Consolidated Financial Statements of

BANCO GENERAL (OVERSEAS), INC.

December 31, 2024

BANCO GENERAL (OVERSEAS), INC.

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Independent Auditors' Report to the Directors

Opinion

We have audited the consolidated financial statements of Banco General (Overseas), Inc. (the "Bank"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the consolidated Financial Statements"* section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Notes 1 and 7 in the consolidated financial statements, which describe that the Bank's operations include extensive transactions and balances with related parties. Accordingly, the Bank is economically dependent on the related parties. Our opinion is not modified in respect of this matter.

Other Matter

We draw attention to the fact that the supplementary information included in Appendix 1, Appendix 2 and Appendix 3 does not form part of the audited consolidated financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the* consolidated *Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

April 28, 2025

BANCO GENERAL (OVERSEAS), INC.

Consolidated Statement of Financial Position

December 31, 2024

(Stated in United States dollars)

	Note	2024	2023
Assets			
Due from banks:			
Demand deposits	4	35,598,014	65,923,926
Time deposits	4	181,766,230	171,766,230
Accrued interest receivable		586,497	580,548
Total due from banks		217,950,741	238,270,704
Investments and other financial assets, net	5	1,121,214,156	1,237,515,060
Loans	6	710,042,308	575,806,205
Accrued interest receivable		4,621,581	4,291,338
Less:			
Loan losses allowance		3,717,366	1,129,280
Loans, net		710,946,523	578,968,263
Investments and other financial assets sold pending settlement	8	62,553,509	91,206,479
Derivative instruments - assets	15	20,639,865	16,818,254
Other assets		15,579,763	33,051,906
Total assets	US$	2,148,884,557	2,195,830,666
Liabilities and equity			
Liabilities			
Due to depositors:			
Demand		5,627	6,627
Savings		53,732,186	75,989,222
Time deposits		870,184,854	1,027,580,209
Accrued interest payable		6,630,803	5,219,483
Total due to depositors		930,553,470	1,108,795,541
Securities sold under repurchase agreements	9	46,942,000	-
Accrued interest payable		283,999	-
Total securities sold under repurchase agreements		47,225,999	-
Investments and other financial assets purchased pending settlement	8	120,118,966	69,606,391
Derivative instruments - liabilities	15	14,832,308	12,674,277
Other financial liabilities at fair value	10	31,414,414	84,069,803
Other liabilities		29,443,011	26,549,119
Total liabilities		1,173,588,168	1,301,695,131
Equity			
Common share capital	11	119,158,140	119,158,140
Preferred share capital	11	65,000,000	65,000,000
Additional paid-in capital		15,841,860	15,841,860
Valuation reserve		(22,906,947)	(33,430,589)
Retained earnings		798,203,336	727,566,124
Total equity		975,296,389	894,135,535
Total liabilities and equity	US$	2,148,884,557	2,195,830,666

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board on April 28, 2025

JUAN RAÚL HUMBERT **Director** RAUL ALEMAN ZUBIETA **Director**

BANCO GENERAL (OVERSEAS), INC.

Consolidated Statement of Income

Year ended December 31, 2024

(Stated in United States dollars)

	Note	2024	2023
Operating income			
Interest on investments and other financial assets		69,025,703	68,951,594
Interest on deposits with banks		6,491,764	6,380,777
Interest on loans		52,390,531	39,798,584
Provision for loan losses	6	(2,546,204)	-
Reversal of provision for impairment of investments	5	104,364	3,223,478
Net gain (loss) on financial instruments	12	1,648,137	(18,457,366)
Dividends received		58,866	52,485
Other income		687,618	218,617
Total operating income, net		127,860,779	100,168,169
Operating expenses			
Interest on deposits and financing		52,923,858	54,642,170
General and administrative expenses:			
Professional services		57,240	55,240
Management fees and other bank charges		3,011,688	2,999,755
License fee		140,499	140,346
Other expenses		362,993	268,671
Total operating expenses		56,496,278	58,106,182
Net income before tax		71,364,501	42,061,987
Income tax, estimated	13	653,405	612,295
Net income	US$	70,711,096	41,449,692

See accompanying notes to consolidated financial statements.

BANCO GENERAL (OVERSEAS), INC.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2024

(Stated in United States dollars)

		2024	2023
Net income		70,711,096	41,449,692
Other comprehensive income (expense)			
Items that are or may be reclassified to the consolidated statement of income:			
Valuation of investments and other financial assets:			
Net changes in valuation of investments at FVOCI		14,850,584	82,597,109
Transfer to profit or loss for sales of investments at FVOCI		(4,222,578)	(35,848,809)
Valuation of investments credit risk at FVOCI		(104,364)	(3,223,478)
Total other comprehensive income, net		10,523,642	43,524,822
Total comprehensive income	US$	81,234,738	84,974,514

See accompanying notes to consolidated financial statements.

BANCO GENERAL (OVERSEAS), INC.

Consolidated Statement of Changes in Equity

Year ended December 31, 2024

(Stated in United States dollars)

		Common share capital	Preferred share capital	Additional paid-in capital	Valuation reserve	Retained earnings	Total equity
Balance at December 31, 2022		119,158,140	65,000,000	15,841,860	(76,955,411)	686,116,432	809,161,021
Net income		-	-	-	-	41,449,692	41,449,692
Other comprehensive income (expense)							
Items that are or may be reclassified to the statement of income:							
Valuation of investments and other financial assets:							
Changes net in valuation of investments FVOCI		-	-	-	82,597,109	-	82,597,109
Transfer to profit or loss for sales of investments FVOCI		-	-	-	(35,848,809)	-	(35,848,809)
Valuation of investments credit risk at FVOCI		-	-	-	(3,223,478)	-	(3,223,478)
Total other comprehensive income, net		-	-	-	43,524,822	-	43,524,822
Total comprehensive income		-	-	-	43,524,822	41,449,692	84,974,514
Balance at December 31, 2023	US$	119,158,140	65,000,000	15,841,860	(33,430,589)	727,566,124	894,135,535
Net income		-	-	-	-	70,711,096	70,711,096
Other comprehensive income (expense)							
Items that are or may be reclassified to the statement of income:							
Valuation of investments and other financial assets:							
Changes net in valuation of investments FVOCI		-	-	-	14,850,584	-	14,850,584
Transfer to profit or loss for sales of investments FVOCI		-	-	-	(4,222,578)	-	(4,222,578)
Valuation of investments credit risk at FVOCI		-	-	-	(104,364)	-	(104,364)
Total other comprehensive income, net		-	-	-	10,523,642	-	10,523,642
Total comprehensive income		-	-	-	10,523,642	70,711,096	81,234,738
Complementary tax		-	-	-	-	(73,884)	(73,884)
Balance at December 31, 2024	US$	119,158,140	65,000,000	15,841,860	(22,906,947)	798,203,336	975,296,389

See accompanying notes to consolidated financial statements.

BANCO GENERAL (OVERSEAS), INC.

Consolidated Statement of Cash Flows

Year ended December 31, 2024

(Stated in United States dollars)

		Note	2024	2023
Cash provided by/(applied in):				
Operating activities:				
Net income			70,711,096	41,449,692
Adjustments for:				
Provision for loan losses		6	2,546,204	-
Reversal of provision for impairment of investments		5	(104,364)	(3,223,478)
Net (gain) loss on financial instruments		12	(1,648,137)	18,457,366
Income tax		13	653,405	612,295
Interest income			(127,907,998)	(115,130,955)
Interest expense			52,923,858	54,642,170
Dividends income			(58,866)	(52,485)
Changes in operating assets and liabilities:				
Investments and other financial assets at FVTPL			3,657,762	50,042,627
Loans			(134,194,221)	(76,767,814)
Investments and other financial assets sold pending settlement			28,652,970	(36,306,097)
Derivative instruments - assets			428,425	228,085
Other assets			15,924,736	(8,843,792)
Due to depositors			(179,653,391)	(183,387,534)
Securities sold under repurchase agreements			46,942,000	(50,424,418)
Investments and other financial assets purchased pending settlement			50,512,575	(43,590,201)
Other financial liabilities at fair value and derivative instruments - liabilities			(47,162,011)	45,088,827
Other liabilities			2,240,487	1,773,337
Cash provided by operating activities:				
Interest received			129,203,960	113,187,683
Interest paid			(51,228,539)	(52,596,424)
Dividends received			58,866	52,485
Net cash flows from operating activities			(137,501,183)	(244,788,631)
Investing activities:				
Purchases of investments and other financial assets at FVOCI			(462,306,571)	(492,509,647)
Sale and redemptions of investments and other financial assets at FVOCI			579,555,726	774,000,615
Complementary tax			(73,884)	-
Net cash flows from investing activities			117,175,271	281,490,968
Movement in cash and cash equivalents			(20,325,912)	36,702,337
Cash and cash equivalents at the beginning of the year			65,923,926	29,221,589
Cash and cash equivalents at the end of the year	US$	4	45,598,014	65,923,926

See accompanying notes to consolidated financial statements.

Index of Notes to the Consolidated Financial Statements

1. General Information

Banco General (Overseas), Inc. was incorporated under the Companies Act of the Cayman Islands on February 15, 1985. The Bank is a wholly-owned subsidiary of Overseas Capital Markets, Inc., a company incorporated in the Cayman Islands, a wholly owned subsidiary of Banco General, S. A., whose parent company is Grupo Financiero BG, S. A. and the ultimate parent is Empresa General de Inversiones, S. A., both of which are incorporated in Panama. Banco General (Overseas), Inc. and its special purpose vehicle will be referred to as "the Bank".

The Bank has been granted a category 'B' unrestricted banking license by the Cayman Islands Government under the Banks and Trust Companies Act, to enable it to carry on banking from within the Cayman Islands. A substantial portion of the Bank's business is with related parties. Accordingly, the Bank is economically dependent on these related parties (see note 7).

The Bank is the 100% owner and settlor of an investment trust whose purpose is to acquire financial assets, mainly portfolio of consumer loans. BG Trust, Inc. FID (0109-INV-22) investment trust, is administered in Panama and is presented as part of the consolidation of the Bank.

The registered office of the Bank is at Cainvest Bank and Trust Limited, P.O. 1353, 5th Floor, 103 South Church Street, George Town, Grand Cayman KY1-1108, Cayman Islands. The reporting currency of the consolidated financial statements is United States dollars which is the currency in which the Bank conducts its business, and is a more widely recognized reporting currency than that of the Cayman Islands.

2. Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The Bank's Audit Committee reviewed the consolidated financial statements and the Board of Directors authorized their issuance on April 28, 2025.

(b) Basis of Measurement

The consolidated financial statements are prepared on a going concern basis, as management is satisfied that the Bank has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Bank.

The consolidated financial statements have been prepared on a historical cost basis except for the assets and liabilities at fair value, securities measured at fair value through other comprehensive income and derivative financial instruments, which are measured at fair value.

The Bank initially recognizes loans, accounts receivable and deposits on the date on which they are originated. All other financial instruments (including the assets designated at fair value through profit or loss) are recognized on the trade date initially, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in United States dollar (US$), which is the Bank's functional currency.

3. Materials Accounting Policies

The accounting policies detailed as follows have been consistently applied by the Bank to all periods presented in these consolidated financial statements.

a) Basis of Consolidation

- *Special purpose vehicle*

  The Bank controls a special purpose vehicle when it is exposed to, or has rights to, variable returns from its involvement with the special purpose vehicle and has the ability to affect those returns through its control over the entity. The financial statements of special purpose vehicle mentioned in Note 1 are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

- *Balances and Transactions Eliminated in Consolidation*

  The consolidated financial statements include the assets, liabilities, equity, income and expenses of the Bank and its wholly owned special purpose vehicle as detailed in Note 1. Intercompany balances and transactions have been eliminated in the consolidation.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

The fair value of an instrument is measured using the quoted price in an active market for that instrument. A market is considered active, if transactions of those assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing concern basis. When a price for an identical asset or liability is unobservable, a valuation technique will be used that maximizes the use of relevant observable data and minimizes the use of unobservable data. As fair value is a measurement based on market variables (prices, performance, credit margin, etc.), it is measured using the assumptions that market participants would make when setting the price of an asset or liability.

