FINANCIAL SUMMARY

THIRD QUARTER - 2020

BANCO NACIONAL DE PANAMA

General Information

Banco Nacional de Panama (the "Bank" or "Banconal") was established in 1904 in the Republic of Panama. Banconal is an independent, state owned bank, with a general banking license offering universal banking services to the public sector, companies and individuals with the widest geographical branch network across Panama, fostering the long term economic development of the country. The Bank serves a systemically important role, serving as the financial arm of the Panamanian government and all public entities.

As of September 30, 2020, Banconal is the second largest Panamanian bank in terms of total assets, with US$16,782.7 million, it boasts a leading market share of 34% of the country's agricultural loans and has a 16% market share of deposits. The Bank serves its customers through a nationwide network of 89 branches, 290 ATM's and 3,516 employees.

The following discussion is based on the information contained in the condensed interim financial statements, as of September 30, 2020. Some figures (including percentages) in this document have been rounded. The interim financial statements are available on the Bank's web site.

COVID-19 Pandemic

On March 13, 2020, the government of Panama declared a national health emergency and ordered the immediate suspension of all non-essential activities due to the COVID-19 pandemic, resulting in a significant impact on Panama's economy. The ongoing situation is monitored constantly in order to implement measures that mitigate the negative impact of the COVID-19 pandemic on the Panamanian people and its economy.

During March 2020, in line with new guidelines set out by the Superintendency of Banks, the Bank granted consumer banking customers affected by the COVID-19 outbreak (personal, credit card and mortgage loans) a grace period for loan payments of up to ninety (90) days, without charges, fees or penalties. The moratorium does not constitute a principal and/or interest exemption or restructuring of the amounts owed.

In order to allow the debtor to adequately attend to his obligations in the face of potential or actual deterioration of payments, banks can modify the originally agreed conditions of credits without being considered restructured credits, as set forth by the Superintendency of Banks. These modifications may be made at the request of the debtor or the bank's initiative.

On 30 June 2020, the government of Panama established Law No. 156 of 2020 ("Moratorium Law"), that dictates economic and financial measures to counteract the effects of COVID-19. The Law of public order and social interest has retroactive effects to March 1, 2020, establishing a moratorium on loans granted by banks, cooperatives and finance companies both public and private until December 31, 2020. The date has since been extended to June 30, 2021.

Banking entities may not increase interest rates, apply surcharges or any other interest on account of non-payment, or late payment on the modified credits established by this Law. The Superintendency of Banks of Panama will be obliged to ensure its strict compliance and will apply established sanctions. Once the term of the moratorium has expired, the banks, in agreement with the debtor, must establish the necessary mechanisms to bring their commitments up to date.

As of September 30, 2020, Banco Nacional's modified loans due resulting from the Moratorium Law totaled US$630.0 million, affecting 17,583 loans. This amount represents 14.0% of the Bank's loan portfolio and 2.4% of all modified loans in the National Banking System.

On August 19, 2020, the Banco Nacional de Panama along with the Ministry of Finance, approved an Economic Reactivation facility for the Banking System in the amount of US$ 1.0 billion ("Fondo Especial de Estímulo al Sistema Bancario"). The facility provides contingent liquidity to financial institutions and credit to stimulate various sectors of the economy.

Third Quarter 2020 Highlights

Financial Highlights (3Q20, $USmm)

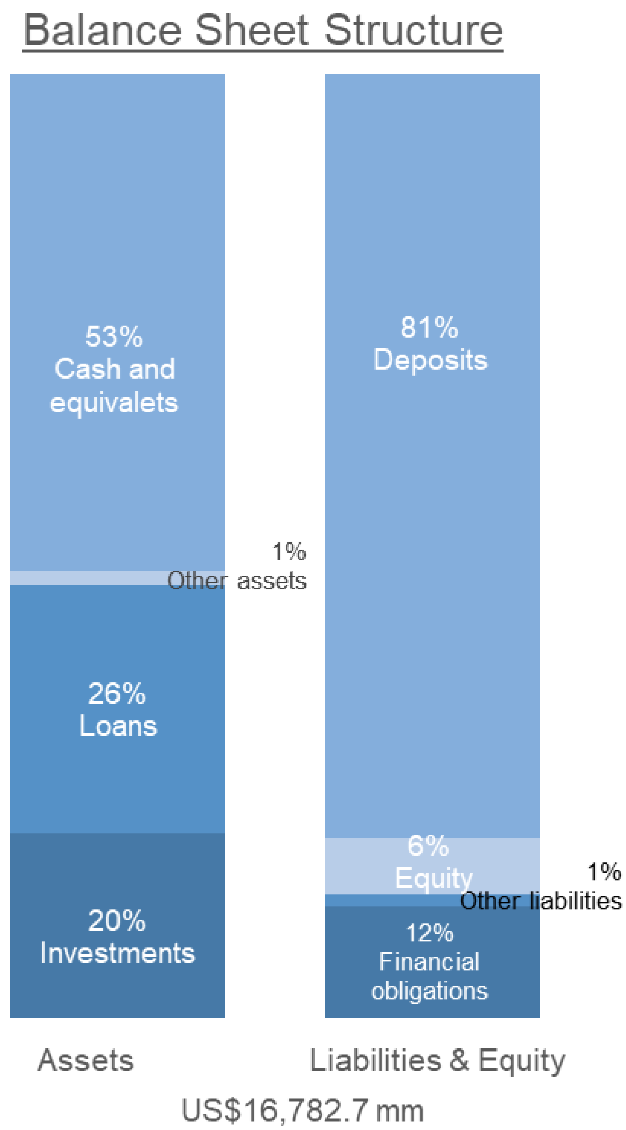
Gross Loans	$4,507
Total Assets	$16,782
Equity	$1,002
Net Income	$107
NIM[2]	2.3%
Efficiency Ratio	50.2%
RoAE	14.9%
Loan to Deposit Ratio	33%
Liquidity Rate	90.9%
NPL Ratio	2.1%
CET1 Ratio	16.4%

