Annual Report 2021

Latinex

Message from The President

Dear Shareholders:

I am pleased to comment on your company's performance, Latinex Holdings Inc., and that of its principal subsidiaries.

From every point of view, 2021 was an excellent year for Latinex.

The primary market registered a trading volume of USD 6,944,978,998, a 22.42% increase compared to 2020. For its part, secondary market trading, USD 2,304,550,380 in 2021, also increased compared to the prior year, namely 11.94% in percentage terms. As for repurchases, in 2021 they totaled USD 211,301,273. In summary, operationally speaking, the total volume traded in 2021 (primary and secondary markets, plus repurchases) totaled USD 9,460,830,651, a 16.43% increase over 2020. This is a new record for Latinex.

It is important to highlight that on account of integrated regional markets, accomplished through remote operators and correspondent agreements, we have reached, on 1,796 operations, an accumulated volume of USD 409,350,369. Of this amount, USD 160,480,418 was transacted in 2021 alone.

The securities custody business also exhibited solid performance. Latinclear closed the year with a record custody balance of USD 26,275,201,170.

The company's total income was USD 9,518,814, an increase of 8.76% compared to 2020. After-tax profit for the period was USD 2,835,633, 11.57% higher than in the prior year, which is equivalent, at year-end 2021, to basic earnings per share of USD 0.1922. This represents a return on average equity of 19.36%.

The balance sheet's main accounts continue to be very healthy and have been further strengthened by the company's good results. At year-end 2021, Latinex posted total assets of USD 16,121,819, high levels of liquidity and investments, and low leverage. Total equity closed out the year at USD 14,648,804.

We have continued to operate efficiently in a hybrid way, taking advantage of technology, but also by managing certain components, for productivity reasons, on a face-to-face basis in order not to lose the human contact element so essential in service-based companies such as ours. However, in so doing, safeguarding our employees' well-being is and will continue to be a top priority. In this regard, I would like to take this opportunity to congratulate the company's management for their splendid work.

From a corporate perspective, it is worth highlighting that at year-end 2020 we underwent a comprehensive review and update process of our strategic plan, which aims to transform Panama into an international hub for the capital markets. Therefore, in 2021 we began implementing our updated strategy. One of the more relevant aspects of this effort is the Latinclear system modernization project, a complex undertaking that will demand both time and resources. But we believe it is both necessary and achievable, in addition to the fact that it would be the natural complement to the Nasdaq trading platform currently used by Latinex.

Another important aspect of our updated strategic plan is the process we undertook for the renewal of our corporate image, which involved not only a change of names and logos, but also of how Latinex projects itself. The truth is that we are delighted with our new and ambitious corporate image.

We remain committed to the market integration project through remote operators and correspondent agreements, which, as I mentioned earlier in these remarks, has yielded positive results. In addition, we continue to promote the iLink connection with Euroclear Bank and to participate in different initiatives and alliances focused on the development of sustainable finance. In respect of sustainability issues, in 2021 we launched our Guide for the Voluntary Reporting and Disclosure of Environmental, Social and Corporate Governance (ESG) Factors, which is in line with recently updated global principles and standards.

We successfully held our traditional Investor Forum, once again in virtual form. We are looking forward to the opportunity to now test a mixed system for future forums, whereby they will in principle be face-to-face, but, at the same time, will accommodate remote interactive participation. This will be very convenient in terms of projecting ourselves internationally.

Finally, I am pleased to leave you with a message from the Board of Directors regarding the fact that Latinex continues to be a dynamic enterprise with excellent performance, firmly committed to its institutional mission of developing and promoting the Panamanian securities market, as well as its transformation into the trading center par excellence for the country and the region's issuers and investors.

Sincerely,

Arturo Gerbaud
Chairman of the Board of Directors

Dignitaries

Arturo Gerbaud	Chairman
Roberto Brenes	Vice President
Carlos Mendoza	Treasurer
Mónica García de Paredes de Chapman	Secretary

Executives of the Subsidiaries

Olga Cantillo
Executive Vice President and General Manager of Latinex

Myrna Palomo
Deputy General Manager of Latinex

Lerzy Batista
General Manager of Latinclear

María Guadalupe Caballero
Deputy General Manager of Latinclear

Anyelis Marrero
Compliance Manager of Latinex

Rosario Fernández
Compliance Manager of Latinclear

Alexander Quezada
Markets Development Manager

Karla Vidal
Human Capital and Administrative Services Manager

Lydia Caballero
Sustainability and CSR Manager

Nayarith Oliva
Internal Auditor

Julio Hernández
Risk Officer

Board of Directors

Arturo Gerbaud
Independent Director and Chairman

Mr. Gerbaud is a graduate in law and political science from the Universidad Santa María la Antigua and holds a Master of Laws degree (LL.M.) from the Duke University School of Law, Durham, North Carolina, United States. He has more than 30 years of legal practice experience, mainly in the areas of banking and finance, capital markets and mergers and acquisitions. Since 1990 he has worked at the law firm Alemán, Cordero, Galindo & Lee in Panama, of which he has been a partner since 1992. He is a member of the Panamanian Bar Association and was a member, from 2003 to 2019, of the Board of Directors of the Superintendency of Banks of Panama.

Roberto Brenes
Director and Vice President

Mr. Brenes holds a Master's degree in Business Administration from Columbia University with an emphasis in finance and operations research, and a Bachelor's degree in Business Administration and Economics from the Instituto Tecnológico de Monterrey. He has more than 45 years of professional experience, mainly in the banking and securities field. He is currently a Director of Canal Bank and Chairman of the Board of Canal Securities. From 2003 to October 2015, he served as Executive Vice President and General Manager of the Bolsa de Valores de Panamá, S.A. (today Bolsa Latinoamericana de Valores, S.A.) and was, from 1999 to 2003, a Commissioner of the National Securities Commission of Panama (today Superintendencia del Mercado de Valores de Panamá). He was General Manager of Canal Bank from 2016 to 2019.

Mónica García De Paredes de Chapman
Director and Secretary

Ms. de Chapman graduated in 1989 with a degree in Business Administration from The George Washington University School of Business. In March 1985 she obtained a Master's degree in Business Administration from INCAE. She began her career in banking in 1990 as a Marketing Executive at Banco General. In 1991 she was hired by Banco Continental de Panama as a Private Banking Officer, becoming a Private Banking Manager and later Vice President of the Private Banking and Investment Division. Ms. de Chapman joined Global Bank in November 2005 as Vice President of Private Banking and Investments, a position she held until June 30, 2019. She is a founder and President of the Psoriasis Foundation of Panama. She currently serves on the Boards of Directors of G. B. Group, Global Bank Corp, Progreso, S. A., Aseguradora Global, Global Valores, S.A., Latinex Holdings, Inc., Central Latinoamericana de Valores and Bolsa Latinoamericana de Valores. She is a member and president of the Board of Directors of the Panama Directors Association. From 2008 through 2010 she was president of the Panama Chamber of Issuers.

Carlos Mendoza
Director and Treasurer

Mr. Mendoza received his undergraduate education at Harvard University, where he earned a Master of Public Policy degree from the John F. Kennedy School of Government and a Bachelor of Arts degree in Economics from Harvard College. He has more than 30 years of experience in the financial sector and the stock market. He is currently a consultant to ASSA Insurance Company for new business development, including mergers and acquisitions. For 16 years, as part of the Inversiones Bahía team, he actively participated as an investment banker in private equity investments and mergers and acquisitions in the banking, insurance, telecommunications, media, air transportation, retail, distribution and energy sectors. Previously, he worked at Banco Continental de Panama and Wall Street Securities. In the latter, he led the development, registration and listing of the first mutual fund that invested in Panamanian company shares, as well as two other funds. He began his professional career at Chase Manhattan Bank.

Christine Müller
Director

Ms. Müller holds a double Bachelor's degree in Economics and Psychology from the University of Pennsylvania, and an MBA from the IESE Business School. She has more than 15 years of experience in the areas of estate planning, finance, risk management and corporate governance. She is the founder and CEO of Atlas Solutions, a provider of corporate, legal and financial services for individuals and institutions. Previously, Ms. Müller worked in the areas of wealth management at Merrill Lynch, UBS, and in the treasury of Banco General, S.A. She is a Director of Banco Delta, S.A., where she participates in several committees and chairs the Human Resources Committee. She is an active member of the Asociación Directoras de Panamá and provides advisory services to family businesses.

Fátima Asvat
Director

Ms. Asvat holds a B.A. degree in International Relations and International Business from Georgetown University, Washington, DC. She subsequently obtained a Master's degree in International Business with a focus on international finance and economic development from the Fletcher School of Law and Diplomacy at Tufts University in Medford, Massachusetts. She has more than 9 years of experience in the banking and securities areas at Prival Bank, S.A., where she holds the position of Assistant Vice President of Investments. She is currently the manager of investment companies Prival Bond Fund, S.A. and Prival Multistrategy Income & Growth Fund, S.A. She holds licenses as a Securities Broker, Principal Executive, and Investment Manager issued by the Superintendence of the Securities Market and is a CFA Level III candidate.

Gary Chong-Hon
Director

Mr. Chong-Hon holds a Master's degree in Business Administration (corporate finance and strategy) from Georgetown University (The Robert Emmett McDonough School of Business), and a Bachelor's of Science degree in Business Administration (finance and international business) from Villanova University. He has more than 19 years of experience working in the areas of investment banking, consulting, financial markets and securities. Since 2002 he has held the Assistant Vice President of Investment Banking position at Banco General, S.A. Previously, Mr. Chong-Hon worked at KPMG Consulting, Inc. (Miami, FL) as a Financial Services Consultant for the Real Estate and Hospitality sector. Currently, he is the treasurer of Fundación Pro-Enfermos Contra el Cáncer (Fundacáncer) and Fundación Dona Vida.

Jorge Vallarino
Director

Mr. Vallarino holds a Bachelor's degree in Finance from Florida International University in Florida. He has been a partner with law firm Morgan & Morgan since 2015 and has over 26 years of experience in different segments of the securities and banking markets. He started his career with MMG Bank, focused on balance sheet and trading desk operations. He currently serves as VP of Treasury & Finance at MMG Bank, where he additionally supervises the management of MMG's family of funds and the group's operational infrastructure. He holds a Securities Broker and Principal Executive licenses issued by the Superintendence of the Securities Market.

José Montero
Independent Director

Mr. Montero holds a Master's degree in Business Administration from Cornell University and a Bachelor's degree in Aeronautical Studies from Embry-Riddle Aeronautical University. He has more than 27 years of experience working in the financial area of the aviation industry. Mr. Montero has been the Senior Vice President of Finance and CFO of Copa Holdings, S.A. since March 2013. He began his career with Copa Airlines in 1993 and has held various technical, supervisory and administrative positions within the company, such as Flight Operations Manager, Director of the System Operations Control Center (SOCC) and, from 2004 to 2013, Director of Strategic Planning.

Mitzi Alfaro
Director

Ms. Alfaro obtained her Bachelor's degree in Finance and International Business, Magna Cum Laude, from Georgetown University, Washington DC. She later obtained an Executive Master's degree in Banking and Finance from INCAE (Central American Institute of Business Administration). She has over 20 years of experience in the banking and financial sector in various positions in corporate finance, business, treasury and investments. She currently serves as Senior Vice President of Portfolio and Risk Management for the N&N Family Office and is an Independent Director of Banco La Hipotecaria. She held management positions in the area of Credit and Corporate Finance at Banco Continental and was Assistant Vice President in the areas of Correspondent Banking, Treasury and Investments at Banco General. She is an active member of several charitable entities, of the Panamanian Directors Association and is a member of Class XIV of the Aspen Institute's Central American Leadership Initiative (CALI).

Rolando Arias
Director

Mr. Arias holds a Bachelor's degree in finance from Florida State University and an MBA from Notre Dame University. He has more than 25 years of experience in banking, financial markets and securities. Since 2007 he has held the position of General Manager and Chief Executive Officer of BG Valores, S.A., a wholly owned subsidiary of Banco General. Previously, Mr. Arias worked for more than seven years at ABN AMRO Bank N.V. in, respectively, the treasury and financial institutions departments in Panama City and London. He also held various positions at Banco Continental de Panamá, S.A., including Vice President of Corporate Finance and Treasury.

Olga Cantillo
Excecutive Vice Presidente and General Manager

Latin American Stock Exchange

Ms. Cantillo has over 31 years of professional experience in the financial industry, specializing in the banking and securities markets, and has been responsible for investment and banking operations in local and regional financial institutions. She is President of the Ibero-American Federation of Exchanges (FIAB), Director of the Association of Central Securities Depositories of the Americas (ACSDA), Secretary of the Capital Markets Association of the Americas (AMERCA), member of the Independent Advisory Committee of the UN Sustainable Stock Exchanges Initiative (SSE), Independent Director of BI Bank Panama and Director of Fundación Calicanto.

Standing Committees

The Board of Directors' standing committees are part of the company's self-regulatory management. The committees are entrusted with the objective of looking after the shareholders' best interests, as well as that of the Company and its Subsidiaries.

Audit Committee

The Audit Committee's primary function is to ensure the appropriate operation of the internal control system and the integrity of the Company's and its Subsidiaries' financial information. It is comprised of five (5) directors. By decision of the Board of Directors, this committee may also include a member external to the Board of Directors who has the necessary experience and knowledge to fulfill the role's functions and responsibilities. All members have voice and vote rights. With the right of voice, the General Managers and the company's Internal Auditor, as well as advisors or any other guest determined by the Committee, may be invited to participate.

Members:

- Roberto Brenes (President)
- Fátima Asvat
- Gary Chong-Hon
- José Montero
- Rolando Arias

Risk Committee

Based on best practices and international standards, the Risk Committee's principal function is to identify, establish and implement criteria to minimize the risks inherent to the operation of the Company and its Subsidiaries. It is comprised of four directors and one member external to the Board of Directors with the necessary experience and knowledge to fulfill the role's functions and responsibilities. All members have voice and vote rights. With the right of voice, the General Managers, the Risk Officer and the Compliance Officers of the Company, as well as advisors or any other guest determined by the Committee, may be invited to participate.

Members:

- Rolando Arias (President)
- Gary Chong-Hon
- José Montero
- Roberto Brenes
- Bismark Rodríguez (External Member)

Investments and Finance Committee

The Investments and Finance Committee's main functions are: i) to establish the internal rules and guidelines for the investment in fixed and variable-income securities, including maximum investment limits; to determine the financial requirements of the companies in which the Company and its Subsidiaries invest in; and ii) to ensure the effective and efficient management of investment funds, the strategic and financial plans, and the capital structure of the Company and its Subsidiaries; and, as deemed necessary, to make recommendations to the Board of Directors. It is comprised of three (3) directors and one (1) member external to the Board of Directors with the necessary experience and knowledge to fulfill the role's functions and responsibilities. All members have the right of voice and vote. With the right of voice, the General Managers and other Officers and Managers of the Subsidiary companies, as well as advisors and any guest determined by the Committee, may be invited to participate.

Members:

Carlos Mendoza (President)
Jorge Vallarino
Mitzi Alfaro
Ricardo Zarak (External Member)

Corporate Governance Committee

The Corporate Governance Committee oversees the operation of the corporate governance structure and compliance with best practices to improve the overall management and performance of the Company and its Subsidiaries. It is comprised of four (4) directors, of which one (1) meets the independence criterion, and one (1) member, external to the Board of Directors, which meets the necessary experience and knowledge criteria to fulfill the role's functions and responsibilities. All members have the right of voice and vote. With the right of voice, the General Managers and other Officers and Managers of the Subsidiary companies, as well as advisors and any guest determined by the Committee, may be invited to participate.

Members:

Marielena García-Maritano (External Member and President)
Arturo Gerbaud
Christine Müller
Carlos Mendoza
Mónica García De Paredes de Chapman

Human Capital Committee

The Human Capital Committee oversees the analysis of all matters related to the selection, remuneration, termination, succession plans for and evaluation of key executives of the Company and its Subsidiaries. It is comprised by the Chairman of the Board of Directors and two (2) Directors, of which one (1) meets the independence criterion. By decision of the Board of Directors, the Committee may include one (1) member, external to the Board of Directors, with the necessary experience and knowledge to fulfill the role's functions and responsibilities, as well as meeting the required independence criteria. All members have the right of voice and vote. With the right of voice, the Executive Vice President of the Company, the officer responsible for managing the human capital of the Company and its Subsidiaries, as well as advisors and any other guest determined by the Committee, may be invited to participate.

Members:

Arturo Gerbaud (President)
Carlos Mendoza
Rolando Arias

Sustainability and Corporate Social Responsibility (CSR) Committee

The purpose of the Sustainability and CSR Committee is to establish and promote the corporate sustainability strategy and policies of the Company and its Subsidiaries, ensure the proper management of the Environmental, Social and Corporate Governance (ESG) factors and, in turn, promote such factors to the securities market. This committee is comprised of (5) directors. By decision of the Board of Directors, this Committee may also include a member external to the Board of Directors with the necessary experience and knowledge to fulfill the role's functions and responsibilities. All members have the right of voice and vote. With the right of voice, the General Managers and other Officers or Managers of the Subsidiary companies, as well as advisors and any other guest determined by the Committee, may be invited to participate.

Members:

Mónica García De Paredes de Chapman (President)
Carlos Mendoza
Christine Müller
Gary Chon-Hon
Jorge Vallarino

Committees of the Subsidiaries

Additionally, each of the Subsidiaries (Latin American Stock Exchange and Latin American Clearing and Settlement) have the following standing committees:

Audit Committee
Ethics and Compliance Committee
Risk Committee
Technology Committee

Committees' Activity and Performance Reports

Corporate Governance

In 2021 the Corporate Governance Committee worked on a revision of the Corporate Governance rules, whereby the permanence period of Independent Directors established in the bylaws was set at up to ten (10) years. After this period, they may be nominated to be members, as directors, of the Board of Directors.

In 2021 the Company held by virtual means, for the second time, the Annual General Meeting, thereby complying with the principles of transparency, equity, and security owed to shareholders.

Additionally, the Standing Sustainability and Corporate Social Responsibility (CSR) Committee was approved to reinforce the commitment to developing and promoting a sustainable and transparent capital market.

Committees' Activity and Performance Report

Compliance

The Compliance Unit actively participated in several special projects of the Company and its Subsidiaries, of which the following are worth highlighting:

- As of June 1, 2021, with the support of the Superintendence of the Securities Market (SMV), the automatic transmission to the Subsidiaries of the statements or public reports submitted by securities' issuers to the SMV was successfully implemented. This improvement results in greater efficiency for market participants, in particular for securities issuers, avoids duplication, and optimizes communication and coordination among all market actors.

- Active review of draft agreements made available by the SMV for public consultation, as well as the review of proposed laws or executive decrees.

- Subsidiaries updated their internal rules on issues related to products and services, corporate governance, compliance processes, personal data protection, and in respect of regulatory changes in the country.

Risks

The year 2021 was a year of important projects in terms of risk management. It was a period that had as its goal the defined reinforcement plan, with the objective of executing said plan for the management and administration of risks and its role within the three internal-control defense lines.

Improvements were implemented in the methodology of identification, analysis, treatment and monitoring of risks associated with the business lines and corporate strategies of both Latinex and Latinclear, such as risk indicators that support decision-making in respect of the organization's overall risk appetite, specific policies for particular risk types, and reinforcement in the identification of risks in new and existing processes.

As part of a continuous process improvement effort, including the management and definition of action plans and follow-ups to address operational incidents, projects are being undertaken that will greatly enhance risk management, in Latinex as well as in Latinclear.

Internal Audit

In 2021, the audit plan was completed, thereby achieving the completion of several reviews, obtaining positive results, and, in the process, detecting new improvement opportunities to maintain the effectiveness and efficiency of the audited areas. In the same manner, recommendations were presented, based on continuous improvements, to strengthen and maintain high standards in the Company and its Subsidiaries. An important component was the certification of the Internal Auditor in Enterprise Risk Management (COSO ERM).

Following best practices, the selection and hiring process of the new external auditor, Ernst & Young, was undertaken.

Human Capital

Education

In compliance with SDG N°4 Quality Education, the effort and dedication of the employees' children with outstanding grades in their primary or secondary-level education was recognized.

Employees Wellbeing and Security

Latinex has continued to comply with the safety measures established by government authorities to mitigate the risk of COVID-19 infection. Therefore, to ensure the safety and mental health of the employees, awareness training and vaccination promotion initiatives were undertaken.

Also, a vaccination day against influenza was held for employees and their families.

In addition to formal training sessions, workshops on entrepreneurship were held for employees, thereby ensuring the continuity of the Corporate Wellness program. Specifically, this was achieved through the development of the workshop on integration, leadership and teamwork; the annual training on Anti-Money Laundering, Combatting the Financing of Terrorism and Proliferation of Weapons of Mass Destruction; the Protection of Personal Data, and the annual training on risk.

Latinex Holdings, Inc.

The Company is a publicly held company whose common stock is traded on the Latin American Stock Exchange (Latinex). To date, there are no controlling shareholders and the Directors are not directly or indirectly, individually or jointly, beneficial owners of a controlling number of the Company's shares. No Director, directly or indirectly, is a major supplier of goods or services to the Company; however, certain Directors are executives of companies that maintain relationships with the Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and Shareholders.

Latin American Stock Exchange (Latinex)

The Latin American Stock Exchange (Latinex) is, within the organized market in Panama in which securities are traded, the entity which intermediates between buyers and sellers. It is self-regulated, has been operating since June 1990, and its regulator is the Superintendence of Securities Market. Its official name, through June 2021, was Panama Stock Exchange, at which time the name change and new corporate image were introduced.

Latin American Central Securities Depository

A self-regulated company specialized in the custody and administration of securities, it also provides electronic securities clearing and settlement services. Latinclear maintains custody and operating agreements with several regional central custodians, which in turn facilitates the purchase/sale of securities registered in these markets. It also maintains international custody relationships with global market infrastructures. It began operations in 1997.

Annual Summary

In 2021 the Latin American Stock Exchange (Latinex) and the Latin American Clearing and Settlement (Latinclear) continued to roll out their strategic plan, which had been updated at the end of 2020 and which aims to turn Panama into an international hub of the capital markets.