The fair value of financial instruments is determined using quoted prices in active markets, several electronic information systems, market makers, brokers, independent companies specialized in investment valuation, investment management companies and banks. In addition, in certain instances the Bank uses valuation techniques to calculate the price of some investments, mainly discounted cash flows at the appropriate discount rate for that security or instrument. In limited circumstances, for equity securities whose more recent available information is insufficient to measure their fair value, cost may be an appropriate estimate of fair value.

c) *Financial Instruments*

(i) *Classification and measurement*

Investments and other financial assets are classified at their trade date, and are initially measured at fair value plus, in the case of investment not recorded at fair value through profit or loss, direct transaction costs attributable to their acquisition.

The classification and measurement of financial assets are based on the business model in which they are managed and their contractual cash flows.

The business model includes the following three classification categories for financial assets:

- Amortized Cost (AC)
  A financial asset is measured at amortized cost if it complies with both of the following conditions:

  - The asset is held within a business model whose objective is to collect contractual cash flows; and
  - The contractual terms of the financial asset establish specific dates for the receipt of cash flows derived solely from payments of principal and interest on the principal amount outstanding.

- Fair value through other comprehensive income (FVOCI)
  A debt instrument is measured at FVOCI only if it meets both of the following conditions, and has not been designated at fair value through profit or loss (FVTPL):

  - The asset is held within a business model whose objective is to collect the contractual cash flows and sell the financial assets; and
  - The contractual terms of the financial asset establish specific dates for the receipt of cash flows derived solely from payments of principal and interest on the principal amount outstanding.

  During the initial recognition of investments in equity instruments not held for trading, the Bank may irrevocably elect to record the subsequent changes in fair value as part of other comprehensive income. This choice must be made on an instrument-by-instrument basis.

- Fair value through profit or loss (FVTPL)
  All other financial assets are measured at fair value through profit or loss.

Evaluation of the business model
The evaluation at the level of the portfolios and the objective of the business model that applies to financial instruments of said portfolios includes the following:

- The policies and objectives identified for the portfolio and the operation of these policies including management's strategy to define:

  (i) the collection of contractual interest income
  (ii) maintain a defined performance profile of interest
  (iii) maintain a specific duration period
  (iv) be able to sell at any time due to liquidity needs or in order to optimize the risk / return profile of a portfolio based on interest rates, risk margins, current duration and defined objective

- The way in which the behavior of different portfolios is reported to the senior management;
- The risks that affect the performance of the business model (and the financial assets held in the business model) and the way in which those risks are managed;
- The frequency and value of sales in previous periods, the reasons for those sales and expectations regarding future sales activities.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because its business model objective is to obtain profit from short term fluctuations in their market value.

Assessment of whether the contractual cash flows are solely payments of principal and interest (SPPI)
For the purpose of this evaluation, "principal" is defined as the fair value of the financial asset at the time of initial recognition. "Interest" is defined as the consideration of the time value of money and the credit risk associated with the amount of principal outstanding for a particular period of time and other basic risks of a loan agreement and other associated costs, as well as the profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank focused on the instrument's contractual terms.

This assessment considered, among others, the following characteristics:

- Contingent events that could change the amount and / or timing of cash flows
- Leverage conditions
- Prepayment and extension terms
- Terms that limit the Bank's ability to collect cash flows from specific assets
- Features that modify considerations for the time value of money

(ii) Impairment

At the date of the consolidated statement of financial position, it is determined whether there is objective evidence of impairment in the financial instruments, and the expected credit loss model (ECL) is used to provide for losses in the financial instruments.

The impairment model is applicable to the following assets that are not measured at FVTPL:

- Due from banks
- Loans
- Debt instruments;
- Financial guarantee contracts issued; and
- Loan commitments issued.

Impairment losses on investments in equity instruments are not recognized.

The assessment of whether the credit risk of a financial asset has increased significantly is one of the critical judgments implemented in the impairment model.

The Bank measured loss allowances at an amount equal to 12-month ECL for the following case:

- Debt investment that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which the credit risk has not increased significantly since their initial recognition.

For all other financial assets, loss allowances are measured to amount equal to lifetime ECL.

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

- Stage 1: The Bank recognizes a credit loss allowance at an amount equal to 12-month ECL. This represents the portion of lifetime expected credit losses from default events that are possible within 12-month period after the reporting date, assuming that credit risk has not increased significantly since initial recognition.

- Stage 2: The Bank recognizes a credit loss allowance at an amount equal to the total lifetime expected credit losses (LTECL) for those financial assets which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the calculation of ECL based on the asset's remaining lifetime probability of default (LTPD). The allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon in comparison with 12 months in stage 1.

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

Significant Increase in Credit Risk
It is determined whether the credit risk of a financial asset has increased significantly since its initial recognition, considering as main indicators, variations in days of delinquency, collection score and risk rating, the analysis of quantitative and qualitative factors based on its historical experience and expert credit assessment including forward-looking information.

Credit Risk Rating
The Bank assigns a credit risk rating to each financial asset based on a model that incorporates a series of predictive data on the incurrence of losses. The model is applied over several periods to evaluate its reasonableness. Risk ratings are used to identify significant increases in credit risk.

Credit risk ratings are defined using qualitative and quantitative factors that are indicative of risk of loss. These factors may vary depending on the nature of the exposure and the type of borrower. Regarding foreign investments and bank deposits, the international risk ratings of Fitch, Standard and Poor's or Moody's and associated changes to the ratings were used to establish whether there was a significant increase in risk and in the calculation of the Probability of Default (PD).

Credit risk ratings are defined and calibrated such that the risk of loss increases exponentially as the credit risk deteriorates.

Each exposure will be assigned a credit risk rating at the time of initial recognition based on available information about the debtor. Exposures will be subject to continuous monitoring, which may result in an exposure being moved to a different credit risk rating.

Determining a significant increase in credit risk
It is determined that a credit risk exposure reflects a significant increase since its initial recognition if, based on credit risk classification models and / or days of delinquency, a determined range presents a significant downgrade in the credit risk rating.

In certain instances, based on expert judgment and, to the extent possible, relevant historical experience, the Bank determines an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers relevant and whose effect would not be comprehensively reflected otherwise.

As a limit and as required by IFRS 9, a significant increase in credit risk occurs when an asset shows delinquency of more than 30 days, except for the 60 days for residential mortgages and personal loans. The delinquency period is determined by counting the number of days since the earliest elapsed due date of which full payment has not been received.

The effectiveness of the criteria used to identify significant increases in credit risk is monitored through periodic reviews.

Definition of Default
The Bank considers a financial asset to be in default when:

- It is probable that a debtor will not fully pay its credit obligations to the Bank in full, without recourse to actions such as realizing collateral, if available; or

- The debtor has more than 90 days delinquency in all credit obligations, with the except for residential mortgages loans in this case more than 120 days.

In assessing whether a debtor is in default, the Bank considers the following indicators:

- Quantitative – past due status and non-payment of another obligations of the same issuer; and
- Qualitative – breach of contract or legal situation

The inputs used in the assessment of whether financial instruments are in default are specific to the type of portfolio, and their importance may vary over time to reflect changes in circumstances and trends.

Measurement of the ECL
The ECL is a probability-weighted estimate of credit losses which is measured according to the following items:

- Financial assets that are not credit-impaired at the reporting date
- Financial assets that are credit-impaired at the reporting date
- Undrawn loan commitments: the present value of the difference between the contractual cash flows that are due to the Bank in the event that the commitment is drawn down and the cash flows the Bank expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amount the Bank expects to recover.

Generating the term structure of the PD
Days of delinquency are the main input to determine the term structure of the PD for exposures in the consumer loan portfolio. For the corporate loan portfolio, the following factors are considered as primary inputs: risk rating, days of delinquency, restructurings, and materiality thresholds.

The Bank designed and evaluated statistical models to analyze the data collected to generate estimates of the remaining lifetime PD of credit exposures, and how they are expected to change over time.

The PD of foreign investments and placed deposits was estimated using liquid market proxies (Credit Default Swaps "CDS") based on international risk ratings and the industry relating to the investment or deposit.

Inputs in the measurement of the ECL
The key inputs in the measurement of the ECL are the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

PD estimates are calculated, using statistical credit rating models and tools adapted to the different categories of counterparties and exposure. Statistical models were acquired from internationally recognized firms or developed internally based on historical data. These models incorporate quantitative factors, and can also consider qualitative factors. If an exposure migrates between rating categories, then this may lead to a change in the estimate of the associated PD.

The PD is estimated considering contractual maturities and estimated prepayment rates. In the case of foreign investments and placed deposits, the ECL is obtained from the probability of default implicit in the CDS used as proxies for each bond or deposit based on its international credit rating and industry.

The levels of LGD are estimated based on historical recovery rates:

- Observed: corresponding to the portion of EAD in default that is effectively recovered
- Estimated: corresponding to the portion of EAD in default estimated to be recoverable.

The LGD model considers the financial asset, related collateral and recovery costs of any collateral. The Bank can calibrate the LGD estimate for different economic scenarios. The Bank used the LGD implicit in the CDS for foreign investments and placed deposits.

In most cases, the EAD is equivalent to the outstanding balance of the contract; with the exception of contingencies. For contingencies the current balance, the available balance and the CCF (credit conversion factor) are included in the EAD, in order to estimate the exposure at the time of default on existing operations. The EAD is determined on current exposures to the counterparty and the potential changes to the current amount permitted under the contract, including any amortization.

Overdraft products include both the loan and undrawn commitment components. These facilities do not have a fixed term or repayment structure and are managed on a collective basis; the Bank can cancel them immediately.

Forward-looking information

Forward-looking information could be incorporated in the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and ECL measurement.

External information used to assess future conditions may include economic data and projections published by government entities and monetary authorities in the countries where the Bank operates, supranational organizations such as the Organization for Economic Cooperation and Development and the International Monetary Fund, and academic and private sector projections.

The Bank uses a prospective factor for the consumer portfolio that uses the growth of the Gross Domestic Product as a variable, as well as the country's unemployment rate. For the business portfolio, the prospective factor uses macroeconomic variables that depend on the country of risk of each client.

(iii) Derivative Financial Instruments

Derivatives are accounted for at their fair value in the consolidated statement of financial position, with transaction costs recognized in profit or loss when incurred, and subsequently accounted as fair value hedge or cash flows hedge, when held for risk management purposes, or as trading when the instrument does not qualify for hedge accounting.

- *Fair value hedges*

  Derivative instruments under the fair value method are instruments that hedge the exposure to change in the fair value of: (a) assets or liabilities or an identified portion of the value of assets or liabilities recognized in the consolidated statement of financial position, (b) a firm commitment or a forecasted transaction which is almost certain to occur. Changes in the value of these instruments using the fair value method are recognized in the consolidated statement of income.

  If a hedged asset is classified as FVOCI, changes in its fair value are recognized in an equity reserve. Starting on the date that the FVOCI asset becomes a hedged item, the changes in fair value should be recorded through the consolidated statement of income and the revaluation balance registered in the equity reserve should remain recorded until these assets are sold or redeemed.

  If a hedged asset or liability is measured at amortized cost, its carrying value should be adjusted to present the changes in its fair value attributable to the changes in interest rates. These hedged assets and liabilities will be again measured at amortized cost as soon as the hedging ceases using the adjusted effective return rate for calculating amortization. If the hedged asset carried at amortized cost suffers a impairment, the loss is calculated based on the difference between its carrying value after fair value adjustments of the hedged asset attributable to the risk being hedged, and the present value of the estimated cash flows discounted at the adjusted effective interest rate.