- As of September 30, 2020, the Bank reported net income of US$106.5 million, 14.2% or US$17.6 million below September 30, 2019's bottom line.
    - The decline is due to lower interest and commission income of US$12.3 million and a net increase in impairment allowances of US$26.9 million. The decline in net income and commission income net of provisions, was offset by other income, specifically income generated by the sale of investments. General and administrative expenses increased marginally for the nine months ended September 30, 2020.
- Banconal's balance sheet grew over 50% during the first nine months of 2020. The increase is directly linked to strategies implemented to mitigate additional liquidity demands due to the Covid – 19 pandemic.
- Total assets grew 55.1% at September 2020 over December 2019. The increase in assets of US$5,958.4 million is mostly held in cash and cash equivalents. Banconal's liquidity ratio at September was 90.9%, well above the regulatory requirement of 30.0%.
- The Bank's liabilities increased by 59.0% or US$5,858.8 million, driven by an increase in customer deposits of 43.9%, principally in public sector deposits which accounted for 90% of the increase, private sector deposits represented 10% of the total increase.
- The Bank increased its paid in capital by US$ 100 million from retained earnings, taking total paid in capital up to US$750 million.
- On July 23, 2020, Banconal entered into two credit facilities for an aggregate amount of US$ 510 million guaranteed by the Multilateral Investment Guarantee Agency, an agency of the World Bank ("MIGA"). The structure has the participation of Goldman Sachs who provided a credit facility in the amount of US$360 million and Société Générale, provided US$150 million in credit. The facility has a seven year tenor.
- On August 19, 2020, the Bank along with the Ministry of Finance, approved an Economic Reactivation facility for the Banking System in the amount of US$ 1.0 billion ("Fondo Especial de Estímulo al Sistema Bancario"). The facility provides contingent liquidity to financial institutions and credit to stimulate various sectors of the economy. As of September 30, 2020 no drawdowns have been made.
- Successful bond placement of US$ 1.0 billion in the international capital markets under Rule 144A / Regulation S. The bond issuance matures in August 2030 and features 2.5% interest rate, the lowest coupon obtained by a Panamanian bank. It is Banconal's first international bond issuance in the international capital markets and the largest securities issuance of any Panamanian financial institution. The proceeds aim to diversity the Bank's overall funding sources and to improve the ability to obtain long-term resources in the midst of the COVID-19 pandemic.
- Credit ratings by Moody's, S&P and Fitch Baa1/BBB+/BBB.

Third Quarter 2020 Financial Review

Assets

As of September 30, 2020, total assets amounted to US$16,782.7 million. When compared to year end 2019 financials, assets grew by US$5,959.3 million, attributed to increases in: liquid assets by US$5,561.2 million, investments by US$266.8 million, net loans by US$26.4 million, and other assets by US$105.4 million. The increase in assets, particularly in liquid assets is a direct result of the Bank's and the Panamanian Government's increase in liquidity to face possible challenges imposed by the Covid-19 pandemic.



Liabilities

Liabilities totaled US$15,780.8 million at September 30, 2020, reflecting an increase of US$5,858.8 million, in comparison to December 31, 2019 numbers. Total customer deposits increased 43.9% or US$4,146.3 million, principally in public sector deposits which accounted for 90% of the increase, private sector deposits represented 10% of the total increase.

On August 11, 2020, the Bank issued bonds in the international 144A / REGS market in the amount of US$1.0 billion maturing on August 11, 2030, with a 2.5% coupon.

The Bank negotiated a term loan facility, maturing in 2027, guaranteed by MIGA *(Multilateral Investment Guarantee Agency)* for US$510.0 million with Goldman Sachs and Société Générale as the providers of the financing.

Equity

As of September 30th, 2020, the Bank's total equity was US$1,001.9 million, an increase of US$100.4 million over December 31st, 2019.

By Executive Decree No. 396 of August 18, 2020, Banco Nacional was authorized by the Government of Panama to capitalize US$100.0 million from retained earnings, increasing the Bank's paid in capital to US$750.0 million.

