AVANZA CASA DE VALORES, S.A.
(Panama, Republic of Panama)

Financial Statements

December 31, 2024

(With the independent auditor's report)

(FREE ENGLISH LANGUAGE TRANSLATION
FROM SPANISH VERSION)

AVANZA CASA DE VALORES, S.A.
(Panama, Republic of Panama)

Content

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INDEPENDENT AUDITORS' REPORT

Shareholders and Board of Directors
Avanza Casa de Valores, S.A.
Panama, Republic of Panama

Opinion

We have audited the financial statements of Avanza Casa de Valores, S.A., hereinafter "the Company," which comprise the statement of financial position as of December 31, 2024, the statement of income, other comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

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

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

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

In preparing the financial statements, Management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report that contains our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements may 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 the 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 Company'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 Company’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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the 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.

We also provide to those charged with governance with a statement that we have met the ethical requirements relevant to independence and we communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

AUDIT, ACCOUNTING & TAX

Other Legal Information

In compliance with Law 280 of December 30, 2021, which regulates the profession of the certified public accountant in the Republic of Panama, we declare the following:

- The direction, execution, and supervision of this audit work have been physically carried out in Panamanian territory.
- The partner in charge of the audit that has prepared this report of the independent auditors is Eduardo Javier Quintero Parra with C.P.A number 9587.
- The audit team that participated in the group audit referred to in this report is composed of: Eduardo Javier Quintero Parra, Audit Partner; Daniel Mckenzie, Quality Partner; and Eduardo Javier Quintero Rosario, Audit Manager.

Finex

Panama, Republic of Panama
March 28, 2025

Avanza Casa de Valores, S.A.
(Panama, Republic of Panama)

Statement of Financial Position

December 31, 2024

(Stated in Balboas)

ASSETS	**Note**	**2024**	**2023**
Cash and bank deposits	7	1,546,411	2,113,601
Investments securities	8	2,770,323	1,732,397
Securities purchased under resale agreements	9	0	509,000
Furniture, equipment, software and improvements	10	42,091	47,298
Right-of-use-assets	11,16	231,550	308,733
Other assets	12	98,514	557,460
Total Assets		4,688,889	5,268,489
LIABILITY AND EQUITY			
Liabilities			
Borrowings	13	1,861,944	1,880,848
Lease liabilities	16	268,877	347,495
Other liabilities	14	229,901	258,150
Total liabilities		2,360,722	2,486,493
Equity			
Share capital	15	6,000,000	6,000,000
Accumulated losses		(3,042,730)	(2,641,427)
Prepaid dividend tax		(2,268)	0
Fair value reserve		(626,835)	(576,577)
Total Equity		2,328,167	2,781,996
Total liabilities and Equity		4,688,889	5,268,489

The Statement of Financial Position should be read along with the accompanying notes, which form an integral part of these financial statements.

Avanza Casa de Valores, S.A.
(Panama, Republic of Panama)

Income Statement

For the year ended December 31, 2024

(Stated in Balboas)

	Note	2024	2023
Revenues from			
Asset management services	16	930,089	674,619
Gain on sale of investments securities		217,465	1,380,294
Interest on investments securities		60,308	80,010
Interest on margin loans		883	17,561
Total revenues		1,208,745	2,152,484
Custody and advisory service fees		76,122	42,240
Net commission income		1,132,623	2,110,244
Gain (loss) on investment valuation		7,227	(1,821)
(Reversal of) provision for impairment of investments		(2,229)	63,198
Provision for impairment of other accounts receivable		0	13,092
Net commission income after provisions, net		1,142,079	2,032,133
Other income (expenses):			
Interest income on time deposits		61,061	18,511
Interest expense on lease liabilities		(19,740)	(13,782)
Interest expense on borrowings		(9,553)	(12,626)
Interest expense on indexed financial liabilities		0	(9,531)
Other income		891	0
Total other income		32,659	(17,428)
General and administration expenses:			
Personnel expense and other employee benefits		754,039	751,251
Professional Fees	17	327,286	362,140
Subscriptions and support for information services		105,362	103,752
Depreciation and amortization		91,975	83,747
Banking service fees		82,592	101,295
Taxes		59,145	28,509
Other expenses	18	156,202	244,079
Total general and administrative expenses		1,576,601	1,674,773
(Loss) profit before income tax		(401,863)	339,932
Income Tax		(1,708)	0
Net (loss) profit		(403,571)	339,932

The Income Statement should be read along with the accompanying notes, which form an integral part of these financial statements.

Avanza Casa de Valores, S.A.
(Panama, Republic of Panama)

Statement of Other Comprehensive Income

For the year ended December 31, 2024

(Stated in Balboas)

	Note	2024	2023
Net (loss) income		(403,571)	339,932
Other comprehensive income:			
Items that are or may be reclassified to the statement of income:			
Valuation of investments securities:			
Net gain on investments transferred to profit or loss		53,445	18,679
Net changes in fair value of investments in securities		(103,703)	144,158
Total other comprehensive income		(50,258)	162,837
Total comprehensive (loss) income		(453,829)	502,769

The Statement of Other Comprehensive Income should be read along with the accompanying notes, which form an integral part of these financial statements.

Avanza Casa de Valores, S.A.
(Panama, Republic of Panama)

Statement of Changes in Equity

For the year ended December 31, 2024

(Stated in Balboas)

	Share Capital	Accumulated Loss	Prepaid Dividend Tax	Fair Value Reserve	Total Equity
Balance as of December 31, 2022	5,000,000	(2,981,359)	0	(739,414)	1,279,227
Net Income	0	339,932	0	0	339,932
Other Comprehensive income:					
Net gain on investments transferred to profit or loss	0	0	0	18,679	18,679
Net change in fair value of investments in securities	0	0	0	144,158	144,158
Total other comprehensive income	0	0	0	162,837	162,837
Shares issued	1,000,000	0	0	0	1,000,000
Balance as of December 31, 2023	6,000,000	(2,641,427)	0	(576,577)	2,781,996
Net Loss	0	(403,571)	0	0	(403,571)
Charge against accumulated loss	0	2,268	0	0	2,268
Transactions attributable to the shareholder:					
Prepaid dividend tax	0	0	(2,268)	0	(2,268)
Other comprehensive income:					
Net gain on investments transferred to profit or loss	0	0	0	53,445	53,445
Net change in fair value of investments in securities	0	0	0	(103,703)	(103,703)
Total other comprehensive income	0	0	0	(50,258)	(50,258)
Balance as of December 31, 2024	6,000,000	(3,042,730)	(2,268)	(626,835)	2,328,167

The Statement of Changes in Equity should be read along with the accompanying notes, which form an integral part of these financial statements.