In recent years, the Republic of Panama has benefited from being one of the region's more dynamic economies, a fact reflected in the results of the local securities market. Last year was no exception, since even though the year was challenging for the region's economies due to the negative impact of the COVID-19 pandemic, a rebound effect took hold and Panama enjoyed economic growth rates which compared favorably to those of its peers.

Similarly, the market has continued to strengthen in terms of compliance, transparency and international best practices, further bolstering the Panamanian marketplace's role and solidifying the bases for the development it has been exhibiting.

Our Numbers

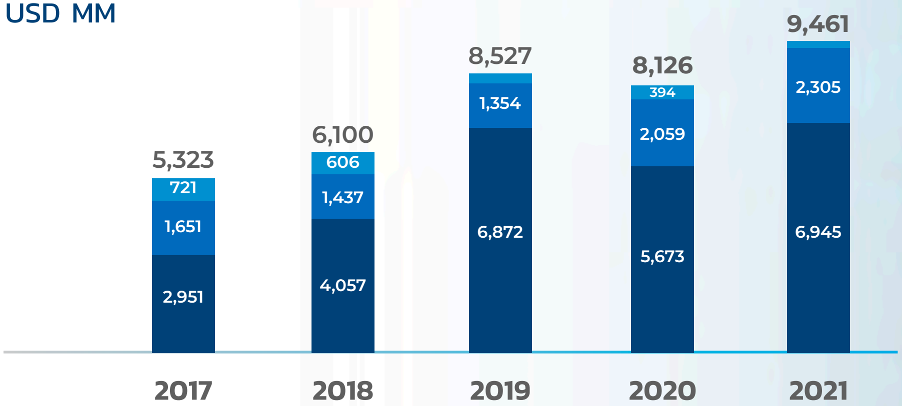
Traded Volume

In 2021, a trade volume of USD 9,461 MM was reached, which is 16.4% more than in 2020. Further, it surpassed the record achieved in 2019.

Aligned with historical records, 73.4% of the total volume consisted of negotiations in the primary market, with new corporate programs proving to be the market's main driver in 2021. For its part, with a traded volume of USD 2,305MM - an increase of 11.9% in comparison with 2020 - the secondary market exhibited superior dynamism in comparison with the prior year. This is largely attributable to the trading of Republic of Panama capital instruments and liability management operations.

Additionally, in 2021 the number of transactions increased by 32.4% in comparison with 2020, a level that is attributable to the secondary market's higher transaction levels.

USD MM



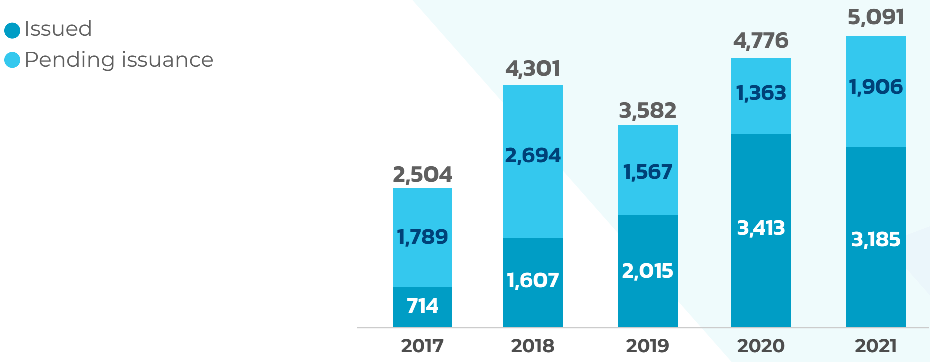
Transactions	7,543	7,635	9,717	8,620	11,416

Primary Market · Secondary Market · Repurchases

List of Corporate Issuances

In 2021 thirty seven programs totaling USD 5,091MM were listed, of which thirty five, for an amount of USD 3,185MM or 62.5% of the total, were issued in the primary market. Of the thirty seven issuances, five were issued by foreign issuers: two from Ecuador, two from Costa Rica and one from Guatemala.

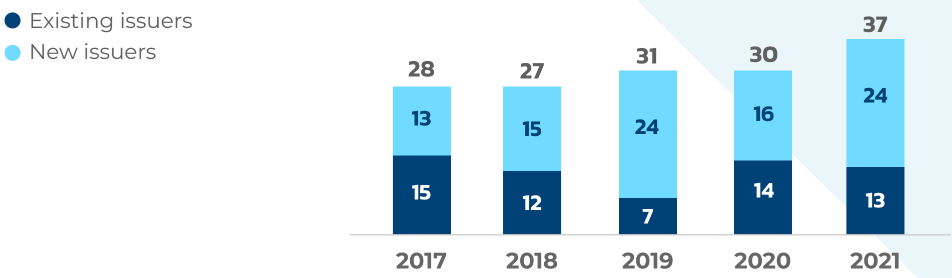
Issuance Levels (USD MM)



Among the listings, that of Banco Promerica of Costa Rica, a foreign issuer that recognized the market's benefits by issuing Central America's first sustainable bond in the amount of USD 50 million, stands out. Also noteworthy is Tocumen International Airport's USD 1,855 million bonds, the largest corporate issuance in Central America and the Caribbean.

Breakdown of Issuances

(by issuer type)



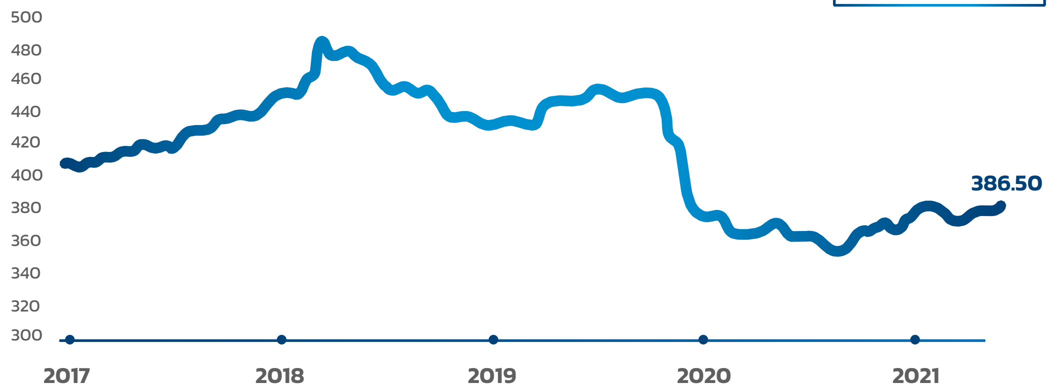
List of 2021 Issuances

N°	Issuer	Market	Instrument	Market Value (USD MM)
1	Banco Promerica de Costa Rica, S.A.*	P	Sustainable bonds	50.0
2	Insigneo Private Ventures Fund, S.A.	P	Fund shares	50.0
3	I Fideicomiso de Bonos de Préstamos Personales CCB	P	Bonds	300.0
4	Oyster Investment Corp.*	S	Common shares	-
5	Industria Ecuatoriana Productora de Alimentos C.A.*	S	Common shares	-
6	Corporación de Finanzas del País, S.A.	P	Money market	50.0
7	Avner Perry Investments, S.A.	P	Bonds	50.0
8	Ritol Investments, Inc.	P	Bonds	20.0
9	Petróleos Delta, S.A.	P	Money market	40.0
10	Petróleos Delta, S.A.	P	Bonds	70.0
11	Banco General, S.A.	P	Bonds	500.0
12	PS Multi-Asset Class Fund, Inc.	P	Fund shares	5.0
13	Banco Delta, S.A.	P	Bonds	30.0
14	Fideicomiso de Fomento Turistico	P	Tourism bonds	40.0
15	Financia Credit, S.A.	P	Bonds	35.0
16	Playa Escondida Beach Front, S.A.	P	Tourism bonds	6.9
17	Playa Escondida Beach Front, S.A.	P	Tourism bonds	6.2
18	Elektra Noreste, S.A.	P	Bonds	100.0
19	Seeway Real Estate Trust	P	Fund shares	36.1
20	Grupo Prival, S.A.	P	Bonds	10.0
21	Marevalley Corporation*	P	Bonds	150.0
22	Aeropuerto Internacional de Tocumen, S.A.	P	Bonds	2,000.0
23	Hipotecaria Metrocredit, S.A.	P	Money market	25.0
24	Inmobiliaria Palma Bonita	P	Tourism bonds	155.0
25	Latin American Kraft Investments, Inc.*	P	Preferred shares	50.0
26	Hipotecaria Metrocredit, S.A.	P	Bonds	100.0
27	F.C. Inmobiliaria, S.A.	P	Bonds	180.0
28	Inversiones Leina, S.A.	P	Bonds	70.0
29	Metrobank, S.A.	P	Money market	50.0
30	XVI Fideicomiso de Bonos de Préstamos Hipotecarios	P	Bonos	112.5
31	DB Hotel & Residences, S.A.	P	Common shares	232.0
32	Caldera Energy, Corp.	P	Bonds	35.0
33	Panama Growth Properties Trust	P	Fund shares	1.0
34	Real Estate Partners Trust	P	Fund shares	44.0
35	Caja de Ahorros	P	Bonds	400.0
36	Productos Alimenticios Pascual, S.A.	P	Bonds	17.5
37	Procosta, S.A.	P	Bonds	70.0
Total				5,091.2

Note:
P = Primary market
S = Secondary market
Market Value = nominal value x market price
* Foreign issuer

LTXSI Index
(2017 - 2021)

YTD: +8.45%



Index composition

Ticker	Issuer	Last Price*	52 Weeks Min.	52 Weeks Max.	Capitalization
ASSA	Grupo Assa, S.A.	96.75	85.00	98.00	983,253,512.25
CANAL	Canal Bank, S.A.	2.50	2.50	2.50	98,048,220.00
EGIN	Empresa General de Inversiones, S.A.	90.49	78.25	92.25	3,867,071,509.06
GBGR	GB Group Corporation	32.01	30.75	33.00	586,375,313.04
GMUN	Grupo Mundial Tenedora, S.A.	1.89	1.00	1.90	35,948,091.06
GPRI	Grupo Prival S.A.	37.01	23.00	37.01	113,794,350.92
INDH	Indesa Holdings	7.50	7.50	7.50	4,662,892.50
LTXH	Latinex Holdings, Inc.	2.25	1.60	2.25	26,561,475.00
LTXHB	Latinex Holdings, Inc. (B)	1.90	1.90	1.95	5,607,422.50
MELO	Grupo Melo, S.A.	59.00	37.00	61.50	139,569,220.00
MSFIA	Mercantil Servicios Financieros Internacional ,S.A. (A)	2.30	2.15	2.44	280,052,273.40
MSFIB	Mercantil Servicios Financieros Internacional ,S.A. (B)	2.12	1.97	2.26	186,051,335.68
METH	Metro Holding Enterprises, Inc.	26.90	25.95	26.90	195,815,725.50
MHCH	MHC Holding Ltd	40.00	39.00	41.01	611,807,560.00
PPHO	Panama Power Holdings, Inc.	5.20	4.50	5.26	86,190,057.20
PERUTIL	Perutil, S.A.	411.48	411.48	411.48	822,960,000.00
REYH	Rey Holdings Corp.	8.58	6.44	8.58	364,492,016.46
UNEM	Union Nacional de Empresas, S.A.	36.00	23.00	36.01	182,743,884.00
UNEMB	Union Nacional de Empresas, S.A. (B)	33.00	27.50	33.50	15,840,000.00

* Refers to the date on which the most-recent price of the share was set

The LTXSI index, a total-return index, tracks the performance of the market's main stocks.

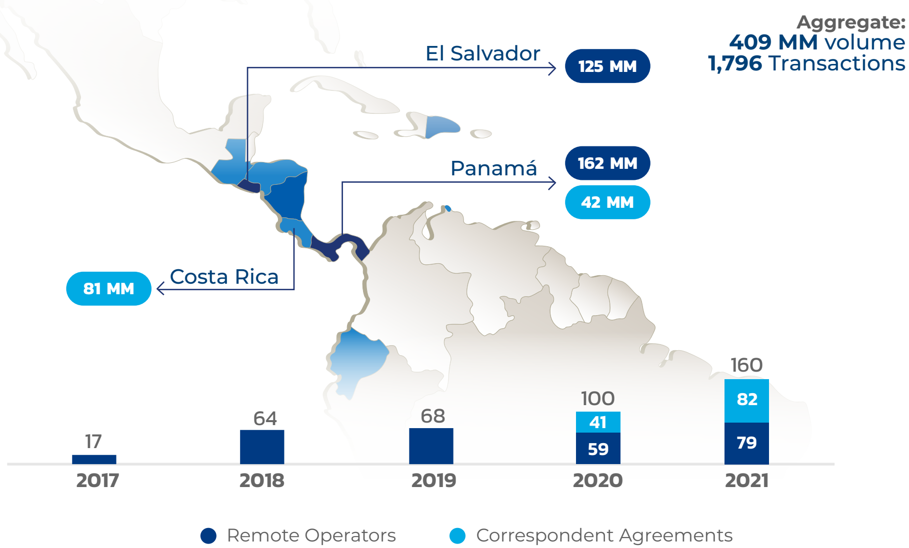
At year-end 2021, the index was comprised of 19 of the 31 common stock listed on the exchange.

In respect of its 52-week return, the index reached, respectively, maximum and minimum values of 388.19 and 348.85.

Market Integration

The 1,796 transactions executed with a volume of USD 409 MM serve as encouragement for Latinex to continue pursuing AMERCA's integration. In this regard, it is worth noting that in 2021 the first transaction between Panama and Guatemala was undertaken.

Traded Volume
USD MM



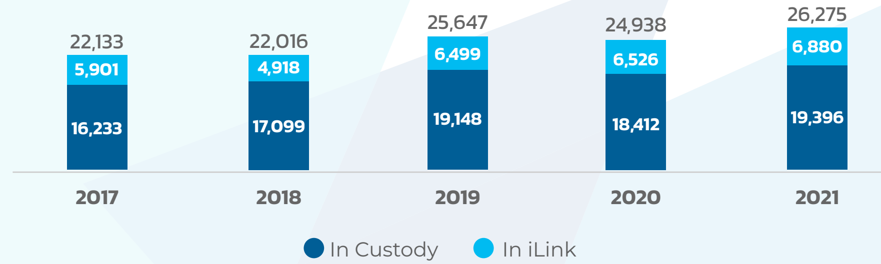
Note: Indicated amounts for each country reflect where the securities were traded. Operations executed between Panama, El Salvador, Costa Rica and Guatemala.

Assets under custody

Driven by the recovery of variable-income prices and new issuances, the volume of assets under custody registered a 5.4% increase in 2021 in comparison with 2020.

In contrast, the increased volume of international trades and local services led to the successful processing of more than 83,000 transactions, a number that translates into a 20.6% increase over 2020.

Custody Volumes
(USD MM)

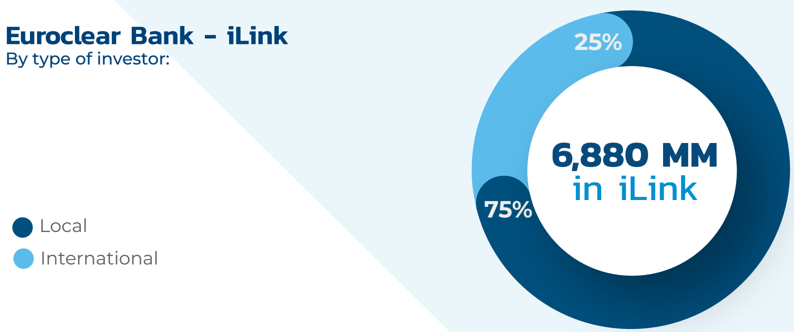


By Instrument

iLink

Thanks to the completion of Phase I with Euroclear Bank, 26.2% or USD 6,880 MM of the total custody volume had been migrated in iLink. This phase allows the internationalization of Panamanian government and quasi-government instruments, where, year-end 2021, USD 1,724 MM or 24.6% of the migrated balance was in the hands of international investors.

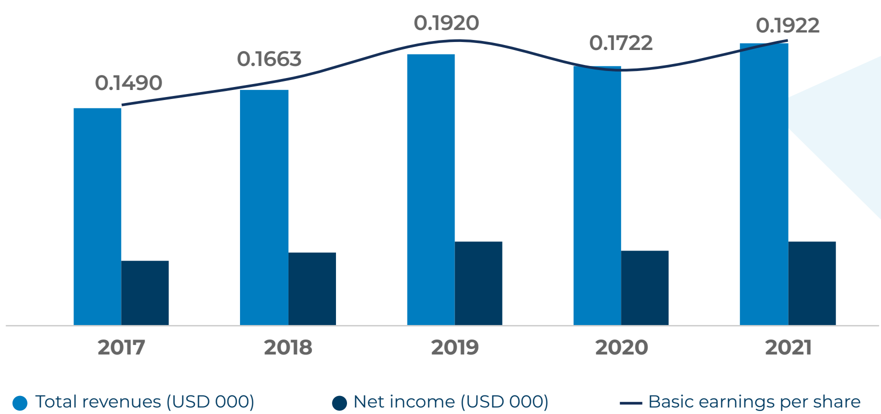
Euroclear Bank - iLink
By type of investor:



Latinex Holdings

In 2021 Latinex Holdings generated total revenues of USD 9.5 MM, an increase of 8.8% over 2020. This in turn led to a net profit for the year of USD 2.8 MM; that is, an increase of 11.6% over 2020.

The company closed out 2021 with total assets of USD 16.1 MM and shareholders' equity of USD 14.6 MM, providing a return on assets (ROA) of 17.6% and a return on equity (ROE) of 19.4%. For its part, paid-in capital was comprised of 14,756,375 duly issued and outstanding shares, thereby providing a net profit per share of USD 0.1922.



Profitability Indicators

2017	2018	2019	2020	2021	
18.3%	19.7%	21.0%	18.6%	19.4%	ROE
16.8%	17.8%	19.1%	16.6%	17.6%	ROA
44.4%	47.0%	46.8%	44.9%	45.9%	EBITDA Margin

Stock Performance

December 2021

Price per Share

LTXH
2.25
+25.0%

LTXHB:
1.90
−2.6%

Dividend Yield

LTXH
6.7%

LTXHB:
7.9%

Dividends Distribution

2021 Activity and Performance Report

Operational Efficiency

In conjunction with the Superintendence of the Securities Market (SMV), completed one of 2021 strategy's key plans, which was the launch of the virtual securities registration window, which allows for faster and shorter issuing registration times and the digitization of the documents required for the registration and listing process.

In this manner, it was possible to optimize the registration of securities by avoiding the submission of duplicate documentation on the part of the issuer, and to reinforce the communication between the SMV and Latinex during the registration review process.

Markets Development

In addition, corporate auctions were introduced to the market, a mechanism that encourages market liquidity through price discovery. In this regard, the first held auction reached 406 bids for USD 55 MM in common shares, ultimately awarding an amount of USD 36 MM.

As part of the corporate market makers program, improvements were made to the manual, with the market's participation through interviews that allowed Latinex to ascertain relevant needs and to then secure the approval of the SMV for the subsequent promotion. In addition, different products and services were analyzed in order to establish their viability in the development of the local market.

As tools for issuers, the Guide for the Registration of Securities in Latinex and custody of securities in Latinclear and a Cost Calculator were presented, which allow issuers to have more information within their reach.

Activity and Performance Report 2021

Sustainable Issuances

Since the 2019 launch of the Guidelines for Issuance of Social, Green and Sustainable Securities, Latinex has the following:

5
Thematic Issuances

+USD 550 MM

Industries

- Financing
- Renewable Energy
- Real Estate
- Banking

3
Issuances comply with Latinex's SGS Guidelines

2019
USD 200 MM

2020
USD 317 MM

2021
USD 50 MM

Activity and Performance Report 2021

Sustainable Finance

In 2021, the **Guide for the Reporting and Voluntary Disclosure of Environmental, Social and Corporate Governance (ESG) Factors** was presented to the local market. The guide seeks to help issuers understand the context, characteristics and best market practices related to the disclosure of ESG factors.

In October 2021, Latinex's first inventory of Greenhouse Gas (GHG) issuances was reported. In addition, the roadmap for the development of the action plan that seeks to achieve carbon neutrality by 2050 was delivered, thereby joining the declaration of **"The First 50 Carbon-Neutral Organizations"**, a program managed by Panama's Ministry of Environment, thus establishing the commitment towards carbon neutrality.

Additionally, as a signatory of the Women's Empowerment Principles (WEPs), Latinex is committed to working towards gender equality in all scenarios where it can have an impact, reason why this year Latinex joined the **Gender Parity Initiative,** which is led by Panama's Ministry of Social Development.

International Capital Markets Hub

In 2021, the integration of international capital markets continued to grow through the use of two integration models: i) remote operators: figure through which authorized exchange members in each country enter the transaction system of their counterpart directly, thus facilitating the purchase and sale of securities registered in both the Panamanian and Salvadoran markets, which also benefits investors, as they have greater investment alternatives, and issuers, as they can diversify their sources of capitalization and financing; and ii) correspondent agreements: figure through which bilateral relations are established between the central depositories in each market, so that investors can negotiate instruments issued in Costa Rica, Guatemala, Nicaragua, El Salvador and Panama.

From the beginning of the integration process through year-end 2021, more than USD 400 MM were traded through more than 1,700 transactions. These trade and transaction volumes break down as follows: i) remote operators: USD 287 MM in 1,676 transactions; and ii) correspondent agreements: USD 122 MM in 120 transactions. In this context, it is worth highlighting that since the beginning of the integration process, all transactions have been successfully negotiated and settled, reaffirming the robustness of the models and generating the necessary confidence required for the continuous development and promotion of the integrated capital markets.

As part of the initiatives to promote integrated markets and in conjunction with the Capital Markets Association of the Americas (AMERCA), for the second consecutive year the Stock Market Wednesdays of the Americas, a virtual initiative implemented on account of the global pandemic, was held along with the International Securities Markets Forum of the Americas (FIMVA), in its third edition overall and first virtual. The latter event had 1,145 participants from 18 countries.

The audience for these initiatives consisted of exchange members, banking and financial services entities, issuers, investment funds, securities exchanges, pension operators, risk rating agencies, regulators, financial and insurance institutions, securitization companies, consultants, legislators, and the general public.