- *Cash flow hedges*

  Derivative instruments designated under the cash flow method are risk hedges caused by fluctuation in cash flows, attributable to an asset or liability's particular risk recognized in the consolidated statement of financial position affecting net income. Changes in hedge valuation under the cash flows method, for the portion considered effective, are registered in the consolidated statement of changes in equity and the ineffective portion, is registered in the consolidated statement of income.

- *Derivatives without hedge accounting*

  Derivative instruments that do not qualify for hedge accounting are classified as assets or liabilities at fair value and are recognized in the consolidated statement of financial position at their fair value. Changes in the fair value of these derivatives are recognized in the consolidated statement of income.

Hedge accounting is discontinued prospectively only when the relationship or part of a hedging relationship ceases to meet the rating criteria after any rebalancing. This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect the coverage ratio in its entirety or in part, maintaining the coverage ratio for the remaining portion.

The Bank may choose to designate one or more hedging relationships between a hedging instrument and a hedged item with one or more external entities.

(iv) Specific Instruments

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include: (i) cash that includes unrestricted demand deposits and (ii) cash equivalents composed of unrestricted time deposits with banks that have an original maturity of three months or less.

Loans

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in a short term. Loans are initially measured at fair value plus incremental direct transaction costs, if any, and subsequently measured at amortized cost using the effective interest method.

Deposits from Customers

Deposits from customers, which include demand, savings and time deposits, are classified as liabilities not at fair value through profit or loss.

Financial Liabilities

Changes in fair value of liabilities designated as FVTPL are presented as follows:

- The amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and
- The remaining amount of change in fair value is presented in profit or loss.

Other Financial Liabilities at Fair Value

This category of other liabilities includes financial liabilities, that are presented at fair value; and the changes in fair value are recognized in the consolidated statement of income.

Derecognition

A financial asset is derecognized when the Bank no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are transferred. The Bank uses the weighted average method to determine realized gains and losses on derecognition.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

d) Securities sold under repurchase agreements

Securities sold under repurchase agreements are short-term financing transactions with security guarantees, in which there is an obligation to repurchase the securities sold at a future date and at a determined price. The difference between the sale price and the future purchase value is recognized as interest expense under the effective interest rate method.

The securities delivered as collateral will continue to be accounted for in the consolidated financial statements, since the counterparty has no property right to them unless there is a breach of contract by the Bank.

e) Interest Income and Expenses

Interest income and expenses are recognized in the consolidated statement of income for all financial instruments using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, to the net carrying amount of the financial asset or financial liability. The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate.

f) Income Tax

Estimated income tax is calculated on net taxable income, using current tax rates at the consolidated statement of financial position date, and any adjustment to prior years' income tax.

g) Foreign Currency Transactions

Assets and liabilities denominated in foreign currencies at the reporting date are translated into United States dollars at the foreign exchange rate ruling at that date. Foreign currency transactions during the period are translated at the foreign exchange rate ruling at the date of the transaction. Income or loss from foreign exchange differences is recognized in other income or other expenses accounts, respectively.

h) New IFRS Accounting Standards and Interpretations Not Yet Adopted

New standards, interpretations and amendments to IFRS Accounting Standards have been published, but are not mandatory as of December 31, 2024, and have not been adopted in advance by the Bank.

The Bank's adoption of these standards could result in changes to the consolidated financial statements, an aspect that is currently under evaluation by management.

Amendments	**Effective for annual reporting periods beginning:**
Lack of Exchangeability – Amendments to IAS 21	January 1, 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
IFRS 18 Presentation and Disclosure in Financial Statement	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027

4. Cash and Cash Equivalents

Cash and cash equivalents are detailed as follows for purposes of reconciliation with the consolidated statement of cash flows:

		2024	2023
Demand deposits with banks		35,598,014	65,923,926
Time deposits with banks		181,766,230	171,766,230
Total deposits with banks		217,364,244	237,690,156
Less: Deposits with banks, with original maturities greater than three months		171,766,230	171,766,230
Cash and cash equivalents in the consolidated statement of cash flows	US$	45,598,014	65,923,926

Demand deposits with banks include cash collateral accounts for US$8,364,956 (2023: US$9,974,164) that secure derivative operations and the next payments of principal, interest of certain obligations.

According to the calculations made by management, the amounts of reserves for expected credit losses associated with the cash and cash equivalents are not significant.

5. Investments and Other Financial Assets

As of December 31, 2024, the summary of investments and other financial assets is as follows:

		2024	2023
Investments and other financial assets at fair value through profit or loss		214,026,183	220,182,913
Investments and other financial assets at FVOCI		893,983,695	1,004,043,122
Investments at amortized cost		13,204,278	13,289,025
Total	US$	1,121,214,156	1,237,515,060

Investments and Other Financial Assets at Fair Value Through Profit or Loss

The portfolio of investments and other financial assets at fair value through profit or loss amounted to US$214,026,183 (2023: US$220,182,913) is summarized as follows:

		2024	2023
Corporate Shares		628,783	655,047
Fixed Income Funds		120,473,815	144,526,406
Mortgage Backed Securities (MBS)		85,279,329	62,956,538
Collateralized Mortgage Obligations (CMOs)		6,287,359	8,516,251
Asset Backed Securities (ABS)		1,356,897	3,528,671
Total	US$	214,026,183	220,182,913

During the year ended December 31, 2024, sales of investments and other financial assets at fair value through profit or loss amounted to US$1,816,714,039 (2023: US$1,781,080,005). The sales generated a net loss of US$3,715,302 (2023: US$7,653,027) which is presented in the consolidated statement of income in net gain (loss) on financial instruments (See note 12).

Investments and Other Financial Assets at Fair Value Through OCI

The portfolio of investments and other financial assets at FVOCI amounted to US$893,983,695 (2023: US$1,004,043,122), is summarized as follows:

		2024		2023	
		Fair value	**Amortized cost**	**Fair value**	**Amortized cost**
Commercial Papers and Treasury Bills		0	0	2,956,246	2,955,734
Corporate Bonds		362,198,340	365,451,393	391,761,848	404,580,396
Bonds of the US Government		61,054,535	61,087,312	69,268,681	71,164,805
Mortgage Backed Securities (MBS)		185,506,952	202,568,584	267,456,034	279,679,200
Collateralized Mortgage Obligations (CMOs)		280,901,524	286,598,732	261,725,144	271,821,602
Asset Backed Securities (ABS)		3,398,463	3,378,131	10,804,169	10,805,304
Other Government Bonds		923,881	909,849	71,000	115,690
Total	US$	893,983,695	919,994,001	1,004,043,122	1,041,122,731

During the year ended December 31, 2024, sales of investments and other financial assets at FVOCI amounted to US$455,987,252 (2023: US$553,307,603). The sales generated a net loss of US$2,940,711 (2023: US$22,635,939) which is presented in the consolidated statement of income in net gain (loss) on financial instruments (See note 12).

The payment of capital and interest on 100% (2023: 100%) of the Bank's MBS portfolio is 100% guaranteed by the following agencies: the Government National Mortgage Association (GNMA), which is an agency of the Federal Government of the United States and counts on the explicit guarantee of the Federal Government, the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Association (FHLMC), who rely on AAA ratings provided by Moody's and Fitch, on its counterparty debt. The guarantee and primary source of payment of the MBS guaranteed by the aforementioned agencies is a set of residential mortgages on houses that must fulfill credit policies that are required by these programs. Similarly, 77% (2023: 76%) of the CMO portfolio of the Bank is 100% guaranteed by GNMA, FNMA or FHLMC.

The average life of the portfolio of MBS is 5.05 years and CMOs is 1.14 years (2023: 4.29 years for MBS and 1.43 years for CMOs).

The reconciliation between the initial balance and closing balance of the expected credit losses (ECL) on the investments and other financial assets at FVOCI by the type of allowance model is presented as follows:

		2024				
		12-month ECL	**Lifetime ECL not credit – impaired**	**Lifetime ECL credit-Impaired**	**Purchased credit-impaired**	**Total**
Balance at the beginning of the year		2,020,133	468,000	0	51,323	2,539,456
Transferred to 12 month ECL		0	0	0	0	0
Transfer of 12 month ECL to lifetime ECL not credit-impaired		0	0	0	0	0
Transfer of 12 month ECL to lifetime ECL credit-impaired		0	0	0	0	0
Net remeasurement of portfolio		(309,898)	96,000	0	0	(213,898)
New investments purchased		727,843	0	0	0	727,843
Investments that have been derecognized		(566,986)	0	0	(51,323)	(618,309)
Balance at the end of the year	**US$**	1,871,092	564,000	0	0	2,435,092

		2023				
		12-month ECL	**Lifetime ECL not credit – impaired**	**Lifetime ECL credit-Impaired**	**Purchased credit-impaired**	**Total**
Balance at the beginning of the year		3,261,393	507,053	1,894,827	99,661	5,762,934
Transferred to 12 month ECL		0	0	0	0	0
Transfer of 12 month ECL to lifetime ECL not credit-impaired		0	0	0	0	0
Transfer of 12 month ECL to lifetime ECL credit-impaired		0	0	0	0	0
Net remeasurement of portfolio		(72,919)	36,000	0	18,666	(18,253)
New investments purchased		681,441	0	0	0	681,441
Investments that have been derecognized		(1,849,782)	(75,053)	(1,894,827)	(67,004)	(3,886,666)
Balance at the end of the year	**US$**	2,020,133	468,000	0	51,323	2,539,456

Investments At Amortized Cost

The portfolio of investments at amortized cost amounted to US$12,993,358 (2023: US$13,078,105).

		2024		2023	
		Amortized cost	**Fair value**	**Amortized cost**	**Fair value**
Corporate Bonds		12,993,358	12,366,019	13,078,105	12,000,041
Total	US$	12,993,358	12,366,019	13,078,105	12,000,041

The investments at amortized cost are summarized as follows:

		2024	**2023**
Investments at amortized cost		12,993,358	13,078,105
Accrued interest receivable		210,920	210,920
Total investments at amortized cost	US$	13,204,278	13,289,025

According to the calculations made by management, the amounts of reserves for expected credit losses associated with these instruments are not significant.

Fair Value Measurement

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

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

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

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

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

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

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

The classification of the valuation of fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The relevance of a variable should be evaluated in relation to the entire fair value measurement.