Avanza Casa de Valores, S.A.
(Panama, Republic of Panama)

Statement of Cash Flow

for the year ended December 31, 2024

(Stated in Balboas)

	Note	2024	2023
Operating Activities:			
Net (loss) income		(403,571)	339,932
Adjustments for:			
Depreciation and amortization		91,975	83,747
Income tax		1,708	0
(Reversal of) provision for impairment of investments		(2,229)	65,054
Provision for impairment of other accounts receivable		0	13,092
Gain on sale of investments securities		(11,497)	(1,821)
Interest Income		(122,252)	(116,082)
Financial expenses		29,293	42,243
Provision for employee benefits		106,668	25,391
Changes in operating assets and liabilities:			
Margin loans at amortized cost		0	202,127
Other assets		458,946	31,569
Financial liabilities indexed to securities		0	(451,676)
Other liabilities		(134,917)	52,180
Cash general from operations:			
Income tax paid		(1,708)	0
Interest received		85,846	(284,425)
Interest paid		(28,457)	(19,048)
Net cash flows from operating activities		69,805	(17,717)
Investing Activities:			
Acquision of investments securities		(21,937,621)	(25,997,799)
Sale and redemption of investments securities		20,863,163	26,265,621
Purchase of securities under resale agreements		0	(509,000)
Sales of securities under resale agreements		545,406	672,021
Acquisition of fixed assets		(9,585)	(31,558)
Acquisition of right-of-use assets		0	271,904
Net cash flows from investing activities		(538,637)	671,189
Financing Activities:			
Proceeds from borrowings		0	551,136
Repayments of borrowings		0	(551,136)
Lease liability payments		(98,358)	(370,261)
Share capital issuance		0	1,000,000
Net cash flows from financing activities		(98,358)	629,739
Net (decrease) increase in cash		(567,190)	1,283,211
Cash at beginning of year		1,863,601	580,390
Cash at end of year	7	1,296,411	1,863,601

The Statement of Cash Flow should be read along with the accompanying notes which form an integral part of these financial statements.

(1) General Information

Avanza Casa de Valores, S.A.
(hereinafter "the Company") is a corporation established on May 29, 2006, under the laws of the Republic of Panama, through Public Deed No. 3820, registered in the file No. 529897, document Redi No. 970351 of the Commercial Section of the Public Registry of the Republic of Panama.

Panam Capital Market Holding, S.A. owns 100% of the issued and outstanding shares of Avanza Casa de Valores, S.A.

Originally, the company was named Madison Securities, S.A. It later changed its corporate name in the Public Registry, as per Minutes of the Shareholders' Meeting of February 6, 2009, and Public Deed No. 2234 of April 1, 2009, and became Panacorp Casa de Valores, S.A. The name was subsequently changed to Avanza Casa de Valores, S.A., as reflected in Public Deed No. 2572 dated February 15, 2024, registered in the file No. 529897 of the Commercial Section of the Public Registry of the Republic of Panama.

The Company's primary office is located at P.H. Oceanía Business Plaza, Tower 1000, 22nd floor, office A-01, Punta Pacífica, San Francisco district, Panama City, Republic of Panama.

Regulatory and Supervisory Framework of the Company
The Company is a member of the Panamanian Association of Capital Markets (APAMEC) and obtained its license as a Casa de Valores through Resolution CNV No. 75-08 on January 9, 2008, from the Superintendency of the Securities Market of the Republic of Panama (hereinafter "the SMV"). This resolution grants the Company the authority to operate as a Casa de Valores and conduct all activities allowed under Decree Law No. 1 of July 8, 1999, and its regulations, published in the Official Gazette on February 23, 2012. The Company began operations in September 2008 and is regulated and supervised by the SMV.

The Company's key personnel are:

Names	**Position**
Erwin K. Thomas M.	Senior Executive
Andrea Tribuiani	Compliance Officer
Alcides J. Carrión R.	President/Legal Representative
Eisenmann Abogados y Consultores	Resident Agent

(1) General Information (Continued)

The members of the Board of Directors and Directors are the following:

Names	**Position**
Alcides J. Carrión R.	President
Erwin K. Thomas M.	Director
Melva Ellis	Treasurer and Secretary
Luz Mery Arango Ortega	Director
Ángel Eduardo Pinzón Peralta	Director

(2) Basis of Preparation

a) *Statement of Compliance*

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These financial statements were authorized for issuance on March 28, 2025, by Management.

b) *Measurement Basis*

The financial statements are prepared on the basis of historical cost, except for items measured at fair value with changes in profit or loss and with changes in other comprehensive income.

c) *Functional and Presentation Currency*

"The financial statements are presented in balboas (B/.), the currency of the Republic of Panama, which is at par and freely convertible with the United States dollar (US$). The Republic of Panama does not issue its own currency, and therefore, the United States dollar (US$) is used by the Company as both the legal tender and the functional currency.

d) *Responsibility for the Information*

The information presented in the financial statements is the responsibility of the Company's management.

(3) Summary of Material Accounting Policies

e) Comparative Information

As required by IAS 1 "Presentation of Financial Statements," the information presented in the financial statements for the year 2023 is presented for comparative purposes with similar information for the year 2024.

The accounting policies detailed below have been consistently applied by the Company and are similar to those applied in previous years.

a) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash equivalents include time deposits at banks with original maturities of three months or less.

b) Financial Instruments

b.1) Recognition and Measurement of Financial Instruments

Financial assets and liabilities are recognized on the date they originate.

At initial recognition, they are recorded in the statement of financial position at their fair value, plus or minus transaction costs directly attributable to the transaction for those assets or liabilities measured subsequently at amortized cost; otherwise, such transaction costs are recognized in the statement of profit or loss for the year.

b.2) Classification of Financial Instruments

The Company classifies financial assets based on how they are subsequently measured, either at amortized cost (AC), fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVPL), based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

Financial Assets at Amortized Cost (AC)

A financial asset is measured at AC if it meets the following conditions:

- The asset is held within a business model whose objective is to hold the assets to collect the contractual cash flows; and

- The contractual terms of the financial asset give rise to cash flows on specific dates that are solely payments of principal and interest on the principal amount outstanding.

(3) Summary of Material Accounting Policies, continued

Interest income from these financial assets is included in "interest income" using the effective interest rate method.

Assets at Fair Value with Changes in Other Comprehensive Income (FVOCI)
A debt instrument is measured at FVOCI if it meets the following conditions:

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and;

- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Upon initial recognition of an equity investment that is not held for trading, the Company may irrevocably choose to present subsequent changes in fair value in other comprehensive income. This choice is made on an investment-by-investment basis.

Additionally, upon initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the criteria to be measured at amortized cost or at fair value through other comprehensive income as fair value through profit or loss if doing so eliminates or significantly reduces an accounting asymmetry that would otherwise arise.

Assessment of Whether Contractual Cash Flows Are Solely Payments of Principal and Interest
For the purpose of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the consideration of the time value of money and the credit risk associated with the outstanding principal amount over a specific period, as well as other risks of a basic loan agreement and associated costs, along with the profit margin.

When assessing whether the contractual cash flows of the instrument are solely payments of principal and interest, the Company evaluates whether the financial instrument contains a contractual term that could change the timing or amount of the contractual cash flows in such a way that it would not meet this condition.

(3) Summary of Material Accounting Policies, continued

When performing the evaluation, the Company considers the following:

- Contingent events that change the amount and timing of cash flows.
- Leverage characteristics.
- Legal terms that limit the Company's ability to claim cash flows.
- Changes in the environment that could affect the time value of money.

Financial Liabilities
Financial liabilities are classified at amortized cost using the effective interest rate method, except for those financial liabilities that are measured at fair value through profit or loss.

c) *Derecognition of Financial Assets and Liabilities*
Financial Assets
The Company derecognizes a financial asset, or a portion thereof, only when the contractual rights to receive the cash flows have expired, or when the Company has transferred the financial assets and substantially all the risks and rewards of ownership to another entity.

Financial Liabilities
The Company derecognizes a financial liability, or a portion thereof, when—and only when—the obligation specified in the corresponding contract has been discharged, canceled, or has expired.

d) *Write-Offs*
Loans and investments in securities are written off (either partially or in full) when there is no realistic expectation of recovery. This is generally the case when the Company determines that the debtor has no assets or income sources that could generate sufficient cash flows to repay the amounts owed and subject to write-off. However, financial assets that have been derecognized may still be subject to the Company's recovery procedures for amounts due.

e) *Measurement at Amortized Cost*
The amortized cost of a financial asset or liability is the amount at which the financial asset or liability was initially recognized, minus principal repayments, plus or minus the cumulative amortization—using the effective interest rate method—of any difference between the initial amount and the maturity amount.