Liquidity and Sources of Funds

The Bank's asset and liability steering committee monitors the availability of liquid funds to ensure that appropriate liquidity levels are available to honor deposit withdrawals, make timely payments of financings and other liabilities, and to meet working capital needs. Banconal's treasury department is responsible for managing the Bank's liquidity and funding positions.

As of September 30, 2020 the Bank's primary liquidity ratio was 77.2%, liquid assets totaled US$12,027.5 million (comprised of cash, bank deposits and fixed income investments). Liquid assets increased 94.3%, from US$6,191.0 million as of December 31, 2019. At September 30, 2020, liquid assets represented 88.5% of total deposits, and 71.7% of total assets.

The Bank maintained a regulatory liquidity ratio of 90.9% as of September 30, 2020, well above the 30% liquidity ratio (liquid assets over net deposits from customers or banks) target established by Superintendency of Banks. The increase in the Bank's liquidity is due to contingency measures in view of the Covid-19 pandemic.

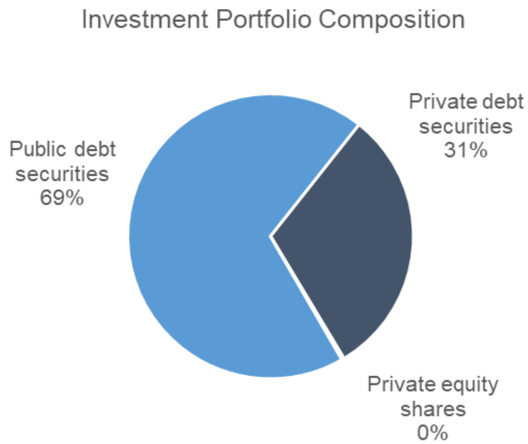
The following table sets forth Banconal's deposits and other sources of funds as of September 30, 2020 and December 31, 2019:

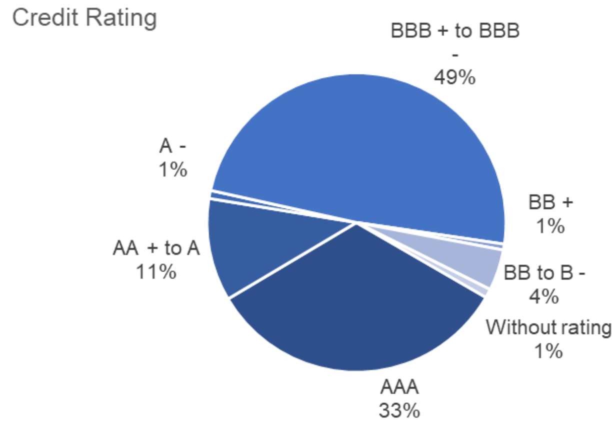
			Change	
(In US$ thousands)	September 30, 2020	December 31, 2019	US$	%
Deposits				
Demand deposits	4,508,908.8	3,403,626.5	1,105,282.3	32.5%
Savings deposits	841,794.1	709,752.9	132,041.2	18.6%
Time deposits, Restricted - inactive accounts and Restricted - escrow funds	8,242,492.6	5,333,534.0	2,908,958.6	54.5%
Total Deposits	**13,593,195.5**	**9,446,913.4**	**4,146,282.0**	**43.9%**
Other Sources of Funds				
Foreign borrowings received at amortized cost	572,686.8	50,003.8	522,682.9	1045.3%
Securities sold under repurchase at amortized cost	202,206.3	0.0	202,206.3	
Bonds payable at amortized cost	206,198.9	206,216.1	-17.1	0.0%
International bonds payable at amortized cost	999,462.4	0.0	999,462.4	
Lease liabilities	3,434.2	3,939.1	-505.0	-12.8%
Total other sources of funds	**1,983,988.5**	**260,159.0**	**1,723,829.5**	**662.6%**
Total Sources of funds	**15,577,184.0**	**9,707,072.4**	**5,870,111.5**	**60.5%**

Banconal's net investment portfolio increased by US$266.8 million (9.1%), from US$2,941.6 million at December 31, 2019 to US$3,208.5 million at September 30, 2020. The increase is due to the investment of excess liquidity in investment grade highly liquid securities.