Fair Value Measurement of Investments and Other Financial Assets at Fair Value through Profit or Loss

		2024	Level 1	Level 2	Level 3
Corporate Shares		628,783	0	0	628,783
Fixed Income Funds		120,473,815	0	0	120,473,815
Mortgage Backed Securities (MBS)		85,279,329	0	85,279,329	0
Collateralized Mortgage Obligations (CMOs)		6,287,359	0	6,287,359	0
Asset Backed Securities (ABS)		1,356,897	0	1,356,897	0
Total	**US$**	214,026,183	0	92,923,585	121,102,598

Fair Value Measurement of Investments and Other Financial Assets at Fair Value through Profit or Loss

		2023	Level 1	Level 2	Level 3
Corporate Shares		655,047	0	0	655,047
Fixed Income Funds		144,526,406	0	0	144,526,406
Mortgage Backed Securities (MBS)		62,956,538	0	62,956,538	0
Collateralized Mortgage Obligations (CMOs)		8,516,251	0	8,516,251	0
Asset Backed Securities (ABS)		3,528,671	0	3,528,671	0
Total	**US$**	220,182,913	0	75,001,460	145,181,453

Fair Value Measurement of Investments and Other Financial Assets at FVOCI

		2024	Level 1	Level 2	Level 3
Corporate Bonds		362,198,340	0	362,198,340	0
Bonds of the US Government		61,054,535	61,054,535	0	0
Mortgage Backed Securities (MBS)		185,506,952	0	185,506,952	0
Collateralized Mortgage Obligations (CMOs)		280,901,524	0	280,901,524	0
Asset Backed Securities (ABS)		3,398,463	0	3,398,463	0
Other Government Bonds		923,881	0	923,881	0
Total	**US$**	893,983,695	61,054,535	832,929,160	0

Fair Value Measurement of Investments and Other Financial Assets at FVOCI

		2023	Level 1	Level 2	Level 3
Commercial Paper and Treasury Bills		2,956,246	2,265,063	691,183	0
Corporate Bonds		391,761,848	0	391,761,848	0
Bonds of the US Government		69,268,681	69,268,681	0	0
Mortgage Backed Securities (MBS)		267,456,034	0	267,456,034	0
Collateralized Mortgage Obligations (CMOs)		261,725,144	0	261,725,144	0
Asset Backed Securities (ABS)		10,804,169	0	10,804,169	0
Other Government Bonds		71,000	0	71,000	0
Total	**US$**	1,004,043,122	71,533,744	932,509,378	0

Changes in Fair Value Measurement of the Level 3 hierarchy		
Investments and other financial assets		
		Fair Value Through Profit or Loss
December 31, 2023		145,181,453
Gain recognized in income		1,064,650
Purchases		18,421,543
Amortization, sales and redemptions		(43,565,048)
December 31, 2024	**US$**	121,102,598
Total accumulated gain related to instruments held as of December 31, 2024	**US$**	**2,032,070**
December 31, 2022		150,440,884
Gain recognized in income		1,487,402
Purchases		12,636,337
Amortization, sales and redemptions		(19,383,170)
December 31, 2023	**US$**	145,181,453
Total accumulated gain related to instruments held as of December 31, 2023	**US$**	**4,061,114**

The Bank recognizes transfers between levels of the fair value hierarchy at the date in which the change occurred.

During 2024 and 2023, there were no transfers between levels of the fair value hierarchy

The table below present information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy:

Instruments	**Valuation techniques**	**Unobservable inputs used**	**Range for unobservable input**		**Fair value sensitivity to unobservable inputs**
			2024	**2023**	
Corporate shares	Dividend discount model	Equity risk premium	Minimum 5.90% Maximum 8.93%	Minimum 5.90% Maximum 9.11%	If equity risk premiums increase, the price decreases and vice versa
	Discount free cash flows model (DFC)	Growth rate of assets, liabilities, equity, profits and dividends	Minimum (9.54%) Maximum 33.73%	Minimum (35.64%) Maximum 80.56%	If the growth increases, the price increases and vice versa

The fixed income funds of US$120,473,815 (2023: US$144,526,406) are valued using the underlying fund's net asset value and are therefore excluded from the above table.

The main valuation techniques, assumptions and inputs used to measure the fair value of financial instruments are as follows:

Instruments	Valuation techniques	Inputs used	Level
Fixed Income (Corporate bonds, Government Bonds and Municipal Bonds)	Quoted market prices	Quoted prices in active markets	1-2
	Quoted observable market prices for similar instruments	Observable quoted prices	
	Bid and ask prices from market participants	Buying/Selling prices from a broker	
	Discounted cash flows	Credit spreads Benchmark interest rate Liquidity risk premiums	
Agencies MBS / CMOs	Discounted cash flows	Features of collateral TBA's price Treasury yield Yield curves Prepayment speeds Market analysis	2
Private MBS / CMOs and ABS	Discounted cash flows	Features of collateral Treasury yield Yield curves Expected cash flows and losses Market assumptions related to discount rates, prepayments, losses and recoveries	2
Corporate Shares	Dividend discount model Discount free cash flows model (DFC), which are compared to the stock prices	Benchmark interest rate Equity risk premium Growth rate of assets, liabilities, equity, profits and dividends	3
	Carrying amount model	Equity Issued and outstanding shares	
Investment Vehicles (Fixed Income Funds)	Net asset value	Net asset value	3

The Bank considers that its methodologies for valuation of investments classified as Level 3 are appropriate; however, the use of different estimates for the unobservable inputs could lead to different measurements of fair value. For investments classified in Level 3, adjustments to the credit spread (in the case of fixed income) and to the equity risk premium (in the case of the corporate shares) of +50bp and -50bp would result in favorable and unfavorable impacts in the Bank's consolidated statement of income, as described below:

		Fair Value Effect in Profit or Loss			
		2024		2023	
		Favorable	(Unfavorable)	Favorable	(Unfavorable)
Corporate shares		7,947	(7,650)	8,215	(7,923)
Total	US$	7,947	(7,650)	8,215	(7,923)

6. Loans

The composition of the loan portfolio is summarized as follows:

		2024	2023
Advance on deposits		3,330,210	3,755,882
Overdrafts		28,657,547	28,020,212
Personal and auto		34,525,080	32,339,748
Lines of credit and commercial loans		571,778,800	463,480,942
Residential mortgages		19,111,147	0
Commercial mortgages		52,639,524	48,209,421
Total	US$	710,042,308	575,806,205

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

		2024			
		12-month ECL	**Lifetime ECL not credit – impaired**	**Lifetime ECL credit – impaired**	**Total**
Balance at beginning of the year		1,112,733	16,547	0	1,129,280
Transferred to 12-month ECL		16,547	(16,547)	0	0
Transferred to lifetime ECL not credit-impaired		(4,611)	4,611	0	0
Transferred to lifetime ECL credit impaired		0	0	0	0
Net remeasurement of portfolio		1,874,003	475,441	0	2,349,444
New loans		269,726	0	0	269,726
Loans that have been derecognized		(72,966)	0	0	(72,966)
Purchase loans		37,637	4,245	0	41,882
Balance at the end of the year	US$	3,233,069	484,297	0	3,717,366

		2023			
		12-month ECL	**Lifetime ECL not credit – impaired**	**Lifetime ECL credit – impaired**	**Total**
Balance at beginning of the year		1,124,114	5,166	0	1,129,280
Transferred to 12-month ECL		5,162	(5,162)	0	0
Transferred to lifetime ECL not credit-impaired		(1,019)	1,019	0	0
Transferred to lifetime ECL credit impaired		0	0	0	0
Net remeasurement of portfolio		(395,063)	15,524	0	(379,539)
New loans		808,636	0	0	808,636
Loans that have been derecognized		(429,097)	0	0	(429,097)
Balance at the end of the year	US$	1,112,733	16,547	0	1,129,280

The loan portfolio classification by type of collateral is shown as follows:

		2024	2023
Deposits		3,330,210	2,970,882
Mortgages on real estate		54,162,616	38,648,471
Mortgages on moveable property		81,083,715	75,336,695
Other collateral held by a related party		493,947,184	387,891,419
Other guaranties		49,481,601	43,903,370
Unsecured		28,036,982	27,055,368
Total	US$	710,042,308	575,806,205

7. Balances and Transactions with Related Parties

The consolidated statement of financial position and the consolidated statement of income include balances and transactions with related parties as of December 31, 2024 and 2023, as follows:

		2024			
		Directors and Management Personnel	Parent and ultimate controlling	Fellow subsidiaries	Related Companies Others
Assets:					
Due from banks:					
Demand deposits		0	7,225,025	0	0
Time deposits		0	181,766,230	0	0
	US$	0	188,991,255	0	0
Investments and other financial assets	US$	0	12,993,358	0	0
Loans	US$	2,141,825	0	0	4,905,667
Accrued interest receivable:					
On time deposits		0	586,497	0	0
On investment		0	210,920	0	0
On loans		0	0	0	3,693
	US$	0	797,417	0	3,693
Other assets – accounts receivable and derivatives	US$	0	4,780,657	0	0
Liabilities:					
Due to depositors:					
Demand		0	5,627	0	0
Savings		1,112,226	662,408	4,498,710	8,556,995
Time deposits		0	845,200,000	0	17,459,420
	US$	1,112,226	845,868,035	4,498,710	26,016,415
Accrued interest payable	US$	0	6,395,692	0	157,091
Other liabilities – accounts payable and derivatives	US$	0	18,692,943	0	0
Commitments and contingencies	US$	0	0	0	1,766,230
Interest income and expenses:					
Interest income on deposits with banks	US$	0	5,774,592	0	0
Interest income on loans	US$	158,898	0	0	160,677
Interest income on investment	US$	0	442,552	0	0
Interest expense on deposits due to depositors	US$	26,701	48,991,159	196,368	1,140,693

		2023			
		Directors and Management Personnel	**Parent and ultimate controlling**	**Fellow subsidiaries**	**Related Companies Others**
Assets:					
Due from banks:					
Demand deposits		0	11,072,324	0	0
Time deposits		0	171,766,230	0	0
	US$	0	182,838,554	0	0
Investments and other financial assets	US$	0	13,078,105	0	0
Loans	US$	2,987,567	0	0	5,363,717
Accrued interest receivable:					
On time deposits		0	580,548	0	0
On investment		0	210,920	0	0
On loans		0	0	0	276
	US$	0	791,468	0	276
Other assets – accounts receivable and derivatives	US$	0	17,679,267	0	0
Liabilities:					
Due to depositors:					
Demand		0	6,627	0	0
Savings		1,097,364	683,161	4,405,869	21,897,454
Time deposits		0	1,002,100,000	1,500,000	9,645,496
	US$	1,097,364	1,002,789,788	5,905,869	31,542,950
Accrued interest payable	US$	0	4,973,237	13,854	127,090
Other liabilities – accounts payable and derivatives	US$	0	10,411,650	0	0
Commitments and contingencies	US$	0	0	0	1,766,230
Interest income and expenses:					
Interest income on deposits with banks	US$	0	5,752,081	0	0
Interest income on loans	US$	109,289	0	0	107,116
Interest income on investment	US$	0	445,244	0	0
Interest expense on deposits due to depositors	US$	18,451	50,693,076	146,497	978,883

Transactions originate as a result of the relationship with directors, companies that are part of the economic group (parent company, controlling company and fellow subsidiaries), as well as companies over which the bank's directors have control (related companies others).

The transactions with related parties form part of the Bank's day-to-day operations and are processed in the same way as third party transactions. The Bank paid interest of 1.00% to 5.36% (2023: 1.00% to 5.39%) on its interest bearing liabilities to related parties and earned interest income of 3.28% to 5.33% (2023: 3.28% to 5.00%) from its deposits placed with related parties.

The Bank does not provide direct compensation to its Key Management Personnel (KMP). Furthermore, no payments are made to the parent company for the time and services rendered by the KMP.

The different items presented in the table above represent the types of transactions that have been negotiated with related parties and these operations are not guaranteeing other types of transactions. The Bank has neither provided any security against it liabilities to related parties nor received any security from related parties for deposits or investments made.

Financial instruments on transactions with related parties that have credit risk are classified as Stage 1 in the ECL model.

According to the calculations made by management, the amounts of reserves for expected credit losses associated with these loans with related parties are not significant.

8. Investments and Other Financial Assets Sold and Purchased Pending Settlement

The Bank recognizes each sale and purchase of financial instruments on a trade-date basis; the settlement of the transaction generally occurs within three to thirty working days following the trade date. The period between the trade date and the settlement date varies depending on the type of financial instrument traded and the regulations in effect in the market when negotiation occured.

Investments and other financial assets pending settlement amounted to US$62,553,509 (2023: US$91,206,479) for sales of investments and other financial assets and US$120,118,966 (2023: US$69,606,391) for purchases of investments and other financial assets.

9. Securities Sold Under Repurchase Agreements

As of December 31, 2024, the Bank maintains obligations resulting from securities sold under repurchase agreements amounting to US$46,942,000 with various maturities until January 2025 and annual interest rates of 4.95%; the weighted average interest rate of these securities is 4.95%. These values are guaranteed with investment values for US$48,170,519.

10. Other Financial Liabilities at Fair Value

The Bank holds, within other liabilities line, financial liabilities of debt instruments at fair value arising from short sales, which are summarized as follows:

	Level		2024	2023
Bonds of the US Government	1		0	3,374,894
Mortgage Backed Securities (MBS)	2		31,414,414	80,694,909
		US$	31,414,414	84,069,803

See the description of the main valuation methods, assumptions and variables used in estimating the fair value of the Bank´s financial instruments, including these liabilities and the levels in Note 5.