(3) Summary of Material Accounting Policies, continued

f) Fair Value Management

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 in the principal market on the measurement date, or in the absence of a principal market, in the most advantageous market to which the Company has access at that time. The fair value of a liability reflects the effect of non-performance risk.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is considered active if transactions for the asset or liability occur with sufficient frequency and volume to provide ongoing pricing information.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The selected valuation technique incorporates all factors that market participants would consider when pricing a transaction.

The best evidence of fair value is a quoted market price in an active market. In cases where the market for a financial instrument is not considered active, a valuation technique is used. The assessment of whether a market is active may include, but is not limited to, consideration of factors such as the magnitude and frequency of trading activity, the availability of pricing information, and the size of bid and ask spreads. In inactive markets, ensuring that the transaction price provides evidence of fair value, or determining the necessary adjustments to transaction prices in order to measure the instrument's fair value, requires additional effort during the valuation process.

g) Impairment of Financial Assets

The Company assesses whether the credit risk on a financial instrument has increased significantly by considering reasonable and supportable information to determine if the risk of default as of the reporting date has deteriorated compared to the risk at initial recognition. Similarly, the Company must apply a definition of default that is consistent with the definition used for internal purposes and must consider qualitative factors (for example, financial covenants), where applicable.

(3) Summary of Material Accounting Policies, continued

As an exception to the general model, if the credit risk of a financial instrument is low at the reporting date, the Company may measure impairment using 12-month expected credit losses (12mECL); therefore, does not need to assess whether there has been a significant increase in credit risk.

For this operational simplification to apply, the financial instrument must meet the following requirements:

- The credit rating of the financial instrument is equivalent to the globally understood definition of investment grade.
- The debtor is considered, in the short term, to have a strong capacity to meet its obligations.
- The Company expects that, in the long term, changes in the debtor's economic and business environment will not necessarily reduce its ability to meet its obligations.

When credit risk is no longer considered low, the Company must assess whether there has been a significant increase in credit risk to determine if lifetime expected credit losses (LECL) must be recognized.

Based on the assessment of a significant increase in risk, IFRS 9 prescribes a three-stage model for recognizing credit impairment based on changes in credit quality since initial recognition:

- Stage 1: Includes financial instruments that have not experienced a significant increase in credit risk since initial recognition or that have low credit risk at the assessment date. For these assets, 12-month expected credit losses (12mECL) are recognized, where interest revenue is calculated based on the gross carrying amount of the asset.

  The 12mECL are the expected credit losses that result from possible default events within 12 months after the reporting date. It does not represent expected cash shortfalls over the 12-month period but rather the probability-weighted loss resulting from possible defaults occurring in the next 12 months.

(3) Summary of Material Accounting Policies, continued

- Stage 2: Includes financial instruments that have experienced a significant increase in credit risk since initial recognition (unless they have low credit risk at the assessment date) but that are not in default (Exposure at Default, EAD). For these assets, lifetime expected credit losses (LECL) are recognized, but interest revenue is still calculated based on the gross carrying amount of the asset.

  The LECL are the expected credit losses resulting from all possible default events over the expected life of the financial instrument. Expected credit losses are the average credit losses weighted by the probability of default (PD) as the weighting factor.

- Stage 3: Instruments that are in default (EAD) during the reporting period. This stage includes financial assets that are in default at the measurement date. For these assets, lifetime expected credit losses (LECL) are recognized, and interest revenue is calculated based on the net carrying amount (i.e., net of the credit loss allowance).

For each of the stages mentioned, an expected credit loss (ECL) will be calculated, which includes both current and future conditions related to loan performance and different associated macroeconomic conditions.

For Stage 1, the expected credit loss will be recognized over a 12-month time horizon, while for Stages 2 and 3, it will be recognized over the lifetime of the instrument.

Significant Increase in Credit Risk
When determining whether the credit risk of a financial asset has significantly increased since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment, as well as forward-looking information.

(3) Summary of Material Accounting Policies, continued

The Company expects to identify whether a significant increase in credit risk has occurred for exposure by comparing:

- The lifetime probability of default (PD) as of the reporting date; and
- The lifetime probability of default (PD) at the same point in time, as estimated at the date of initial recognition of the exposure.

Measurement of Expected Credit Loss (ECL)

For the measurement of expected credit losses, the use of a probability of credit losses over the lifetime of the instrument is indicated. The quantification of expected losses takes into account the following factors:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)

*Probability of Default (PD): f*or the assignment of the PD parameter, the methodology considers the credit rating of the instrument and the stage in which it is classified, as follows:

- Stage 1: It is the estimated probability of a default occurring over the next 12 months from the analysis date. In accordance with the standard, the Company defines its use for the performing portfolio that does not show a significant increase in risk or any evidence of impairment.

- Stage 2: It is the estimated probability of a default occurring over the remaining lifetime of an instrument, depending on the specific product conditions being analyzed. According to the standard, the Company defines its use for the portfolio with a significant increase in credit risk.

- Stage 3: It is the estimated probability of default based on objective evidence of deterioration, and the lifetime probability of default (PD) will be used.

(3) Summary of Material Accounting Policies, continued

Loss Given Default (LGD): The severity or loss given default (LGD) estimates the loss that the Company could statistically incur after completing the recovery process in cases where default situations have occurred. LGD acts as a weight on the value of the credit exposure in the event of default. That is, an operation will have a potential loss (excluding expenses) equal to the exposure of the outstanding debt on the date of default (EAD), and the LGD will determine the portion of that total value that will ultimately be lost.

Exposure at Default (EAD): EAD refers to the outstanding balance of the financial instruments at the date of default, measured as of the expected credit loss (ECL) assessment date.

Forward-Looking Information

The credit rating of the instruments to be valued is one of the key pillars in determining expected credit losses (ECL), since it allows the Company to assess whether the asset has experienced a significant increase in credit risk since its initial recognition. Additionally, the credit rating is used to assign the different levels of probability of default (PD) and loss given default (LGD), as well as the stage to which the asset is assigned.

Definition of Impairment

The company considers a financial asset to be impaired when:

- The debtor is more than 90 days past due on any material credit obligation. Overdrafts are considered delinquent once the customer exceeds the established limit or is assigned a lower limit than the outstanding balance.
- There is a downgrade in the internal credit risk classification established by the Company, due to evidence of financial or operational deterioration.
- For fixed-income financial instruments, the following indicators, among others, may be considered as evidence of significant credit deterioration or default:
    - Downgrade in the issuer’s external credit rating.
    - Failure to make contractual payments when due, or within the stipulated grace period;
    - High probability of payment suspension;
    - Probable entry into bankruptcy or the filing of bankruptcy or similar proceedings;
    - The financial asset is no longer traded in an active market due to financial difficulties.

(3) Summary of Material Accounting Policies, continued

h) *Other Accounts Receivable*

Other accounts receivable represents enforceable rights arising from brokerage services and are recorded at their realizable value. Recovery is expected within a period of less than one year.

i) *Impairment of Non-Financial Assets*

The carrying amounts of non-financial assets are reviewed at the reporting date to determine if there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognized equal to the difference between the asset's carrying amount and its estimated recoverable amount.

The impairment loss of an asset is recognized as an expense in the statement of income.

j) *Furniture, Equipment, software and Leasehold Improvements*

Property, plant, and equipment are tangible assets held by the Company for use in the supply of goods and services or for administrative purposes and are expected to be used over more than one period. These assets are recorded at acquisition cost and are depreciated using the straight-line method with appropriate rates to allocate the cost over the years of their estimated useful lives.