			Change	
(In US$ thousands)	September 30, 2020	December 31, 2019	US$	%
Investments in securities	3,211,071.3	2,944,794.6	266,276.7	9.0%
Less: Reserve for investment losses	2,607.5	3,159.5	-552.0	-17.5%
Investments in securities, net	**3,208,463.8**	**2,941,635.1**	**266,828.8**	**9.1%**

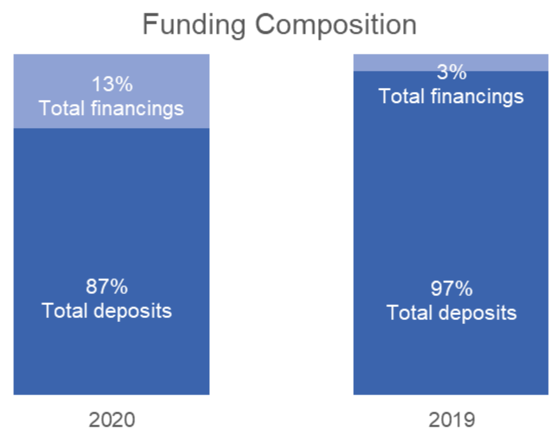
The Bank's investment portfolio is composed of sovereign and corporate debt securities issued by Panamanian, American, Latin American, and Supranational institutions. The Bank has a conservative investment policy, investing primarily in investment grade, liquid, fixed income securities. Over 90% of Banco Nacional's investment portfolio is invested in investment grade securities.





Banconal's sources of funds consist of deposits and financings. Total sources of funds came to US$15,577.2 million as of September 30, 2020; of these, deposits amounted to US$13,593.2 million representing 87.3% of the Bank's sources of funds. Deposits include demand deposits, time deposits, savings accounts, and bank deposits. Medium and long-term financings represented 10.7% and short-term institutional liabilities were 1.9% of total liabilities.

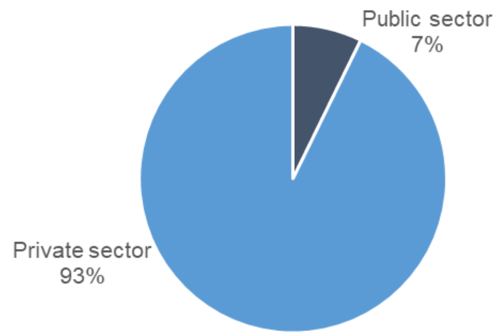
During the first nine months of 2020, the Bank has shifted its historical funding sources. The shift is a direct result of medium and long term financings received from the bond issuance in the international 144A / REGS market for US$1.0 billion maturing on August 11, 2030, with a 2.5% coupon and a term loan facility, maturing in 2027, guaranteed by MIGA *(Multilateral Investment Guarantee Agency*) for US$510.0 million with Goldman Sachs and Société Générale as the financing providers.



Loan Portfolio

The Bank's total gross loan portfolio closed at US$4,507.1 million as of September 30, 2020; an increase of US$47.8 million (1.1%) from US$4,459.4 million in comparison to year end 2019.

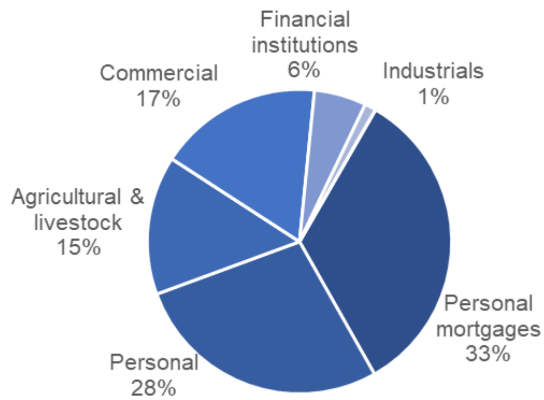
Loans to the public sector accounted for 7% of the total portfolio or US$327.5 million and loans to the private sector account for the majority of the portfolio with US$4,179.6 million or 93%.



The following table presents the gross loan portfolio by type of loan as of September 30, 2020 and December 31, 2019. The majority of the Bank's loans have fixed interest rates, which can be reset at Banconal's unilateral option, at any given time.

			Variance	
	September 30, 2020	**December 31, 2019**	**US$**	**%**
Public sector, gross	327,579,126	310,636,844	16,942,282	5.5%
Private sector, gross:				
Mortgage Loans	1,398,671,876	1,307,682,597	90,989,279	7.0%
Personal	1,153,584,045	1,155,535,117	-1,951,072	-0.2%
Agricultural	616,482,542	621,617,729	-5,135,187	-0.8%
Commercial	728,362,978	809,093,331	-80,730,353	-10.0%
Financial Institutions	231,513,607	203,946,559	27,567,048	13.5%
Industrials	50,457,246	50,354,977	102,269	0.2%
Overdrafts	505,916	522,585	-16,669	-3.2%
Total gross private sector	**4,179,578,210**	**4,148,752,895**	30,825,315	0.7%
Total gross loans	**4,507,157,337**	**4,459,389,739**	**47,767,598**	**1.1%**
Accrued interest receivable	40,183,478	29,488,660	10,694,818	36.3%
Allowance for loan losses	-96,161,930	-62,917,878	-33,244,052	52.8%
Interest and unearned commissions	-25,778,158	-26,954,325	1,176,167	-4.4%
Loans at amortized cost	**4,425,400,727**	**4,399,006,196**	**26,394,531**	**0.6%**

At September 30, 2020, the private sector portfolio by economic sector was the following:



Asset quality

At September 30, 2020, past due loans come to 3.5% of total loans, an increase from 1.5% at yearend 2019. The deterioration of the loan portfolio is attributed to the Covid – 19 pandemic. In line with the increase in past due loans, the Bank has increased its loan loss reserve to cover the additional delinquent loans.