Latinex, as a member of AMERCA, maintains its commitment to continue innovating and promoting initiatives that result in greater options for the different actors of the integrated securities markets; therefore, to date, there are correspondent agreements between: El Salvador with Guatemala, and Panama with Costa Rica, Nicaragua and Guatemala. Further, the market maintains the possibility of trading securities in quetzales and colones. Nicaragua also has correspondent agreements with Costa Rica, Guatemala, Panama and El Salvador. Additionally, the markets of Ecuador, the Dominican Republic and Honduras continue working on the pertinent adjustments which will allow them to also integrate.

As a result of the work and positive performance of the different working committees comprised of the securities exchanges that are AMERCA members, other exchanges in the region have shown interest in joining this integrated market and are currently reviewing the relevant regulatory and operational issues in their respective countries.

iLink

One of the more strategically relevant projects is the iLink, which is offered by Euroclear Bank. This link allows instruments listed in Latinex, and that have been duly authorized by the infrastructure provider, to be negotiated and held in custody at the international level. Phase I is operational and includes Panamanian government and quasi-government instruments, which at year-end reported assets under custody of USD 6,880 MM.

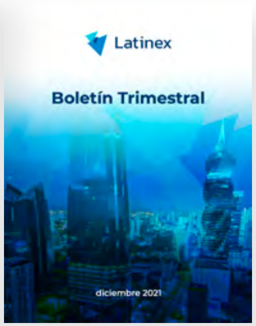
One of the important 2021 transactions was the issuance of local bonds of the Republic of Panama for USD 1,250 MM maturing in 2031, which made possible, precisely through iLink, to place 55.1% of the issuance to international investors and 44.9% to local investors.

Along the same lines, constant communication is maintained with the Panamanian Government, regulatory entities, issuers and Euroclear Bank executives, with a view to implementing Phases II and III, which would allow, respectively, for the migration of corporate fixed and variable-income instruments.

Market Information

Since the rollout of new publications in 2020, issued with the objectives of complying with the principles of disclosure and of keeping the different market players duly informed with clear, truthful, concise and timely information, we have been updating our periodic publications.

Among these reports and publications, the following are worth highlighting: Monthly Figures, Quarterly Newsletter, Quarterly AMERCA Focus, Quarterly Newsletter, Annual Brochure, Issuers Guide and the Guide for Reporting and Voluntary Disclosure of Environmental, Social and Corporate Governance (ESG) Factors.



Securities Market Education Program

We continued leveraging the Securities Market Education Program, whose objectives are to contribute to the market's professionalization, to establish a financial culture by means of easy access to relevant knowledge, and the development of the securities market, in the process contributing to enhance the country's competitiveness.

2021

+14,200
Total persons trained
(2019 - 2021)

Securities Market Education Program

66 trainings

+1,250 persons trained

68 international participants

3.7 Satisfaction level
Maximum score value: **4.0**

Webinars

16 webinars

+1,700 attendees

P.E.B and Webinars (2021)

+2,900 persons trained

Social Media and Events

As part of the effort to promote the market through social networks and events, in 2021 there was an exponential growth in our social media presence, in addition to reinforcing the fact that the Company and its Subsidiaries are a source of information in different formats.

One of the year's communication strategies was the publication of all virtual events on Latinex's YouTube channel and its promotion on other social networks. This was done with the objective of providing information on an after-the-fact basis for all interested parties who may not have been able to attend the live event, or also for those who may have attended, but want to review what was presented.

	Instagram	Facebook	Linkedin	Twitter	Youtube
Followers	2,970	4,547	21,597	3,762	320
Impressions*	1,107,593	3,745,970	616,527	388,000	
Yearly views*					6,880

*Impressions, yearly views and followers at year-end 2021

Events

Due to the COVID-19 pandemic, Latinex maintained virtual formats for its events, which made it possible to achieve the customary success in each one. The annual event to present the **2020 results and the 2021 strategy** was held, and, for the fourth consecutive year, the **Ring the Bell for Gender Equality** was held in commemoration of International Women's Day.

Another one of Latinex's notable events during the year was the **Launch of the Guide for Reporting and Voluntary Disclosure of Environmental, Social and Corporate Governance (ESG) Factors**, which seeks to help issuers understand the context, characteristics, and best practices of the markets in terms of ESG disclosure. As an additional point to the launching of the Guide, six follow-up workshops were held in which topics such as "The Business Case for Sustainability: Integral Value Creation", "Use and Implementation of the Guide for Voluntary Disclosure of the ESG Factors", "Tools for the Disclosure of the ESG Factors: SASB and GRI", "TCFD: Roadmap for Companies", "Principles: Global Compact and PRI" and finally "Lessons Learned in Introducing Sustainability in the Business Model".

Latinex's flagship event, the **Investors Forum,** was held for the second consecutive year in a virtual format, breaking the attendance record on this occasion with more than 1,000 participants from 26 countries. Participants had the opportunity to learn about the news that issuers and brokerage firms have for the market, as well as major topics on technology, innovation, and ESG factors.

New
Corporate Image Launch

After 31 years, the Panama Stock Exchange presented its new corporate image to the national and international markets, now becoming the Latin American Stock Exchange, also known as Latinex.

This corporate image change responded to the strategy of expanding horizons and becoming an international securities market hub, but with the same commitment to being your investment ally, now in Latin America and the world, by maintaining features such as: agility and cost-effective solutions; clear, accurate, and timely information; and hands-on service, supported by world-class technology and with a high commitment to sustainable finance.

Another of the fundamental rationales for this change was the unification, through the respective logos, of the Group's overall image, which now exhibits homogeneity and vanguardism.

Latinex Holdings

Latinex Capital

Latinex
Bolsa Latinoamericana de Valores

Latinclear
Central Latinoamericana de Valores

Latinex

The process of updating the name and image involved the participation of key market players, such as: issuers, brokerage firms, strategic allies, clients and potential clients, both domestic and international.

In the same manner, this change is focused on strengthening the strategy and pillars of the Company and its Subsidiaries, thus seeking, by expanding business opportunities, greater customer benefits in the process of attracting foreign issues and contributing to Panama's economic progress.

It is worth highlighting that another notable change brought about by this image renewal was the change of the Latinex (www.latinexbolsa.com) and Latinclear (www.latinexcentral.com) web pages, once again seeking to unify the brands of the Company and its Subsidiaries.

Our Strategy

After updating the Group's medium-term strategic plan, Latinex, by working on the following pillars, remains focused on its goal of becoming an international capital market hub:

Operating Efficiency

Local Market Development

Sustainable Finance

International Hub

In 2022 work will continue on initiatives that seek the continuous development of the securities markets within the framework of the Group's strategic priorities.

Among the priorities in terms of investment in TECHNOLOGY, the development process of the new custody system will be launched, in due course replacing the current SICUS system. This change will be undertaken with the purpose of having a system that will allow to generate greater operational efficiency and to achieve the strategic growth plans. Similarly, the reviews and implementation of the recommendations resulting from the ISO 270001 pre-certification will be completed, which will allow to achieve high standards in terms of the management of information security.

Another priority technological project will consist of updating the Nasdaq ME trading system version currently in use and migrating it to the cloud. Lastly, the development and testing of new websites for the Group will begin to facilitate the search for information and the user's experience. These websites are scheduled to be launched into production during 2023.

In terms of EDUCATION, new alliances will be established with secondary, advanced and postgraduate education institutions, and a new section will be developed for the Latinex website, which will be equipped with new online payment methods and will include updated, reliable and consolidated information. In the same manner, new training courses will be launched to complement existing ones; events will be developed, and market agents, including international organizations, will be involved in these initiatives. In addition, training designed especially for women will be offered, and the educational scholarship program will be maintained. In this manner, the Sustainable Development Goals will continue to be complied with, in part, because of the Stock Market Education Program.

In order to achieve greater depth in terms of the capital market's LIQUIDITY AND BURSATILITY, different initiatives will be undertaken, such as: continuing to work together with the Ministry of Economy and Finance and the members of the Domestic Public Debt Market Makers Program to bring about improvements and to add dynamism, in addition to the re-launching of the Corporate Market Makers Program, under which efforts are being made to boost the secondary market, especially. Likewise, work will continue in conjuction with the Superintendence of the Securities Markets on different projects that will further benefit the development of the securities market.

On the other hand, new products will continue to be analyzed and launched to provide local and international investors with broader investment alternatives, aiming to thus diversify not only the types of instruments they can invest in, but also to, in the process, enhance the diversity of issuers.

The INTEGRATION OF MARKETS that make up AMERCA will continue, with some of which integration models, by means of remote operators and correspondent-agreements, are already in place, so that access to the instruments issued in the different markets can be broadened.

SUSTAINABLE FINANCE will continue to play an active role in the strategy, for which the first Sustainability Report under GRI and SASB standards will be launched, and the action plan outlined to achieve carbon neutrality and reduce the corporate footprint will continue to be actively pursued, so that by 2050 Latinex can position itself as a carbon neutral organization.

In addition, Social, Green and Sustainable (SVS) negotiable issuances will continue to be promoted. Further, the standards and principles outlined by the STRATEGIC ALLIES of the Company and its Subsidiaries, such as, among others, the Sustainable Stock Exchanges Initiative (SSE), the Climate Bonds Initiative (CBI), and the World Federation of Exchanges (WFE), will be promoted.

Always focused on meeting the different Sustainable Development Goals (SDGs) of the United Nations, work will continue on different initiatives with a direct bearing on the different issues and factors this ambitious global agenda is designed to address.

The objective of turning Panama into an INTERNATIONAL HUB of the capital markets will continue to be pursued. By supporting the development of the regulatory structure, efficient processes, the attraction and reactivation of local and international issuers, and innovative products, the right conditions for the development and deepening of the Panamanian market will continue to be created. Efforts to establish implementation dates for Phase II and III of the iLink connection with Euroclear Bank will be made, so that corporate debt and equities can be internationalized. At the same time, Latinex is working on a project by means of which Panama will become an alternative jurisdiction for the secondary market listing of Latin American and Caribbean 144A/RegS issues.

Similarly, market PROMOTION efforts will continue through participation in local, regional and international events that promote the benefits of Panama's financial sector in the main, global financial centers.

Registered Issuers

ABSA FINANCIAL CORP.
AEROPUERTO INTERNACIONAL DE TOCUMEN, S.A.
AES CHANGUINOLA, S.R.L.
AES PANAMA GENERATION HOLDINGS S. DE R.L.
ALBROOK LEASING COMPANY, INC.
ALIADO FACTORING, S.A.
ALIADO LEASING, S.A.
ALTERNEGY, S.A.
ARROW CAPITAL CORP.
AVNER PERRY INVESTMENTS, S.A.
BAC INTERNATIONAL BANK, INC
BANCO ALIADO, S.A.
BANCO BAC SAN JOSÉ, S.A.
BANCO CENTROAMERICANO DE INTEGRACIÓN ECONÓMICA
BANCO DELTA, S.A.
BANCO FICOHSA (PANAMÁ), S.A.
BANCO GENERAL, S.A.
BANCO INTERAMERICANO DE DESARROLLO
BANCO INTERNACIONAL DE COSTA RICA, S.A.
BANCO LA HIPOTECARIA, S.A.
BANCO NACIONAL DE PANAMÁ
BANCO PICHINCHA PANAMÁ, S.A.
BANCO POPULAR Y DE DESARROLLO COMUNAL DE COSTA RICA
BANCO PROMERICA DE COSTA RICA, S.A.
BANESCO, S.A.
BANISI, S.A.
BANISTMO, S.A.
BAVARIAN REAL ESTATE, INC.
BAYPORT ENTERPRISES, S.A.
BCR FONDO DE INVERSIÓN INMOBILIARIO DEL COMERCIO Y LA INDUSTRIA (FCI) NO DIVERSIFICADO
BCR FONDO DE INVERSIÓN INMOBILIARIO NO DIVERSIFICADO
BCT BANK INTERNATIONAL, S.A.
BERBEL INVESTMENTS, CORP.
BICSA FACTORING, S.A.
CABEI CENTRAL AMERICAN FUND PLC.
CABLE ONDA, S.A.
CAJA DE AHORROS
CALDERA ENERGY CORP.
CANAL BANK, S.A.
CANAL MONEY MARKET FUND, INC.
CANAL MULTISTRATEGY FAMILY OF FUNDS, INC.
CAPITAL BANK, INC.
CENTRO COMERCIAL BALBOA BOUTIQUES, S.A.
CHEQUEFECTIVO, S. A. (1)
CM REALTY, S.A.
COCHEZ Y COMPAÑÍA, S.A.
CODERE TRUST
COLFINANZAS, S.A.
COMPAÑÍA AZUCARERA LA ESTRELLA, S.A.
COMPAÑÍA INSULAR AMERICANA, S.A.
CONDADO PROPERTIES, INC.
CORPORACIÓN ANDINA DE FOMENTO
CORPORACIÓN BELLAVISTA DE FINANZAS, S.A.
CORPORACIÓN DE CRÉDITO, S.A.
CORPORACIÓN DE FINANZAS DEL PAÍS, S.A.
CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A. (CIFI)
CORREAGUA INTERNACIONAL, S.A.
CREDICORP BANK, S.A.
DB HOTEL & RESIDENCES, S.A.
DÉCIMO CUARTO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DÉCIMO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DÉCIMO PRIMER FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DÉCIMO QUINTO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DÉCIMO SEGUNDO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DÉCIMO SEXTO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DÉCIMO TERCER FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
DESARROLLO INMOBILIARIO DEL ESTE
DESARROLLOS COMERCIALES, S.A.
D-FOUR, S.A.
DOLPHY PLAZA COMERCIAL, S.A.
ELECTRON INVESTMENT, S.A.
ELEKTRA NORESTE, S.A.
EMPRESA DE TRANSMISIÓN ELÉCTRICA, S.A.
EMPRESA GENERAL DE INVERSIONES, S.A.
EMPRESAS MELO, S.A.
ENA MASTER TRUST
ENERGÍA NATURAL, S.A.
F.C. INMOBILIARIA, S.A.
FIDEICOMISO ENA NORTE
FIDEICOMISO ITHACA INVESTMENT TRUST
FIDEICOMISO DE FOMENTO TURISTICO
FINANCIA CREDIT, S.A.
FINANCIERA EL SOL, S.A.
FINANCIERA FAMILIAR, S.A.
FINANCIERA FINACREDIT, S.A.
FINANCIERA PACÍFICO INTERNACIONAL, S.A.
FINANZAS GENERALES, S.A.
FINANZAS Y CRÉDITOS DEL HOGAR, S.A. (FINANCIERA LA GENEROSA) (1)
FONDO DE INVERSIÓN INMOBILIARIA GIBRALTAR
FONDO DE INVERSION INMOBILIARIO LOS CRESTONES
FONDO DE INVERSIÓN INMOBILIARIO VISTA
FONDO DE INVERSIÓN POPULAR INMOBILIARIO ZETA NO DIVERSIFICADO
FONDO GENERAL DE INVERSIONES, S.A.
FONDO GENERAL DE RETORNO TOTAL, S.A.
FONDO GLOBAL DE INVERSIONES, S.A.
FONDO RENTA FIJA VALOR, S.A.
FRANQUICIAS PANAMEÑAS, S.A.
G.B. GROUP CORPORATION
GASES DE PETRÓLEO, S.A.
GLOBAL BANK CORPORATION

Registered Issuers

GOLDEN FOREST, S.A.
GREEN TOWER PROPERTIES, INC.
GRUPO ALIADO, S.A.
GRUPO APC, S.A.
GRUPO ASSA, S.A. Y SUBSIDIARIAS
GRUPO BANDELTA HOLDING CORP.
GRUPO FINANCIERO BG, S.A.
GRUPO INMOBILIARIO DE CAPITAL PRIVADO I
GRUPO MELO, S.A.
GRUPO MUNDIAL TENEDORA, S.A.
GRUPO PRIVAL, S.A.
HIDRO BOQUERON, S.A.
HIDROELÉCTRICA BAJOS DEL TOTUMA, S.A.
HIDROELECTRICA SAN LORENZO, S.A.
HIPOTECARIA METROCREDIT, S.A.
HORMIGOTI, S.A.
HYDRO CAISÁN, S.A.
I HOLDING, S.A.
IDEAL LIVING, CORP
INDESA HOLDINGS CORP.
INDUSTRIA ECUATORIANA PRODUCTORA DE ALIMENTOS C.A.
INMOBILIARIA CERVELLÓ, S.A.
INMOBILIARIA DON ANTONIO, S.A.
INMOBILIARIA NIDACO, S.A.
INMOBILIARIA PANAMA CAR RENTAL, S.A.
INMOBILIARIA PALMA BONITA, S.A.
INSIGNEO PRIVATE VENTURES FUND, S.A.
INTERNATIONAL WEALTH PROTECTION FUND LIMITED, INC.
INVERSIONES CHIRICANAS DE HOTELERÍA, S.A.
INVERSIONES INMOBILIARIAS ARROCHA, S.A.
INVERSIONES LEINA, S.A.
INVERSIONES TERRALUNA, S.A.
INVERSIONES TERRALUZ, S.A.
INVERTIS GLOBAL INCOME FUND, S.A.
ISTMO COMPAÑÍA DE REASEGUROS, INC. (1)
KADIMA HOLDINGS, S.A.
LA CORUÑA INVESTMENTS, S.A.
LA HIPOTECARIA (HOLDING) INC.
LATAM REAL ESTATE GROWTH FUND, INC.
LATIN AMERICAN KRAFT INVESTMENTS, INC. Y SUBSIDIARIAS
LATINEX HOLDINGS, INC.
LATSONS REALTY INVESTMENT COMPANY, S.A.
LEASING BANISTMO, S.A.
LION HILL CAPITAL, S.A.
LOS ANDES FUND, S.A.
LOS CASTILLOS REAL ESTATE, INC.
MAREVALLEY CORPORATION
MERCANTIL BANCO, S.A.
MERCANTIL SERVICIOS FINANCIEROS INTERNACIONAL, S.A.
METROBANK, S.A.

METRO HOLDING ENTERPRISES, INC.
METRO LEASING, S.A.
METRO STRATEGIC INCOME FUND, INC.
MHC HOLDINGS LTD.
MIFINANCIERA, S.A.
MMG BANK CORPORATION
MMG FIXED INCOME FUND, S.A.
MMG GLOBAL ALLOCATION FUND, INC.
MMG PANAMA ALLOCATION FUND, INC.
MULTI FINANCIAMIENTOS, S.A.
MULTI PROSPERITY FIXED INCOME FUND
MULTIBANK, INC.
NEWLAND INTERNATIONAL PROPERTIES CORP. (1)
NORTH AMERICAN INCOME FUND P.L.C.
OCTAVO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
OFERTAS E INVERSIONES, S.A.
OSTRICA INVESTMENT CORP.
PACIFIC EAST COAST, S.A.
PANAMA GROWTH PROPERTIES TRUST
PANAMA LATAM FIXED INCOME FUND INC.
PANAMA NORTE SCHOOL, S.A.
PANAMA POWER HOLDINGS, INC.
PANAMA REAL ESTATE DEVELOPMENT FUND, INC.
PANASOLAR GENERATION, S.A.
PARQUE INDUSTRIAL Y CORPORATIVO SUR, S.A.
PERUTIL, S.A.
PETRÓLEOS DELTA, S.A.
PF STRUCTURED NOTES, INC.
PHOENIX REAL ESTATE FUND, INC.
PLAYA ESCONDIDA BEACH FRONT, S.A.
POWER GEN, S.A.
PREMIER INDEX FUND, S.A.
PREMIER LATIN AMERICAN BOND FUND, S.A.
PREMIER MEDIUM TERM BOND FUND, S.A.
PREMIUM PROPERTIES INTERNATIONAL, S.A.
PRIMA SOCIEDAD DE INVERSION INMOBILIARIA, S.A.
PRIMER FIDEICOMISO DE BONOS DE PRÉSTAMOS PERSONALES CCB
PRIVAL BANK, S.A.
PRIVAL BOND FUND
PRIVAL MILA FUND, S.A.
PRIVAL MULTI-STRATEGY INCOME & GROWTH FUND, S.A.
PRIVAL REAL ESTATE FUND, S.A.
PROCOSTA, S.A.
PRODUCTOS ALIMENTICIOS PASCUAL, S.A.
PRODUCTOS TOLEDANO, S.A.
PROMOCIÓN MÉDICA, S.A.
PROMOTORA SANTA CECILIA, S.A.
PS MULTI-ASSET CLASS FUND, INC.
R.G. HOTELS, INC. (1)
R.G. INMOBILIARIA, S.A. (1)

REAL ESTATE INVESTMENT THRUST INC.
REAL ESTATE PARTNERS TRUST
REGULUS INMOBILIARIA, S.A.
REPÚBLICA DE PANAMÁ
RETAIL CENTENARIO, S.A.
RETAIL SPACE HOLDINGS, CORP.
REY HOLDINGS CORPORATION
RITOL INVESTMENTS, INC.
SEEWAY REAL ESTATE TRUST
SOCIEDAD URBANIZADORA DEL CARIBE, S.A.
ST. GEORGES BANK & COMPANY INC.
STAR GROUP INVESTMENTS, S.A.
STRATEGIC INVESTORS GROUP, INC. (1)
SUPERMERCADOS XTRA, S.A.
SUSTAINABLE URBAN REVITALIZATION FUND, INC.
TAGUA FUND, INC.
TAMIR INTERINVEST, S.A.
TCG MERCHANT GROUP, INC. (1)
TOP & SELECTED PROPERTIES, S.A.
TOWER CORPORATION
TOWERBANK INTERNATIONAL INC.
TROPICAL RESORTS INTERNATIONAL INC.
UEP PENONOME II, S.A.
UHR DEVELOPMENT, INC. (1)
ULTRA STAR, INC.
UNI LEASING, INC.
UNIBANK, S.A.
UNICORP TOWER PLAZA, S.A.
UNIÓN NACIONAL DE EMPRESAS, S.A.
URBAN DEVELOPMENT GROUP, S.A.
VANTAGE PROPERTIES TRUST
VERDEMAR INVESTMENT CORPORATION, S.A.
VILGOLY CAPITAL, INC
WORLDLAND INVESTMENT, S.A.
YMMA, CORP.

