054,829)	(1,272,383)
Realized gain on investments at FVPL	<u>(396,838)</u>	<u>320,100</u>
	<u>4,921,259</u>	<u>10,992,517</u>

(16) Income taxes

As of March 31, 2026, the Bank maintains an effective tax rate of 29.50% (December 31, 2025: 23.65%).

The Bank's earnings are taxed in various jurisdictions. As of March 31, 2026, the Bank had unrecognized tax positions for \$239,442 (December 31, 2025: \$223,412). Interest and penalties related to income tax liabilities and recognized as part of income tax expense for the year ended March 31, 2026 amounted to \$4,848 (December 31, 2025: \$18,561). Total interest and penalties included in other liabilities as of March 31, 2026 were \$327,509 (December 31, 2025: \$300,889).

(17) Off-balance sheet 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. Because some commitments expire without being drawn upon, the total amount of commitment does not necessarily represent future funding requirements. The amount of collateral obtained, if deemed necessary by the Bank, is determined based on management's credit evaluation of the customer.

Notes to the Condensed Consolidated Interim Financial Statements

(17) Off-balance sheet financial instruments with risk and other commitments, continued

As of March 31, 2026, the Bank maintained revolving lines of credit available for its credit card customers in each of the countries where it operates. The total credit limit amounted to approximately \$11,333 million (December 31, 2025: \$11,888 million). The unused portion of the total available amounted to \$7,174 million (December 31, 2025: \$7,614 million). Although these amounts represent the available credit limits granted to customers, the Bank has never experienced, nor does it anticipate, that all customers will draw the full amount of their available lines of credit simultaneously at any point in time.

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 an irrevocable assurance that the Bank will make payment in the event that the customer fails to fulfill its obligations to a third party.

The Bank applies the same credit policies when entering into commitments and contingent obligations as it does when granting loans that are recognized in the consolidated statement of financial position. As of March 31, 2026, the outstanding amounts of letters of credit, financial guarantees, and promissory letters of payment were as follows:

	March 31, 2026	December 31, 2025
Stand-by letters of credit	246,063,568	239,217,008
Commercial letters of credit	87,279,421	55,200,865
Financial guarantees	385,401,238	396,710,119
Commitments and guarantees (1)	<u>60,982,515</u>	<u>66,639,275</u>
	<u>779,726,742</u>	<u>757,767,267</u>

(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 March 31, 2026, are detailed as follows:

	March 31, 2026	December 31, 2025
Up to 1 year	565,334,502	585,070,713
Over 1 year	<u>127,112,819</u>	<u>117,495,689</u>
	<u>692,447,321</u>	<u>702,566,402</u>

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 March 31, 2026, the assets held as collateral, that the Bank can obtain and liquidate to recover totally or partially the amounts paid under guarantees amounted to \$180,021,256 (December 31, 2025: \$202,350,696).

As of March 31, 2026 and December 31, 2025, BAC International Bank, Inc., maintained irrevocable guarantees and stand-by letters of credit to support interchange settlement payments on behalf of Visa, MasterCard and American Express. The total guaranteed amount was \$82,373,264 (December 31, 2025: \$82,373,264).

Notes to the Condensed Consolidated Interim Financial Statements

(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.

Notes to the Condensed Consolidated Interim Financial Statements

(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)	March 31, 2026
Assets			
Investments at FVPL:			
Other governments	22,895,131	0	22,895,131
Equity securities	<u>0</u>	<u>19,783,535</u>	<u>19,783,535</u>
Total investments at FVPL	<u>22,895,131</u>	<u>19,783,535</u>	<u>42,678,666</u>
Investments at FVOCI:			
Government and agency bonds:			
United States of America	856,104,019	0	856,104,019
Other governments	<u>4,168,211,469</u>	<u>0</u>	<u>4,168,211,469</u>
	5,024,315,488	0	5,024,315,488
Corporate debentures	360,286,960	0	360,286,960
Equity securities	<u>1,730,428</u>	<u>1,785,427</u>	<u>3,515,855</u>
Total investments at FVOCI	<u>5,386,332,876</u>	<u>1,785,427</u>	<u>5,388,118,303</u>
Investments at AC:			
Other governments	65,258,993	0	65,258,993
Corporate debentures	<u>119,357,831</u>	<u>0</u>	<u>119,357,831</u>
Total investments at AC	<u>184,616,824</u>	<u>0</u>	<u>184,616,824</u>
Total assets	<u>5,593,844,831</u>	<u>21,568,962</u>	<u>5,615,413,793</u>