Licenses and software acquired from third parties are initially recognized at cost and amortized over a defined useful life. Amortization is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful lives. Software is amortized over 60 months, and licenses are amortized over periods of 12 to 60 months.

Gains or losses on the disposal of fixed assets are determined by comparing the proceeds from the sale against the carrying amount of the asset, and the net portion is recognized in the statement of income. A fixed asset component is derecognized when the Company no longer expects future economic benefits from its use. Regarding impairment recognition, the asset's carrying amount must be adjusted if it exceeds the estimated recoverable amount.
The estimated useful lives of furniture and equipment are as follows:

Furniture and Equipment	5 years
Software	5 years
Leasehold improvements	5 years

(3) Summary of Material Accounting Policies, continued

k) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company evaluates whether:

- The contract involves the use of an identified asset – this can be specified explicitly or implicitly and must be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not considered identified.

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

  In exceptional cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use if:

  - The Company has the right to operate the asset; or
  - The asset has been designed in a way that predetermines how and for what purpose it will be used.

At the commencement or reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative standalone prices. However, for leases of land and buildings in which the Company is the lessee, it has elected not to separate non-lease components from lease components, instead accounts for them as a single lease component.

(3) Summary of Material Accounting Policies, continued

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful life of right-of-use assets is determined on the same basis as that of furniture, equipment, and improvements. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

l) Revenue Recognition

Commissions earned from transactions involving the purchase and sale of investments, asset management, custody, and other services, as well as commission expenses, are recognized when the related service is rendered or received. These commissions are recognized in the income statement net of reimbursement expenses and commissions paid to agents.

Commission income from contracts with customers is measured based on the consideration specified in the contract with the customer. The Company recognizes commission income when the related service is provided to the customer.

Interest income and expenses are recognized in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument.

(3) Summary of Material Accounting Policies, continued

m) Recognition of General and Administrative Expenses

General expenses are recognized in the income statement when the corresponding disbursement does not produce future economic benefits, or when such future benefits no longer meet, or cease to meet, the conditions for recognition as assets in the statement of financial position. Expenses are recognized in the accounting periods in which the economic benefits associated with these items are consumed.

n) Seniority Premium and Severance Payment

Current labor regulations require that, upon termination of the employment relationship, regardless of the cause, the employer must recognize a seniority premium in favor of the employee. Additionally, the Company is obligated to compensate employees who are dismissed without justified cause. There is no material staff reduction plan that would necessitate the creation of an additional provision beyond the percentage required by labor regulations for this concept.

Law 44 of August 12, 1995, establishes the obligation for employers to set up a severance fund to pay employees the seniority premium and the severance compensation for unjustified dismissal as established by the Labor Code.

This fund must be constituted based on the portion related to the seniority premium and 5% of the monthly portion of the severance compensation. The Company has established the seniority premium provision based on one week of severance for each year of work, which equals 1.92% of the salaries paid during the year; and the severance reserve is calculated based on 6.54% of the salary, and 5% is calculated on that result.

o) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or contractual obligation that can be reliably estimated, and it is more likely than not that an outflow of economic resources will be required to settle the obligation, in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets." The Company establishes provisions for all legal claims where there is a high probability that a disbursement of funds will be required to pay such obligations and a reasonable estimate can be made. When evaluating the probability of loss, the available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance within the legal system, as well as the assessment of legal counsel, must be considered.

(3) Summary of Material Accounting Policies, continued

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the specific risks associated with the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

p) *Balances and Transactions with Related Parties*

Balances and transactions between related parties are all transfers of resources, services, or obligations between related parties, regardless of whether they have been agreed upon under terms and conditions that would have been different if conducted with unrelated parties.

q) *Income Tax*

Income tax expenses include current and deferred taxes and are accounted for in accordance with IAS 12, “Income Taxes.” They are recognized in the income statement except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Current income tax is calculated based on the taxable net income for the year, using the tax rate that is in effect at the reporting date of the financial statements; it also considers any adjustments for non-taxable or non-deductible items.

Deferred taxes are recognized for temporary differences between the carrying amounts under International Financial Reporting Standards and the values of assets and liabilities determined according to tax laws. The Company's Management is responsible for ensuring the timely and accurate filing and payment of taxes in accordance with the laws of the Republic of Panama.

r) *New International Financial Reporting Standards (IFRS) and Interpretations Not Yet Adopted*

New standards, interpretations, and amendments to IFRS have been issued but are not mandatory as of December 31, 2024, and have not been early adopted by the Company.

(3) Summary of Material Accounting Policies, continued

The main amendment is presented below:

IFRS 18 Presentation and Disclosure in Financial Statements: This standard will replace IAS 1 Presentation of Financial Statements and will be applicable for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key requirements:

- Entities will be required to classify all income and expenses into five categories in the statement of profit or loss: operating, investing, financing, discontinued operations, and income taxes. In addition, entities will be required to present a newly defined subtotal for operating profit while maintaining the presentation of net profit.
- Management-defined performance measures (MPMs) must be disclosed in a single note to the financial statements.
- Enhanced guidance is provided on how to aggregate information in the financial statements.

All entities must use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows using the indirect method.

Management is still in the process of evaluating the impact of this new standard on the financial statements.

(4) New Changes Adopted in Accounting Policies

The Company has adopted the Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1).

The amendments are applied retrospectively. These amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants to be met within 12 months after the reporting period.

Management has applied these amendments for financial statements and disclosures covering the annual period beginning January 1, 2024, without evidencing impacts on the Company's financial statements and disclosures.

(5) Financial Risk Management

The Company is exposed to various types of financial instruments risks. To manage and monitor the different risks to which the Company is exposed, the Board of Directors has established a Risk Committee, which oversees credit, liquidity, market, interest rate, and price risks. An Audit Committee also exists to ensure that appropriate internal controls are established for the presentation of the Company's financial information.

The Company's activities are mainly related to the use of financial instruments, and as such, the statement of financial position is primarily composed of financial instruments, exposing it to the following risks in their use:

- Credit Risk
- Counterparty Risk
- Liquidity Risk
- Market Risk
- Price Risk

A summary of the risks associated with these financial instruments and the Company's policies for managing these risks is detailed as follows:

(a) Credit Risk

Credit risk arises from a client's or counterparty's failure to meet its contractual obligations with the Company when the client or counterparty lacks the financial resources to fulfill their contractual obligations.

Credit risk mitigation is achieved through the establishment of credit policies and the setting of credit limits in each category according to the credit risk profile defined by the Members of the Board of Directors and on the equity condition of the subject to whom the credit limit is granted.

<u>Exposure Limits and Risk Concentration</u>

Credit risk regarding issuers and clients may not exceed 30% of the Company's total equity fund value, and for related parties, the cumulative value of this risk may not exceed 10% of the Company's total equity fund value. Furthermore, the aggregate concentration of risks may not exceed eight times the value of the Company's equity fund. (See Note 22).

(5) Financial Risk Management, continued

Credit Risk Concentration

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company monitors credit risk concentration by sector and geographic location.