(1) Suspended for trading

Exchange Members and Participants

	Web Page	Exchange Members	Latinclear Participants
Arca Capital, S.A.	www.arcavalores.com		●
Atlántida Securities, S.A. de C.V.*	www.atlantidasecurities.com.sv	●	
AV Securities, Inc.	www.avsecurities.com	●	●
BAC Valores (Panamá), Inc.	www.baccredomatic.com/es-pa/corporaciones-e-instituciones/cuentas/inversion	●	●
BCT Securities, S.A.	www.bctsecurities.com.pa	●	●
Banco General, S.A.	www.bgeneral.com		●
Banco Nacional de Panamá	www.banconal.com.pa	●	●
Banesco (Panamá), S.A.	www.banesco.com.pa		●
BG Investment CO., Inc.	www.bgeneral.com	●	●
BG Valores, S.A.	www.bgeneral.com/personas/bg-valores/	●	●
BICSA Capital, S.A.	www.bicsa.com	●	●
Caja de Ahorros (Panamá)	www.cajadeahorros.com.pa		●
Caja de Seguro Social, Administradora de Inversiones	www.css.gob.pa		●
Canal Securities Corp.	www.canalsecurities.com	●	●
Capital Assets Consulting, Inc.	www.capitalbank.com.pa	●	●
Citibank, N.A., Sucursal Panamá	www.citibank.com/icg/sa/latam/panama/citiservice/		●
Citivalores, S.A.	www.citibank.com.pa	●	●
Credicorp Securities Inc.	www.credisec.com	●	●
Eurovalores, S.A.	www.metrobanksa.com/eurovalores/	●	●
Geneva Asset Management, S.A.	www.genasset.com	●	●
Global Valores, S.A.	www.globalbank.com.pa	●	●
Hencorp, S.A. de C.V.*	www.hencorpvalores.com.sv/site	●	
Invertis Securities, S.A.	www.invertissecurities.com	●	●
Lafise Valores de Panamá, S.A.	www.lafise.com	●	●
Lifeinvest Asset Management, S.A.	www.lifeinvestasset.com		●
Mercantil Servicios de Inversión, S.A.	www.mercantilsi.com.pa	●	●
MIURA Capital Panama, Inc.	www.miuracapital.com.pa	●	●
MMG Bank Corporation	www.mmgbank.com	●	●
Multi Securities, Inc.	www.multibank.com.pa	●	●
Panacorp Casa de Valores, S.A.	www.panacorpcv.com		●
Paullier & Cia. INTL., CORP	www.paullier.com.pa	●	●
Prival Securities, Inc.	www.prival.com	●	●
Servicios Generales Bursátiles, S.A. de C.V.*	www.sgbsal.com	●	
Sweetwater Securities, Inc.	www.sweetwatersecurities.com	●	●
Tower Securities Inc.	www.towerbank.com	●	●
Valores Banagrícola, S.A. de C.V. *	www.bancoagricola.com	●	
Valores Banistmo, S.A.	www.banistmo.com.pa	●	●
Valores Cuscatlán El Salvador, S.A. de C.V.*	www.bancocuscatlan.com	●	

[1] As of March, 2022
* Remote Operator: El Salvador

Latinex Holdings, Inc.
and Subsidiaries

Consolidated financial statements | December 31st, 2021
General information | December 31st, 2021

Dignitaries

Arturo Gerbaud	Chairman
Roberto Brenes	Vice President
Carlos Mendoza	Treasurer
Mónica García de Paredes de Chapman	Secretary

Physical address

| Federico Boyd Avenue & 49th Street, Building PH Latinex

Banks and other financial institutions

BAC Internacional Bank, Inc.
Banco Aliado, S. A.
Banco Davivienda (Panamá), S. A.
Banco General, S. A.
Banco Internacional de Costa Rica, S. A.
Banco La Hipotecaria, S. A.
Banco Nacional de Panamá
Citibank, N.A.
Citibank, New York
Clearstream Banking
Euroclear Bank
Global Bank Corporation

Auditors

| Ernst & Young

Ernst & Young Limited Corp.
Costa del Este, Avenida Centenario,
PH Dream Plaza, Piso 9
Panamá, República de Panamá

P.O. Box 0832-1575 W.T.C.
Tel: (507) 208-0100
Fax: (507) 214-4301
www.ey.com/centroamerica

Translation of report originally issued in Spanish
(See explanation in the notes to the consolidated financial statements)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of
Latinex Holdings Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Latinex Holdings Inc. and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the Professional Code of Ethics for Authorized Public Accountants in Panama (Decree No. 26 of May 17, 1984) and with the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the key matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to the key audit matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of investments in securities

The securities investment portfolio represents 60% of the Company's total assets as of December 31, 2021, consisting of investments classified in Levels 1 and 2 of the fair value hierarchy and measured at fair value with changes in income and other comprehensive income.

The determination of the fair value of these instruments requires Management to consider as the main and orderly market the Latin American Stock Exchange in Panama, the market through which the purchases and sales of financial instruments in Panama are negotiated. Management applies its judgment to determine whether the trading volume of its investments is sufficient to consider quotes as evidence of fair value and to classify investments at Level 1 of the fair value hierarchy. Where there is insufficient transaction volume, Management uses valuation models based on observable market data to determine the fair value of investments and classify them in Level 2 of the fair value hierarchy.

We carry out, among others, the following audit procedures:

- We obtained an understanding of the valuation process used by the Company to classify and measure the fair value of its investment portfolio.
- We obtained the volumes and prices of the transactions negotiated through the Latin American Stock Exchange to analyze the reasonableness of the classification of these investments in Level 1 of the fair value hierarchy.
- We conducted independent valuation testing of financial instruments classified in Level 1 of the fair value hierarchy through the comparison of fair values applied by the Company with public and observable market data.
- For those investments classified in Level 2 of the fair value hierarchy, we analyze the inputs used by Management and compare them with evidence available in the market.

Other matter

The consolidated financial statements of Latinex Holdings, Inc. and subsidiaries for the year ended December 31, 2020 were audited by other auditors whose report dated March 29, 2021 expressed an unqualified opinion.

Responsibilities of management and those charged with governance of the Company for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express and opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other legal and statutory requirements

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

- That the direction and supervision, as well as the execution of the audit of the activities that the Company maintains in Panama, have been physically performed in Panamanian territory.
- The work team which participated in the audit that this report refers to is comprised by Aurora Díaz G., partner, Eduardo Sánchez, partner and Hellen Gallardo, senior manager.

The partner in charge of the audit resulting in this independent auditor's report is Aurora Díaz G.

Ernst & Young

Panama, Republic of Panama
March 29, 2022

Aurora Díaz G.
C.P.A. No. 2205

(Translation of consolidated financial statements originally issued in Spanish)
Latinex Holdings, Inc. and Subsidiaries
Consolidated Statement of Financial Position
December 31, 2021
(Amounts expressed in Balboas)

Notes		2021	2020
	Assets		
5	Cash and deposits in banks	**B/. 2,900,090**	B/. 4,091,198
5	Time deposits	**1,257,550**	1,227,464
6	Investments in securities	**9,639,257**	7,579,026
	Financial assets at amortized cost	**500,044**	589,843
	Prepaid expenses	**107,978**	94,839
	Income tax paid in advance	**22,952**	-
7	Property, furniture and equipment, net	**1,539,630**	1,532,708
	Guarantee deposits and other assets	**154,318**	154,305
	Total assets	**B/. 16,121,819**	B/. 15,269,383
	Liabilities and Equity		
	Liabilities		
	Accrued expenses and withholdings payable	**493,423**	384,761
	Income tax payable	**155,237**	176,623
16, 18	Dividends payable	**284,451**	534,651
	Commissions collected in advance	**539,904**	496,259
	Total liabilities	**1,473,015**	1,592,294
	Equity		
17	Common shares	**5,716,529**	5,716,529
17	Treasury shares, at cost	**(118,459)**	(118,459)
	Valuation of investments in securities	**214,982**	160,572
	Complementary tax	**(32,296)**	(32,296)
	Retained earnings	**8,868,048**	7,950,743
	Total equity	**14,648,804**	13,677,089
	Total liabilities and equity	**B/. 16,121,819**	B/. 15,269,383

The accompanying notes are an integral part of these consolidated financial statements.

(Translation of consolidated financial statements originally issued in Spanish)
Latinex Holdings, Inc. and Subsidiaries
Consolidated Statement of Income
For the year ended December 31, 2021
(Amounts expressed in Balboas)

Notes		2021	2020
	Revenue from contracts		
8	Commissions	**B/. 5,988,825**	B/. 5,251,688
	Agency of settlement and international market transactions	**1,669,925**	1,714,425
	Maintenance fees	**483,330**	471,368
	Companies' registration and issues	**134,676**	105,852
	Management fee	**696,941**	627,367
	Total revenue from contracts	**8,973,697**	8,170,700
9	Financial income	**376,983**	456,431
	Unrealized loss on investments at fair value through income	**(16,780)**	(30,572)
10	Others	**184,914**	155,902
	Total revenue	**9,518,814**	8,752,461
	General and Administrative Expenses		
11, 16	Personnel expenses	**2,214,235**	2,058,145
7	Depreciation and amortization	**332,222**	356,177
	Insurance	**251,530**	230,825
	Supervision fee	**206,451**	206,862
	Custody and settlement, registration and transfer expenses	**919,929**	929,319
12	Other administrative expenses	**1,553,262**	1,393,645
	Total general and administrative expenses	**5,477,629**	5,174,973
	Income before income tax	**4,041,185**	3,577,488
15	Income tax	**(1,205,552)**	(1,035,884)
	Net income	**B/. 2,835,633**	B/. 2,541,604
14	Basic income per share	**B/. 0.1922**	B/. 0.1722

The accompanying notes are an integral part of these consolidated financial statements.

(Translation of consolidated financial statements originally issued in Spanish)
Latinex Holdings, Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2021

(Amounts expressed in Balboas)

Note		2021	2020
	Net income	**B/. 2,835,633**	B/. 2,541,604
	Other comprehensive income items:		
	Items that can be subsequently reclassified to the statement of income:		
6	Changes in fair value of debt instruments at other comprehensive income	**21,674**	(21,880)
	Items that cannot be subsequently reclassified to the statement of income:		
	Changes in fair value of equtiy instruments at other comprehensive income	**32,736**	(102,882)
	Total other comprehensive income items	**B/. 54,410**	B/. (124,762)
	Total comprehensive income	**B/. 2,890,043**	B/. 2,416,842

The accompanying notes are an integral part of these consolidated financial statements.

(Translation of consolidated financial statements originally issued in Spanish)
Latinex Holdings, Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended December 31, 2021

(Amounts expressed in Balboas)

Notes		Common Shares	Treasury Shares	Valuation of Investments in Securities	Complementary Tax	Retained Earnings	Total
	Balance at January 1, 2021	B/. 5,716,529	B/. (118,459)	B/. 160,572	B/. (32,296)	B/. 7,950,743	B/. 13,677,089
	Comprehensive Income						
	Net income	-	-	-	-	2,835,633	2,835,633
	Other comprehensive						
6	income	-	-	54,410	-	-	54,410
	Total comprehensive income	-	-	54,410	-	2,835,633	2,890,043
	Transactions with shareholders						
	Complementary tax	-	-	-	-	-	-
18	Dividends declared	-	-	-	-	(1,918,328)	(1,918,328)
	Total transactions with shareholders	-	-	-	-	(1,918,328)	(1,918,328)
	Balance at December 31, 2021	B/. 5,716,529	B/. (118,459)	B/. 214,982	B/. (32,296)	B/. 8,868,048	B/. 14,648,804
	Balance at January 1, 2020	B/. 5,716,529	B/. (118,459)	B/. 285,334	B/. (32,296)	B/. 7,622,595	B/. 13,473,703
	Comprehensive Income						
	Net income	-	-	-	-	2,541,604	2,541,604
	Other comprehensive						
6	income	-	-	(124,762)	-	-	(124,762)
	Total Comprehensive income	-	-	(124,762)	-	2,541,604	2,416,842
	Transactions with shareholders						
	Complementary tax	-	-	-	-	-	-
18	Dividends declared	-	-	-	-	(2,213,456)	(2,213,456)
	Total transactions with shareholders	-	-	-	-	(2,213,456)	(2,213,456)
	Balance at December 31, 2020	B/. 5,716,529	B/. (118,459)	B/. 160,572	B/. (32,296)	B/. 7,950,743	B/. 13,677,089

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended December 31, 2021
(Amounts expressed in Balboas)

	2021	2020
Cash flows from operating activities		
Income before income tax	**B/. 4,041,185**	B/. 3,577,488
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation and amortization	**332,222**	356,177
Financial income	**(376,983)**	(456,431)
Unrealized gain on investments at fair value with changes in stament of income	**16,780**	30,572
Net changes in operating assets and liabilities:		
Financial assets at amortized cost	**89,799**	(396,683)
Prepaid expense	**(13,139)**	(15,548)
Accumulated expenses and withholdings payable	**108,662**	2,809
Commissions charged in advance	**43,645**	122,662
Security deposits and other assets	**(13)**	(8,124)
Interest and dividends received	**383,396**	(968,358)
Income tax paid	**(1,249,890)**	465,505
Net cash provided by operating activities	**3,375,664**	2,710,069
Cash flows from investing activities		
Time deposits	**(30,086)**	(114,231)
Purchase of investment at fair value through other comprehensive income	**(3,427,827)**	(2,707,000)
Purchase of investment at fair value through income	**(2,479,646)**	(600,000)
Sales and redemptions of fair value through comprehensive income	**3,878,459**	4,167,978
Sales and redemptions of fair value through results	**-**	50,000
Purchase of furniture, equipment and improvements, net	**(339,144)**	(24,713)
Net cash (used in) provided by investing activities	**(2,398,244)**	772,034
Cash flows from financing activities		
Dividends paid and cash used in financing activities	**(2,168,528)**	(2,166,878)
Net cash used in financing activities	**(2,168,528)**	(2,166,878)
Net (decrease) increase in cash	**(1,191,108)**	1,315,225
Cash at the beginning of the year	**4,091,198**	2,775,973
Cash at the end of the year	**B/. 2,900,090**	B/. 4,091,198

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
December 31, 2021
(Amounts expressed in Balboas)

Explanation Added for Translation into English

The accompanying consolidated financial statements have been translated from Spanish into English for international use. These consolidated financial statements are presented in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. Certain accounting practices applied by Latinex Holding Inc. and subsidiaries which are in conformity with International Financial Reporting Standards may differ from accounting principles generally accepted in some countries where the financial statements may be used.

1. General Information

Latinex Holdings, Inc. (the "Company") is a company incorporated in accordance with the laws of the Republic of Panama according to Public Deed No.15,135 of June 28, 2010. The Company owns 100% of the shares of Latinex Capital, Inc. which in turn owns 100% of the shares of Bolsa Latinoamericana de Valores, S.A. and Central Latinoamericana de Valores, S.A.

The Company together with its subsidiaries conform the Latinex Group.

Latinex Holdings, Inc. is a public company listed on the Bolsa Latinoamericana de Valors, S.A.

Bolsa Latinoamericana de Valores de Panama, S. A. is a company incorporated in accordance with the laws of the Republic of Panama. By Resolution No.CNV-349 of March 30, 1990 of the Superintendency of Securities Market, the Company was authorized to operate a stock exchange in the Republic of Panama.

The Internal Regulations of the Panama Stock Exchange, S. A. and its amendments were approved by the Superintendence of the Stock Market (SMV). The last modification was approved by the SMV through Resolution No.SMV-227-18 of May 18, 2018.

On March 23, 2021, Bolsa de Valores de Panamá, S.A. registered the change of its corporate name to Bolsa Latinoamericana de Valores, S.A.

On March 23, 2021, Latinex, Inc. registered the change of its corporate name to Latinex Capital, Inc. Latinex Capital, Inc. is a company incorporated in accordance with the laws of the Republic of Panama.

Central Latinoamericana de Valores, S.A. is a company incorporated in accordance with the laws of the Republic of Panama. By Resolution No.CNV-68-97 of July 23, 1997 of the Superintendency of the Securities Market, the Company was authorized to operate the business of administration, custody, clearing and settlement of securities in the Republic of Panama.

1. General Information (continued)

In addition, the Internal Rules of Operations of Central Latinoamericana de Valores, S. A. and its amendments were approved by the Superintendency of Securities Market (SMV, in Spanish). The last amendment was approved by the SMV by Resolution No. SMV 213-21 of May 6, 2021.

Corporate Governance

Summary of Policies
In accordance with the provisions contained in the Articles of Incorporation, the Company has been developing and adopting, continuously and voluntarily, a Corporate Governance structure in order to:

- Define the best practices that Latinex Holdings, Inc. and subsidiaries will follow with all its stakeholders (shareholders, members of the Board of Directors and Committees, customers, suppliers and creditors, strategic allies, the State, regulatory entities, media, general public, among others).
- Support the Board of Directors in the review, evaluation and permanent monitoring of the Accounting, Financial and Risk Control System of the Company.
- Follow-up to the procedures of the internal management control systems.
- Establish a clear framework for risk identification, verification and control.
- Clear provisions for the delegation of authority and responsibility.
- Establish efficient processes for decision making.
- Establish explicit guidelines for the functioning of the Board of Directors, in terms of policies for decision-making.

The Company has the following working Committees appointed by the Board of Directors:

Committees of Latinex Holdings, Inc.

Audit Committee: Its main function is to ensure the proper functioning of the internal control system and the integrity of the Company's financial information. Currently composed by at least three (3) directors of Latinex Holdings, Inc. and by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Managers and the Internal Auditor of the Latinex Group, as well as advisors or any other guest determined by the Committee, will be invited to participate, with the right to voice.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the inherent risks of the operations carried out by the Company and its subsidiaries, based on best practices and international standards. Currently composed by at least three (3) directors of Latinex Holdings, Inc. and by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

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1. General Information (continued)

The General Managers, Risk Officer and Compliance Officer of Latinex Group, as well as advisors or any other guest determined by the Committee, will be invited to participate, with the right to voice.

Investments and Finance Committee: Its main function is: i) to establish the internal rules and guidelines for investment of fixed and variable income, including the maximum limits to invest, financial requirements of the companies in which Latinex Holdings, Inc. and its Subsidiaries invests; ii) ensure the effective and efficient management of funds, strategic plans and capital structure of the companies of the Latinex Group, and to carry out recommendations to its Board of Directors and deemed necessary. Currently composed by at least three (3) directors of Latinex Holdings, Inc. and by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Managers and other Officers or Managers of Latinex Group, as well as advisers or any other guest determined by the Committee, shall be invited to participate, with the right to voice.

Corporate Governance Committee: This Committee is responsible for reviewing the operation of the structure and the compliance with good practices in order to improve the corporate governance. Currently composed by at least three (3) directors of Latinex Holdings, Inc., of which at least one (1) must meet the criterion of independence, and by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Managers and other Officers or Managers of Latinex Group, as well as advisers or any other guest determined by the Committee, shall be invited to participate, with the right to voice.

Human Capital Committee: This Committee is responsible for analyzing matters related to the selection, compensation, termination, succession plan and evaluation of key executives of the Company and its subsidiaries. It will be integrated by the President of the Board of Directors and at least two (2) directors, of which at least one (1) must meet the criterion of independence. By decision of the Board of Directors, the Committee may also be conformed by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities, as well as the necessary criterion of independence.

The Executive Vice Presidency of Latinex Holdings, Inc., the person in charge of Human Resources of Latinex Group, as well as the advisors or specialists that the members of the Committee consider necessary to contract and / or invite, will all be invited to participate in this Committee. to voice, but without vote.

1. General Information (continued)

Sustainability and Corporate Social Responsibility (CSR) Committee: This Committee is responsible for establishing and promoting the Latinex Group's corporate sustainability strategy and policies, ensuring the proper management of environmental, social and Corporate Governance (ESG) factors, and in turn, promoting these factors for the stock market. Currently composed of at least three (3) directors. By decision of the Board of Directors, this Committee may also be made up of people who are not part of the Board of Directors but who have the experience and / or knowledge necessary to fulfill the functions and responsibilities.

The General Managers of Bolsa Latinoamericana de Valores, S.A. and Central Latinoamericana de Valores, S.A., the Manager of Sustainable Development and CSR of Latinex Group, the Manager of Human Capital and Administrative Services, and the advisors or specialists that the members of the Committee consider necessary to hire and /or invite, will be invited to participate in this Committee, all with the right to speak, but without a vote.

Other Committees
The Company's subsidiaries have working committees appointed by the Board of Directors acting on specific areas of operation. These committees are:

a) Working Committees of Bolsa Latinoamericana de Valores, S. A.

Audit Committee: Its main function is to ensure the proper functioning of the internal control system and the integrity of the financial information of Bolsa Latinoamericana de Valores, S.A. It will be integrated by at least three (3) directors of Bolsa Latinoamericana de Valore, S.A. and by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Manager and the Internal Auditor of Latinex Group, as well as advisors or any other guest determined by the Committee, will be invited to participate, with the right to voice.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the risks inherent to the operations carried out by Bolsa Latinoamericana de Valores, S.A., based on the best practices and international standards. It will be integrated by at least three (3) directors of Bolsa Latinoamericana de Valores, S.A. and by individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Manager, Risks Officer of Latinex Group and the Compliance Officer, as well as advisors or any other guest determined by the Committee, will be invited to participate with the right of voice.

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1. General Information (continued)

Ethics and Compliance Committee: Its main function is to plan, coordinate and ensure compliance with current legislation on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as ensure that Members and Issuers of Securities comply with all Internal Rules of the Company. It will be integrated by at least three (3) directors of Bolsa Latinoamericana de Valores, S.A. and by individuals who are not part of the Board of Directors but have the experience and / or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Manager, Compliance Officer and Internal Auditor of Latinex Group, as well as advisors or any other guest determined by the Committee, will be invited to participate with the right of voice.

Technology Committee: Its main function is to promote the technological development necessary for the management of the Company's business. It will be composed of at least two (2) directors of the Bolsa Latinoamericana de Valores, S.A., who occupies the Executive Vice Presidency of Latinex Holdings, Inc., the Technology Manager and Computer Security Officer of the operating companies of the Latinex Group and an advisor or specialist in the field.