Increase in provisions was driven by macroeconomic variables due to the Covid - 19 pandemic. The following table shows the repayment status our loan portfolio as of September 30, 2020 and December 31, 2019:

(In US$ thousands)	September 30, 2020	December 31, 2019	Change US$	Change %
Current	4,350,995.6	4,381,828.8	-30,833.2	-0.7%
Past due	61,788.5	36,574.9	25,213.6	68.9%
31-90 days	0.0	1,391.0	-1,391.0	-100.0%
91 days or more	94,373.2	39,595.1	54,778.1	138.3%
Total past due loans	**156,161.7**	**77,561.0**	**78,600.8**	**101.3%**
Total gross loans	**4,507,157.3**	**4,459,390**	**47,768**	**1.1%**
Past due loans to total loans	**3.46%**	**1.74%**		
Past due loan amounts				
Loans	52,306.5	77,409.1	-25,102.6	-32.4%
Refinanced loans	3,855.3	151.9	3,703.4	2438.2%
Total past due portfolio	**156,161.7**	**77,561.0**	**78,600.8**	**101.3%**
Loss allowance:				
Collective	49,306.2	21,740.5	27,565.7	126.8%
Total provisions for possible impairment allowance	**49,306.2**	**21,740.5**	**27,565.7**	**126.8%**
Total past due portfolio, net of total provision	**106,855.6**	**55,820.4**	**51,035.1**	**91.4%**

Allowance for Loan Losses

The following table illustrates the changes in the allowance for loan losses and movements as of September 30, 2020 and December 31, 2019:

	September 30, 2020			December 31, 2019			% Change	
(US$ thousands)	Loans	Allowances	%	Loans	Allowances	%	Loans	Allowances
Low risk	4,391,074.52	34,177.26	0.8%	4,321,985.5	27,077.9	0.6%	1.6%	26.2%
Significant risk	46,966.43	15,574.78	33.2%	100,191.3	10,678.1	10.7%	-53.1%	45.9%
Default risk	69,116.39	46,409.89	67.1%	37,212.9	25,161.9	67.6%	85.7%	84.4%
Total	**4,507,157.3**	**96,161.9**	**2.1%**	**4,459,389.7**	**62,917.9**	**1.4%**	**1.1%**	**52.8%**

The allowance for loan losses was increased to US$96.2 million at September 2020, or 2.1% of the total loan portfolio, from US$62.9 million, or 1.4% of the total loan portfolio, as of December 31, 2019, an increase of US$33.2

million. The buildup in reserves is to face the weakening asset quality of the loan portfolio because of the Covid - 19 economic impact on the Bank's clients.

Allocation of Allowance for Loan Losses

The following table shows the allocation of the allowance for loan losses to consumer, public sector, financial institutions and corporate loans as of September 30, 2020, and December 31, 2019:

(*US$ thousands, except percentages*)	September 30, 2020		December 31, 2019		Change US$	Change %
Consumer	16,759.5	17.0%	12,554.9	20.0%	4,204.6	33.5%
Commercial	12,426.3	13.0%	16,659.8	26.0%	-4,233.5	-25.4%
Agricultural	7,233.0	8.0%	4,671.5	7.0%	2,561.5	54.8%
Hotels, bars and restaurants	10,475.3	11.0%	0.0	0.0%	10,475.3	-
Secured by pledge(1)	0.0	0.0%	0.0	0.0%	0.0	-
Overdraft	35.4	0.0%	10.9	0.0%	24.5	225.0%
Mortgages	20,896.2	22.0%	6,973.3	7.0%	13,922.9	199.7%
Livestock	21,981.1	23.0%	16,527.1	26.0%	5,454.0	33.0%
Retirees	3,838.8	4.0%	3,928.1	7.0%	-89.4	-2.3%
Credit cards	1,192.2	1.0%	374.0	1.0%	818.3	218.8%
Financial Institutions	428.7	0.0%	341.8	1.0%	86.9	25.4%
Public Sector	367.2	0.0%	348.2	1.0%	19.0	5.5%
Unallocated(2)	528.2	1.0%	528.2	1.0%	0.0	0.0%
Total loans	**96,161.9**	**100.0%**	**62,917.9**	**100.0%**	**33,244.1**	**52.8%**

(1) The Bank does not make any provisions for loans secured by pledge, as their guaranty is rapidly enforceable upon the debtor's failure to comply with the applicable payment schedule.

(2) Refers to provisions made in accordance with Panamanian regulations on regulatory capital and our internal policies to mitigate the risk of loan delinquency.

Modified Loans

At September 30th, 2020, modified loans due resulting from the Moratorium Law totaled US$630.0 million, affecting 17,583 loans. This amount represents 14.0% of the Bank's loan portfolio and 2.4% of all modified loans in the National Banking System.