The analysis of the concentration of credit risks as of the date of the financial statements is as follows:

	Deposits in Banks		Investments and Other Financial Assets	
	2024	2023	2024	2023
Balance per Books	1,546,411	2,113,601	2,763,484	1,725,558
Concentration by Sector:				
Corporate	-	-	368,484	417,802
Government	-	-	2,230,911	982,908
Financial Institutions	1,546,411	2,113,601	164,089	324,848
	1,546,411	2,113,601	2,763,484	1,725,558
Geographic Concentration:				
Panama	690,433	908,969	-	-
United States of América	529,076	811,300	2,520,253	1,537,690
Israel	-	-	10,943	13,186
Canada	-	-	10,177	23,131
United Kingdom	-	-	-	-
Swiss	7,231	7,231	-	-
Germany	-	-	7,230	7,740
China	-	-	39,272	48,175
Bahamas	43,537	47,774	132,715	95,636
Dominicana	276,134	338,304	-	-
Australia	-	-	42,894	-
Venezuela	-	23	-	-
	1,546,411	2,113,601	2,763,484	1,725,558

(5) Financial Risk Management, continued

Credit Quality Analysis

The Company carries out continuous monitoring and follow-up of its asset and liability positions, both within and outside of Panama. This analysis includes a specific assessment of the exposure in Venezuela, due to the political and economic uncertainty characterizing the country.

The Company maintains constant monitoring of credit risk exposures, generating alerts for the relevant corporate governance bodies. In addition, it uses country risk models based on sovereign ratings from credit rating agencies, allowing it to allocate capital to mitigate exposure to risks in countries outside of Panama.

The following table presents the credit quality of the investments and the allowance for impairment maintained by the Company:

	2024				
At fair value through OCI (Other Comprehensive Income)	**12-month ECL (Expected Credit Loss)**	**Lifetime ECL (not credit-impaired)**	**Lifetime ECL (credit-impaired)**	**Purchased credit-impaired (PCI)**	**Total**
Foreign:					
AAA		2,230,911			
AA+ a BBB-	1,339	-			
Below BBB-	297,301	233,933			
Carrying amount	298,640	2,464,844			2,763,484
Credit risk valuation	298,640	2,464,844			2,763,484
Total Carrying amount	-	-	-	-	2,763,484
Total credit risk valuation	532,573	2,230,911	-	-	2,763,484

(5) Financial Risk Management, continued

	2023				
At fair value through OCI (Other Comprehensive Income)	**12-month ECL (Expected Credit Loss)**	**Lifetime ECL (not credit-impaired)**	**Lifetime ECL (credit-impaired)**	**Purchased credit-impaired (PCI)**	**Total**
Foreign:					
AAA	-	982,908	-	-	982,908
AA+ a BBB-	112,272	-	-	-	112,272
Below BBB-	242,404	387,974	-	-	630,378
Carrying amount	354,676	1,370,882	-	-	1,725,558
Credit risk valuation	354,676	1,370,882	-	-	1,725,558
Total Carrying amount	354,676	1,370,882	-	-	1,725,558
Total credit risk valuation	354,676	1,370,882	-	-	1,725,558

Time Deposits Placed in Banks
The Company maintains deposits in banks amounting to B/. 1,546,411 as of December 31, 2024 (2023: B/. 2,113,601). The credit risk on liquid funds is low, as they are mostly deposited in financial institutions with investment-grade ratings. Based on calculations performed by management, the amounts of expected credit loss reserves associated with these financial instruments are not significant.

The following table shows the investment-grade rating of the bank deposits:

(b) Counterparty Risk
This is the risk that a counterparty fails to settle transactions for the purchase or sale of securities or other instruments traded in the securities markets. The risk management policies establish counterparty limits that determine, at any given time, the maximum amount of net exposure to unsettled transactions that the Company may have with a counterparty.

(5) Financial Risk Management, continued

The Risk Management Committee is responsible for identifying acceptable counterparties, considering each counterparty's track record regarding the fulfillment of their obligations, as well as indications of their ability and willingness to meet their commitments.

(c) *Liquidity Risk*

It consists of the risk that the Company may be unable to meet all its obligations due, among other causes, to the loss of value of its investments and other financial assets, an excessive concentration of liabilities from a specific source, or the illiquidity of its assets. The Company manages liquidity risk by maintaining adequate levels of cash, cash equivalents, and financial instruments, allowing it to meet its immediate commitments.

The following table analyzes the Company's financial assets and liabilities grouped according to their remaining maturities based on their contractual maturity dates:

	Current			Non-current		
2024	**Hasta 1 month**	**From 1 to 3 months**	**From 3 month to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Book Value**
Liabilities:						
Borrowings received	1,861,944	-	-	-	-	1,861,944
Lease Liability	6,784	13,679	63,419	184,995	-	268,877
Total Liabilities	1,868,728	13,679	63,419	184,995	-	2,130,821

	Current			Non-current		
2023	**Hasta 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Book Value**
Liabilities:						
Borrowings received	1,880,848					1,880,848
Lease Liability	6,359	12,821	59,438	268,877	-	347,495
Total Liabilities	1,887,207	12,821	59,438	268,877	-	2,228,343

(5) Financial Risk Management, continued

(d) Market Risk

It is the risk that the value of a financial asset will decrease due to changes in interest rates, exchange rates, stock prices, and other financial variables, as well as the reaction of market participants to political and economic events.

Market Risk Management:

The Company manages its exposure to market risk through weekly assessments of the portfolio's value at risk, limits, and exposures, which are jointly reviewed by the Treasury Committee and the Risk Management Department. In addition, the Company has exposure to international operations, which are subject to the risk of fluctuations in exchange rates. This risk is related to the foreign currency position, which is regularly reviewed as part of the trading portfolio for proper management.

Exposure to market risk:

The company is exposed to this risk due to potential fluctuations in financial markets, which could affect the fair value or future cash flows of financial instruments in its investment portfolios or contingent positions. In a scenario of unfavorable market conditions, this could result in a loss in the value of the financial instruments held by the Company.

To assess the investment portfolio risk, various analyses are performed using the Bloomberg technology tool. This tool enables different risk measurement exercises on the portfolio, such as:

- Allocation: identifies the type of instrument, industry sector, and geographic distribution of investments, helping to identify various types of risks such as sectoral risk and political risk.
- Liquidity profile: measures the portfolio's liquidity horizon across its instruments as a risk metric.
- VAR (Value at Risk): identifies the financial risk of the investment portfolio through the various variables used in its calculation.
- Scenarios: provides a view of Market Risk regarding the sensitivity the portfolio might experience under potential stress scenarios by simulating market behavior based on historical stress situations used as a reference.
- Volatility: offers a perception of the volatility incurred in the portfolio's investments.

(5) Financial Risk Management, continued

To manage risk measurement, the PORT application (Portfolio and Risk Analytics) is also used, where the positions held in a model portfolio are loaded. It is important to note that positions in Venezuelan bonds issued by the Republic of Venezuela or PDVSA are excluded from this analysis.

Other tools and information are also used to manage risk and keep information on the credit quality of portfolio positions up to date, as well as analysts' recommendations. One of these tools is the Interactive Brokers platform, where most of the securities are held in custody. This platform frequently provides credit ratings and analysts' outlooks.

Sensitivity Analysis:
As of December 31, 2024, the market value of the positions used as a reference for the test amounts to approximately $3,111,762.