Other managers of operating companies and other advisors or specialists that the members of the Committee consider necessary to hire and/or invite may be invited to participate in this Committee, all with the right to speak, but without vote.

b) Working Committees of Central Latinoamericana de Valores, S. A. (Latin Clear)

Audit Committee: The main function is to ensure the proper functioning of the internal control system and the integrity of the financial information of Central Latinoamericana de Valores, S. A. It will be integrated by at least three (3) directors of Central Latinoamericana de Valores, S. A. and by individuals who are not part of the Board of Directors but have the experience and / or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Manager and the Internal Auditor of Latinex Group, as well as advisors or any other guest determined by the Committee, will be invited to participate, with the right to speak.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the risks inherent to the operations carried out by Central Latinoamericana de Valores, S. A., based on best practices and international standards. It will be integrated by at least three (3) directors of Central Latinoamericana de Valores, S. A. and by individuals who are not part of the Board of Directors but have the experience and / or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

1. General Information (continued)

The General Manager, Risk Officer of the economic group and Compliance Officer, as well as advisors or any other guest determined by the Committee, will be invited to participate, with the right of voice.

Ethics and Compliance Committee: Its main function is to plan, coordinate and ensure compliance with current legislation on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as ensuring that Participants comply with all the Internal Rules of Central Latinoamericana de Valores, S. A. It will be integrated by at least three (3) directors of Central Latinoamericana de Valores, S. A. and by individuals who are not part of the Board of Directors but have the experience and / or knowledge necessary to fulfill the functions and responsibilities. All members have the right to voice and vote.

The General Manager, Compliance Officer and Internal Auditor of Latinex Group, as well as advisers or any other guest determined by the Committee, will be invited to participate, with the right to voice.

Technology Committee: Its main function is to promote the technological development necessary for the management of the Company's business It will be composed of at least two (2) directors of Central Latinoamericana de Valores, S.A., who occupies the Executive Vice Presidency of Latinex Holdings, Inc., the Technology Manager and Computer Security Officer of the operating companies of the Latinex Group and an advisor or specialist in the field.

Other managers of the operating companies and other advisors or specialists that the members of the Committee consider necessary to contract and / or invite, all with the right to voice, but without vote, may be invited to participate in this Committee.

Directors, Independent Directors and Executives

The Company is a partnership of public ownership, whose common shares are traded on the Bolsa Latinoamericana de Valores, S. A. To date, there are no controlling shareholders, and Directors are not directly or indirectly, either individually or jointly beneficial owners of a controlling number of shares of the Company. No director directly or indirectly is a leading provider of goods or services for the Company; however, some Directors are executives of companies with substantial relationship with the Parent Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and shareholders.

At the meeting held on April 26, 2017, the Shareholders' Assembly approved the amendment to the articles of incorporation, in order to integrate, at least, two (2) Independent Directors to the Board of Directors of the Company.

1. General Information (continued)

In addition, the Board of Directors will be integrated by the percentage of women's participation established in the Law No.56 of July 11, 2017, who can occupy both the position of Director or Independent Director, in accordance with the bylaws of the Company.

Statutes

The Company has Statutes which regulate the operation of the different Committees, based on Corporate Governance general principles.

Code of Ethics and Conduct

The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Dignitaries, Members or guests of the Board Committees, Legal Representatives, Managers and Collaborators of the Company meet the highest standards of conduct. The Code of Ethics and Conduct governs relationships with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflict of interest and regulates prohibited behaviors, such as the use of confidential and privileged information, dishonest or unfair behaviors, bribery, corruption, among others.

Code of Corporate Governance

The Company adopted a Code of Corporate Governance that aims to define the best practices that Latinex Group will follow for all its stakeholders, in addition to what are established by the Law, the Articles of Incorporation, the Statutes of each company and any another policy that has been duly approved by the Board of Directors and that, in turn, devote rights for these. Therefore, the application, compliance and interpretation of said Code must be done in accordance with the Law, the Articles of Incorporation and the Statutes. The Code of Corporate Governance is applicable to Shareholders, Directors, Dignitaries, members of the Board Committees, Managers, Collaborators and other groups of interest of Latinex Group.

These consolidated financial statements were authorized for issuance by the Board of Directors on March 28, 2022.

2. Summary of Significant Accounting Policies

Following are the most important accounting policies used by the Company in the preparation of these consolidated financial statements, which were consistently applied in the previous year.

2. Summary of Significant Accounting Policies (continued)

Basis of Preparation

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), on a historical cost basis, except for the fair value measurement of investments at fair value through other comprehensive income and investments at fair value with changes to income statement according to IFRS 9 Financial Instruments.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Also, it requires Management to exercise its judgment in the process of applying the accounting policies of the Company and its Subsidiaries. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

The consolidated financial statements as of December 31, 2021 include all accounts in the consolidated financial statements of the Company and subsidiaries after the elimination of all significant transactions and balances between companies. The financial statements of the subsidiaries are prepared for the same period as the Company, using consistent accounting policies.

All balances, transactions, income and expenses, dividends and gains or losses resulting from transactions between Latinex Group companies that have been recognized as assets or liabilities, have been fully eliminated in the consolidation process. The financial statements of the subsidiaries are included in the consolidation from the date of acquisition, the date on which Latinex Group obtains control and Latinex Group will continue to include such statements until the date on which control ceases. A change in the shareholding in a subsidiary that does not result in a loss of control is recorded as an equity transaction.

Latinex Group consolidates a subsidiary when it has control over it. Control is achieved when Latinex Group is exposed to or has the rights to variable returns since its participation in the subsidiary and has the ability to affect those returns through its power over the subsidiary. Generally, it is presumed that there is control when you have a majority of the voting rights.

The Company presents its statement of financial position in order of liquidity based on the intention and perception to recover the majority of its assets and liabilities in the corresponding lines of said financial statement.

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2. Summary of Significant Accounting Policies (continued)

Changes in accounting policies and disclosures, new standards, amendments to standards and interpretations

The accounting policies adopted by the Company for the preparation of its consolidated financial statements as of December 31, 2021 are consistent with those that were used for the preparation of its consolidated financial statements as of December 31, 2020.

Some modifications and interpretations that were applied for the first time in 2021 did not have a material impact on the Company's consolidated financial statements. These modifications and new interpretations have required certain additional disclosures and, in some cases, the revision of certain accounting policies. The Company has not early adopted in any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has not adopted in advance any other standard, interpretation or amendment that has been issued and has not entered into force.

The following rules, amendments and interpretations were adopted by the Company during the year 2021 and did not have a significant impact on the consolidated financial statements:

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS16 and IAS 39: Reform of the Interest Rate Benchmark – phase 2.
- Amendment to IFRS 16 Concessions on Covid-19 Related Leases, after June 30, 2021.

Future changes to accounting policies

The International Financial Reporting Standards or their interpretations and modifications issued, but not yet effective up to the date of issuance of the Company's consolidated financial statements, are described below. The standards or interpretations and modifications described are only those that, in the opinion of management, may have a significant effect on the Company's disclosures, position or financial performance when applied at a future date. The Company intends to adopt these new and modified standards and interpretations, if any, when they become effective.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements.

The amendments are effective for annual financial reporting periods beginning on or after January 1, 2022 and are applied prospectively.

2. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment: Revenue Before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued *Properties, Plant and Equipment – Revenue Before Intended Use*, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to function in the manner intended by management. The amendment states that an entity recognizes the proceeds of the sale of such items, and the costs of producing them, in the results of the period.

The amendment is effective for annual reporting periods beginning on or after the beginning of January 1, 2022 and must be applied retroactively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

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2. Summary of Significant Accounting Policies (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

2. Summary of Significant Accounting Policies (continued)

Financial Assets

a) *Recording*
Purchases or sales of financial assets that require delivery of assets within a time frame established by a regulation or convention in the marketplace (regular-way trades) are recognized on the settlement date; that is, the date on which the transaction becomes effective.

b) *Classification*
Financial assets are classified into the following categories: financial assets at amortized cost, investments at fair value with changes in results and investments at fair value through other comprehensive income. Management determines the classification of the assets since their initial recognition.

c) *Measurement*
Financial assets are subsequently measured at amortized cost and, fair value with changes in results and fair value through other comprehensive income based on the entity's business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset.

Financial Assets at Amortized Cost
Financial assets are measured at amortized cost if they meet the following two conditions:

- The asset is maintained within a business model whose objective is to maintain assets to obtain contractual cash flows; and
- The contractual terms of the financial asset establish specific dates for the cash flows derived from solely payments of principal and interest on outstanding balance.

Investments at Fair Value Through Other Comprehensive Income
Investments are measured at fair value through other comprehensive income only if they meet the following conditions:

- The asset is maintained within a business model whose objective is achieved by collecting contractual cash flows and selling these financial assets; and
- The contractual terms of the financial asset set specific dates for cash flows derived from solely payments of principal and interest on the outstanding balance.

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

2. Summary of Significant Accounting Policies (continued)

Investments in Securities at Fair Value Through Income (FVPL)
All financial assets not classified as measured at amortized cost or at fair value with changes in other comprehensive income as described above, are measured at fair value with changes in income.

A gain or loss on an investment that is subsequently measured at fair value through income is recognized in the consolidated statement of income.

Equity Instruments at Fair Value through Other Comprehensive Income
The Company subsequently measures all equity investments at fair value. Management has chosen to present the gains or losses of fair value in equity instruments at fair value through other comprehensive income, there is no subsequent reclassification of gains or losses of fair value to results after the derecognition of the investment. Dividends received from these investments are recognized in the consolidated statement of income.

Evaluation of The Business Model
The Company realized an assessment of the objectives of the business models in which the different financial assets are maintained at the portfolio level to reflect, in the best way, the way in which the business is managed and how the information is provided to Management (strategy to collect solely payments of principal and interest or realize cash flows through the sale of assets, or considering whether the include frequency, value of sales in previous period or the expectation of future sales).

Business model whose objective is to maintain the assets to obtain the contractual cash flows
A portfolio of financial assets is managed in order to obtain cash flows through payments of principal and interest throughout the life of the instrument, even when sales of the financial assets take place or are expected to occur in the future.

Business model whose objective is to obtain contractual cash flows and the sale of financial assets
In this type of business model, there are different objectives that can be seen framed, for example, an objective to manage liquidity needs.

In comparison with the business model in which the objective is to maintain financial assets to collect cash flows through the payment of principal and interest, this business model involves more frequency and value of sales, without the need to have a frequency threshold or defined value, since the sales and collection of contractual flows are combined in a way that allows achieving the objective of the business model.

Change of the Business Model
When the business model for the management of financial assets is changed, all the affected assets must be reclassified prospectively from the date of the reclassification and the previously recognized gains, losses or interests, including impairment gains or losses, will not be restated.

2. Summary of Significant Accounting Policies (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest – SPPI
The Company considers whether the cash flows are consistent with the consideration of money over time, credit risk and other basic risks associated with the financial assets. When evaluating whether the contractual cash flows are solely payments of principal and interest, the Company considered the terms of the contracts. This included the evaluation to determine whether the financial asset contains a contractual term that could change the period or amount of the contractual cash flows in such way that it does not comply with this condition.

a) Impairment
The Company has defined that the measurement of impairment of financial assets can be done through a collective or individual evaluation according to the amount and characteristics of the portfolio.

Individual Methodology
Accounts receivable and investments from a government or quasi-government entity will be considered individually.

Collective Methodology
For instruments that are not considered individually significant, an evaluation is performed collectively, grouping portfolios of financial assets with similar characteristics and including parameters of probability of default at 12 months, probability of default throughout the life of the obligation, loss given default, and exposure to non-compliance with the inclusion of the prospective criterion.

Measurement of Expected Credit Losses
The quantification of the collectively expected credit losses is done according to the classification of the stages, the homogeneous groups defined in each type of portfolio and the level of risk of the client.

The segmentation of homogeneous groups is done by type of client and is presented as follows:

- Accounts receivable - issuers
- Accounts receivable - participant and stock exchange seats
- Accounts receivable - others

In order to estimate the provisions under the collective methodology, the following formula is used:

$$\text{Impairment: EAD} \times (1\text{-PF}) \times \text{PD} \times \text{LGD}$$

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2. Summary of Significant Accounting Policies (continued)

Where:

Exposure at Default (EAD): is the exposed value of the asset valued at amortized cost (includes the principal balance, interest and accounts receivable). In the case of products whose nature is of a rotating type and have an available quota that is capable of being used in its entirety, the estimation of the (EAD) considers the use of the risk conversion factor (RCF), in order to find a relationship regarding the use and the unused component of the instrument.

Probability of Default (PD): estimated probability of occurrence of default of the instrument.

PF (Prospective Factor): the country's most relevant economic and financial variables (CPI, GDP growth), compiled from official sources.

- **Stage 1:** it is the estimated probability of occurrence of a default in the next 12 months of the instrument's life as of the date of analysis. The Company defines its use for the healthy portfolio that does not present a significant increase in risk or any evidence of impairment. To estimate the probability of default for 12 months, the Company uses traditional techniques, modeling the behavior of the portfolio.

- **Stage 2:** is the estimated probability of occurrence of a default throughout the remaining life of an instrument, being dependent on the conditions of the specific product to be analyzed. The Company according to the standard defines its use for the portfolio with a significant increase in credit risk.

- **Stage 3:** instruments assessed by the collective and individual methodologies have an associated probability of default of 100%.

Loss Given Default (LGD): it is the percentage of exposure that the Company expects to lose in the event of a default in a financial instrument.

The general formulation for the calculation of the LGD is:

$$\text{LGD} = 1 - \%\,\text{RR}$$

Where % RR is understood as the recovery percentage and refers to the sum of the flows received from the operation discounted at the rate of the obligation at the date of analysis on the total exposure at the time of default.

After being calculated, the LGD is adjusted for a historical factor in the behavior of the Company's portfolio.

2. Summary of Significant Accounting Policies (continued)

Significant Increase in Credit Risk
The Company determines whether the credit risk of a financial asset has significantly increased since its initial recognition, considering reasonable and sustainable information that is relevant and available without cost or disproportionate effort, including information and analysis of quantitative and qualitative nature based on historical experience and expert credit assessment including future information.

To establish whether an asset presents a significant increase in risk since the initial recognition, an evaluation of quantitative and qualitative factors is carried out, these factors are:

- Assets with arrears of more than 30 days.
- Assets where the client is experiencing financial difficulties.
- The Company reviews whether there are collective criteria for the migration of a group of customers to Stage 2.

Stage 2
It will include those instruments that meet the corporate definition of a significant increase in risk.

Definition of Default
An asset is considered to be in default when it has any of the following characteristics:

- Arrears of more than 90 days, except for the Republic of Panama and quasi-government.
- Customer in special status of restructuring or business reorganization and insolvency law agreements.
- Customers on watch list or classified as doubtful or delayed.

Prospective Information
The Company incorporates macroeconomic scenarios in the calculation of the expected loss in order to reflect the prospective effect. The inclusion of macroeconomic conditions in the models of expected loss is made from methodologies that correlate the historical behavior of the portfolio with certain economic variables.

To make the projections, the historical information is considered for the most relevant economic and financial variables of the country (CPI, GDP growth). The information bases are compiled from official sources.

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2. Summary of Significant Accounting Policies (continued)

Impairment of Investments at Fair Value through Comprehensive Income
Investments are classified in stages according to the rating as follows:

- Stage 1: investments that are in compliance with their obligation of interest and principal; The Company uses the probabilities of default according to its risk rating adjusted to country risk compared to international risk ratings.
- Stage 2: investments that are at the level of speculation compliance with their interest or principal obligations; and
- Stage 3: investments that are in default on their interest or principal obligations

To estimate the impairment of the instruments, the risk rating of the issue, and the probability of default (PD) according to the external rating adjusted to the highest international risk rating registered at the local level are considered. If they do not have a risk rating, it is provisioned with the internal rating model and the probability of default developed by the Company.

$$\text{Impairment: } EAD \times (1\text{-}PF) \times PD \times LGD$$

- All instruments classified in Stage 1 will be assigned a 12-month probability of default.
- All instruments classified in Stage 2 will be assigned a probability of default for the life of the instrument.
- All instruments classified in Stage 3 will be assigned a default probability of 100%.

In all cases, the loss given default (LGD) is the parameter calculated in the process of impairment of the debt instruments portfolio.

Equity instruments at fair value through other comprehensive income are not subject to impairment assessment.

Property, Furniture and Equipment
Property, furniture and equipment are presented at cost less accumulated depreciation and amortization. The Nasdaq Software electronic trading system and configurations are classified as a Computer equipment item. Depreciation and amortization are calculated based on a straight line over the estimated life of the asset at 10 years.

2. Summary of Significant Accounting Policies (continued)

Depreciation and amortization are calculated based on a straight-line method over the estimated life of the asset as follows:

		Useful Life
Building	6.67%	15 years
Improvements	20%	5 years
Furniture	10% to 33.33%	3 to 10 years
Equipment	10% to 33.33%	3 to 10 years
Computer Equipment	10%	3 to 10 years

The useful life of assets is reviewed and adjusted, if appropriate, at each consolidated statement of financial position date.

Costs of non-capitalizable items are recognized as expenses and costs as incurred. The cost of major repairs is capitalized when it is probable that, in addition to the originally assessed, future economic benefits arising following the standard of performance for existing asset.

Gains or losses on disposals of assets are determined by comparing the net proceeds from the sale against the carrying value of the assets. Gains or losses on disposal of fixed assets are included in the results for the period.

Building, furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is written down immediately to its recoverable amount if the carrying amount of an asset is greater than the estimated recoverable value. The recoverable amount is the higher between the fair value of asset less cost to sell and its value in use.

Revenue Recognition

Revenue is recognized based on the economic benefits that flow to the Company and the revenue can be reliably measured. The specific recognition criteria must also be met before revenue is recognized.

Revenues from Contracts
The Company classifies recognized revenue from contracts with customers in categories that show how the nature, the amount, the income and the cash flows are affected by economic factors. The Company also discloses information on the relationship between the disclosure of detailed income and income information disclosed for each segment.

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2. Summary of Significant Accounting Policies (continued)

Income is classified in the following categories:

Commissions
Commissions are recognized when the daily transactions carried out by the brokerage firm for purchase and sale of securities are executed.

Payment Agency and International Market Transactions
Services provided by the agent of payment issuing, registration and transfer of the securities migrated in the I-link platform and the custody services are registered based on the terms and conditions of the contract.

Maintenance Fees
A monthly maintenance fee for each stock exchange is charged according to the monthly transactions they have generated. The monthly maintenance fee for each participant corresponds to their activity and the services offered for settlement and clearing.

Financial Income
Interest income is recognized over time on a proportional basis, using the effective interest method.

Management Fees
Management fees are recognized as income when earned.

Sale of Seats
The sale of seats is recognized as income at the close of the transaction.

The following table breaks down the ordinary income from daily transactions and payment issuance services provided by participants and stock exchanges.

2021
(Amounts in Balboas)

Commissions		All other segments	
Panama	El Salvador		Total
B/. 5,973,772	**B/. 15,053**	**B/. 2,984,872**	**B/. 8,973,697**

2020
(Amounts in Balboas)

Commissions		All other segments	
Panama	El Salvador		Total
B/. 5,229,926	B/. 21,762	B/. 2,919,012	B/. 8,170,700

2. Summary of Significant Accounting Policies (continued)

Dividend Distribution

Dividend distribution to shareholders of the Company is recognized as a liability in the consolidated statement of financial position in the period in which the dividends are declared by the Board of Directors of the Company.

Income Tax

Income tax is recognized in the current results of operations. Current tax refers to tax on net taxable income of the period, using the income tax rate in effect on the date of the consolidated statement of financial position.

Segment Information

A business segment is an identifiable component of the Company, responsible for providing a unique product or service, or a set of them are related and characterized by being subject to risks and returns that are different to those corresponding to other business segments within the same company. A geographical segment is an identifiable component of the Company responsible for providing products or services within a particular economic environment, which is characterized by being subject to risks and returns that are different to those corresponding to other operating components that are active in different environments. The Company through its Subsidiaries operates three business segments, operate a stock exchange; operate a business management, custody, clearing and settlement of securities; and manage the investments of the Company, which are developed in and front the Republic of Panama.

Monetary Unit and Functional Currency

The consolidated financial statements are expressed in balboas (B/.), the monetary unit of the Republic of Panama, which is at par with the dollar (US$), monetary unit of the United States of America. The dollar (US$) circulates and is freely exchangeable in the Republic of Panama.

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3. Financial Risk Management

Financial Risk Factors

The activities of the Company are exposed to a variety of financial risks: market risk (including interest rate fair value risk and interest rate cash flow risk), credit risk, liquidity risk, and capital risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

(a) *Interest Rate Risk*
The risk of the interest rate of cash flow is the risk that future cash flows and fair value of a financial instrument will fluctuate due to changes in prevailing interest rates in the market. The Company mitigates this risk by establishing guidelines for investments made and establishing interest rate risk limits, and its exposure is periodically reviewed by the Market Development Department.

(b) *Credit Risk*
Credit risk is the risk that the Company will incur a loss due to its clients or counterparties failing to meet their contractual obligations. Credit risk is managed at the Company level. Credit risk originates from fixed income instruments included in fair value with changes in other comprehensive results and assets at amortized cost.

The process of selection, approval and monitoring of investments is limited to criteria and internal processes to diversify the investment portfolio and mitigate market risks and those inherent to the nature of the securities and issuers.

The responsibility for this process lies with the Investments and Finance Committee of Latinex Holdings, Inc.

The continuous monitoring of performance and market movement is done by Management reporting to the Investments and Finance Committee. The Investments and Finance Committee reports to the Board of Directors of Latinex Holdings, Inc. when changes are needed in policies and investment criteria.

The selection criteria consider diversification by asset class, type of instrument, duration, country or region, industry, issuer and economic group. These criteria limit the positions of a given group to fixed percentages of total equity and their temporary deviations require the approval of the Investment and Finance Committee.

Likewise, the profitability and credit quality of the issuers are considered, allowing 100% of the portfolio to be invested in the Republic of Panama, a maximum of 20% for countries with a BBB or higher risk rating and 10% for member countries of the Association of Capital Markets of the Americas (AMERCA).