	Other significant observable assumptions (Level 2)	Significant unobservable assumptions (Level 3)	December 31, 2025
Assets			
Investments at FVPL:			
Other governments	25,870,930	0	25,870,930
Equity securities	<u>0</u>	<u>19,802,916</u>	<u>19,802,916</u>
Total investments at FVPL	<u>25,870,930</u>	<u>19,802,916</u>	<u>45,673,846</u>
Investments at FVOCI:			
Government and agency bonds:			
United States of America	703,196,235	0	703,196,235
Other governments	<u>3,651,674,987</u>	<u>0</u>	<u>3,651,674,987</u>
	4,354,871,222	0	4,354,871,222
Corporate debentures	398,202,860	0	398,202,860
Equity securities	<u>1,419,699</u>	<u>1,781,067</u>	<u>3,200,766</u>
Total investments at FVOCI	<u>4,754,493,781</u>	<u>1,781,067</u>	<u>4,756,274,848</u>
Investments at AC:			
Other governments	64,660,927	0	64,660,927
Corporate debentures	<u>123,228,106</u>	<u>0</u>	<u>123,228,106</u>
Total investments at AC	<u>187,889,033</u>	<u>0</u>	<u>187,889,033</u>
Total assets	<u>4,968,253,744</u>	<u>21,583,983</u>	<u>4,989,837,727</u>

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 March 31, 2026, there were no transfers between levels.

Notes to the Condensed Consolidated Interim Financial Statements

(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 March 31, 2026 (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.

March 31, 2026	Investments in equity securities at		
	FVPL	FVOCI	Total
Assets - Investments in equity securities at			
Fair value at January 1, 2026	19,802,916	1,781,067	21,583,983
Purchase of shares	0	0	0
Capital adjustment	0	0	0
Reclassification of investments	0	0	0
Valuation of investments	0	0	0
Foreign currency translation	(19,381)	4,360	(15,021)
Fair value at March 31, 2026	<u>19,783,535</u>	<u>1,785,427</u>	<u>21,568,962</u>

December 31, 2025	Investments in equity securities at		
	FVPL	FVOCI	Total
Assets - Investments in equity securities at			
Fair value at January 1, 2025	16,276,514	2,245,392	18,521,906
Purchase of shares	0	157,058	157,058
Capital adjustment	0	(34,704)	(34,704)
Reclassification of investments	3,022,211	0	3,022,211
Valuation of investments	594,392	(594,392)	0
Foreign currency translation	(90,201)	7,713	(82,488)
Fair value at December 31, 2025	<u>19,802,916</u>	<u>1,781,067</u>	<u>21,583,983</u>

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.	(2,3)
	Market prices provided by price vendors or local regulators, in lower trading markets.	
	Discounted cash flows using a market rate of an instrument with similar remaining maturity are used for several bonds.	
Equity securities	Discounted cash flows using a premium-for-size adjusted cost of capital rate.	(2,3)
	Market prices provided by local stock exchanges and/or net asset value.	
	Book Value of instruments acquired or received for specific business purposes and not used for liquidity management	
Embedded financial derivative instruments	Functional currency cash flows.	(3)
	Foreign currency cash flows.	

Notes to the Condensed Consolidated Interim Financial Statements

(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 characteristics 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.