The test was conducted using the Global Multi-Asset model under the Global Industry Classification Standard (GICS) sectors, obtaining the following results in the percentage performance of the portfolio's P&L according to each provided scenario, as follows:

- Recovery of the stock market in 2009: +9.32%
- Greek Financial Crisis 2015: -0.74%
- Oil shock due to Libya War 2011: -0.01%
- Russian Financial Crisis 2008: -3.43%
- Oil price drop – May 2010: -0.83%
- Japan Earthquake 2011: -0.13%
- U.S. Debt Ceiling Crisis and Credit Downgrade 2011: -1.74%
- 10% Stock Market Drop: -1.87%
- 10% EUR vs. USD Appreciation: +3.03%
- Lehman Brothers Bankruptcy 2008: -3.77%
- 10% EUR vs. USD Depreciation: -3.03%
- 10% Stock Market Increase: +1.87%

(5) Financial Risk Management, continued

Description of Stress Test Scenarios:

- Global Equity Market Recovery 2009: Refers to the recovery of global equity markets following the unfortunate events of 2008, which led to a sharp decline in global stock markets.
- Greek Financial Crisis - 2015: Athens' resistance through a referendum and last-minute agreement to accelerate long-resisted economic reforms imposed by creditors in an attempt to remain in the Eurozone.
- Oil Shock due to Libyan War 2011: The civil war in Libya, which began on February 15, 2011, caused a sudden spike in crude oil prices.
- Russian Financial Crisis – 2008: Caused by the war with Georgia, resulting in a sharp drop in oil prices and fears of an economic recession in the region. This crisis spanned from August to November 2008.
- Oil Price Drop in May 2010: Oil prices fell 20% due to uncertainty over how European nations would reduce budget deficits amid an impending economic crisis in Europe.
- Japan Earthquake in March 2011: On March 11, 2011, a 9.0 magnitude earthquake struck off the coast of Japan, triggering a massive tsunami.
- U.S. Debt Ceiling Crisis and Credit Downgrade 2011: A crisis that led to the downgrade of the U.S. credit rating. This stress scenario describes a 17-day period starting July 22, 2011, when markets began reacting to the debt ceiling stalemate, with August 8, 2011, being the first trading day after the downgrade announcement.
- 10% Decline in Equity Markets: A global equity market drop of 10%, affecting U.S., European, Asian, and Japanese markets and triggering a correlation shock.
- 10% Appreciation of the Euro vs. USD: A rise in the Euro relative to the U.S. dollar, with spillover effects on other currencies and equity factors through correlation.
- Lehman Brothers Bankruptcy – 2008: The collapse of the mortgage giant during the period from September to October 2008.
- 10% Depreciation of the Euro vs. USD: A fall in the Euro relative to the U.S. dollar, with spillover effects on other currencies and equity factors through correlation.
- 10% Rise in Equity Markets: A global equity market increase of 10%, affecting U.S., European, Asian, and Japanese markets and triggering a correlation shock.

(5) Financial Risk Management, continued

(e) Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual instrument or its issuer, or by factors affecting all securities traded in the market.

The Company is exposed to price risk from equity or debt instruments classified at fair value through other comprehensive income. To manage the price risk arising from investments in equity or debt instruments, the Company diversifies its portfolio based on established limits.

(6) Impairment of Investments and Other Financial Assets

The preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) requires Management to make a number of judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of certain assets, liabilities, equity, income, and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed periodically and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

(a) Impairment of Investments and Other Financial Assets

The Company determines that investments in securities and other financial assets have suffered impairment when there has been a significant and prolonged decline in the fair value of the investment, due to: an increase in the credit spread, a downgrade in the credit rating since initial recognition, payment defaults, bankruptcy, restructurings, or other similar events that provide evidence of a significant increase in risk.

(b) Fair Value of Financial Instruments

The fair value of financial instruments that are not quoted in active markets is determined using valuation techniques. The models are reviewed prior to use and calibrated to ensure that the simulation results reflect true data and fair values comparable to market values of similar instruments. As far as practicable, only observable data are used as inputs to the model; however, some variables, such as counterparty credit risk, measures of volatility, and correlations, require Management to make certain estimates.

(7) Cash and Cash Equivalents

Cash and bank deposits are detailed below for purposes of reconciliation with the statement of cash flows:

	2024	2023
Petty cash	200	200
Demand deposits	1,296,211	1,863,401
Time deposits	250,000	250,000
Total cash and bank deposits	1,546,411	2,113,601
Less: deposits with an original maturity Greater than three months	250,000	250,000
Cash and cash equivalents	1,296,411	1,863,601

The fixed-term deposit certificates bear a monthly interest rate of 4.60% (2023: 4.90%), maturing on December 16, 2025.

(8) Investment in Securities

The details of investments in securities are as follows:

	2024	2023
Investments securities at amortized cost (AC)	6,839	6,839
Investments securities at FVOCI	2,763,484	1,725,558
Total	2,770,323	1,732,397

Investments in Securities at Fair Value through Other Comprehensive Income (FVOCI):

	2024	2023
Foreign shares held as collateral	534,337	795,633
Foreign bonds held as collateral	2,287,169	999,426
Plus: accrued interest receivable	13,490	4,240
Less: allowance for expected credit losses	(71,512)	(73,741)
Total	2,763,484	1,725,558

(8) Investments in Securities, continued

As of December 31, 2024, Management calculated the expected credit losses on securities measured at fair value through other comprehensive income. This portfolio is composed of bonds rated AAA and B+, and therefore their carrying amount corresponds to the market value of the financial instrument. The portfolio also includes shares that are measured at market value and are currently convertible.

During the period ended December 31, 2024, the Company recorded a net unrealized loss of B/.50,258 (net unrealized gain 2023: B/.162,837) resulting from the fair market valuation of the Debt Securities Trading Portfolio – TVD "T" Portfolio, which was recognized under results from financial instruments at fair value in the statement of income.

(9) Repurchase Agreements

The repurchase agreements are detailed as follows:

	2024	**2023**
United States treasury securities	0	1,732,397

The movement of the repurchase agreement transaction is detailed below for purposes of reconciliation with the statement of cash flows:

	2024	**2023**
Balance at the beginning of the year	509,000	672,021
Purchases	0	509,000
Sales	(509,000)	(672,021)
Balance at the end of the year	0	509,000

(10) Furniture, Equipment, software and Improvements
The movement of the fixed asset account is summarized as follows:

	Improvements to Property	Furniture and Equipment	Software	Total
Cost:				
Balance as of December 31, 2022	40,089	72,328	81,730	194,147
Acquisitions	23,558	0	8,000	31,558
Sales	0	0	0	0
Balance as of December 31, 2023	63,647	72,328	89,730	225,705
Acquisitions	0	0	9,585	9,585
Sales	0	(40,882)	(44,377)	(85,259)
Balance as of December 31, 2024	63,647	31,446	54,938	150,031
Accumulated Depreciation:				
Balance as of December 31, 2022	22,031	68,020	76,487	166,538
Expense for the year	6,104	1,723	4,042	11,869
Sales	0	0	0	0
Balance as of December 31, 2023	28,135	69,743	80,529	178,407
Expense for the year	8,419	1,254	5,119	14,792
Sales	0	(40,882)	(44,377)	(85,259)
Balance as of December 31, 2024	36,554	30,115	41,271	107,940
Net Carrying Amount:				
December 31, 2023	35,512	2,585	9,201	47,298
December 31, 2024	27,093	1,331	13,667	42,091

(11) Lease

As of December 31, 2024, the Company maintains a lease agreement for a property primarily used as an office. This lease agreement has a duration of 7 years and, upon expiration, is renegotiated in order to adjust to reflect market conditions.

The movement of the right-of-use asset is presented below:

	2024	**2023**
Balance at the beginning of the year	308,733	652,514
Adjustments	0	(271,904)
Depreciation for the year	(77,183)	(71,877)
Balance at the end of the year	231,550	308,733

The depreciation expense of the right-of-use asset is included under the depreciation and amortization expense line item in the statement of income.

The total amount of cash for leases recognized in the Statement of Cash Flows includes the principal payment portion as a financing activity for B/. 98,357 (2023: B/. 98,357), and the interest payment portion for B/. 19,740 (2023: B/. 24,674).