11. Share Capital

	2024		2023	
	Number	US$	Number	US$
Common Shares				
Authorized shares with par value of US$10 each	20,000,000	200,000,000	20,000,000	200,000,000
Issued and fully paid:				
Balance at the beginning and end of the year	11,915,814	119,158,140	11,915,814	119,158,140
Preferred Shares – Class "A"				
Authorized shares with par value of US$10 each	30,000,000	300,000,000	30,000,000	300,000,000
Issued and fully paid:				
Balance at the beginning and end of the year	6,500,000	65,000,000	6,500,000	65,000,000

Upon approval of the Board of Directors, Preferred shares Class "A" holders are entitled to receive dividends payable in cash at 8% or Class A preferred shares at the option of the issuer. Preferred shares do not carry the right to vote and are redeemable at option of the issuer at any given date of dividend payment subject to Cayman Islands Monetary Authority approval.

As of December 31, 2024, Overseas Capital Markets, Inc. is the owner of 100% (2023: 100%) of the Bank's issued and outstanding common and preferred shares.

Under the Banks and Trust Companies Act of the Cayman Islands, the Bank has externally imposed capital requirements of US$500,000. The Bank maintained compliance with externally imposed capital requirements as at and for the years ending 2024 and 2023.

12. Net Gain (Loss) on Financial Instruments

The net gain (loss) on financial instruments included in the consolidated statement of income is summarized as follows:

		2024	2023
Net loss on sale of investments and other financial assets at FV through profit or loss		(3,715,302)	(7,653,027)
Net gain on sale of financial instruments of debt for short sales at FV through profit or loss		103,791	1,107,583
Net loss on sale of investments and other financial assets at FVOCI		(2,940,711)	(22,635,939)
Net unrealized gain on investments and other financial assets		2,448,523	13,361,919
Net gain (loss) on derivative instruments		5,751,836	(2,637,902)
Total gain (loss) on financial instruments, net	US$	1,648,137	(18,457,366)

The detail of net loss on sale of investments and other financial assets by classification type is presented in Note 5.

13. Income Tax

Under current laws of the Cayman Islands, there are no income, estate, transfer, sales or other Cayman Islands taxes payable by Banco General (Overseas), Inc. Accordingly, no provision for Cayman Islands income taxes is included in these consolidated financial statements.

However, as result of the consolidation of the special purpose vehicle, BG Trust, Inc. FID (0109-INV-22), and in accordance with the tax legislation of the Republic of Panama, the income tax rate applicable to the financial income taxable according to current legislation is 25% (2023: 25%), the average effective estimated income tax rate is 28% (2023: 25%), for which the Bank presents an income tax of US$653,405 (2023: US$612,295) in the consolidated statement of income.

The reconciliation between financial income before income tax and the fiscal net income, from special purpose vehicle incorporated in the Republic of Panama, is detailed as follows:

		2024	**2023**
Financial income before income tax		2,306,655	2,469,631
Net foreign income, exempt and non-taxable		(19,913)	(20,480)
Non-deductible costs and expenses		326,879	29
Fiscal net income	US$	2,613,621	2,449,180

14. Commitments and Contingencies

In the normal course of business, the Bank maintains commitments and contingencies which are not reflected in the consolidated statement of financial position, that involve certain levels of credit and liquidity risks.

Guarantees issued on behalf of customers, letters of credit and promissory notes include certain exposure to credit loss in the event of non-compliance by the customer, net of collateral guarantees securing these transactions. The Bank's policies and procedures to approve these commitments are similar to those for extending loan facilities recorded within the Bank's assets.

In the opinion of the Bank's management, no losses will result from these commitments on behalf of customers.

Off balance sheet contingencies, by maturity are summarized as follows:

		2024		
		0 – 1 Year	**1 – 5 Years**	**Total**
Letters of credit	US$	350,000	1,766,230	2,116,230

		2023		
		0 – 1 Year	**1 – 5 Years**	**Total**
Letters of credit	US$	1,766,230	350,000	2,116,230

Credit Quality Analysis of Contingencies

The table below presents information about the credit quality of contingencies held by the Bank:

		2024	**2023**
Maximum exposure			
Carrying amount	US$	2,116,230	2,116,230
Letters of credit			
Grade 1: Standard	US$	2,116,230	2,116,230

The Bank is not involved in any litigation that in management's opinion may result in a material adverse effect on the Bank, to its consolidated financial position or to its consolidated financial performance.

15. Derivative Financial Instruments

The Bank uses interest rate swaps contracts to reduce interest rate risk of both financial assets and financial liabilities. The Bank reduces the credit risk of these contracts by using reputable financial institutions as counterparties. These contracts are recorded in the consolidated statement of financial position at fair value within assets and liabilities, as applicable.

Below is the summary of derivatives contracts is as follow:

						Over the Counter (OTC)			
		Total		Exchange-Traded		Liquidated in a securities exchange		Other bilateral counterparties	
		Notional Value	Book Value	Notional Value	Book Value	Notional Value	Book Value	Notional Value	Book Value
2024									
Derivative assets	US$	564,150,995	20,639,865	29,989,420	0	514,712,215	20,287,511	19,449,360	352,354
Derivative liabilities	US$	508,045,585	14,832,308	65,170,400	0	93,200,000	1,172,501	349,675,185	13,659,807
2023									
Derivative assets	US$	326,445,933	16,818,254	17,251,800	0	265,114,462	16,617,878	44,079,671	200,376
Derivative liabilities	US$	400,629,835	12,674,277	38,320,640	0	192,425,570	3,204,015	169,883,625	9,470,262

The Bank maintains cash equivalents as collateral in institutions that maintain risk ratings between AA to A- (2023: AA- to A-), which support derivative operations in the amount of US$6.8MM (2023: US$9.9MM).

Below is the following table presents derivatives by type of derivative instrument:

Other Derivatives classified by Risk:

		2024		2023	
		Assets	**Liabilities**	**Assets**	**Liabilities**
Other derivatives:					
Credit		409,192	0	687,374	2,251,210
Interest		19,037,701	14,832,308	13,720,608	10,270,331
Total	US$	19,446,893	14,832,308	14,407,982	12,521,541

As of December 31, 2024, the Bank has derivative contracts in books for a notional value of US$1,072,196,580 (2023: US$727,075,768), of which US$353,046,210 (2023: US$446,256,425) were managed by third parties. Of these derivatives managed by third parties US$317,343,500 (2023: US$360,850,390) are utilized to manage the duration and the interest rates risk of these portfolios.

The following table presents assets and liabilities derivatives hedge for risk management:

Hedge Derivatives for Risk Management:

	2024		2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Exposure to risk:				
Interest rate				
Fair value hedge	840,618	0	2,392,998	0
Total Interest Rate	840,618	0	2,392,998	0
Currency				
Others	352,354	0	17,274	152,736
Total Currency	352,354	0	17,274	152,736
Total derivatives for risk exposure	1,192,972	0	2,410,272	152,736

Interest rate risk derivatives hedge

The Bank uses ("interest rate swaps") to hedge part of the exposure of the fair value of investments in bonds or debt issues to changes in interest rates. ("Interest rate swaps") must replicate the terms of these positions.

When using derivative instruments to hedge exposures from fluctuations in interest rates, the Bank is exposed to the counterparty risk of the derivative instrument. This risk is minimized by executing transactions with high credit-rating counterparties and liquidating operations with organized markets; in both cases with exchange of daily margins.

The effectiveness of hedging derivatives is analyzed qualitatively and it is concluded that there is no ineffectiveness because the terms of the derivatives are a mirror of the terms of the hedged risk component of the underlying assets and liabilities.

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

	2024 Maturity				
Risk Category	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**More than 5 years**
Interest rate risk					
Hedging of Bonds					
Notional Value	0	0	0	20,000,000	0
Average interest rate				5.25%	

	2023 Maturity				
Risk Category	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**More than 5 years**
Interest rate risk					
Hedging of Bonds					
Notional Value	0	0	0	40,000,000	0
Average interest rate				3.45%	

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

2024

	Notional Value	**Book Value**		**Item in the consolidated statement of financial position that includes hedge instruments**	**Change in fair value used for calculating hedge ineffectiveness**	**Ineffectiveness recognized in profit or loss**
		Assets	**Liabilities**			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	20,000,000	840,618	0	Derivatives instruments assets (liabilities)	0	0
Total interest rate risk	20,000,000	840,618	0			

2023

	Notional Value	**Book Value**		**Item in the consolidated statement of financial position that includes hedge instruments**	**Change in fair value used for calculating hedge ineffectiveness**	**Ineffectiveness recognized in profit or loss**
		Assets	**Liabilities**			
Interest rate risk:						
Interest rate derivatives – Bonds Hedge	40,000,000	2,392,998	0	Derivatives instruments assets (liabilities)	0	0
Total interest rate risk	40,000,000	2,392,998	0			

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

2024

	Book Value		Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item		Item in the consolidated statement of financial position in which the hedge item is included	Change in the value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
Bonds	18,821,500	0	0	668,266	Investment securities FVOCI	0	0

2023

	Book Value		Accumulated amount of fair value hedge item adjustments included in the carrying amount of the hedge item		Item in the consolidated statement of financial position in which the hedge item is included	Change in the value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
Bonds	36,280,500	0	0	1,109,564	Investment securities FVOCI	0	0

The Bank's derivatives are classified as following in the fair value hierarchy as detailed in note 5:

		2024			
		Level 1	**Level 2**	**Level 3**	**Total**
Assets					
Other derivatives:					
Credit		0	409,192	0	409,192
Interest		0	19,037,701	0	19,037,701
Total		0	19,446,893	0	19,446,893
Hedge derivatives for risk management:					
Interest rate		0	840,618	0	840,618
Currency		0	352,354	0	352,354
Total		0	1,192,972	0	1,192,972
Total derivatives assets	**US$**	**0**	**20,639,865**	**0**	**20,639,865**
Liabilities					
Other derivatives:					
Interest		0	14,832,308	0	14,832,308
Total		0	14,832,308	0	14,832,308
Total derivatives liabilities	**US$**	**0**	**14,832,308**	**0**	**14,832,308**

		2023			
		Level 1	**Level 2**	**Level 3**	**Total**
Assets					
Other derivatives:					
Credit		0	687,374	0	687,374
Interest		0	13,720,608	0	13,720,608
Total		0	14,407,982	0	14,407,982
Hedge derivatives for risk management:					
Interest rate		0	2,392,998	0	2,392,998
Currency		0	17,274	0	17,274
Total		0	2,410,272	0	2,410,272
Total derivatives assets	**US$**	**0**	**16,818,254**	**0**	**16,818,254**
Liabilities					
Other derivatives:					
Credit		0	2,251,210	0	2,251,210
Interest		0	10,270,331	0	10,270,331
Total		0	12,521,541	0	12,521,541
Hedge derivatives for risk management:					
Currency		0	152,736	0	152,736
Total		0	152,736	0	152,736
Total derivatives liabilities	**US$**	**0**	**12,674,277**	**0**	**12,674,277**

The main valuation techniques, assumptions and inputs used to measure the fair value of derivatives are as follows:

Derivative	Valuation technique	Inputs used	Level
Organized Markets	Quoted prices	Observable quoted prices in active markets	1-2
Over the Counter (OTC)	Discounted cash flows	Yield curves Yield foreign exchange Credit spreads Assumed recovery Volatility	2

See Note 5, for the description of these Levels within the fair value hierarchy.