Notes to the Condensed Consolidated Interim Financial Statements

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

Below are the valuation techniques and significant unobservable inputs used to determine the fair value of recurring and non-recurring assets and liabilities categorized within Level 3 of the fair value hierarchy that are recognized in the annual consolidated statement of financial position as of December 31, 2025:

<u>December 31, 2025</u>	Quantitative information of Level 3 fair values			
	Fair value	Valuation technique	Unobservable assumptions	Range (weighted average)
Equity securities at FVPL	19,802,916	Discounted cash flows	Increase annual rate	20% - 25%
Equity securities at FVOCI	1,781,065	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:

	March 31, 2026			
	Level 2	Level 3	Total fair value	Total carrying amount
Financial assets				
Cash and cash equivalents	942,427,344	0	942,427,344	942,427,344
Securities purchased under resale agreements	0	0	0	0
Deposits in banks, net	0	5,610,020,438	5,610,020,438	5,610,020,438
Loans, net (excluding financial leases)	0	26,075,109,350	26,075,109,350	27,137,691,555
Acceptances outstanding	0	31,126,238	31,126,238	31,126,238
Total financial assets	<u>942,427,344</u>	<u>31,716,256,026</u>	<u>32,658,683,370</u>	<u>33,721,265,575</u>
Financial liabilities				
Deposits from customers	19,848,587,688	12,731,888,295	32,580,475,983	31,608,690,687
Securities sold under repurchase agreements	0	57,069,800	57,069,800	57,069,800
Financial obligations	0	3,212,829,603	3,212,829,603	3,173,999,149
Other financial obligations	0	1,828,818,146	1,828,818,146	1,838,337,029
Acceptances outstanding	0	31,126,238	31,126,238	31,126,238
Total financial liabilities	<u>19,848,587,688</u>	<u>17,861,732,082</u>	<u>37,710,319,770</u>	<u>36,709,222,903</u>
	December 31, 2025			
	Level 2	Level 3	Total fair value	Total carrying amount
Financial assets				
Cash and cash equivalents	1,050,626,169	0	1,050,626,169	1,050,626,169
Securities purchased under resale agreements	0	3,125,890	3,125,890	3,125,890
Deposits in banks, net	0	5,228,849,516	5,228,849,516	5,228,849,516
Loans, net (excluding financial leases)	0	25,919,576,386	25,919,576,386	26,801,501,876
Acceptances outstanding	0	5,080,538	5,080,538	5,080,538
Total financial assets	<u>1,050,626,169</u>	<u>31,156,632,330</u>	<u>32,207,258,499</u>	<u>33,089,183,989</u>
Financial liabilities				
Deposits from customers	19,124,555,488	10,529,299,697	29,653,855,185	30,214,143,949
Securities sold under repurchase agreements	0	39,621,845	39,621,845	39,621,845
Financial obligations	0	3,263,946,434	3,263,946,434	3,202,906,524
Other financial obligations	0	1,770,607,176	1,770,607,176	1,787,385,012
Acceptances outstanding	0	5,080,538	5,080,538	5,080,538
Total financial liabilities	<u>19,124,555,488</u>	<u>15,608,555,690</u>	<u>34,733,111,178</u>	<u>35,249,137,868</u>

Notes to the Condensed Consolidated Interim Financial Statements

(19) Administration of trust contracts and securities custody

As of March 31, 2026, several subsidiaries of the Bank manage and keep custody of securities for a total amount of 9,246,364,928 (December 31, 2025: \$6,560,971,175).

(20) Related party transactions

In the normal course of its operations, the Bank carries out transactions with related parties, including principal executives and directors. These transactions, in according with the Bank's internal policies, are conducted at market value and comply with the arm's length principle.