(12) Other Assets

The details of other assets are presented below:

	2024	**2023**
Deposits pledged as collateral	51,340	51,840
Accounts receivable from clients	23,758	443,848
Prepaid expense	14,862	13,154
Prepaid taxes	7,952	48,618
Various accounts receivable	602	0
Total	98,514	557,460

(13) Financing Obligations

A breakdown of the financing obligations is presented below:

	2024	**2023**
Amicorp Bank and Trust Limited		
Loan authorized for the acquisition of securities at an interest rate of 0.5%, secured by an active portfolio, with no maturity date.	1,861,918	1,861,918
Accrued interest payable on financing	26	18,930
Total financing obligations	1,861,944	1,880,848

The movement of obligations and placements is detailed below for the purpose of reconciliation with the statement of cash flows:

	2024	**2023**
Balance at the beginning of the year	1,861,918	1,861,918
New obligations	0	551,136
Repayment of obligations	0	(551,136)
Balance at the end of the year	1,861,918	1,861,918

(14) Other Liabilities

Other liabilities are detailed as follows:

	2024	**2023**
Employee benefits – long term	130,994	154,216
Labor liability reserve – short-term	22,663	34,416
Fines	50,000	50,000
Accounts payable	26,244	15,664
Others	0	3,854
Total	229,901	258,150

(15) Equity

The Company's authorized capital amounts to B/.6,000,000 and is represented by 6,000,000 shares with a par value of B/.1 each. All shares are issued, paid, and outstanding. The authorization and registration were formalized through Public Deed No. 1841 dated January 25, 2023.

(16) Balances and Transactions with Related Parties

The balances and transactions with related parties are summarized as follows:

	2024	**2023**
Assets:		
Right-of-use asset	231,550	308,733
Liabilities:		
Lease liability	268,877	347,495
Other liabilities, shareholders	1,624	0
Total	270,501	347,495
Income:		
Interest earned on margin loan	0	3,886
Brokerage commissions earned	15,628	3,566
Intermediation income	0	894
Total	15,628	8,346
Expenses:		
Intermediation expenses	0	217
Depreciation of right-of-use asset	77,183	71,878
Interest on lease liability	19,740	13,782
Directors fees	198,400	194,000
Advisory fees	79,600	69,600
Total	374,923	349,477

(17) Fees and Professional Services

The breakdown of salaries and other personnel expenses is presented below:

	2024	2023
Advisory and other contracted services	239,565	219,560
Legal expenses	47,469	114,214
External audit and consulting	28,097	26,845
Corporate manuals and strategies	12,155	1,521
Total	327,286	362,140

(18) Other Expenses

The other expenses included in the statement of income are summarized as follows:

	2024	2023
Other Expenses:		
Advertising	25,344	8,160
Miscellaneous expenses	22,254	131,359
Subscriptions	18,498	16,841
Contributions to the superintendency	16,800	16,800
Insurance	15,858	14,232
Electricity, water and telephone	13,753	12,079
Travel	11,318	9,021
Cleaning and fumigation	11,130	135
Rent	8,052	9,392
Maintenance and repair	5,684	21,614
Office suppliers	5,016	3,431
Courier services	1,292	194
Fuel	1,203	821
Total	156,202	244,079

(19) Income Tax

In accordance with current tax regulations, income tax returns of companies incorporated in the Republic of Panama are subject to review by the tax authorities for up to the last three (3) years, including the year ended December 31, 2024. Additionally, the Company may be subject to examination by the tax authorities to determine compliance with the Tax on the Transfer of Movable Goods and Services (ITBMS) law.

(19) Income tax, continued

Since 2005, in accordance with Article 16 of Law 6 of February 2005, companies must pay Income Tax at the applicable rate on the greater of the taxable net income calculated using the traditional method and the net income resulting from deducting 95.33% from the total taxable income.

This new basis for calculating Income Tax is known as the "Alternate Calculation of Income Tax" (CAIR). As of 2010, only companies with gross taxable income exceeding one million five hundred thousand balboas (B/.1,500,000) are required to perform this calculation.

Article 91 of Executive Decree No. 98 of September 2010, which amends Article 133-D of Executive Decree No. 170 of October 1993, establishes that taxpayers may request the General Directorate of Revenue to exempt them from applying the Alternate Calculation of Income Tax (CAIR) for determining the tax payable, provided that:

a) The taxpayer, at the time of performing the Alternate Calculation of Income Tax, determines that it will incur a loss.

b) If, at the time of performing the Alternate Calculation of Income Tax for determining the Income Tax, it results in an effective Income Tax rate that exceeds the applicable rate.

The reconciliation of the financial profit or loss before income tax is detailed below:

	2024	**2023**
(Financial) (Loss) Profit before Income Tax	(401,863)	339,932
Foreign income, exempt and non-taxable	(1,093,507)	(3,648,157)
Foreign costs and expenses, exempt and non-deductible	1,421,884	3,315,059
(Taxable Loss) Profit	(73,486)	6,834
Income Tax	0	1,708

The Company has incurred accumulated tax losses which can be applied up to a maximum of 50% of the taxable net income for the next five fiscal periods, at a rate of 20% per year. The portion of the unused tax loss carryforward in any given year may not be deducted in subsequent years and will not generate any refund from the State.

(20) Fair Value of Financial Instruments

The Company establishes a fair value hierarchy that classifies into three levels the input data of valuation techniques used to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This category includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other valuation techniques where significant inputs are observable directly or indirectly in a market.

- Level 3: This category includes all assets or liabilities where valuation techniques use significant unobservable inputs that have a significant impact on fair value measurement. This category includes instruments valued based on quoted prices for similar instruments where significant unobservable assumptions or adjustments reflect differences between instruments.

Other valuation techniques include net present value and discounted cash flow models, comparisons with similar instruments for which observable market prices exist, and other valuation models. The assumptions and inputs used in valuation techniques include risk-free reference rates, credit spreads, and other premises used to estimate discount rates.

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions.

The following table presents the carrying amount and fair value of financial assets and liabilities, including their fair value hierarchy level for financial instruments measured at fair value. This table does not include information on the fair value of financial assets and liabilities not measured at fair value when their carrying amount approximates their fair value.

(20) Fair Value of Financial Instruments, continued

2024	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Securities at fair value through Profit or loss	0	0	0	0	0
Securities at fair value through Other comprehensive income	2,763,484	2,273,805	356,964	132,715	2,763,484
Financial Assets not measured at fair value:					
Securities at amortized cost	6,839	0	0	6,839	6,839
Repurchase agreements	1,861,918	0	0	1,861,799	1,861,799
	2,241,397	1,641,761	647,014	102,475	2,391,250
Financial liabilities not measured at fair value					
Financing obligations	1,861,918	0	0	1,861,798	1,861,798
	1,861,918	0	0	1,861,798	1,861,798

2023	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial Assets Measured At fair value:					
Financial assets at fair value Through profit or loss	0	0	0	0	0
Financial assets at fair value Through other comprehensive income	1,725,558	982,908	647,014	95,636	1,725,558
Financial Assets not Measured at fair value:					
Financial assets at amortized cost	6,839	0	0	6,839	6,839
Repurchase agreements	509,000	658,853	0	0	658,853
	2,241,397	1,641,761	647,014	102,475	2,391,250
Financial liabilities Not Measured at Fair Value:					
Financing Obligations	1,861,918	0	0	1,861,805	1,861,805
	1,861,918	0	0	1,861,805	1,861,805

(20) Fair Value of Financial Instruments, continued

The table below describes the valuation techniques, the inputs used, and the significant unobservable inputs in the fair value measurement of instruments classified as Level 2 and Level 3 as of December 31, 2024 and 2023:

Financial Instruments	Valuation Technique And Input Data Used
Measured at fair value:	
Debt securities at fair value through other comprehensive income	The fair value is determined using the prices provided by Bloomberg, dynamic spread, and yield to maturity. The fair value of the Level 3 portfolio, Copérnico Fund, is determined by the fund itself and is referenced to the price indicated by the custodian Safra Sarasin Switzerland.
Not measured at fair value:	
Equity Securities	The valuation technique used is discounted cash flow.
Financing Liabilities	The fair value of financing liabilities for disclosure purposes is based on discounted cash flows using a borrowing rate of 7.94% (2023: 7.58%), which represents the average active interest rate of the Panamanian financial system.