16. Concentration of Financial Assets and Liabilities

The geographical concentration of the most significant financial assets and liabilities is as follows:

		2024			
		United States of America and Others	**Panama**	**Latin America and the Caribbean**	**Total**
Assets:					
Due from banks		28,372,989	188,991,255	0	217,364,244
Investments and other financial assets at fair value through profit or loss		213,397,401	609,733	19,049	214,026,183
Investments and other financial assets at FVOCI		730,649,789	53,679,437	109,654,469	893,983,695
Investments at amortized cost		0	12,993,358	0	12,993,358
Loans, gross		0	56,666,437	653,375,871	710,042,308
Total	US$	972,420,179	312,940,220	763,049,389	2,048,409,788
Liabilities:					
Due to depositors		0	911,793,556	12,129,111	923,922,667
Securities sold under repurchase agreements		46,942,000	0	0	46,942,000
Other liabilities at fair value		31,414,414	0	0	31,414,414
Total	US$	78,356,414	911,793,556	12,129,111	1,002,279,081
Commitments and contingencies	US$	0	2,116,230	0	2,116,230

		2023			
		United States of America and Others	**Panama**	**Latin America and the Caribbean**	**Total**
Assets:					
Due from banks		54,851,602	182,838,554	0	237,690,156
Investments and other financial assets at fair value through profit or loss		219,527,867	638,579	16,467	220,182,913
Investments and other financial assets at FVOCI		852,488,659	53,926,957	97,627,506	1,004,043,122
Investments at amortized cost		0	13,078,105	0	13,078,105
Loans, gross		0	34,725,630	541,080,575	575,806,205
Total	US$	1,126,868,128	285,207,825	638,724,548	2,050,800,501
Liabilities:					
Due to depositors		0	1,078,206,642	25,369,416	1,103,576,058
Other liabilities at fair value		84,069,803	0	0	84,069,803
Total	US$	84,069,803	1,078,206,642	25,369,416	1,187,645,861
Commitments and contingencies	US$	0	2,116,230	0	2,116,230

17. Fair Value of Financial Instruments

The following assumptions, where appropriate, have been made by Management to estimate the fair value of financial assets and liabilities not measured at fair value:

(a) *Deposits due from banks/accrued interest receivable/other assets/demand deposits from customers/savings deposits from customers/accrued interest payable/securities sold under repurchase agreements.*
For the financial instruments described above, the carrying values approximate their fair value due to their short-term nature.

(b) *Investment and other financial assets*
For investments and others financial assets, the fair value measurement is determined using quoted prices in active markets, prices from a third party pricing vendors, brokers, custodians, investment management companies and banks. In addition, for some cases the Bank uses valuation techniques that are presented in Note 5, to calculate their investments mainly by discounting cash flows at the appropriate discount rate for that instrument.

(c) *Loans*
Fair value of the loan portfolio was determined by discounting the future cash flows at an interest rate that represents: (i) current market rates, and (ii) the future expected interest rates, for a term that considers the expected anticipated prepayments in the loan portfolio.

(d) *Time deposits due from banks/ time deposits from customers*
Fair value of these financial instruments was determined by discounting the future cash flows at an interest rate that reflects: (i) current market rates, and (ii) the future expected interest rates, for a term that represents the remaining life of these instruments.

Fair value estimates are made at a specific date based on relevant market estimates and information about the financial instruments. These estimates do not reflect any premium or discount that could result from the offer to sell a specific financial instrument at a given date. These estimates are subjective in nature and involve uncertainties and significant judgment; therefore, these estimates cannot be determined with precision. Changes in the assumptions or criteria could significantly affect the estimates.

The following table summarizes the carrying value and fair value of those financial assets and liabilities not measured at fair value on the Bank's consolidated statement of financial position:

		2024		2023	
		Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Assets:					
Due from banks		217,950,741	216,514,252	238,270,704	234,462,575
Investments at amortized cost		13,204,278	12,576,939	13,289,025	12,210,961
Loans, net		710,946,523	709,379,147	578,968,263	574,862,170
Other financial assets		62,553,509	62,553,509	91,206,479	91,206,479
	US$	1,004,655,051	1,001,023,847	921,734,471	912,742,185
Liabilities:					
Due to depositors		930,553,470	930,686,547	1,108,795,541	1,108,664,193
Securities sold under repurchase agreements		47,225,999	47,225,999	0	0
Other financial liabilities		120,118,966	120,118,966	69,606,391	69,606,391
	US$	1,097,898,435	1,098,031,512	1,178,401,932	1,178,270,584

The following table analyzes the fair value of the financial instruments not measured at fair value, according to the fair value hierarchy level:

		2024	**Level 1**	**Level 2**	**Level 3**
Assets:					
Due from banks		216,514,252	0	0	216,514,252
Investments at amortized cost		12,576,939	0	12,576,939	0
Loans, net		709,379,147	0	0	709,379,147
Other financial assets		62,553,509	0	0	62,553,509
	US$	1,001,023,847	0	12,576,939	988,446,908
Liabilities:					
Due to depositors		930,686,547	0	0	930,686,547
Securities sold under repurchase agreements		47,225,999	0	0	47,225,999
Other financial liabilities		120,118,966	0	0	120,118,966
	US$	1,098,031,512	0	0	1,098,031,512

		2023	Level 1	Level 2	Level 3
Assets:					
Due from banks		234,462,575	0	0	234,462,575
Investments at amortized cost		12,210,961	0	12,210,961	0
Loans, net		574,862,170	0	0	574,862,170
Other financial assets		91,206,479	0	0	91,206,479
	US$	912,742,185	0	12,210,961	900,531,224
Liabilities:					
Due to depositors		1,108,664,193	0	0	1,108,664,193
Other financial liabilities		69,606,391	0	0	69,606,391
	US$	1,178,270,584	0	0	1,178,270,584

See Note 5, for the description of these Levels.

18. Financial Instrument Risk Management

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

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

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

(a) Credit Risk

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

To mitigate the credit risk, risk management policies establish limits by country, industry, and debtor.

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the consolidated statement of financial position.

		2024 (in thousands)			
		12-months ECL	Lifetime ECL not credit – impaired	Lifetime ECL credit – impaired	Total
Loans at amortized cost					
Grade 1: Standard		705,644	4,398	0	710,042
Gross amount		705,644	4,398	0	710,042
Loan losses allowance		(3,233)	(484)	0	(3,717)
Net carrying amount	US$	**702,411**	**3,914**	**0**	**706,325**

		2023 (in thousands)			
		12-months ECL	Lifetime ECL not credit – impaired	Lifetime ECL credit – impaired	Total
Loans at amortized cost					
Grade 1: Standard		574,608	1,198	0	575,806
Gross amount		574,608	1,198	0	575,806
Loan losses allowance		(1,112)	(17)	0	(1,129)
Net carrying amount	US$	**573,496**	**1,181**	**0**	**574,677**

At the reporting date there were no loans or investments on a watch list or for which terms have been renegotiated. At December 31, 2024 and 2023, the Bank has no impaired deposits due from banks.

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

	2024	**2023**
Current	709,882,345	575,784,328
From 31 to 90 days	159,963	14,054
More than 30 days past due (capital at maturity)	0	7,823
Total	710,042,308	575,806,205

The following table presents the credit quality of the investments and other financial assets and impairment reserves held by the Bank, excluding share capital amounting to US$628,783 (2023: US$655,047), which are not subject to credit risk:

		2024				
		12-months ECL	Lifetime ECL not credit – impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	Total
At Amortized Cost						
BBB-		12,993,358	0	0	0	12,993,358
Total carrying amount	**US$**	**12,993,358**	**0**	**0**	**0**	**12,993,358**
At FVOCI						
AAA		467,304,729	0	0	0	467,304,729
AA+ to BBB-		238,352,161	0	0	0	238,352,161
Lower than BBB-		188,290,805	36,000	0	0	188,326,805
Total carrying amount	US$	**893,947,695**	**36,000**	**0**	**0**	**893,983,695**
Valuation of credit risk	US$	(1,871,092)	(564,000)	0	0	(2,435,092)
At Fair Value through profit or loss						
AAA		91,465,296				
AA+ to BBB-		113,498,084				
Lower than BBB-		8,434,020				
Total carrying amount	**US$**	**213,397,400**				

		2023				
		12-months ECL	Lifetime ECL not credit – impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	Total
At Amortized Cost						
BBB-		13,078,105	0	0	0	13,078,105
Total carrying amount	**US$**	**13,078,105**	**0**	**0**	**0**	**13,078,105**
At FVOCI						
AAA		537,096,875	0	0	0	537,096,875
AA+ to BBB-		273,273,198	0	0	0	273,273,198
Lower than BBB-		193,477,681	124,368	0	71,000	193,673,049
Total carrying amount	US$	**1,003,847,754**	**124,368**	**0**	**71,000**	**1,004,043,122**
Valuation of credit risk	US$	(2,020,133)	(468,000)	0	(51,323)	(2,539,456)
At Fair Value through profit or loss						
AAA		73,054,110				
AA+ to BBB-		146,403,099				
Lower than BBB-		70,657				
Total carrying amount	**US$**	**219,527,866**				

Investments were classified based on their highest international risk rating amongst Fitch Ratings Inc., Moody's and Standard and Poor´s. In the case of local investments that do not have an international rating, the Bank uses an internal rating, which is consistent with international risk ratings.

Deposits with banks

The deposits with banks are held with financial institution counterparties that are rated at least between AA to BBB-, based on ratings by Standard & Poor's, Moody's and Fitch Ratings Inc., amount to US$217,364,244 (2023: US$237,690,156).

Collateral to Reduce Credit Risk and its Financial Effect

The Bank holds collateral to reduce its exposure to credit risk and to ensure the collection of its financial assets exposed to credit risk.

The table below presents the principal types of collateral held against financial assets.

	% of exposure that is subject to Collateral requirements		Type of Collateral
	2024	2023	
Loans	96.05%	95.30%	Cash, Properties, Equipment, and Others
Investments and Other Financial Assets	50.76%	49.46%	Cash, Properties, and Equipment

Residential mortgage loans

The table below presents the value of residential mortgage loans held within ranges of loan-to-value (LTV). The LTV is calculated as the ratio of the gross loan balance to the value of the collateral. The gross loan balances exclude any impairment allowance. The value of collateral for residential mortgage loans is based on the collateral value at loan origination, which in certain instances is updated on a periodic basis.

	2024
Residential mortgages loans:	
Less than 50%	8,100,900
51% - 70%	7,234,623
71% - 90%	3,318,096
More than 90%	457,528
Total	19,111,147

Concentration of Credit Risk

The Bank monitors credit risk concentration by sector and geographic location. The analysis of credit risk concentration is presented below:

		Loans		Investments and other financial assets	
		2024	2023	2024	2023
		(in thousands)		(in thousands)	
Concentration by Sector:					
Corporate		624,418	511,690	566,506	628,823
Consumer		53,636	32,340	0	0
Government and Government Agencies		0	0	553,868	607,826
Other Sectors		31,988	31,776	0	0
	US$	710,042	575,806	1,120,374	1,236,649
Geographical Concentration:					
Panama		56,666	34,726	66,672	67,005
Latin America and the Caribbean		653,376	541,080	109,654	97,627
United States of America and Other		0	0	944,048	1,072,017
	US$	710,042	575,806	1,120,374	1,236,649

The geographic concentration of loans is based on the debtor's location, and location of investments is based on the issuer's location.

(b) *Counterparty Risk*

Counterparty risk is the risk that a counterparty does not comply with the settlement of a purchase or sale of securities or other instruments traded in financial markets.

Risk management policies set counterparty limits that determine, at every moment, the maximum amount of net exposure of unsettled transactions that the Bank can hold with a counterparty. The Assets and Liabilities Committee is responsible for identifying those acceptable counterparties taking into consideration the counterparty's history with respect to the fulfillment of obligations, as well as indications of its capability and position to comply with is obligations.

(c) *Market Risk*

Market risk is the risk that the value of the Bank's financial assets are reduced as a result of changes in interest rates, foreign currency exchange rates, stock prices, and also the impact of other financial variables, that are not controlled by the Bank.