3. Financial Risk Management (continued)

Investments, including time deposits by economic sector, are detailed as follows:

	2021		2020	
Financial sector	**B/. 2,059,341**	**23%**	B/. 3,843,633	46%
Non – financial sector	**1,118,203**	**13%**	1,076,100	13%
Mutual funds sector	**5,567,612**	**63%**	2,704,013	32%
Government sector	**120,606**	**1%**	123,858	1%
International sector	**-**	**0%**	601,166	7%
	B/. 8,865,762	**100%**	B/. 8,348,770	100%

Credit Quality Analysis

The following table presents the financial assets and reserves for expected credit losses:

	Stage 1	Stage 2	Stage 3	2021	2020
Maximum exposure					
Net book value	**B/. 9,935,660**	**B/. 202,698**	**B/. -**	**B/. 10,138,358**	B/. 8,122,497
Financial assets at amortized cost					
Group 1: Stock seats and participants	**5,503**	-	-	**5,503**	1,818
Group 2: Issuers	**19,084**	-	-	**19,084**	41,080
Group 3: Others	**4,184**	-	-	**4,184**	2,203
Government and quasi-government	**470,330**	-	-	**470,330**	543,929
Net book value	**B/. 499,101**	**B/. -**	**B/. -**	**B/. 499,101**	B/. 589,030

	Stage 1	Stage 2	Stage 3	2021	2020
Investments at fair value through other comprehensive income					
External International rating	**B/. 407,978**	**B/. -**	**B/. -**	**407,978**	430,603
External local rating	**2,736,771**	**202,698**		**2,939,469**	3,260,384
Internal rating	**421,640**	-	-	**421,640**	474,325
Interest receivable	**39,146**	-	-	**39,146**	45,557
Net book value	**B/. 3,605,535**	**B/. 202,698**	**B/. -**	**B/. 3,808,233**	B/. 4,210,869

	Stage 1	Stage 2	Stage 3	2021	2020
Investments at fair value through income					
Internal rating	**B/. 1,161,958**	**B/. -**	**B/. -**	**1,161,958**	1,760,762
Local	**1,782,516**	-	-	**1,782,516**	1,607,395
International	**2,886,550**	-	-	**2,886,550**	-
Net book value	**B/. 5,831,024**	**B/. -**	**B/. -**	**B/. 5,831,024**	B/. 3,368,157

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3. Financial Risk Management (continued)

The following table presents the reserve for credit losses:

	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses As of December 31, 2020	B/. 5,090	B/. (606)	B/. -	B/. 4,484
Net effect of changed in the reserve for expected credit losses	**(2,471)**	**1,418**	**-**	**(1,053)**
Purchased financial instruments	**2,232**	**-**	**-**	**2,232**
Provision for expected credit losses As of December 31, 2021	**B/. 4,851**	**B/. 812**	**B/. -**	**B/. 5,663**

c) *Liquidity Risk*
Liquidity risk is the risk that the Company is unable to meet all its obligations. The Company mitigates this risk by maintaining sufficient cash and highly liquid instruments.

The following table analyzes the financial assets and liabilities of the Company by maturity date. Such analysis is presented according to the contractual maturity date and are undiscounted cash flows at current value of the balance:

	Less than one year	1 to 5 years	More than 5 years	Without Maturity	Total
December 31,2021					
Assets					
Cash and deposits in banks	B/. 2,900,090	B/. -	B/. -	B/. -	B/. 2,900,090
Time deposits	1,257,550	-	-	-	1,257,550
Investments	1,939,668	1,155,984	202,497	6,301,962	9,600,111
Interest receivable	39,146	-	-	-	39,146
Financial assets at amortized cost	500,044	-	-	-	500,044
Prepaid expenses	107,978	-	-	-	107,978
Prepaid income tax	22,952	-	-	-	22,952
	B/. 6,767,428	B/. 1,155,984	B/. 202,497	B/. 6,301,962	B/. 14,427,871
Liabilities					
Accrued expenses and withholdings payable	B/. 493,423	B/. -	B/. -	B/. -	B/. 493,423
Income tax payable	155,237	-	-	-	155,237
Dividends payable	284,451	-	-	-	284,451
Commissions collected in advance	539,904	-	-	-	539,904
	B/. 1,473,015	B/. -	B/. -	B/. -	B/. 1,473,015

3. Financial Risk Management (continued)

	Less than one year	1 to 5 years	More than 5 years	No Maturity	Total
December 31,2020					
Assets					
Cash and deposits in banks	B/. 4,091,198	B/. -	B/. -	B/. -	B/. 4,091,198
Time deposits	837,336	390,128	-	-	1,227,464
Investments	2,013,183	1,556,052	246,891	3,717,343	7,533,469
Interest receivable	45,557	-	-	-	45,557
Financial assets at amortized cost	589,843	-	-	-	589,843
Prepaid expenses	94,839	-	-	-	94,839
	B/. 7,671,956	B/. 1,946,180	B/. 246,891	B/. 3,717,343	B/. 13,582,370
Liabilities					
Accrued expenses and withholdings payable	B/. 384,761	B/. -	B/. -	B/. -	B/. 384,761
Income tax payable	176,623	-	-	-	176,623
Dividends payable	534,651	-	-	-	534,651
Commissions collected in advance	496,259	-	-	-	496,259
	B/. 1,592,294	B/. -	B/. -	B/. -	B/. 1,592,294

d) Price Risk

It is the risk that the financial instrument value fluctuates as a result of changes in market prices, regardless of whether they are caused by specific factors related to the particular instrument or its issuer, or by factors that affect all securities traded in the market. The Company is exposed to price risk derived from investments in securities measured at fair value with changes in results and with changes in other comprehensive income. The company mitigates this risk through its Investment Policy.

Covid-19 Effect

The appearance of the Covid-19 (coronavirus) at the end of 2019 and its respective arrival in our country, caused the National Government of Panama Republic to decree a state of national emergency. During the year 2020, it was established a quarantine with a limited citizen circulation and a closure of a large part of the country, significantly affecting the Panamanian economy at the macro and micro level. The country reopened its activities during late 2020, with full opening in 2021.

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3. Financial Risk Management (continued)

The Company has policies and procedures for business continuity that establish the mechanisms to function in contingency situations, allowing the interrupted continuity of operations and services to its clients. The Company develops both collective and individual studies of the condition of its investments, which together with investment policies and strategies, allow risk management in general.

The extent of the impact of Covid-19 on the Company's operational and financial performance after the reporting period will depend on future developments, including the duration and spread of new outbreaks of the virus, government actions and other variables, all of which are highly uncertain and cannot be predicted. The Company's Management will continue to monitor and modify operational and financial strategies to mitigate potential risks that could affect its business in the short, medium and long term.

Sensitivity Analysis

The Company uses forward-looking information that is available without undue cost or effort in its assessment of the significant increase in credit risk, as well as in its measurement of provisions for expected losses. The Department of Markets Development uses external and internal information to generate a base scenario for the future forecast of relevant economic variables. The external information includes economic data published by governmental entities and monetary agents.

The following table lists the macroeconomic assumptions used, under the base, optimistic and pessimistic scenarios, considering a forecast period of one year. Likewise, a sensitivity of the differential between the provision for expected losses is included based on the weighting of the different scenarios.

Scenarios	GDP Var%	Sensitivity about provision
Optimistic	-7.0%	B/.422
Base	-10.0%	B/.572
Pessimistic	-13.0%	B/.721

(e) Capital Risk Management

The Company's objective when managing its capital is to ensure the Company's ability to continue as an ongoing business, and to maintain an optimal capital structure to reduce the capital cost. The total capital is calculated as the total equity.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

3. Financial Risk Management (continued)

Decree Law No.1 of July 8, 1999 (Securities Law), its reforms and Article No.4 of Agreement No.7-2003 require that self-regulated entities operating in Panama have a minimum capital of two hundred and fifty thousand balboas (B/.250,000). The Company maintains a principal amount greater than its requirement and does not have a significant indebtedness other than those derived from the normal commercial line. Notwithstanding the foregoing, efforts are made to maintain a level of capital in order to defray its expenses for technological expansion and innovation. As a practice, the Company seeks to retain between 40% and 50% of its annual profits to maintain this capital ratio.

Fair Value of Financial Instruments
The methodology of fair value of financial instruments held by the Company classified by level of fair value hierarchy is described below:

Level 1 - Quoted prices (unadjusted) on identical active markets to which the Company can access on the measurement date.
Level 2 - Prices obtained from the electronic stock market information system are used for investments that show buying and selling transactions during the period. For investments with a low level of transaction movement, the Company values the instrument on a date that has been observed a major transaction (B/.100,000) and calibrates a spread over the discount rate to obtain the value observed on that date. The Company analyzes the prospectus of the issue and lists the characteristics of the local instrument, such as cash flows and optional early redemption. The instrument is valued, using the market levels on the valuation date, and the calibrated spread on the observation date. The valuation model constructs the discount rate as follows:

a. LIBOR is the reference rate
b. Corporate risk is added
c. Country risk is added
d. Calibrated differential is added

Level 3 - Inputs of the financial asset or liability that are not based on observable market data (unobservable inputs).

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3. Financial Risk Management (continued)

The following table presents the fair values of financial instruments held by the Company classified by level of fair value hierarchy:

	Level 1	Level 2	Level 3	Total
December 31, 2021				
Investments in securities	**B/. 6,419,360**	**B/. 3,177,544**	**B/. 3,207**	**B/. 9,600,111**
December 31, 2020				
Investments in securities	B/. 3,837,993	B/. 3,692,269	B/. 3,207	B/. 7,533,469

There were no transfers from levels 1 and 2 and no transfers in and from level 3 during 2021 and 2020.

4. Critical Judgments

Critical Judgments in Applying Accounting Policies
Critical judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of Financial Assets through other Comprehensive Income
The Company follows the guidance of IFRS 9 to determine when a financial asset through other comprehensive is impaired. This determination requires significant judgment by the Management. In determining this judgment, the Company assesses, among other factors, the term and degree to which the fair value of an investment is less than its cost, the financial condition and short-term of the business perspective of the invested company, including factors such as the performance of the industry and sector, changes in technology and operations, and financial cash flow.

Fair Value of Financial Instruments
The fair value of investments at fair value through other comprehensive income that are not quoted in active markets is determined using valuation techniques. When valuation techniques (i.e., models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel. When possible, the models use only observable data; however, areas such as credit risk (self and counterparty), volatilities and correlations require judgment to make estimates.

Changes in assumptions on these factors could affect the reported fair value of financial instruments.

5. Cash and Deposit in Bank

Cash and deposits in banks are summarized as follows:

	December 31,			
		2021		2020
Cash on hand	**B/.**	**1,000**	B/.	1,000
Current accounts		**2,097,778**		2,958,171
Saving accounts		**801,312**		1,132,027
	B/.	**2,900,090**	B/.	4,091,198

The fair value of cash and deposits in banks as of December 31, 2021 is similar to the carrying value, due to their short-term nature.

The Company maintains fixed term deposits for B/.1,227,550 (2020: B/.1,227,464), with interest rates between 2.6% and 4.25% (2020: 3.5% and 4.25%) and maturities until December 2022 (2020: maturities until March 2022).

6. Investments in Securities

Following is a detail of investments:

	December 31,			
		2021		2020
Investments at fair value with changes in other comprehensive income				
Debt instruments				
Negotiable commercial Securities (VCN's in Spanish), with annual interest rates between 2.50% and 3.50% and various maturities until December 2, 2022	**B/.**	**1,232,557**	B/.	1,507,712
Corporate bonds issued by local companies, with annual interest between 3.85% and 7.00% and various maturities until July 2, 2020		**1,944,986**		2,184,558
Notes from the Republic of Panama with annual interest rates of 3.00% and maturities until September 29, 2023		**120,605**		123,857
Interest receivable		**39,146**		45,557
Total investments in securities through other comprehensive income		**3,337,294**		3,861,684
Equity instruments				
Capital shares		**470,938**		349,184
Total investments at fair value with changes in other comprehensive income		**3,808,232**		4,210,868
Investments at fair value with changes in income				
Mutual investment funds		**5,567,608**		3,305,181
Non-cumulative preferred shares with annual dividends of 6.75%.		**263,417**		62,977
Total investments at fair value with changes in income		**5,831,025**		3,368,158
Total investments	**B/.**	**9,639,257**	B/.	7,579,026

6. Investments in Securities (continued)

Movement of the investments at fair value through other comprehensive income is presented as follows:

	December 31,			
		2021		2020
Balance at the beginning of the year	**B/.**	**4,165,311**	B/.	5,751,051
purchases		**3,427,827**		2,707,000
Sales and redemptions		**(3,878,459)**		(4,167,978)
Valuation of financial assets		**54,407**		(124,762)
Subtotal		**3,769,086**		4,165,311
Interest receivable		**39,146**		45,557
Balance at the end of the year	**B/.**	**3,808,232**	B/.	4,210,868

As of December 31, 2021, the subsidiary Latinex, Inc. maintains a total of investments in trust in favor of its subsidiary Central Latinoamericana de Valores, S.A. for B/.3,921,630 (2020: B/.3,483,560), included in the total investments at fair value through comprehensive income in order to guarantee the operations of that subsidiary.

7. Properties, Furniture and Equipment, Net

Movement of properties, furniture and equipment is presented as follows:

	2021					
	Building	Improvements	Furniture	Computer Equipment	Vehicle	Total
At Cost	B/. 1,445,278	B/. 322,078	B/. 475,541	B/. 2,500,202	B/. 65,650	B/. 4,808,749
Accumulated depreciation and amortization	(1,225,223)	(181,345)	(366,551)	(1,438,293)	(64,629)	(3,276,041)
Net balance at January 1, 2021	220,055	140,733	108,990	1,061,909	1,021	1,532,708
Additions	-	63,604	14,603	258,937	2,000	339,144
Depreciation for the year	(61,410)	(25,773)	(24,721)	(219,299)	(1,019)	(332,222)
Net balance at December 31, 2021	B/. 158,645	B/. 178,564	B/. 98,872	B/. 1,101,547	B/. 2,002	B/. 1,539,630
At cost	B/. 1,445,278	B/. 385,682	B/. 479,481	B/. 2,691,141	B/. 67,650	B/. 5,069,232
Accumulated depreciation and amortization	(1,286,633)	(207,118)	(380,609)	(1,589,594)	(65,648)	(3,529,602)
Net balance December 31, 2021	B/. 158,645	B/. 178,564	B/. 98,872	B/. 1,101,547	B/. 2,002	B/. 1,539,630

	2020					
	Building	Improvements	Furniture	Computer Equipment	Vehicle	Total
At Cost	B/. 1,445,278	B/. 321,063	B/. 469,291	B/. 2,482,755	B/. 65,650	B/. 4,784,037
Accumulated depreciation and amortization	(1,163,813)	(157,486)	(317,170)	(1,228,991)	(52,405)	(2,919,865)
Net balance at janury 1, 2020	281,465	163,577	152,121	1,253,764	13,245	1,864,172
Additions	-	1,015	6,250	17,448	-	24,713
Depreciation for the year	(61,410)	(23,859)	(49,381)	(209,303)	(12,224)	(356,177)
Net balance at december 31, 2020	B/. 220,055	B/. 140,733	B/. 108,990	B/. 1,061,909	B/. 1,021	B/. 1,532,708
At cost	B/. 1,445,278	B/. 322,078	B/. 475,541	B/. 2,500,202	B/. 65,650	B/. 4,808,749
Accumulated depreciation and amortization	(1,225,223)	(181,345)	(366,551)	(1,438,293)	(64,629)	(3,276,041)
Net balance December 31, 2020	B/. 220,055	B/. 140,733	B/. 108,990	B/. 1,061,909	B/. 1,021	B/. 1,532,708

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8. Segment Information of the Subsidiaries

Following is the detailed segment information of subsidiaries:

	2021				
	Exchange Services	Custody	Investment Holding	Eliminations	Total
Revenue from contracts					
Commissions	B/. 4,059,187	B/. 1,929,638	B/. -	B/. -	B/. 5,988,825
Agency of settlement and international market transactions	-	1,669,925	-	-	1,669,925
Maintenance fees	321,330	162,000	-	-	483,330
Financial income	36,760	28,585	311,638	-	376,983
Dividends received from subsidiaries	14,093	1,448	2,868,904	(2,884,445)	-
Companies registrations and issuances	134,676	-	-	-	134,676
Management fee	-	696,941	-	-	696,941
Unrealized loss on investments at fair					-
value through income	(9,482)	-	(7,298)	-	(16,780)
Others	122,080	61,441	1,393	-	184,914
Total revenue	B/. 4,678,644	B/. 4,549,978	B/. 3,174,637	B/. (2,884,445)	B/. 9,518,814
General and administrative expenses					
Personnel expenses	1,167,498	1,046,737	-	-	2,214,235
Depreciation and amortization	257,537	74,685	-	-	332,222
Insurance	110,715	140,815	-	-	251,530
Supervision fee	101,200	101,200	4,051	-	206,451
Custody and settlement, registration and transfer agency expenses	-	919,929	-	-	919,929
Other administrative expenses	901,217	638,247	13,798	-	1,553,262
Total general and administrative expenses	2,538,167	-	17,849	-	5,477,629
Income before income tax	B/. 2,140,477	B/. 4,549,978	B/. 3,156,788	B/. (2,884,445)	B/. 4,041,185
Total assets	B/. 3,379,382	B/. 2,744,707	B/. 20,113,488	B/. (10,115,758)	B/. 16,121,819
Total liabilities	B/. 2,547,176	B/. 1,490,423	B/. 5,093	B/. (2,569,677)	B/. 1,473,015

8. Segment Information of the Subsidiaries (continued)

	2020				
	Exchange Services	Custody	Investment Holding	Eliminations	Total
Revenue from contracts					
Commissions	B/. 3,346,810	B/. 1,904,878	B/. -	B/. -	B/. 5,251,688
Agency of settlement and international market transactions	-	1,714,425	-	-	1,714,425
Maintenance fees	309,368	162,000	-	-	471,368
Financial income	33,226	37,280	385,925	-	456,431
Dividends received from subsidiaries	16,261	1,670	2,484,373	(2,502,304)	-
Company's registrations and issues	105,852	-	-	-	105,852
Management fee	-	627,367	-	-	627,367
Unrealized gain (loss) on investments at fair value through profit or loss	3,909	-	(34,381)	-	- (30,472)
Others	97,878	56,365	1,659	-	155,902
Total revenue	B/. 3,913,304	B/. 4,503,985	B/. 2,837,576	B/. (2,502,304)	B/. 8,752,561
General and administrative expenses					
Personnel expenses	1,043,502	1,014,643	-	-	2,058,145
Depreciation and amortization	280,734	75,443	-	-	356,177
Insurance	108,608	122,217	-	-	230,825
Supervision fee	101,700	101,200	3,962	-	206,862
Custody and settlement, registration and transfer agency expenses	-	929,319	-	-	929,319
Other administrative expenses	851,725	536,973	4,947	-	1,393,645
Total general and administrative expenses	2,386,269	2,779,795	8,909	-	5,174,973
Income before income tax	B/. 1,527,035	B/. 1,724,190	B/. 2,828,667	B/. (2,502,304)	B/. 3,577,588
Total assets	B/. 2,980,640	B/. 2,865,596	B/. 19,074,072	B/. (9,650,925)	B/. 15,269,383
Total liabilities	B/. 2,176,606	B/. 1,625,654	B/. 5,374	B/. (2,215,340)	B/. 1,592,294

9. Financial Income

Following is the detail of financial income recorded:

	2021	2020
Interests	**B/. 223,397**	B/. 309,524
Dividends	**153,586**	146,907
	B/. 376,983	B/. 456,431

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Latinex Holdings, Inc. and Subsidiaries
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10. Other Income

Other income is detailed as follows:

	2021	2020
Sanctions	**B/. 2,804**	B/. 2,000
Compensation system	**54,000**	54,000
Forums	**40,667**	35,000
Financial information reporting	**51,844**	34,594
Others	**35,599**	30,308
	B/. 184,914	B/. 155,902

11. Personnel Expenses

Personnel expenses are detailed as follows:

	2021	2020
Salaries	**B/. 1,094,650**	B/. 1,073,135
Representation expenses	**465,991**	485,227
Profit sharing	**275,500**	255,520
Labor benefits	**212,846**	212,944
Severance and seniority premium	**165,248**	31,319
	B/. 2,214,235	B/. 2,058,145

As of December 31, 2021, the total number of collaborators was 47 (2020: 46).

12. Other Administrative Expenses

Other administrative expenses are detailed as follows:

	2021	2020
Maintenance	B/. 609,108	B/. 537,611
Directors' allowance	133,250	129,250
Professional fees	124,675	96,149
Taxes	103,651	107,237
PH maintenance	95,032	98,637
Banking services	74,353	59,494
Audit	58,921	47,564
Associations	56,994	62,600
Legal expenses	47,969	17,782
Electricity and telephone	41,165	46,786
Meetings, speeches and events	35,560	29,877
Electronic information services	28,800	28,800
Training, courses and seminars	20,730	14,950
Donations	18,155	32,057
Forums	17,841	21,021
Advertising and promotion	13,742	19,525
Rent	13,594	13,528
Travel abroad and customer service	13,093	5,107
Education program	8,581	-
Stationery and office supplies	5,857	2,252
Transportation and fuel	5,256	4,903
Minor furniture	3,287	885
Cleaning	2,208	1,706
Cafeteria	2,203	1,105
Fees and subscriptions	1,005	592
Others	18,232	14,227
	B/. 1,553,262	B/. 1,393,645

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Latinex Holdings, Inc. and Subsidiaries
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13. Assets under Management and Custody

In the normal course of its activities, Central Latinoamericana de Valores, S. A. keeps in custody financial assets of third parties on a fiduciary basis, as established in Decree Law No.1 of July 8, 1999 (Securities Law) and its reforms. As of December 31, 2021, the value of the assets held in custody amounted to:

	2021	2020
Fixed income	B/. 8,267,867,007	B/. 8,383,023,692
Government securities	7,715,296,446	7,381,491,155
Variable income	5,824,669,756	5,383,045,600
Investment funds	3,965,257,517	3,323,840,075
Promissory notes	481,584,309	438,538,235
CERPANES	20,526,071	28,328,301
Deposits in banks	8,482,511	20,893,846
	B/. 26,283,683,617	B/. 24,959,160,904

For purposes of mitigating the risks inherent to the business, Central Latinoamericana de Valores, S. A. maintains a fidelity policy with a local insurance company.