(21) Client Assets Under Management

The Company holds client funds and a portfolio of securities amounting to B/.19,259,984 (2023: B/.27,146,360) under its Brokerage House services, which are deposited with international custodians. These funds have not been recorded in the accounts of the statement of financial position but are instead maintained in off-balance sheet control accounts.

(21) Client Assets Under Management, continued

The portafolio held in custody by third parties is detailed as follows:

	2024	**2023**
Local securities custody	8,040,273	12,244,351
International securities custody	10,295,850	9,721,374
International cash custody	697,490	112,924
Local cash in banks	125,709	416,723
Local cash custody	47,144	139,925
international cash in banks	53,518	4,511,063
Total	19,259,984	27,146,360

(22) Contingencies

Legal Proceedings

The Company is not involved in any litigation, judicial or extrajudicial claims, pronounced judgments, or ongoing judicial proceedings that need to be disclosed.

(23) Main Applicable Laws and Regulations

The main applicable laws and regulations in the Republic of Panama are detailed below:

General Laws and Regulations

(a) Securities Law in Panama

The securities market in the Republic of Panama is regulated by Decree Law No. 1 of July 8, 1999, which was amended by Law 67 of September 1, 2011. This law establishes the system of coordination and cooperation among financial oversight entities and creates the SMV (Superintendence of the Securities Market).

Agreement No. 4-2011 of June 27, 2011, sets forth rules regarding adequate capital, solvency ratio, capital funds, liquidity ratio, and credit risk concentrations that must be observed by brokerage houses regulated by the Superintendence of the Securities Market of Panama.

(23) Main Applicable Laws and Regulations, continued

Agreement No. 9-2011 extends the effective date of Agreement 4-2011 to July 2012, except for Article 4, regarding the Minimum Total Required Capital under Chapter One on General Provisions, which sets a minimum of two hundred fifty thousand dollars (B/.250,000) effective January 27, 2012, and Article 13 on the Liquidity Ratio of Brokerage Houses under Chapter Six, effective as of January 1, 2012. Additionally, Agreement No. 8-2013, dated September 30, 2013, further extends the effective date of Agreement No. 4-2011 to October 1, 2013. According to Article 4 of Agreement No. 8-2013, the minimum required capital will be B/.350,000, with a six-month adjustment period starting from the publication date of said agreement.

The Company's Compliance Unit is responsible for monitoring compliance with minimum capital requirements. The Company's capital management policies aim to maintain sufficient capital to support the future growth of the business.

The Company acknowledges the need to maintain a balance between shareholder returns and the capital adequacy required by the regulatory authority.

As of December 31, 2024, the Company held eligible assets to meet the liquidity ratio amounting to B/.3,819,504 (2023: B/.3,385,991), which exceed current liabilities of B/.2,235,942 (2023: B/.2,338,927).

The Company maintains a capital fund detailed as follows:

	2024	2023
Regulatory required capital	350,000	350,000
Capital Fund:		
Amount of capital Fund	6,000,000	6,000,000
Right-of-use assets, net	(231,550)	(308,733)
Furniture, equipment, software, and improvements	(42,091)	(47,298)
Fair value reserve	(626,835)	(576,577)
Accumulated déficit	(3,044,998)	(2,641,427)
Other assets	(98,514)	(557,460)
Net Capital Fund	1,956,012	1,868,505

(23) Main Applicable Laws and Regulations, continued

The Company submitted the following information regarding the liquidity ratio, solvency ratio, and capital fund reported to the regulator:

2024	**According to the Books**	**Minimum Required**
Liquidity Ratio		
Eligible assets for liquidity	3,819,504	
Liabilities due within one year	2,235,942	30% Short term-liabilities
Minimum required liquidity ratio	170.82%	
Solvency Ratio		
Reported capital amount	1,973,557	350,000
Credit or risk exposure value	756,869	8%
Solvency ratio	260.75%	
Capital Fund		
Reported capital fund amount	1,973,557	350,000
Required capital amount	358,166	358,166

2023	**According to the Books**	**Minimum Required**
Liquidity Ratio		
Eligible assets for liquidity	3,385,991	
Liabilities due within one year	2,338,927	30% Short term-liabilities
Minimum required liquidity ratio	144.77%	
Solvency Ratio		
Reported capital amount	1,899,916	350,000
Credit or risk exposure value	1,075,088	8%
Solvency ratio	176.72%	
Capital Fund		
Reported capital fund amount	1,899,916	350,000
Required capital amount	362,014	362,014

(23) Main Laws and Applicable Regulations, continued

Capital Adequacy

In compliance with Article 24 of Resolution No. 220-07 dated August 8, 2007, regarding the disclosure of capital adequacy standards and their modalities in audited and interim financial statements, we present the following information as of December 31:

	2024		2023	
Solvency Ratio – minimum 8%				
The solvency ratios are:				
Minimum	168.58%	18/11/2024	48.61%	06/01/2023
Maximum	270.99%	23/12/2024	193.49%	24/11/2023
At Closing	260.75%	31/12/2024	176.72%	31/12/2023
Capital funds- Net				
The fund balances are:				
Minimum	1,828,193	13/10/2024	442,616	06/01/2023
Maximum	2,051,997	05/12/2024	1,964,011	15/12/2023
At Closing	1,973,557	31/12/2024	1,899,916	31/12/2023

In addition to the minimum regulatory capital of B/.350,000, the Company must hold 0.04% of the amount of securities held in custody by custodians domiciled in jurisdictions recognized by the Superintendency of the Securities Market, which as of December 31, 2024, represented an additional capital requirement of B/.7,396 (2023: B/.10,088). Additionally, the Company must hold 0.10% of the amount of securities held in custody by custodians domiciled in jurisdictions not recognized by the Superintendency of the Securities Market, which as of December 31, 2024, represented an additional capital requirement of B/.770 (2023: B/.1,926).

The surplus over the minimum regulatory capital as of December 31, 2024, amounted to B/.358,166 (2023: B/.362,014), with which the Company has complied and exceeded.

(23) Main Applicable Laws and Regulations, continued

	2024		2023	
Liquidity Ratio – minimum 10%				
The liquidity ratios are:				
Minimum	153.96%	13/11/2024	86.90%	06/01/2023
Maximum	174.54%	25/12/2024	144.77%	31/12/2023
At Closing	170.82%	31/12/2024	144,77%	31/12/2023

Brokerage houses are required to comply with the capital adequacy standards and their modalities as established by Agreement 4-2011 dated June 27, 2011, issued by the Superintendence of the Securities Market.

Credit Risk Concentration
Risks held by the Company with respect to an issuer, individual client, or a group of related issuers or clients shall be considered a concentration situation when the cumulative value of such risks exceeds ten percent (10%) of the total value of its capital funds. In any case, the value of all risks that a brokerage house contracts and maintains with the same issuer, client, or group of related issuers or clients shall not exceed thirty percent (30%) of the total value of its capital funds. Likewise, the total amount of concentration situations of a brokerage house shall not exceed eight times the value of the Company's capital funds.

As of December 31, 2024, the Company did not report any credit risk concentration with related issuers or clients. The international securities that are part of the investment portfolio measured at amortized cost are 100% provisioned.