Risk management policies provide for compliance limits by type of financial instrument, limits related to maximum loss amounts that trigger the settlement of positions that caused such loss; and the requirement that, except upon approval of the Board of Directors, substantially all assets and liabilities are denominated in US Dollars.

The composition and analysis of the market risks are described as follows:

- *Exchange rate Risk*

  Is the risk that the value of a financial instrument fluctuates as a consequence of variations in foreign currency exchange rates and other financial variables, as well as the market participants' reactions to political and economic events. At December 31, 2024 and 2023, the Bank does not hold significant positions in foreign currencies.

  Currently, foreign exchange exposure is low considering the Bank's policy is not to hold foreign exchange position, unless their intention is to cover clients' needs and those arising from portfolios managed by third parties, which have maximum exposure limits, according to those established by Bank's Board of Directors.

  The following table details the Bank's currency exposure agreed in currencies other than the United States of America (USA) dollar:

		2024					
		Euros, expressed in USD	**Sterling Pounds, expressed in USD**	**Japanese Yen, expressed in USD**	**Canadian Dollar, expressed in USD**	**Other currencies, expressed in USD***	**Total**
Exchange rate		**1.04**	**1.25**	**157.18**	**1.44**		
Assets							
Due from banks		204,273	42,826	22,275	5,864	13,540	288,778
Investments and other financial assets		14,509,434	3,406,675	0	214,351	539,459	18,669,919
Derivative instruments - assets		30,547	3,714	0	0	0	34,261
	US$	14,744,254	3,453,215	22,275	220,215	552,999	18,992,958
Liabilities							
Derivative instruments - liabilities		14,861,823	3,513,419	0	174,938	546,826	19,097,006
	US$	14,861,823	3,513,419	0	174,938	546,826	19,097,006
Net currency position	**US$**	(117,569)	(60,204)	22,275	45,277	6,173	(104,048)

		2023					
		Euros, expressed in USD	**Sterling Pounds, expressed in USD**	**Japanese Yen, expressed in USD**	**Canadian Dollar, expressed in USD**	**Other currencies, expressed in USD***	**Total**
Exchange rate		**1.10**	**1.27**	**141.03**	**1.32**		
Assets							
Due from banks		178,192	20,341	23,095	130,497	2,025	354,150
Investments and other financial assets		29,647,009	16,607,192	0	352,714	0	46,606,915
Derivative instruments - assets		299,743	5,396,946	0	0	0	5,696,689
	US$	30,124,944	22,024,479	23,095	483,211	2,025	52,657,754
Liabilities							
Derivative instruments - liabilities		13,256,455	10,159,107	51,128	0	14,680	23,481,370
	US$	13,256,455	10,159,107	51,128	0	14,680	23,481,370
Net currency position	**US$**	16,868,489	11,865,372	(28,033)	483,211	(12,655)	29,176,384

**Other currencies include Australian Dollar, Turkish Lira, Singapore Dollar, South African Rand, Mexican Peso, Polish Zloty and Swiss Franc.*

- *Interest Rate Risk of the Cash flows and the Fair Value*

The interest rate risk on cash flows and the interest rate risk on fair value are the risks of fluctuation of both the future cash flows and the value of a financial instrument due to changes in market interest rates.

The net interest margin of the Bank may vary as a result of unanticipated movements in interest rates.

In order to mitigate this risk, the Bank's management has defined exposure limits to the interest rate risk.

The table below summarizes the Bank's exposure based on the re-pricing terms of interest rates on interest-bearing financial assets and liabilities:

2024		Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	From 5 to 10 years	More than 10 years	Total
Assets:								
Time deposits		10,000,000	170,000,000	0	1,766,230	0	0	181,766,230
Investments and other financial assets		285,394,897	18,386,954	42,738,113	467,062,093	162,109,247	59,403,821	1,035,095,125
Loans, gross		663,165,937	35,167,792	9,571,153	2,137,426	0	0	710,042,308
Total	US$	958,560,834	223,554,746	52,309,266	470,965,749	162,109,247	59,403,821	1,926,903,663
Liabilities:								
Time and savings deposits		628,610,056	286,410,732	1,130,022	7,766,230	0	0	923,917,040
Securities sold under repurchase agreements		46,942,000	0	0	0	0	0	46,942,000
Total	US$	675,552,056	286,410,732	1,130,022	7,766,230	0	0	970,859,040
Total interest sensitivity gap	US$	283,008,778	(62,855,986)	51,179,244	463,199,519	162,109,247	59,403,821	956,044,623

2023		Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	From 5 to 10 years	More than 10 years	Total
Assets:								
Time deposits		1,766,230	0	0	170,000,000	0	0	171,766,230
Investments and other financial assets		262,876,195	21,323,345	33,060,068	550,600,125	221,767,969	84,064,853	1,173,692,555
Loans, gross		475,515,031	97,052,088	1,534,325	1,704,761	0	0	575,806,205
Total	US$	740,157,456	118,375,433	34,594,393	722,304,886	221,767,969	84,064,853	1,921,264,990
Liabilities:								
Time and savings deposits		1,085,425,814	9,721,332	2,422,285	6,000,000	0	0	1,103,569,431
Total	US$	1,085,425,814	9,721,332	2,422,285	6,000,000	0	0	1,103,569,431
Total interest sensitivity gap	US$	(345,268,358)	108,654,101	32,172,108	716,304,886	221,767,969	84,064,853	817,695,559

In order to assess the interest rate risks and their impact on the fair value of financial assets and liabilities, the Bank's management performs simulations to determine the sensitivity on financial assets and liabilities.

Management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves worldwide. An analysis of the Bank's sensitivity to an (increase) or decrease in market interest rates is as follows:

	Sensitivity of the net interest income			
	100bp increase		100bp decrease	
	2024	2023	2024	2023
At the end of the year	655,291	(4,943,254)	(609,449)	5,013,481
Average for the year	(1,111,221)	(2,783,453)	1,175,738	2,844,480
Maximum for the year	(3,224,916)	(4,943,254)	3,302,964	5,013,481
Minimum for the year	655,291	(1,550,404)	(609,449)	1,611,371

	Sensitivity in profit or loss for investments at fair value			
	100bp increase		100bp decrease	
	2024	2023	2024	2023
At the end of the year	(5,377,496)	(4,211,969)	4,411,134	5,700,546
Average for the year	(4,223,996)	(7,123,819)	4,168,443	7,458,061
Maximum for the year	(5,377,496)	(8,421,922)	4,411,134	8,449,765
Minimum for the year	(3,529,095)	(4,211,969)	3,689,082	5,700,546

	Sensitivity of other comprehensive income			
	100bp increase		100bp decrease	
	2024	2023	2024	2023
At the end of the year	(27,025,612)	(33,922,423)	27,706,373	32,840,950
Average for the year	(30,317,383)	(32,802,412)	29,936,899	32,849,545
Maximum for the year	(33,028,715)	(34,193,948)	32,322,857	34,384,201
Minimum for the year	(27,025,612)	(31,309,585)	27,706,373	31,984,744

Overall non-trading interest rate risk positions are managed by Central Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Bank's non-trading activities.

(d) Liquidity and Financing Risk

Liquidity and financing risk is the risk that the Bank cannot comply with all its obligations for, among other reasons, an unexpected withdrawal of funds by depositors, the deterioration of the quality of the loan portfolio, impairment of securities, the excessive concentration of liabilities from one particular source, a gap between assets and liabilities, a shortage of asset liquidity, or the mismatch of long-term asset financing with short-term liabilities.

Risk management policies establish a liquidity limit in order to determine the amount of the Bank's assets that should be maintained in highly liquid instruments. It also sets out; financing limits, leverage limits and duration limits.

The table below summarizes the Bank's assets and liabilities grouped by their residual maturities with respect to the contractual maturity date, except investments and other financial assets, net which are based on their liquidity (possible sale date):

					2024				
		Up to 3 months	**From 3 to 6 months**	**From 6 months to 1 year**	**From 1 to 5 years**	**From 5 to 10 years**	**More than 10 years**	**With no maturity**	**Carrying amount**
Assets:									
Due from banks		45,598,014	170,000,000	0	1,766,230	0	0	0	217,364,244
Investment and others financial assets, net		1,084,050,909	1,168,453	9,532,233	25,622,859	0	0	628,782	1,121,003,236
Loans, net		95,547,249	96,279,059	96,108,571	352,806,568	65,583,495	0	0	706,324,942
Accrued interest receivable		0	0	13,028,051	0	0	0	0	13,028,051
Derivative instruments - assets		352,354	0	89,696	3,837,387	273,760	16,086,668	0	20,639,865
Investment and other financial assets sold pending settlement		62,553,509	0	0	0	0	0	0	62,553,509
Total	US$	1,288,102,035	267,447,512	118,758,551	384,033,044	65,857,255	16,086,668	628,782	2,140,913,847
Liabilities:									
Due to depositors		628,615,682	286,410,733	1,130,022	7,766,230	0	0	0	923,922,667
Securities sold under repurchase agreements		46,942,000	0	0	0	0	0	0	46,942,000
Accrued interest payable		0	0	6,914,802	0	0	0	0	6,914,802
Derivative instruments - liabilities		1,477	0	122,599	1,126,778	723,638	12,857,816	0	14,832,308
Investment and other financial assets purchased pending settlement		120,118,966	0	0	0	0	0	0	120,118,966
Other financial liabilities at fair value		31,414,414	0	0	0	0	0	0	31,414,414
Total	US$	827,092,539	286,410,733	8,167,423	8,893,008	723,638	12,857,816	0	1,144,145,157
Net liquidity gap	US$	461,009,496	(18,963,221)	110,591,128	375,140,036	65,133,617	3,228,852	628,782	996,768,690

		2023							
		Up to 3 months	**From 3 to 6 months**	**From 6 months to 1 year**	**From 1 to 5 years**	**From 5 to 10 years**	**More than 10 years**	**With no maturity**	**Carrying amount**
Assets:									
Due from banks		67,690,156	0	0	170,000,000	0	0	0	237,690,156
Investment and others financial assets, net		1,176,746,560	1,054,182	43,360,907	15,487,444	0	0	655,047	1,237,304,140
Loans, net		69,142,340	99,401,428	69,691,713	232,322,820	104,118,624	0	0	574,676,925
Accrued interest receivable		0	0	14,239,266	0	0	0	0	14,239,266
Derivative instruments - assets		200,249	684,913	3,586	4,843,104	2,070	11,084,332	0	16,818,254
Investment and other financial assets sold pending settlement		91,206,479	0	0	0	0	0	0	91,206,479
Total	US$	1,404,985,784	101,140,523	127,295,472	422,653,368	104,120,694	11,084,332	655,047	2,171,935,220
Liabilities:									
Due to depositors		1,085,432,441	9,721,332	2,422,285	6,000,000	0	0	0	1,103,576,058
Accrued interest payable		0	0	5,220,057	0	0	0	0	5,220,057
Derivative instruments - liabilities		194,459	0	0	2,986,394	422,267	9,071,157	0	12,674,277
Investment and other financial assets purchased pending settlement		69,606,391	0	0	0	0	0	0	69,606,391
Other financial liabilities at fair value		84,069,803	0	0	0	0	0	0	84,069,803
Total	US$	1,239,303,094	9,721,332	7,642,342	8,986,394	422,267	9,071,157	0	1,275,146,586
Net liquidity gap	US$	165,682,690	91,419,191	119,653,130	413,666,974	103,698,427	2,013,175	655,047	896,788,634

The liquidity index of the Bank, that is primary liquid assets to total deposits and borrowings, measured at the consolidated statement of financial position date, is detailed as follows:

	2024	**2023**
At the end of the year	97.44%	98.41%
Average for the year	98.71%	99.16%
Maximum for the year	107.45%	103.18%
Minimum for the year	94.47%	96.27%

(e) Operational Risk

Operational risk is the risk that losses may occur due to failure or insufficiency of processes, personnel, technology, infrastructure, management information, models used or the occurrence of external events. This definition includes the legal risk associated with such factors; but excludes losses due to loss of profits, reputational risk and strategic risk. The Bank has designed an operational risk management model under a decentralized management structure through risk managers within functional areas.