In accordance with current regulations and the provisions of the Internal Rules of Central Latinoamericana de Valores, S. A., and as part of the safeguards of the financial activities of the participants, the custody center maintains, as of December 31, 2021, a total combined cash of B/.1,300,000 (2020: B/.1,705,000) as guarantees in support of the obligations of the participants. Said guarantees are duly segregated and are managed in memorandum accounts of the Company.

14. Basic Income per Share

Basic income per share measures the performance of an entity over the reporting period and is computed by dividing the net income attributable to the shareholders by the weighted average number of shares outstanding during the period.

The calculation of basic income per share is presented as follows:

	2021	2020
Net income	B/. 2,835,633	B/. 2,541,604
Weighted average number of shares	14,756,375	14,756,375
Net income per share	B/. 0.1922	B/. 0.1722

15. Income Tax

According to the current Panamanian legislation, the Company is exempt of income tax payment derived from profits from foreign sources. Also are exempt from income tax, interest earned on time deposits in local banks, interest earned on securities of the Panamanian State and investments in securities issued through the stock exchanges established in the country:

Income tax is as follows:

	2021	2020
Current income tax	**B/. 929,226**	B/. 797,351
Dividends tax	**279,182**	238,533
Deferred tax	**(2,856)**	-
	B/. 1,205,552	B/. 1,035,884

Income tax is calculated based on net taxable income. The reconciliation of net taxable income with income before income tax according to the consolidated financial statements is presented below:

	2021	2020
Income before income tax	**B/. 4,041,185**	B/. 3,577,488
Less: Exempt and/or nontaxable income	**(361,596)**	(427,519)
Plus: Non-deductible expenses	**37,314**	39,436
Net taxable income	**B/. 3,716,903**	B/. 3,189,405
Current income tax expense 25%	**B/. 929,226**	B/. 797,351

According to current regulations, the income tax returns of the companies are subject to review by the tax authorities of the Republic of Panama for the last three years, including the year ended December 31, 2021.

(Translation of consolidated financial statements originally issued in Spanish)
Latinex Holdings, Inc. and Subsidiaries
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16. Balances and Transactions with Related Parties

Balances as of December 31, 2021 and 2020 and transactions during 2021 and 2020 with related parties are detailed as follows:

	December 31, 2021	December 31, 2020
Balances with related companies		
Dividends payable	**B/. 284,451**	B/. 534,651

	Year ended December 31, 2021	Year ended December 31, 2020
Key personnel transactions		
Key personnel compensation	**B/. 1,771,388**	B/. 1,646,516
Directors' allowance	**B/. 133,250**	B/. 129,250
Dividends declared	**B/. 1,918,328**	B/. 2,213,456

17. Common Shares

The number of common shares issued and in treasury is summarized as follows:

	December 31, 2021	December 31, 2020
Outstanding Common Shares		
Type "A"	**B/. 11,805,100**	B/. 11,805,100
Type "B"	**2,951,275**	2,951,275
	B/. 14,756,375	B/. 14,756,375
Type "A"	**B/. (640,820)**	B/. (640,820)
Type "B"	**(160,205)**	(160,205)
	B/. (801,025)	B/. (801,025)

17. Common Shares (continued)

Following is the movement for the period:

	2021		2020	
	Number of Shares	**Amount**	Number of Shares	Amount
Outstanding Common Shares				
Balance at the beginning and ending of year	**14,756,375**	**5,716,529**	14,756,375	5,716,529
Treasury Shares				
Balance at the beginning and ending of year	**(801,025)**	**(118,459)**	(801,025)	(118,459)

18. Dividends Declared

The Board of Directors at a meeting on February 25, 2021 approved a dividend payment to the shareholders, as described below:

Type of Dividend	Dividend Declared	Dividend per share	Declarated Date	Payment Date
2021				
Ordinary	**B/. 1,475,637**	**0.10**	**February 25, 2021**	**Quaterly**
Extraordinary	**442,691**	**0.03**	**February 25, 2021**	**Payable in two parts On May 28 and August 27**
	B/. 1,918,328			
2020				
Ordinary	B/. 1,475,638	0.10	March 2, 2020	**Quaterly**
Extraordinary	737,818	0.05	March 2, 2020	**Payable in two parts On May 30 and August 29**
	B/. 2,213,456			

Total dividends payable as of December 31, 2021 amount to B/.284,451 (2020: B/.534,651).

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Latinex Holdings, Inc. and Subsidiaries
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19. Contingency

With respect to the lawsuit filed by Bolsa Latinoamericana de Valores, S. A. to AGB Cambios, S. A., and the following legal proceedings, the diligence was ruled in favor of the subsidiary Bolsa Latinoamericana de Valores, S.A. and a recovery is expected to receive eventually through the auction of the seat, ordered by the Fourteenth Circuit Judge of the Civil First Judicial Circuit of Panama. Due to the nature of the collection amount, it has not been reflected in the consolidated statement of income. The first auction was ordered by the Judge for August 18, 2020, which was held but no bids were received, therefore the position has not been assigned and it should be expected that the Judge will establish the next date for the second auction.

There are lawsuits filed against the Company, which the Company's Management and its legal advisors estimate that the outcome of these processes is not expected to generate an adverse effect on the Company's financial position.

20. Subsequent Events

At the Company's Board of Directors meeting held on February 23, 2022, an ordinary cash dividend was declared at the rate of B/.0.12 per share, to be distributed in four equal payments of B/.0.03 each, in March, June, September and December 2022. Likewise, an extraordinary cash dividend of B/.0.06 per share was declared, to be distributed in two equal payments of B/.0.03 each, in May and August 2022.

Latin American Stock Exchange (Latinex)

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Dignitaries

Arturo Gerbaud	Chairman
Roberto Brenes	Vice President
Carlos Mendoza	Treasurer
Mónica García de Paredes de Chapman	Secretary

Physical address

| Federico Boyd Avenue & 49th Street, Building PH Latinex

Banks and other financial institutions

Banco Aliado, S. A.
Banco General, S. A.
Citibank, N.A.
Global Bank Corporation

Auditors

| Ernst & Young

EY
Building a better working world

Ernst & Young Limited Corp.
Costa del Este, Avenida Centenario,
PH Dream Plaza, Piso 9
Panamá, República de Panamá

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Translation of report originally issued in Spanish
(See explanation in the notes to the financial statements)

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors of
Bolsa Latinoamericana de Valores, S.A.

Opinion

We have audited the financial statements of Bolsa Latinoamericana de Valores, S.A. (the Company), which comprise the statement of financial position as of December 31, 2021, and the statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Professional Code of Ethics for Authorized Public Accountants in Panama (Decree No. 26 of May 17, 1984) and with the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of Central Latinoamericana de Valores, S.A for the year ended December 31, 2020 were audited by other auditors whose report dated March 29, 2021 expressed an unqualified opinion.

Responsibilities of management and those charged with governance of the Company for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's 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 auditor's 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 of the Company 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.

Other legal and statutory requirements

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

- That the direction and supervision, as well as the execution of the audit of the activities that the Company maintains in Panama, have been physically performed in Panamanian territory.
- The work team which participated in the audit that this report refers to is comprised by Aurora Díaz G., partner, Eduardo Sánchez, partner and Hellen Gallardo, senior manager.

Ernst + Young

Panama, Republic of Panama
March 29, 2022

Aurora Díaz G.
C.P.A. No. 2205

(Translation of financial statements originally issued in Spanish)
Bolsa Latinoamericana de Valores, S. A.
Statement of Financial Position
December 31, 2021
(Amounts expressed in Balboas)

Notes		**2021**	2020
	Assets		
5	Cash and deposits in banks	**B/. 1,321,012**	B/. 885,883
6, 14	Investments in securities	**616,167**	598,679
	Financial assets at amortized cost	**17,122**	22,673
	Prepaid expense	**43,046**	37,769
7	Property, furniture and equipment, net	**1,242,089**	1,296,302
	Severance fund, net	**139,866**	139,254
	Guarantee deposits and other assets	**80**	80
	Total assets	**B/. 3,379,382**	B/. 2,980,640
	Liabilities and Equity		
	Liabilities		
	Accrued expenses and withholdings payable	**B/. 231,411**	B/. 201,917
	Income tax payable	**155,237**	26,027
14, 15	Dividends payable	**1,620,624**	1,452,403
	Commissions charged in advance	**539,904**	496,259
	Total liabilities	**2,547,176**	2,176,606
16	Contingency		
	Equity		
	Common shares without par value: 500 authorized issued and outstanding shares	**500,000**	500,000
	Valuation of investments in securities	**332,206**	304,034
	Undistributed earnings	**-**	-
	Total equity	**832,206**	804,034
	Total liabilities and equity	**B/. 3,379,382**	B/. 2,980,640

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Bolsa Latinoamericana de Valores, S. A.
Statement of Income
For the year ended December 31,2021
(Amounts expressed in Balboas)

Notes		**2021**	2020
	Revenue from Contracts		
8	Commissions	**B/. 4,059,187**	B/. 3,346,810
	Maintenance fees	**321,330**	309,368
	Company registrations and issues	**134,676**	105,852
	Total revenue from contracts	**4,515,193**	3,762,030
9, 14	Financial income	**50,853**	49,487
	Unrealized (loss) gain on investments at fair value through income	**(9,482)**	3,909
10	Others	**122,080**	97,878
	Total revenue	**4,678,644**	3,913,304
	General and Administrative Expenses		
11, 14	Personnel expenses	**1,167,498**	1,043,502
7	Depreciation and amortization	**257,537**	280,734
	Insurance	**110,715**	108,608
	Supervision fee	**101,200**	101,700
12	Other and administrative expenses	**901,217**	851,725
	Total general and administrative expenses	**2,538,167**	2,386,269
	Income before tax	**2,140,477**	1,527,035
13	Income tax	**(525,123)**	(370,749)
	Net income	**B/. 1,615,354**	B/. 1,156,286

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Bolsa Latinoamericana de Valores, S. A.
Statement of Comprehensive Income
December 31, 2021
(Amounts expressed in Balboas)

Note		**2021**	2020
	Net income	**B/. 1,615,354**	B/. 1,156,286
	Other Comprehensive Income Items:		
	Items that can be subsequently reclassified to results:		
6	Net change in equity investment at fair value through other comprehensive income	**28,172**	(14,194)
	Total other comprehensive income	**B/. 1,643,526**	B/. 1,142,092

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Bolsa Latinoamericana de Valores, S. A.
Statement of Changes in Equity
For the year ended December 31, 2021
(Amounts expressed in Balboas)

Notes		Common Shares	Valuation of investments in Securties	Retained Earnings	Total
	Balance as of January 1, 2021	**B/. 500,000**	**B/. 304,034**	**B/. -**	**B/. 804,034**
	Comprehensive Income:				
	Net income	-	-	**1,615,354**	**1,615,354**
	Other comprehensive income	-	**28,172**	-	**28,172**
6	Total comprehensive income	-	**28,172**	**1,615,354**	**1,643,526**
	Transactions with Shareholders				
15	Dividends declared	-	-	**(1,615,354)**	**(1,615,354)**
	Balance as of December 31, 2021	**B/. 500,000**	**B/. 332,206**	**B/. -**	**B/. 832,206**
	Balance as of January 1, 2020	B/. 500,000	B/. 318,228	B/. -	B/. 818,228
	Comprehensive Income:				
	Net income	-	-	1,156,286	1,156,286
6	Other comprehensive income	-	(14,194)	-	(14,194)
	Total comprehensive income	-	(14,194)	1,156,286	1,142,092
	Transactions with Shareholders				
15	Dividends declared	-	-	(1,156,286)	(1,156,286)
	Balance as of December 31, 2020	B/. 500,000	B/. 304,034	B/. -	B/. 804,034

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Bolsa Latinoamericana de Valores, S. A.
Statement of Cash Flows
For the year ended December 31, 2021
(Amounts expressed in Balboas)

	2021	2020
Cash flows from operating activities		
Income before income tax	**B/. 2,140,477**	B/. 1,527,035
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation and amortization	**257,537**	280,734
Financial income	**(50,853)**	(49,487)
Unrealized (loss) gain on investments at fair value through income	**9,482**	(3,909)
Net changes in operating assets and liabilities:		
Financial assets at amortized cost	**5,551**	664
Prepaid expenses	**(5,277)**	(7,055)
Accrued expenses and withholdings payable	**29,494**	(418)
Commissions charged in advance	**43,645**	122,662
Contribution to severance fund, net	**(612)**	(6,234)
Interest and dividends received	**52,055**	48,586
Income tax paid	**(395,913)**	(456,976)
Net cash provided by operating activities	**2,085,586**	1,455,602
Cash flows from investment activities		
Purchase of furniture and equipment used in investment activities, net	**(203,324)**	(8,348)
Cash flows from financing activities		
Dividends paid	**(1,447,133)**	(1,648,859)
Net cash used in financing activities	**(1,447,133)**	(1,648,859)
Net increase (decrease) in cash	**435,129**	(201,605)
Cash at the beginning of year	**885,883**	1,087,488
Cash at the end of year	**B/. 1,321,012**	B/. 885,883

The accompanying notes are an integral part of these financial statements.

Explanation Added for Translation into English

The accompanying financial statements have been translated from Spanish into English for international use. These financial statements are presented in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. Certain accounting practices applied by Bolsa Latinoamericana de Valores, S.A. which are in conformity with International Financial Reporting Standards may differ from accounting principles generally accepted in some countries where the financial statements may be used.

1. General Information

Bolsa Latinoamericana de Valores de Panama, S. A. (the "Company") is a corporation incorporated in accordance with Panamanian laws according to Public Deed No.954 of March 8, 1989 and subsequent to the corporate reorganization according to Public Deed No.15125 of 28 June 2010. By Resolution CNV-349 of March 30, 1990 of the Superintendency of Stock Market, the Company was authorized to operate a stock exchange in the Republic of Panama.

The Company is 100% subsidiary of Latinex Capital, Inc., which in turn is 100% subsidiary of Latinex Holdings, Inc. (the ultimate Parent Company).

On March 23, 2021, the change of corporate name of the entity Bolsa de Valores de Panamá, S.A. to Bolsa Latinoamericana de Valores, S.A. was registered in the Public Registry of Panama.

The Internal Rules of Operations of Bolsa Latinoamericana de Valores, S.A. and its amendments were approved by the Superintendency of Securities Market (SMV, in Spanish). The last amendment was approved by the SMV by Resolution No. SMV 211-21 of May 2021.

Corporate Governance

Summary of Policies
In accordance with the provisions contained in the Articles of Incorporation, the Company has been developing and adopting, continuously and voluntary, a Corporate Governance scheme in order to:

- Define the best practices that the Company will follow for all their stakeholders (shareholders, members of the Board of Directors and Committees, customers, suppliers and creditors, strategic allies, the State, regulatory bodies, media, public in general, among others.)
- Support the Board of Directors in the examination, assessment and permanent monitoring of the accounting, financial and risk management systems of the Company.
- Follow up of the procedures of internal control management system.
- Establish a clear framework for risk identification, verification and control.
- Clear arrangements for delegating authority and responsibility.
- Establish efficient decision-making processes.
- Establish explicit guidance for the Board of Directors relating to policies for decision-making.

(Translation of financial statements originally issued in Spanish)
Bolsa Latinoamericana de Valores, S. A.
Notes to the Financial Statements
December 31, 2021
(Amounts expressed in Balboas)

1. General Information (Continued)

The Company has various working Committees appointed by the Board of Directors:

Audit Committee: Its main function is to ensure the proper functioning of the internal control system and the integrity of the financial information of the Company. It is composed by at least three (3) Directors of the Company and individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities will integrate it. All members have the right to voice and vote.

The General Manager and the Internal Auditor of the Company, as well as advisors or any other guest determined by the Committee, will be invited to participate.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the risks inherent to the operations carried out by the Company based on best practices and international standards. It is composed by at least three (3) Directors of the Company and individuals who are not part of the Board of Directors but have the experience and/or necessary knowledge to fulfill the functions and responsibilities will integrate it. All members have the right to voice and vote.

The General Manager, the Risk Officer of the Company and the Compliance Officer, as well as advisors or any other guest determined by the Committee, will be invited to participate.

Ethics and Compliance Committee: Its main function is to plan, coordinate and ensure compliance with current legislation on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as to ensure that members and securities issuers comply with all Internal Rules of the Company. It is composed of at least three (3) directors of the Company and persons who are not part of the Board of Directors, but who have the experience and / or knowledge necessary to fulfill the functions and responsibilities. All members have the right to speak and vote.

The General Manager, the Compliance Officer and the Internal Auditor of the Company, as well as advisors or any other guest determined by the Committee, will be invited to participate.

Technology Committee: Its main function is to promote the necessary technological development for the management of the Company's businesses. It is integrated by at least two (2) directors of the Company, who holds the Executive Vice Presidency of Latinex Holdings, Inc., the Technology Manager of the Latinex Group and Systems Security Officer and an advisor or specialist in the field.

Other managers of the operating companies and other advisors or specialists that the members of the Committee consider necessary to hire and/or invite, all with the right to voice, but without vote, will be invited to participate in this Committee.

1. General Information (Continued)

Directors, Independent Directors and Executives

The Directors and Independent Directors of the Company are not directly or indirectly, individually or jointly, effective owners of a controlling number of common shares of the Parent Company. Neither a Director nor an Independent Director, directly or indirectly, is an important supplier of goods or services for the Company; however, some Directors are executives of companies with substantial relationships with the Parent Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and the shareholders.

At the meeting held on May 4, 2017, the Shareholders' Assembly approved the amendment to the Articles of Incorporation, in order to integrate, at least, two (2) Independent Directors to the Board of Directors of the Company.

In addition, the Board of Directors will be integrated by the percentage of women's participation established in the Law 56 of July 11, 2017, who can occupy both the position of Director or Independent Director, in accordance with the bylaws of the Company.

Statutes
The Company has Statutes, which regulate the operation of the different Committees, based on general principles of Corporate Governance.

Code of Ethics and Conduct
The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Dignitaries, Members or guests of the Board Committees, Legal Representatives, Managers and Collaborators of the Company meet the highest standards of conduct. The Code of Ethics and Conduct governs relations with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflict of interest and regulates prohibited behaviors, such as the use of confidential and privileged information, dishonest or unfair behaviors, bribery, corruption, among others.

Code of Corporate Governance
The Company adopted a Code of Corporate Governance that aims to define the best practices that Latinex Group will follow for all its stakeholders, in addition to what are established by the Law, the Articles of Incorporation, the Statutes of each company and any another policy that has been duly approved by the Board of Directors and that, in turn, devote rights for these. Therefore, the application, compliance and interpretation of said Code must be done in accordance with the Law, the Articles of Incorporation and the Statutes. The Corporate Governance Code is applicable to Shareholders, Directors, Dignitaries, members of the Board Committees, Managers, Collaborators and other groups of interest of Latinex Group.

These financial statements were approved for issue by the Board of Directors on March 28, 2022.

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2. Summary of Significant Accounting Policies

Following are the most significant accounting policies used by the Company in the preparation of these financial statements, which were consistently applied in the previous year.

Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), on a historical cost basis, except for the fair value measurement of investments at fair value through other comprehensive income and investments are fair value through income, according to IFRS 9 Financial Instruments.

The preparation of the financial statements in accordance with the IFRS requires the use of certain critical accounting estimates. Also, it requires Management to use its judgment in the process of applying the Company's accounting policies. The areas that involve a high degree of judgment or complexity, or areas where the assumptions and estimates are significant for the financial statements, are disclosed in Note 4.

The Company presents its statement of financial position in order of liquidity based on the intention and perception to recover the majority of its assets and liabilities in the corresponding lines of said financial statement.

Changes in accounting policies and disclosures, new standards, amendments to standards and interpretations

The accounting policies adopted by the Company for the preparation of its financial statements as of December 31, 2021 are consistent with those that were used for the preparation of its financial statements as of December 31, 2020.

Some modifications and interpretations that were applied for the first time in 2021 did not have a material impact on the Company's financial statements. These modifications and new interpretations have required certain additional disclosures and, in some cases, the revision of certain accounting policies. The Company has not early adopted in any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has not adopted in advance any other standard, interpretation or amendment that has been issued and has not entered into force.

The following rules, amendments and interpretations were adopted by the Company during the year 2021 and did not have a significant impact on the financial statements:

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS16 and IAS 39: Reform of the Interest Rate Benchmark – phase 2.
- Amendment to IFRS 16 Concessions on Covid-19 Related Leases, after June 30, 2021.

2. Summary of Significant Accounting Policies (Continued)

Future changes to accounting policies

The International Financial Reporting Standards or their interpretations and modifications issued, but not yet effective up to the date of issuance of the Company's financial statements, are described below. The standards or interpretations and modifications described are only those that, in the opinion of management, may have a significant effect on the Company's disclosures, position or financial performance when applied at a future date. The Company intends to adopt these new and modified standards and interpretations, if any, when they become effective.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements.

The amendments are effective for annual financial reporting periods beginning on or after January 1, 2022 and are applied prospectively.

Property, Plant and Equipment: Revenue Before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued *Properties, Plant and Equipment – Revenue Before Intended Use*, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to function in the manner intended by management. The amendment states that an entity recognizes the proceeds of the sale of such items, and the costs of producing them, in the results of the period.

The amendment is effective for annual reporting periods beginning on or after the beginning of January 1, 2022 and must be applied retroactively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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2. Summary of Significant Accounting Policies (Continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

2. Summary of Significant Accounting Policies (Continued)

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Financial Assets

a) *Recording*
Purchases or sales of financial assets that require delivery of assets within a time frame established by a regulation or convention in the marketplace (regular-way trades) are recognized on the settlement date; that is, the date on which the transaction becomes effective.

b) *Classification*
Financial assets are classified into the following categories: financial assets at amortized cost, investments at fair value through other comprehensive income. Management determines the classification of the assets since their initial recognition.

c) *Measurement*
Financial assets are subsequently measured at amortized cost and, fair value through other comprehensive income based on the entity's business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset.

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2. Summary of Significant Accounting Policies (Continued)

Financial Assets at Amortized Cost
Financial assets are measured at amortized cost if they meet the following two conditions:

- The asset is maintained within a business model whose objective is to maintain assets to obtain contractual cash flows; and
- The contractual terms of the financial asset establish specific dates for the cash flows derived from solely payments of principal and interest on the outstanding balance.