The following table presents the balances and transactions with related parties as of March 31, 2026:

	March 31, 2026			December 31, 2025		
	Key personnel and directors	Controlling interest	Related parties	Key personnel and directors	Controlling interest	Related parties
Assets:						
Interest bearing deposits	0	0	219,097,080	0	0	21,930,000
Investments at FVOCI	0	0	936,664	0	0	937,415
Loans	21,333,353	0	319,228,506	20,962,150	0	368,301,963
Allowance for loan losses	(86,340)	0	(274,844)	(83,939)	0	(521,724)
Accrued interest receivable and other accounts receivable	68,902	0	7,494,040	72,320	0	1,768,376
	<u>21,315,915</u>	<u>0</u>	<u>546,481,446</u>	<u>20,950,531</u>	<u>0</u>	<u>392,416,030</u>
Liabilities:						
Demand deposits	8,187,893	2,237,800	173,561,607	6,210,306	5,071,686	172,602,280
Time deposits	22,247,202	0	59,282,260	19,341,730	0	62,296,989
Other financial obligations	0	0	520,000,000	0	0	520,000,000
Accrued interest payable and other liabilities	269,760	0	4,063,016	297,662	0	4,042,451
	<u>30,704,855</u>	<u>2,237,800</u>	<u>756,906,883</u>	<u>25,849,698</u>	<u>5,071,686</u>	<u>758,941,720</u>
	March 31, 2026			March 31, 2025		
Interest income and other income	318,458	171,555	10,241,811	279,484	210,090	9,840,793
Interest expense and other expenses	298,065	29,294	18,099,863	334,366	129,930	16,366,231
Expense (recovery) for credit risk on loans	2,401	0	(246,880)	(2,968)	0	486,310
Key management personnel benefits	5,359,533	0	0	5,470,884	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. Bank's management reviews the internal management reports of each operating group at least once a month.

Notes to the Condensed Consolidated Interim Financial Statements

(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.