Capitalization

As of September 30th, 2020, the Bank's total equity was US$1,001.9 million, an increase of US$100.4 million over December 31st, 2019. By Executive Decree No. 396 of August 18, 2020, Banco Nacional de Panamá was authorized by the Government of Panama to capitalize US$100.0 million from retained earnings, increasing the Bank's paid in capital to US$750.0 million. Total equity to total assets reached 6.0% as of September 2020.

At 30 September, 2020 the Bank's total regulatory capital amounted to US$935.1 million, and the ratio of total capital to risk-weighted assets (US$5,710.8 million) was 16.4%, which is above the minimum 8.0% regulatory capital ratio required by the Banking Superintendency. Market risk-weighted assets and operational risk-weighted assets are included in accordance with regulatory requirement.

The table below sets forth regulatory capital as of September 30, 2020 and December 31, 2019:

(US$ thousands)	September 30, 2020	December 31, 2019
Primary Capital (Tier 1)		
Capital funds	750,000.0	650,000.0
Retained earnings	131,580.9	182,229.7
Other items in comprehensive income	7,392.1	8,424.5
Less: intangible assets	10,801.0	12,649.1
Total Primary Capital	**878,172.0**	**828,005.1**
Dynamic regulatory provision	56,929.0	56,929.0
Total regulatory Capital	**935,101.0**	**884,934.1**
Total Risk-weighted assets	**5,710,808.2**	**5,514,461.9**
Capital adequacy ratio		
Total regulatory capital over risk-weighted assets	**16.4%**	**16.0%**
Total Tier 1 over risk-weighted assets	**15.4%**	**15.0%**

Results of Operations for the Nine Months Ended September 30, 2020

The following table displays the principal components of our net income for the period ended September 30, 2020 and 2019.

	For the nine months ended September 30,			
(US$ thousands)	**2020**	**2019**	**Change**	
Interest and fee income	273,231.8	289,137.3	-15,905.5	-5.5%
Interest expense	69,231.0	72,846.2	-3,615.2	-5.0%
Net interest and commission income	**204,000.8**	**216,291.1**	**-12,290.3**	**-5.7%**
Impairment Allowances, net [(1)]	33,617.7	6,706.6	26,911.2	401.3%
Net interest and commission income, after provisions	**170,383.1**	**209,584.5**	**-39,201.5**	**-18.7%**
Fees for banking services	15,365.1	11,440.9	3,924.2	34.3%
Other income[(2)]	28,846.9	10,424.1	18,422.7	176.7%
Total other expenses	930.7	735.0	195.7	26.6%
Total other income, net	**43,281.3**	**21,130.1**	**22,151.3**	**104.8%**
Total general and administrative expenses	107,164.0	106,603.6	560.4	0.5%
Net income	**106,500.4**	**124,111.0**	**-17,610.6**	**-14.2%**

[(1)] Includes (reversal of) provision for losses in deposits with banks, (reversal of) provision for investment securities losses, provision for loan losses and provision for valuation of foreclosed assets.

[(2)] Includes dividends, net gain on investments in securities and others.

Net income for the period decreased by US$17.6 million, or 14.2%, from the nine months ended September 30, 2019 to the nine months ended September 30, 2020.

Net interest and commission income

The following table sets forth the principal components of our net interest income and commission income for the nine months ended September 30, 2020 and 2019.

	For the nine months ended September 30,			
	2020	2019	Change	
(US$ thousands)				
Interest income and commission income				
Loans	177,956.4	174,334.1	3,622.3	2.1%
Deposits	18,660.3	33,564.9	-14,904.6	-44.4%
Securities	70,302.3	73,929.1	-3,626.8	-4.9%
Loan commission and fee incomes fees	6,312.8	7,309.2	-996.4	-13.6%
Total interest, commission and fee income	273,231.8	289,137.3	-15,905.5	-5.5%
Interest expense				
Expenses on deposits	54,907.6	71,556.7	-16,649.2	-23.3%
Borrowings	14,182.8	1,165.9	13,016.9	1116.4%
Lease liabilities	140.7	123.6	17.1	13.8%
Total interest expenses	69,231.0	72,846.2	-3,615.2	-5.0%
Net interest and commission income	**204,000.8**	**216,291.1**	**-12,290.3**	**-5.7%**

For the nine months ended September 30, 2020, Banconal's net interest income and commission income decreased 5.7% to US$204.0 million from US$216.3 million for the same period in 2019. The decrease is attributed to lower interest income on deposits, due to lower interest rate environment; lower loan generation; and, increase in funding costs related to the bond issuance.

Fees for Banking Services

The following table shows the principal components of our fees for banking services for the nine months ended September 30, 2020 and 2019.