Operational Risk is a division of the Corporate Risk department and its management model includes within its main functions:

- Business Continuity
- Risk Management
- Management and Control
- Cybersecurity as a second line

As part of the Corporate Governance Model; strategy, methodology and monitoring of action plans for events and risks measured as critical and high are reported to the Executive Committee of Operational Risk and, on a quarterly basis, to the Board's Risk Committee. The management update is presented in the Corporate Governance Manual.

The Corporate Internal Audit department validates compliance of defined policies and methodologies in accordance with existing regulations, the results of which are presented to the Corporate Audit Committee.

The Bank has the majority of its investment portfolio under custody with the Bank of New York Mellon, which has an international rating of A1 by Moody's, A from Standard and Poor's and is regulated by the Federal Reserve System of the United States of America, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

(f) Capital Management

The Bank´s regulatory capital consists of the following elements:
- Tier 1 capital, which includes common share capital, preferred share capital, additional paid-in capital, valuation reserve, retained earnings, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, and certain allowances for loan losses that are presently unidentified on an individual basis, and elements of the fair value reserve relating to gains (losses) on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base. The amount of qualifying tier 1 securities cannot exceed 15 percent of total tier 1 capital; qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying subordinated term loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of the loan loss allowance that may be included as part of tier 2 capital.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between higher returns that might be achievable with greater gearing and the advantages and security afforded by a sound capital position.

The Bank's individually regulated operations have complied with all externally imposed capital requirements throughout the year.

There have been no material changes to the Bank's capital management during the year.

The Bank's regulatory capital position at December 31 was as follows:

		2024	2023
		(in thousands)	
Tier 1 capital			
Common shares		119,158	119,158
Preferred shares		65,000	65,000
Additional paid-in capital		15,842	15,842
Valuation reserve		(22,907)	(33,430)
Retained earnings		794,766	725,708
Total	US$	971,859	892,278
Tier 2 capital			
General provisions		3,071	851
		3,071	851
Total available capital	US$	974,930	893,129
Risk-weighted assets	US$	1,559,812	1,538,500
Capital ratios			
Tier 1 ratio expressed as a percentage of total risk-weighted assets		62.31%	58.00%
Total regulatory capital expressed as a percentage of total risk-weighted assets		62.50%	58.05%

In addition to risk-based capital requirements, the Basel III reforms introduced a simpler, non risk-based Leverage ratio requirement to act as a supplementary measure to its risk-based capital requirements. The Leverage ratio is defined as a ratio of Basel III Tier 1 capital to a leverage exposure measure which includes on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the requirements.

Effective 1 December 2019, CIMA implemented the Basel III Leverage Ratio Liquidity Risk Management Rules and Guidelines, which outline the application and disclosure of the Basel III Leverage ratio in the Cayman Islands. The minimum ratio of 3% is applicable to all banks, except in specific cases where the Authority, in its sole discretion, decides that difference leverage ratio requirements should be set.

19. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The Bank's management has made a number of estimates and assumptions relating to the reporting of assets, liabilities, results, commitments and contingencies, based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Any changes in assumptions or criteria could significantly affect estimates.

(a) Impairment losses on loans:

The Bank reviews its loan portfolios at the reporting date to determine whether there is objective evidence of impairment on a loan or loan portfolio that should be recognized in the profit or loss of the year.

The assessment of whether the credit risk of a loan has increased significantly is one of the critical judgements in the impairment model. Loss allowances are measured either at amounts equal to 12-month ECL or at lifetime ECL. See note 3 for a more detailed description of impairment losses on loans.

(b) Impairment of investment and other financial assets:

The Bank assesses its investment and other financial assets at the reporting date to determine whether there is objective evidence of impairment. The Bank considers investment and other financial assets to be impaired when there has been a significant increase in credit risk evidenced by a downgrade in risk ratings from initial recognition, default in payments, debt restructuring, and other similar events.

(c) Fair value of derivative instruments:

The fair value of derivative instruments that are not quoted in active markets is determined by using valuation techniques. Models are reviewed before they are used and are calibrated to ensure that outputs reflect actual data and comparative fair values of market prices of similar instruments. See note 15.

To the extent of practicality, only observable data are used as inputs, although certain inputs such as counterparty credit risk, volatility measures and correlations require management to make certain estimates.

20. Subsequent Event

On June 10, 2024, the Cayman Islands Monetary Authority (CIMA) initiated an AML/CFT/PF inspection, which concluded on January 6, 2025. The Bank received the inspection report on March 3, 2025, containing recommendations that can be remedied within a three- to twelve-month implementation period. As of December 31, 2024, no provisions have been made by the Bank as a result of this inspection.

BANCO GENERAL (OVERSEAS), INC.

Appendix 1

Consolidated appendix information on the Consolidated Statement of Financial Position

December 31, 2024

(Stated in United States dollars)

		BANCO GENERAL (OVERSEAS), INC.	BG TRUST, INC. FID (0109-INV-22)	SUB- TOTAL	ELIMINATIONS	TOTAL CONSOLIDATED
Assets						
Due from banks:						
Demand deposits		34,325,413	1,272,601	35,598,014	-	35,598,014
Time deposits		181,766,230	-	181,766,230	-	181,766,230
Accrued interest receivable		586,497	-	586,497	-	586,497
Total due from banks		216,678,140	1,272,601	217,950,741	-	217,950,741
Investments and other financial assets, net		1,121,214,156	-	1,121,214,156	-	1,121,214,156
Loans		653,375,871	56,666,437	710,042,308	-	710,042,308
Accrued interest receivable		4,453,075	168,506	4,621,581	-	4,621,581
Less:						
Loan losses allowance		3,070,672	646,694	3,717,366	-	3,717,366
Loans, net		654,758,274	56,188,249	710,946,523	-	710,946,523
Investments in special purpose vehicle		54,000,000	-	54,000,000	54,000,000	-
Investments and other financial assets sold pending settlement		62,553,509	-	62,553,509	-	62,553,509
Derivative instruments - assets		20,639,865	-	20,639,865	-	20,639,865
Other assets		15,520,357	59,406	15,579,763	-	15,579,763
Total assets	US$	2,145,364,301	57,520,256	2,202,884,557	54,000,000	2,148,884,557

See the report of the Independent Auditors.

BANCO GENERAL (OVERSEAS), INC.

Appendix 1

Consolidated appendix information on the Consolidated Statement of Financial Position

December 31, 2024

(Stated in United States dollars)

		BANCO GENERAL (OVERSEAS), INC.	BG TRUST, INC. FID (0109-INV-22)	SUB- TOTAL	ELIMINATIONS	TOTAL CONSOLIDATED
Liabilities and equity						
Liabilities						
Due to depositors:						
Demand		5,627	-	5,627	-	5,627
Savings		53,732,186	-	53,732,186	-	53,732,186
Time deposits		870,184,854	-	870,184,854	-	870,184,854
Accrued interest payable		6,630,803	-	6,630,803	-	6,630,803
Total due to depositors		930,553,470	-	930,553,470	-	930,553,470
Securities sold under repurchase agreements		46,942,000	-	46,942,000	-	46,942,000
Accrued interest payable		283,999	-	283,999	-	283,999
Total securities sold under repurchase agreements		47,225,999	-	47,225,999	-	47,225,999
Investments and other financial assets purchased pending settlement		120,118,966	-	120,118,966	-	120,118,966
Derivative instruments - liabilities		14,832,308	-	14,832,308	-	14,832,308
Other financial liabilities at fair value		31,414,414	-	31,414,414	-	31,414,414
Other liabilities		29,359,957	83,054	29,443,011	-	29,443,011
Total liabilities		1,173,505,114	83,054	1,173,588,168	-	1,173,588,168
Equity						
Common share capital		119,158,140	54,000,000	173,158,140	54,000,000	119,158,140
Preferred share capital		65,000,000	0	65,000,000	-	65,000,000
Additional paid-in capital		15,841,860	0	15,841,860	-	15,841,860
Valuation reserve		(22,906,947)	0	(22,906,947)	-	(22,906,947)
Retained earnings		794,766,134	3,437,202	798,203,336	-	798,203,336
Total equity		971,859,187	57,437,202	1,029,296,389	54,000,000	975,296,389
Total liabilities and equity	US$	2,145,364,301	57,520,256	2,202,884,557	54,000,000	2,148,884,557

See the report of the Independent Auditors.

BANCO GENERAL (OVERSEAS), INC.

Appendix 2

Consolidated appendix information on the Consolidated Statement of Income and Retained Earnings

Year ended December 31, 2024

(Stated in United States dollars)

		BANCO GENERAL (OVERSEAS), INC.	BG TRUST, INC. FID (0109-INV-22)	SUB- TOTAL	ELIMINATIONS	TOTAL CONSOLIDATED
Operating income						
Interest on investments and other financial assets		69,025,703	-	69,025,703	-	69,025,703
Interest on deposits with banks		6,471,851	19,913	6,491,764	-	6,491,764
Interest on loans		49,776,886	2,613,645	52,390,531	-	52,390,531
Provision for loan losses		(2,219,301)	(326,903)	(2,546,204)	-	(2,546,204)
Reversal of provision for impairment of investments		104,364	-	104,364	-	104,364
Net gain on financial instruments		1,648,137	-	1,648,137	-	1,648,137
Dividends received		58,866	-	58,866	-	58,866
Other income		687,618	-	687,618	-	687,618
Total operating income, net		125,554,124	2,306,655	127,860,779	-	127,860,779
Operating expenses						
Interest on deposits and financing		52,923,858	-	52,923,858	-	52,923,858
General and administrative expenses:						
Professional services		57,240	-	57,240	-	57,240
Management fees and other bank charges		3,011,688	-	3,011,688	-	3,011,688
License fee		140,499	-	140,499	-	140,499
Other expenses		362,993	-	362,993	-	362,993
Total operating expenses		56,496,278	-	56,496,278	-	56,496,278
Net income before tax		69,057,846	2,306,655	71,364,501	-	71,364,501
Income tax, estimated		-	653,405	653,405	-	653,405
Net income		69,057,846	1,653,250	70,711,096	-	70,711,096
Retained earnings at the beginnig of the year		725,708,288	1,857,836	727,566,124	-	727,566,124
Complementary tax		-	(73,884)	(73,884)		(73,884)
Retained earnings at the end of the year	US$	794,766,134	3,437,202	798,203,336	-	798,203,336

See the report of the Independent Auditors.

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BANCO GENERAL (OVERSEAS), INC.

Appendix 3

Consolidated appendix information on the Consolidated Statement of Comprehensive Income

Year ended December 31, 2024

(Stated in United States dollars)

		BANCO GENERAL (OVERSEAS), INC.	BG TRUST, INC. FID (0109-INV-22)	SUB- TOTAL	ELIMINATIONS	TOTAL CONSOLIDATED
Net income		69,057,846	1,653,250	70,711,096	-	70,711,096
Other comprehensive income (expense)						
Items that are or may be reclassified to the consolidated statement of income:						
Valuation of investments and other financial assets:						
Net changes in valuation of investments at FVOCI		14,850,584	-	14,850,584	-	14,850,584
Transfer to profit or loss for sales of investments at FVOCI		(4,222,578)	-	(4,222,578)	-	(4,222,578)
Valuation of investments credit risk at FVOCI		(104,364)	-	(104,364)	-	(104,364)
Total other comprehensive income, net		10,523,642	-	10,523,642	-	10,523,642
Total comprehensive income	US$	79,581,488	1,653,250	81,234,738	-	81,234,738

See the report of the Independent Auditors.