March 31, 2026	BAC Guatemala	BAC El Salvador	BAC Honduras	BAC Nicaragua	BAC Costa Rica	BAC Panama	Others	Eliminations	Total
Total assets	6,992,050,889	4,139,381,736	5,775,446,327	2,886,703,258	13,375,342,752	13,748,729,271	413,073,589	(5,314,869,948)	42,015,857,874
Total liabilities	6,201,299,105	3,712,244,192	5,003,382,204	2,251,508,351	11,624,438,814	9,577,451,032	73,990,176	(600,069,292)	37,844,244,582
Condensed Consolidated statement of profit or loss									
Interest income	130,391,857	82,993,641	163,049,870	61,767,226	263,168,257	159,588,299	1,738,586	(5,718,494)	856,979,242
Interest expense	(54,180,354)	(26,006,387)	(44,809,358)	(8,838,168)	(72,655,065)	(95,183,391)	(329,743)	5,718,494	(296,283,972)
Net interest income	76,211,503	56,987,254	118,240,512	52,929,058	190,513,192	64,404,908	1,408,843	0	560,695,270
Credit risk impairment loss, net	(24,033,132)	(14,696,950)	(36,463,145)	(6,125,392)	(39,147,338)	(26,558,958)	(614)	0	(147,025,529)
Net interest income after credit risk impairment losses	52,178,371	42,290,304	81,777,367	46,803,666	151,365,854	37,845,950	1,408,229	0	413,669,741
Commissions and service charges income	95,364,758	26,979,351	80,781,630	37,813,245	233,126,748	69,995,783	41,824,047	0	585,885,562
Commissions and other charges expenses	(58,836,650)	(16,145,172)	(37,062,003)	(16,988,049)	(83,777,133)	(50,819,176)	(33,016)	253,107	(263,408,092)
Gain on financial instruments, net	0	0	0	0	812,106	4,109,153	0	0	4,921,259
Foreign currency exchange, net	(945,696)	0	1,259,648	(124,358)	(71,836,559)	(23,093)	(3,357,314)	0	(75,027,372)
Other income, net	1,542,388	822,160	528,896	221,391	1,915,350	960,135	81,528,123	(82,238,700)	5,279,743
Operating expense	(65,286,310)	(41,485,939)	(77,741,182)	(30,557,914)	(200,595,417)	(51,591,816)	(71,755,442)	81,985,593	(457,028,427)
Income before income tax	24,016,861	12,460,704	49,544,356	37,167,981	31,010,949	10,476,936	49,614,627	0	214,292,414
Less: Income tax	(4,492,414)	(2,579,396)	(13,097,617)	(12,447,469)	(24,858,599)	(5,648,867)	(91,422)	0	(63,215,784)
Net income	19,524,447	9,881,308	36,446,739	24,720,512	6,152,350	4,828,069	49,523,205	0	151,076,630
December 31, 2025	BAC Guatemala	BAC El Salvador	BAC Honduras	BAC Nicaragua	BAC Costa Rica	BAC Panama	Others	Eliminations	Total
Total assets	6,829,589,154	4,040,157,928	5,757,229,967	2,763,591,610	12,769,684,716	13,284,273,545	399,689,814	(5,097,136,506)	40,747,080,228
Total liabilities	6,063,422,915	3,622,678,392	5,018,817,891	2,153,126,616	11,134,743,901	8,907,955,423	73,919,922	(604,224,837)	36,370,440,223
March 31, 2025									
Condensed Consolidated statement of profit or loss									
Interest income	135,647,423	81,437,531	158,990,835	53,039,665	248,976,944	147,834,024	1,943,569	(6,993,513)	820,876,478
Interest expense	(58,647,936)	(28,712,951)	(56,270,926)	(6,750,825)	(73,325,134)	(89,952,468)	(379,126)	6,993,513	(307,045,853)
Net interest income	76,999,487	52,724,580	102,719,909	46,288,840	175,651,810	57,881,556	1,564,443	0	513,830,625
Credit risk impairment loss, net	(29,656,159)	(15,348,975)	(31,153,757)	(2,746,192)	(42,163,165)	(23,103,275)	713	0	(144,170,810)
Net interest income after credit risk impairment losses	47,343,328	37,375,605	71,566,152	43,542,648	133,488,645	34,778,281	1,565,156	0	369,659,815
Commissions and service charges income	85,141,616	23,234,721	72,049,695	33,531,142	209,287,785	61,695,150	41,628,107	(6,994,406)	519,573,810
Commissions and other charges expenses	(47,294,797)	(12,516,400)	(33,530,712)	(14,247,455)	(76,320,766)	(41,488,141)	(37,963)	11,766	(225,424,468)
Gain on financial instruments, net	0	(45,190)	7,029	0	11,021,477	9,201	0	0	10,992,517
Foreign currency exchange, net	(60,822)	0	939,851	(36,547)	(13,684,794)	(2,681)	(671,932)	0	(13,516,925)
Other income, net	1,369,206	382,496	228,811	37,114	1,801,436	1,688,000	74,905,949	(75,421,103)	4,991,909
Operating expense	(62,290,104)	(39,706,516)	(71,915,480)	(29,393,619)	(186,384,412)	(53,247,088)	(70,176,980)	82,403,743	(430,710,456)
Income before income tax	24,208,427	8,724,716	39,345,346	33,433,283	79,209,371	3,432,722	47,212,337	0	235,566,202
Less: Income tax	(3,471,636)	(2,149,093)	(9,634,773)	(11,580,473)	(28,292,826)	(5,506,910)	(104,087)	0	(60,739,798)
Net income	20,736,791	6,575,623	29,710,573	21,852,810	50,916,545	(2,074,188)	47,108,250	0	174,826,404

Notes to the Condensed Consolidated Interim Financial Statements

(22) Litigation

As of March 31, 2026, 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 Bank's condensed consolidated interim financial statements 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 March 31, 2026, the Bank complied with the capital adequacy requirements applicable to banking operations in the countries where it operates, whose minimum required levels range from 9.25% to 12.50% (December 31, 2025: between 9,25% and 12.50%). The Bank also complies with all other applicable regulatory and prudential requirements.

Main laws and regulations applicable to 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.