	For the nine months ended September 30,			
	2020	2019	Change	
	(US$, except percentages)			
Letters of Credit	79.8	74.9	4.9	6.6%
Transfers	340.4	467.1	-126.6	-27.1%
Card Services	6,557.6	6,284.5	273.1	4.3%
Fund management, custody and brokerage	1,482.1	1,351.4	130.8	9.7%
Current accounts	3,141.7	621.3	2,520.4	405.7%
Savings accounts	2.1	3.4	-1.3	-37.2%
Government services	251.5	403.4	-151.9	-37.6%
Guarantee certificates and cashier's checks	274.8	525.6	-250.8	-47.7%
National stamps	11.4	16.0	-4.6	-28.8%
Clearinghouse services	2,262.1	976.1	1,286.0	131.7%
Others	961.5	717.4	244.2	34.0%
Total Fees for banking services	**15,365.1**	**11,440.9**	**3,924.2**	**34.3%**

For the nine months ended September 30, 2020, banking services fees increased 34.3% to US$15.4 million from

US$11.4 million for the same period 2019. This increase was primarily due to fees on clearinghouse services as a result of the early redemption of investment securities and current accounts.

Allowance for loan losses

The following table sets forth the movements in the Bank's provision for impairment allowance for the nine months ended September 30, 2020 and December 31, 2019.

	For the nine months ended September 30,	For the year ended December 31,		
(US$ thousands)	**2020**	**2019**	**Change**	
Balance at the beginning of the period	62,917.9	53,608.0	9,309.9	17.4%
Reserve charged to expenses	32,505.3	10,180.3	22,325.0	219%
Recoveries	910.0	2,505.8	-1,595.8	-64%
Write-off loans	-171.2	-3,376.3	3,205.0	-95%
Balance at the end of the period / year	**96,161.9**	**62,917.9**	**33,244.1**	**52.8%**

Allowance for loan losses increased 52.8% to US$96.2 million for the nine months ended September 30, 2020, from US$62.9 million at yearend 2019. During the period, total additions to allowance for loan losses were US$32.5 million, a substantial difference from US$10.2 million at December 31, 2019.

Other Income

The following illustrates the principal components of other income for the nine months ended September 30, 2020 and 2019:

	For the nine months ended September 30,			
(US$ thousands)	**2020**	**2019**	**Change**	
Dividends	477.6	541.5	-63.9	-11.8%
Net gain on investments in securities	17,262.6	0.0	17,262.6	-
Others	11,106.7	9,882.6	1,224.0	12%
Total other income	**28,846.9**	**10,424.1**	**18,422.7**	**176.7%**

Other income increased 176.7%, from US$10.4 million at September 30, 2019 to US$28.8 million for the first nine months of 2020. The increase is due the sale of US$403.0 million in investments in securities which generated US$17.3 million in income and fees generated by the service of digital payment methods (Vale Digital) made available to the public during the Covid -19 pandemic.

General and Administrative Expenses

The following table presents the composition of the Bank's general and administrative expenses for the nine months ended September 2020 and 2019:

	For the nine months ended September 30,			
(US$thousands)	**2020**	**2019**	**Change**	
Salaries and other personnel expenses	66,818.0	65,010.0	1,808.0	2.8%
Rentals	944.4	849.5	94.9	11.2%
Repairs and maintenance	8,997.0	8,688.1	308.9	3.6%
Depreciation and amortization	9,574.6	10,174.6	-600.0	-5.9%
Electricity	2,121.6	2,318.9	-197.3	-8.5%
Advertising	2,252.4	2,911.8	-659.4	-22.6%
Communications	5,733.2	4,756.9	976.3	20.5%
Insurance	329.5	510.0	-180.4	-35.4%
Stationery and office supplies	1,041.8	1,862.6	-820.8	-44.1%
Fees and professional services	2,650.2	3,142.0	-491.8	-15.7%
Transportation of personnel	475.5	935.6	-460.1	-49.2%
Transportation of valuables	1,784.7	1,382.1	402.6	29.1%
ATMs	1,504.1	986.0	518.1	52.5%
Others	2,936.8	3,075.6	-138.8	-4.5%
Total general and administrative expenses	**107,164.0**	**106,603.6**	**560.4**	**0.5%**

General and administrative expenses increased marginally at September 30, 2020 when compared the same period in 2019. The overall increase is .5% or US$560.4 million. This increase is primarily attributed to personnel expenses, communications expenses and ATM's.

Consolidated Statement of Profit or Loss

	For the nine months ended September 30, 2020	2019	Change US$	%
Interest and fee income	$273.2	$289.1	-$15.9	-5.5%
Interest expense	69.2	72.8	-3.6	-5.0%
Net interest and commission income	**$204.0**	**$216.3**	**-$12.3**	**-5.7%**
Impairment allowance	33.6	6.7	26.9	401.4%
Net interest and commission income, net of provisions	**$170.4**	**$209.6**	**-$39.2**	**-18.7%**
Total other income, net	44.2	21.9	22.3	102.2%
Other expenses	0.9	0.7	0.2	26.5%
Salaries and other personnel expenses	66.8	65.0	1.8	2.8%
Rentals	0.9	0.8	0.1	11.2%
Repairs and maintenance	9.0	8.7	0.3	3.6%
Depreciation and amortization	9.6	10.2	-0.6	-5.9%
Electricity	2.1	2.3	-0.2	-8.5%
Advertising	2.3	2.9	-0.7	-22.7%
Communications	5.7	4.8	1.0	20.5%
Insurance	0.3	0.5	-0.2	-35.2%
Stationary and office supplies	1.0	1.9	-0.8	-44.1%
Fees and professional services	2.7	3.1	-0.5	-15.6%
Transportation of personnel	0.5	0.9	-0.5	-49.2%
Transportation of valuables	1.8	1.4	0.4	29.2%
ATM's	1.5	1.0	0.5	52.7%
Other	2.9	3.1	-0.1	-4.5%
Total general and administrative expenses	**$107.2**	**$106.6**	**$0.6**	**0.5%**
Net income	**$106.5**	**$124.1**	**-$17.6**	**-14.2%**