Notes to the Condensed Consolidated Interim Financial Statements

(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 March 31, 2026 and December 31, 2025:

	March 31, 2026					
	Satisfactory	Special Mention	Substandard	Doubtful	Loss	Total
Corporate and other loans	12,997,094,728	506,738,989	88,484,503	26,248,920	51,726,873	13,670,294,013
Consumer loans	<u>14,123,009,821</u>	<u>554,565,915</u>	<u>116,576,677</u>	<u>123,909,354</u>	<u>59,894,934</u>	<u>14,977,956,701</u>
Total	<u>27,120,104,549</u>	<u>1,061,304,904</u>	<u>205,061,180</u>	<u>150,158,274</u>	<u>111,621,807</u>	<u>28,648,250,714</u>
Specific reserve	<u>0</u>	<u>109,785,575</u>	<u>72,568,231</u>	<u>86,802,535</u>	<u>55,000,056</u>	<u>324,156,397</u>

	December 31, 2025					
	Satisfactory	Special Mention	Substandard	Doubtful	Loss	Total
Corporate and other loans	12,669,359,649	505,568,670	93,222,527	26,889,158	48,955,547	13,343,995,551
Consumer loans	<u>14,035,238,042</u>	<u>607,402,288</u>	<u>125,255,620</u>	<u>116,639,828</u>	<u>62,549,335</u>	<u>14,947,085,113</u>
Total	<u>26,704,597,691</u>	<u>1,112,970,958</u>	<u>218,478,147</u>	<u>143,528,986</u>	<u>111,504,882</u>	<u>28,291,080,664</u>
Specific reserve	<u>0</u>	<u>110,559,057</u>	<u>75,124,670</u>	<u>85,778,964</u>	<u>50,133,615</u>	<u>321,596,306</u>

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 March 31, 2026 and December 31, 2025, the classification of the loan portfolio at amortized cost by maturity profile based on Agreement No. 4-2013 is as follows:

	March 31, 2026			
	Current	Past due	Overdue	Total
Corporate and other loans	13,538,430,718	83,593,855	48,269,440	13,670,294,013
Consumer loans	<u>14,419,958,769</u>	<u>306,836,286</u>	<u>251,161,646</u>	<u>14,977,956,701</u>
Total	<u>27,958,389,487</u>	<u>390,430,141</u>	<u>299,431,086</u>	<u>28,648,250,714</u>

	December 31, 2025			
	Current	Past due	Overdue	Total
Corporate and other loans	13,238,757,291	56,213,511	49,024,749	13,343,995,551
Consumer loans	<u>14,365,854,386</u>	<u>310,354,522</u>	<u>270,876,205</u>	<u>14,947,085,113</u>
Total	<u>27,604,611,677</u>	<u>366,568,033</u>	<u>319,900,954</u>	<u>28,291,080,664</u>

Notes to the Condensed Consolidated Interim Financial Statements

(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 March 31, 2026, in interest in non-accrual status amounts to \$136,099,330 (December 31, 2025: \$143,820,480). Total unrecognized interest income on these loans is \$3,754,042 (December 31, 2025: \$10,469,503).

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 March 31, 2026 and December 31, 2025, the Bank constituted an equity reserve of \$5,693,873 and \$5,845,113, respectively, pursuant to Agreement No. 11-2019.

Notes to the Condensed Consolidated Interim Financial Statements

(23) Regulatory aspects, continued

As of March 31, 2026, 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 \$419,633,345 (December 31, 2025: \$413,157,244), appropriated from retained profits. The credit balance of this dynamic provision forms 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 March 31, 2026, the Bank maintains a percentage of 1.71% 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 March 31, 2026. These percentages represent the following amounts:

	March 31, 2026	December 31, 2025
1.25%	306,816,757	302,680,438
2.50%	613,633,515	605,360,876

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

	March 31, 2026	December 31 2025
Component 1		
Risk – weighted assets (credit facilities – Normal category)	24,545,340,584	24,114,435,025
For alpha coefficient (1.50%)		
Result	<u>368,180,109</u>	<u>363,216,525</u>
Component 2		
Variation (positive) between the current quarter versus the previous risk – weighted assets		
For beta coefficient (5.00%)	<u>40,507,362</u>	<u>269,252,988</u>
Result		
Less:	<u>2,025,368</u>	<u>13,462,649</u>
Component 3		
Amount of change in the balance of specific provisions in the quarter	<u>2,772,354</u>	<u>(7,711,564)</u>
Gross dynamic reserve balance	<u>367,433,123</u>	<u>384,390,738</u>
Plus:		
Restricted amount as set forth in paragraphs “a” and “b” of Article 37	<u>52,200,222</u>	<u>28,766,506</u>
Net dynamic provision balance	<u>419,633,345</u>	<u>413,157,244</u>