(1) Includes (reversal of) provision for losses in deposits with banks, (reversal of) provision for investment securities losses, provision for loan losses and provision for valuation of foreclosed assets.
(2) Includes dividends, net gain on investments in securities and others.

Consolidated Statement of Financial Position

(US$ in thousands)	September 30, 2020	December 31, 2019	Change US$	%
Assets				
Cash and cash equivalents	8,830.8	3,269.6	5,561.2	170.1%
Securities purchased under resale agreements	66.5	68.6	-2.0	-3.0%
Investments in secutities, net	3,208.5	2,941.6	266.8	9.1%
Gross loans private sector	4,216.0	4,177.0	39.0	0.9%
Gross loans public sector	331.3	311.9	19.4	6.2%
Allowance for loan losses	-96.2	-63.0	-33.2	52.7%
Unearned interes and commissions	-25.8	-27.0	1.2	-4.4%
Total loans, net	4,425.4	4,399.0	26.4	0.6%
Property, plant & equipment	80.6	84.0	-3.5	-4.1%
Other assets	171.0	60.7	110.4	182.0%
Total assets	**16,782.7**	**10,823.4**	**5,959.4**	**55.1%**
Liabilities & Shareholder Equity				
Deposits	13,593.2	9,446.9	4,146.3	43.9%
Securities sold under repurchase agreements	202.2	0.0	202.2	
Obligations with financial institutions	94.7	50.0	44.7	89.4%
MIGA facility, at amortized cost	478.0	0.0	478.0	
Bonds payable, at amortized cost	999.5	0.0	999.5	
Corporate bonds payable, at amortized cost	206.2	206.2	0.0	0.0%
Other liabilities	207.0	218.8	-11.8	-5.4%
Total liabilities	15,780.8	9,921.9	5,858.9	59.0%
Equity	1,001.9	901.5	100.4	11.1%
Total Liabilities & Equity	**16,782.7**	**10,823.4**	**5,959.3**	**55.1%**

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Selected Financial Ratios
Evolution of selected financial ratios for the past four quarters:

	30-sep-20	30-jun-20	31-mar-20	31-dec-19
Profitability and efficiency:				
Net Interest Margin [(1)(11)]	2.3%	2.6%	3.0%	3.2%
Return on average assets [(2)(11)]	1.2%	1.3%	1.7%	1.7%
Return on average equity [(3)(11)]	14.9%	16.3%	19.6%	18.9%
Efficiency [(4)]	50.2%	47.3%	42.8%	46.3%
Liquidity:				
Primary Liquidity / total deposits and obligations [(5)]	65.0%	47.9%	31.1%	31.8%
Regulatory Liquidity / total deposits [(6)]	90.9%	74.5%	65.7%	71.3%
Capital:				
Total Capital ratio [(7)]	16.4%	16.6%	17.1%	16.1%
Equity/ assets [(8)]	6.0%	7.5%	9.3%	8.3%
Asset quality:				
Past due loans/ total loans [(9)]	2.1%	1.8%	1.1%	0.9%
Non-accrual loans / total loans [(10)]	1.2%	0.9%	0.6%	0.5%
Headcount				
Branch network				

[(1)] Calculated as Net Interest Income divided by Total Average interest-earning assets.

[(2)] Calculated as Net income divided by average of Total assets.

[(3)] Calculated as Net income divided by average of Total capital funds.

[(4)] Calculated as Total general and administrative expenses to Net interest and Commission Income after provisions plus total other income net.

[(5)] Calculated as total liquid assets to total deposits and obligations.

[(6)] Regulatory liquid assets are determined based on guidelines established by the Superintendency of Banks. regulatory liquid assets include cash, demand deposits, time deposits with remaining maturities of less than 186 days, notes issued by the Panamanian government with maturities of more than one year, payment of loans and interest at 186 days and investment-grade foreign debt securities.

[(7)] Calculated as Total capital funds divided by Total assets.

[(8)] Equity divided by total assets, computed for the year-end balance as of December 31 year-end, and the nine-month period balance ended September 30.

[(9)] Calculated as Past due loans divided by total loan portfolio.

[(10)] Calculated as Non-accrual loans divided by total loans.
[(11)] Percentages are annualized.