As of March 31, 2026, and December 31, 2025, we present the composition of the dynamic provision by subsidiary:

Increase by subsidiaries	March 31, 2026	December 31, 2025	Variance
BAC International Bank Inc.	86,233,659	86,233,659	0
BAC Bahamas Bank Ltd.	736,211	736,211	0
Banco de America Central S.A. (Guatemala)	63,117,058	63,117,058	0
Credomatic de Guatemala S.A.	8,447,681	8,447,681	0
Banco de America Central Honduras, S.A.	61,640,610	55,164,509	6,476,101
Inversiones Financieras Banco de America Central, S.A.	47,250,608	47,250,608	0
Corporacion Tenedora BAC COM, S.A.	33,921,928	33,921,928	0
Corporacion de Inversiones Credomatic, S.A.	118,285,590	118,285,590	0
Total	<u>419,633,345</u>	<u>413,157,244</u>	<u>6,476,101</u>

Notes to the Condensed Consolidated Interim Financial Statements

(23) Regulatory aspects, continued

As of March 31, 2026 and, December 31, 2025, 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 March 31, 2026, and December 31, 2025, 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.11-2018, 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:

	March 31, 2026	2027
Capital Adequacy Ratio	9.25%	10.50%
Primary Capital Ratio Total	7.25%	8.50%
Ordinary Primary Capital Ratio	5.75%	7.00%

Notes to the Condensed Consolidated Interim Financial Statements

(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:

Ordinary Primary Capital (Pilar I)	March 31, 2026	December 31, 2025
Common stock	834,708,000	834,708,000
Additional paid-in capital	140,897,488	140,897,488
Retained earnings	2,865,398,130	3,187,862,060
Non-controlling interest	335,057	321,888
Other comprehensive losses	(98,039,732)	(208,834,691)
Less: Goodwill	(336,849,743)	(336,084,994)
Less: Treasury stock	(5,218,370)	(5,218,370)
Total Ordinary Primary Capital	<u>3,401,230,830</u>	<u>3,613,651,381</u>
Additional Primary Capital		
Perpetual bonds issued by the Bank	520,000,000	520,000,000
Total Additional Primary Capital	<u>520,000,000</u>	<u>520,000,000</u>
Total Primary Capital (Net)	<u>3,921,230,830</u>	<u>4,133,651,381</u>
Total Secondary Capital	<u>0</u>	<u>0</u>
Dynamic Provision	<u>419,633,645</u>	<u>413,157,244</u>
Total Regulatory Capital Fund	<u>4,340,864,175</u>	<u>4,546,808,625</u>
Total Assets Weighted by Net Risk deductions	32,886,341,823	32,011,864,114
Operational Risk Weighted Assets (Agreement No.11-2018)	2,033,599,122	1,923,175,235
Market Risk Weighted Assets (Agreement No.3-2018)	192,984,240	86,109,142
Total risk weighted assets	<u>35,112,925,185</u>	<u>34,021,148,491</u>
Ratios:		
Capital Adequacy Ratio	12.36%	13.36%
Primary Capital Ratio Total	11.17%	12.15%
Ordinary Primary Capital Ratio	9.69%	10.62%

- **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 March 31, 2026, was 53.84% (December 31, 2025: 49.89%).

- **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%

Notes to the Condensed Consolidated Interim Financial Statements

(23) Regulatory aspects, continued

As of March 31, 2026, the Bank constituted a reserve for assets held for sale amounting to \$8,205,501 (December 31, 2025: \$7,901,273), 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 April 30, 2026, to assess the need for their recognition or disclosure in the accompanying condensed consolidated interim 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.