Investments at Fair Value through Other Comprehensive Income
Investments are measured at fair value through other comprehensive income only if they meet the following conditions:

- The asset is maintained within a business model whose objective is achieved by collecting contractual cash flows and selling these financial assets; and
- The contractual terms of the financial asset establish specific dates for the cash flows derived from solely payments of principal and interest on outstanding balance.

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

Financial Assets at Fair Value through Income (FVPL)
All financial assets not classified as measured at amortized cost or at fair value with changes in other comprehensive income as described above, are measured at fair value with changes in income.

A gain or loss on an investment that is subsequently measured at fair value through income is recognized in the statement of income.

Equity Instruments at Fair Value through Other Comprehensive Income
The Company subsequently measures all equity investments at fair value. Management has chosen to present the gains or losses of fair value in equity instruments at fair value through other comprehensive income, there is no subsequent reclassification of gains or losses of fair value to results after the derecognition of the investment. Dividends received from equity instruments are recognized in the statement of income.

Evaluation of The Business Model
The Company realized an assessment of the objectives of the business models in which the different financial assets are maintained at the portfolio level to reflect, in the best way, the way in which the business is managed and how the information is provided to Management (strategy to collect solely payments of principal and interest or realize cash flows through the sale of assets, or considering whether the include frequency, value of sales in previous period or the expectation of future sales).

2. Summary of Significant Accounting Policies (Continued)

Business model whose objective is to maintain the assets to obtain the contractual cash flows
A portfolio of financial assets is managed in order to obtain cash flows through payments of principal and interest throughout the life of the instrument, even when sales of the financial assets take place or are expected to occur in the future.

Business Model whose Objective is to obtain Contractual Cash Flows and the Sale of Financial Assets
In this type of business model there are different objectives that can be seen framed, for example, an objective to manage liquidity needs.

In comparison with the business model in which the objective is to maintain financial assets to collect cash flows through the payment of principal and interest, this business model involves more frequency and value of sales, without the need to have a frequency threshold or defined value, since the sales and collection of contractual flows are combined in a way that allows achieving the objective of the business model.

Change of the Business Model
When the business model for the management of financial assets is changed, all the affected assets must be reclassified prospectively from the date of the reclassification and the previously recognized gains, losses or interests, including impairment gains or losses, will not be restated.

Assessment of whether contractual cash flows are solely payments of principal and interest – SPPI
The Company considers whether the cash flows are consistent with the consideration of money over time, credit risk and other basic risks associated with the financial assets. When evaluating whether the contractual cash flows are solely payments of principal and interest, the Company considered the terms of the contracts. This included the evaluation to determine whether the financial asset contains a contractual term that could change the period or amount of the contractual cash flows in such way that it does not comply with this condition.

a) Impairment
The Company has defined that the measurement of impairment of financial assets can be done through a collective or individual evaluation according to the amount and characteristics of the portfolio.

Individual Methodology
Accounts receivable and investments from a government or quasi-government entity will be considered individually.

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2. Summary of Significant Accounting Policies (Continued)

Collective Methodology
For instruments that are not considered individually significant, an evaluation is performed collectively, grouping portfolios of financial assets with similar characteristics and including parameters of probability of default at 12 months, probability of default throughout the life of the obligation, loss given default, and exposure to non-compliance with the inclusion of the prospective criterion.

Measurement of Expected Credit Losses
The quantification of the collectively expected credit losses is done according to: the classification of the stages, the homogeneous groups defined in each type of portfolio and the level of risk of the client.

The segmentation of homogeneous groups is done by type of client and is presented as follows:

- Accounts receivable - issuers
- Accounts receivable - participant/stock exchange seats
- Accounts receivable - others

In order to estimate the provisions under the collective methodology, the following formula is used:

$$\text{Impairment: } EAD \times (1\text{-}PF) \times PD \times LGD$$

Where:

Exposure at Default (EAD): is the exposed value of the asset valued at amortized cost (includes the principal balance, interest and accounts receivable). In the case of products whose nature is of a rotating type and have an available quota that is capable of being used in its entirety, the estimation of the (EAD) considers the use of the risk conversion factor (RCF), in order to find a relationship regarding the use and the unused component of the instrument.

Probability of Default (PD): estimated probability of occurrence of default of the instrument.

PF (Prospective factor): the country's most relevant economic and financial variables (CPI, GDP growth), compiled from official sources.

2. Summary of Significant Accounting Policies (Continued)

- **Stage 1:** it is the estimated probability of occurrence of a default in the next 12 months of the instrument's life as of the date of analysis. The Company defines its use for the healthy portfolio that does not present a significant increase in risk or any evidence of impairment. To estimate the probability of default for 12 months, the Company uses traditional techniques, modeling the behavior of the portfolio.

- **Stage 2:** is the estimated probability of occurrence of a default throughout the remaining life of an instrument, being dependent on the conditions of the specific product to be analyzed. The Company according to the standard defines its use for the portfolio with a significant increase in credit risk.

- **Stage 3:** instruments assessed by the collective and individual methodologies have an associated probability of default of 100%.

Loss Given Default (LGD): it is the percentage of exposure that the Company finally expects to lose in the event of a default in a financial instrument.

The general formulation for the calculation of the LGD is:

$$LGD = 1 - \%\ RR$$

Where % RR is understood as the recovery percentage and refers to the sum of the flows received from the operation discounted at the rate of the obligation at the date of analysis on the total exposure at the time of default.

After being calculated, the LGD is adjusted for a historical factor in the behavior of the Company's portfolio.

Significant Increase in Credit Risk
The Company determines whether the credit risk of a financial asset has significantly increased since its initial recognition, considering reasonable and sustainable information that is relevant and available without cost or disproportionate effort, including information and analysis of quantitative and qualitative nature based on historical experience and expert credit assessment including future information.

To establish whether an asset presents a significant increase in risk since the initial recognition, an evaluation of quantitative and qualitative factors is carried out, these factors are:

- Assets with areas of more tan 30 days
- Assets where the client is experiencing financial difficulties.
- The Company reviews whether there are collective criteria for the migration of a group of customers to Stage 2.

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2. Summary of Significant Accounting Policies (Continued)

Stage 2
It will include those instruments that meet the corporate definition of a significant increase in risk.

Definition of Default
An asset is considered to be in default when it has any of the following characteristics:

- Arrears of more than 90 days, except for the Republic of Panama and quasi-government.
- Customer in special status of restructuring or business reorganization and insolvency law agreements.
- Customers on watch list or classified as doubtful or delayed.

Prospective Information
The Company incorporates macroeconomic scenarios in the calculation of the expected loss in order to reflect the prospective effect. The inclusion of macroeconomic conditions in the models of expected loss is made from methodologies that correlate the historical behavior of the portfolio with certain economic variables.

To make the projections, the historical information is considered for the most relevant economic and financial variables of the country (inflation, GDP growth). The information bases are compiled from official sources.

Impairment of Investments at Fair Value Through Other Comprehensive Income

Investments are classified into stages according to the following classification:

- Stage 1: investments that are in default on their interest and principal obligations. The Company uses the default probabilities according to its country risk adjusted risk rating compared to international risk ratings;
- Stage 2: investments that are in speculation grade in the fulfillment of their interest or capital obligations; and
- Stage 3: investments that are in default on their interest or principal obligations.

To estimate the impairment of the instruments, the risk rating of the issue, and the probability of default (PD) according to the external rating adjusted to the highest international risk rating registered at the local level are considered. If they do not have a risk rating, it is provisioned with the internal rating model and the probability of default developed by the Company.

$$\text{Impairment: } EAD \times (1\text{-}PF) \times PD \times LGD$$

- All instruments classified in Stage 1 will be assigned a 12-month probability of default.
- All instruments classified in Stage 2 will be assigned a probability of default for the life of the instrument.
- All instruments classified in Stage 3 will be assigned a default probability of 100%.

2. Summary of Significant Accounting Policies (Continued)

In all cases, the loss given default (LGD) is the parameter calculated in the process of impairment of the debt instruments portfolio.

Equity instruments at fair value through other comprehensive income are not subject to impairment assessment.

Property, Furniture and Equipment

Property, furniture and equipment are presented at cost less accumulated depreciation and amortization. The Nasdaq Software electronic trading system and its configurations are classified as a computer equipment item. Depreciation and amortization are calculated based on a straight line over the estimated life of the asset for 10 years.

Depreciation and amortization are calculated based on a straight line over the estimated life of the asset as follows:

	Percentage	Useful life
Building	6.67%	15 years
Improvements	10%	10 years
Furniture	10% to 33.33%	3 to 10 years
Equipment	10% to 33.33%	3 to 10 years
Computer Equipment	10%	3 to 10 years

The useful life of assets is reviewed and adjusted, if appropriate, to the date of each statement of financial position.

Costs of non-capitalizable items are recognized as expenses and costs as incurred. The cost of major repairs is capitalized when it is probable that it, in addition to the originally assessed future economic benefits arising following the standard of performance for existing asset.

Gains or losses on disposal of fixed assets are determined by comparing the net proceeds from the sale against the carrying value of the assets. Gains or losses on disposal of fixed assets are included in the results for the period.

Property, furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is written-off immediately to its recoverable amount if the carrying amount of an asset is greater than the estimated recoverable value. The recoverable amount is the higher between the fair value of asset less cost to sell and its value in use.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition
Revenue is recognized based on the economic benefits that flow to the Company and the revenue can be reliably measured. The specific recognition criteria must also be met before revenue is recognized.

Revenues from contracts
The Company classifies recognized revenue from contracts with customers in categories that show how the nature, the amount, the income and the cash flows are affected by economic factors. The Company also discloses information on the relationship between the disclosure of detailed income and income information disclosed for each segment.

Income is classified in the following categories:

Commissions
Commissions are recognized when executing the daily transactions made by exchanges seats for the purchase and sale of securities.

Maintenance Fees
A monthly maintenance fee for each exchange seat is charged according to the monthly transactions they have generated.

Financial Income
Interest income is recognized on a time proportional basis, using the effective interest method.

Sales of Seats
The sale of seats is recognized as income when earned.

Dividend Distribution

Dividend distribution to shareholder of the Company is recognized as a liability in the financial statements in the period in which the Board of Directors of the Company approves the dividends.

Income Tax

The income tax is recognized in the current results of operations. Current tax refers to tax on the net taxable income of the period, using the income tax rate in effect at the date of the statement of financial position.

Monetary Unit and Functional Currency

The financial statements are expressed in balboas (B/.), the monetary unit of the Republic of Panama, which is at par and is freely exchangeable with the dollar (US$) of the United States of America and it considered as the functional currency.

3. Financial Risk Management

Financial Risk Factors

The activities of the Company are exposed to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate), credit risk, liquidity and capital risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

(a) Interest Rate Risk

The risk of the interest rate of cash flow is the risk that future cash flows and fair value of a financial instrument will fluctuate due to changes in prevailing interest rates in the market. The Company mitigates this risk by establishing guidelines for investments made and establishing interest rate risk limits, and its exposure is periodically reviewed by the Market Development Department.

(b) Credit Risk

Credit risk is the risk that the Company will incur a loss due to its clients or counterparties failing to meet their contractual obligations. Credit risk is managed at the Company level. Credit risk originates from fixed income instruments included in fair value with changes in other comprehensive results and assets at amortized cost.

The process of selection, approval and monitoring of investments is limited to criteria and internal processes to diversify the investment portfolio and mitigate market risks and those inherent to the nature of the securities and issuers.

The responsibility for this process lies in the Investments and Finance Committee of Latinex Holdings, Inc.

The continuous monitoring of performance and market movement is done by Management reporting to the Investments and Finance Committee. The Investments and Finance Committee reports to the Board of Directors of Latinex Holdings Inc.when changes are needed in policies and investment criteria.

The selection criteria consider diversification by asset class, type of instrument, duration, country or region, industry, issuer and economic group. These criteria limit the positions of a certain group to fixed percentages of the total equity and their temporary deviations require the approval of the Investment and Finance Committee.

Likewise, the profitability and credit quality of the issuers are considered, allowing 100% of the portfolio to be invested in the Republic of Panama, a maximum of 20% for countries with a BBB or higher risk rating and 10% for member countries of the Association of Capital Markets of the Americas (AMERCA).

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3. Financial Risk Management (Continued)

Credit Quality Analysis

The following table presents the financial assets and reserves for expected credit losses at December 31:

	Level 1	Level 2	Level 3	2021	2020
Investments at fair value through other comprehensive income					
Internal classification	B/. 168,330	B/. -	B/. -	B/. 168,330	B/. 165,397
Unrated	242,666	-	-	242,666	217,428
Interest receivable	2,783	-	-	2,783	3,983
Net book value	B/. 413,779	B/. -	B/. -	B/. 413,779	B/. 386,808
Investments at fair value through income					
External Rating					
Local	202,388	-	-	202,388	211,870
Total Investments in securities	B/. 616,167	B/. -	B/. -	B/. 616,167	B/. 598,678
Financial assets at amortized cost					
Group 1: Posts	B/. 1,000	B/. -	B/. -	B/. 1,000	B/. -
Group 2: Issuers	6,538	-	-	6,538	-
Group 3: Others	3,348	-	-	3,348	22,673
Net book value	B/. 10,886	B/. -	B/. -	B/. 10,886	B/. 22,673

The following table presents the investments in securities and financial assets at amortized cost as follows:

	Stage 1	Stage 2	Stage 3	2021	2020
Maximum exposure					
Net book value	B/. 627,054	B/. -	B/. -	B/. 627,054	B/. 621,352

3. Financial Risk Management (Continued)

The following table presents the provision for credit losses as follows:

	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as of December 31, 2020	B/. 78	B/. -	B/. -	B/. 78
Net effect of changes in the reserve for expected credit losses	(17)	-	-	(17)
Provision for credit losses expected as of December 31, 2021	B/. 61	B/. -	B/. -	B/. 61

(c) Liquidity Risk

Liquidity risk is the risk in which the Company is unable to meet all its obligations. The Company mitigates this risk by maintaining sufficient cash and highly liquid instruments.

The following table analyzes the financial assets and liabilities of the Company by maturity date. Such analysis is presented according to the contractual maturity date and are undiscounted cash flows at current value of the balance:

	Less than 1 year	1 to 5 years	More than 5 years	No Maturity	Total
December 31, 2021					
Assets					
Cash and deposits in banks	B/. 1,321,012	B/. -	B/. -	B/. -	B/. 1,321,012
Investments in securities	-	-	-	613,384	613,384
Interest receivable	2,783	-	-	-	2,783
Financial assets at amortized cost	17,122	-	-	-	17,122
Prepaid expenses	43,046	-	-	-	43,046
Severance fund, net	-	-	-	139,866	139,866
	B/. 1,383,963	B/. -	B/. -	B/. 753,250	B/. 2,137,213
Liabilities					
Accumulated expenses and withholdings payable	B/. 231,411	B/. -	B/. -	B/. -	B/. 231,411
Income tax payable	155,237	-	-	-	155,237
Dividends payable	1,620,624	-	-	-	1,620,624
Commissions charged in advance	539,904	-	-	-	539,904
	B/. 2,547,176	B/. -	B/. -	B/. -	B/. 2,547,176

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3. Financial Risk Management (Continued)

	Less than 1 year	1 to 5 years	More than 5 years	No Maturity	Total
December 31, 2020					
Assets					
Cash and deposits in banks	B/. 885,883	B/. -	B/. -	B/. -	B/. 885,883
Investments in securities	-	-	-	594,696	594,696
Interest receivable	3,983	-	-	-	3,983
Financial assets at amortized cost	22,673	-	-	-	22,673
Prepaid expenses	37,769	-	-	-	37,769
Properties, furniture and equipment, net	5,305	435,973	855,024	-	1,296,302
Severance fund, net	-	-	-	139,254	139,254
Guarantee deposits and other assets	-	-	-	80	80
	B/. 955,613	B/. 435,973	B/. 855,024	B/. 734,030	B/. 2,980,640
Liabilities					
Accumulated expenses and withholdings payable	B/. 201,917	B/. -	B/. -	B/. -	B/. 201,917
Income tax payable	26,027	-	-	-	26,027
Dividends payable	1,452,403	-	-	-	1,452,403
Commissions charged in advance	496,259	-	-	-	496,259
	B/. 2,176,606	B/. -	B/. -	B/. -	B/. 2,176,606

(d) *Price Risk*

It is the risk that the value of a financial instrument fluctuates as a result of changes in market prices, regardless of whether they are caused by specific factors related to the particular instrument or its issuer, or by factors that affect all securities traded in the market. The Company is exposed to price risk derived from investments in securities measured at fair value with changes in income and with changes in other comprehensive income. The Company mitigates this risk through its Investment Policy.

Covid-19 effect

The appearance of the Covid-19 (coronavirus) at the end of 2019 and its respective arrival in our country, caused the National Government of Panama Republic to decree a state of national emergency. During the year 2020, it was established a quarantine with a limited citizen circulation and a closure of a large part of the country, significantly affecting the Panamanian economy at the macro and micro level. The country reopened its activities during late 2020, with full opening in 2021.

The Company has policies and procedures for business continuity that establish the mechanisms to function in contingency situations, allowing the interrupted continuity of operations and services to its clients. The Company develops both collective and individual studies of the condition of its investments, which together with investment policies and strategies, allow risk management in general.

3. Financial Risk Management (Continued)

The extent of the impact of Covid-19 on the Company's operational and financial performance after the reporting period will depend on future developments, including the duration and spread of new outbreaks of the virus, government actions and other variables, all of which are highly uncertain and cannot be predicted. The Company's Management will continue to monitor and modify operational and financial strategies to mitigate potential risks that could affect its business in the short, medium and long term.

Sensitivity Analysis
The Company uses forward-looking information that is available without undue cost or effort in its assessment of the significant increase in credit risk, as well as in its measurement of provisions for expected losses. The Department of Markets Development uses external and internal information to generate to generate a base scenario for the future forecast of relevant economic variables. The external information includes economic data published by government entities and monetary agents.

The following table lists the macroeconomic assumptions used, under the base, optimistic and pessimistic scenarios, considering a forecast period of one year. Likewise, a sensitivity of the differential between the provision for expected losses is included based on the weighting of the different scenarios.

Scenario	PIB Var%	Sensitivity about the provision
Optimist	-7.0%	B/.422
Base	-10.0%	B/.572
Pessimist	-13.0%	B/.721

(e) Capital Risk Management
Decree Law No.1 of July 8, 1999 (Securities Law), its reforms and Article No.4 of Agreement No.7-2003 require that self-regulated entities operating in Panama have a minimum capital of two hundred and fifty thousand balboas (B/.250,000). The Company maintains a principal amount greater than its requirement and does not have a significant indebtedness other than those derived from the normal commercial line. Notwithstanding the foregoing, efforts are made to maintain a level of capital in order to defray its expenses for technological expansion and innovation. As a practice, the Company seeks to retain between 40% and 50% of its annual profits to maintain this capital ratio.

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Notes to the Financial Statements
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3. Financial Risk Management (Continued)

The methodology of fair value of financial instruments held by the Company classified by level of fair value hierarchy is described below:

Level 1 – Quoted prices (unadjusted) on identical active markets to which the Company can access on the measurement date.

Level 2 – Prices obtained from the electronic stock market information system are used for investments that show buying and selling transactions during the period. For investments with a low level of transaction movement, the Company values the instrument on a date that has been observed a major transaction (B/.100,000) and calibrates a spread over the discount rate to obtain the value observed on that date. The Company analyzes the prospectus of the issue and lists the characteristics of the local instrument, such as cash flows and optional early redemption. The instrument is valued, using the market levels on the valuation date, and the calibrated spread on the observation date. The valuation model constructs the discount rate as follows:

a. LIBOR is the reference rate
b. Corporate risk is added
c. Country risk is added
d. Calibrated differential is added

Level 3 – Inputs of the financial asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the fair values of financial instruments held by the Company classified by level fair value hierarchy:

	Level 1	Level 2	Level 3	Total
December 31, 2021				
Investments in securities	**B/. 610,177**	**B/. -**	**B/. 3,207**	**B/. 613,384**
December 31, 2020				
Investments in securities	B/. 591,489	B/. -	B/. 3,207	B/. 594,696

There were no transfers from levels 1 and 2 and no transfers in and from level 3 during 2021 and 2020.

4. Critical Judgments

Critical judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments in Applying Accounting Policies

a. Impairment of Financial Assets through Other Comprehensive Income
The Company follows the guidance of IFRS 9 to determine when a financial asset at fair value through other comprehensive is impaired. This determination requires significant judgment by the Management. In determining this judgment, the Company assesses, among other factors, the term and degree to which the fair value of an investment is less than its cost, the financial condition and short-term business perspective of the invested company, including factors such as the performance of the industry and the sector, changes in technology and operations, and financial cash flows.

b. Fair Value of Financial Instruments
The fair value of investments at fair value through other comprehensive income that are not quoted in active markets, is determined using valuation techniques. When valuation techniques (i.e., models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel. When possible, the models use only observable data; however, areas such as credit risk (self and counterparty), volatilities and correlations require judgment to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Cash and Deposits in Banks

Cash and deposits in banks are summarized as follows:

	December 31, 2021	2020
Cash on hand	B/. **500**	B/. 500
Current accounts	**851,568**	621,638
Saving accounts	**468,944**	263,745
	B/. **1,321,012**	B/. 885,883

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6. Investments in Securities

The investments in securities are detailed below:

	December 31, 2021	2020
Investmen type		
Equity shares	B/. **410,997**	B/. 382,825
Mutual investment funds	**202,387**	211,871
Interest receivable	**2,783**	3,983
Total investments in securities	B/. **616,167**	B/. 598,679

The movement of investments at fair value through other comprehensive income is presented below:

	December 31, 2021	2020
Balance at the beginning of the year	B/. **382,825**	B/. 397,019
Valuation of investments in securities	**28,172**	(14,194)
	B/. **410,997**	B/. 382,825

7. Property, Furniture and Equipment, Net

Movement of property, furniture and equipment is presented as follows:

	2021					
	Building	Improvements	Furniture	Computer Equipment	Vehicle	Total
At Cost	B/. 1,242,904	B/. 121,348	B/. 292,729	B/. 2,105,447	B/. 65,650	B/. 3,828,078
Accumulated depreciation and amortization	(1,022,850)	(83,903)	(235,628)	(1,124,766)	(64,629)	(2,531,776)
Net balance at the beginning of year	220,054	37,445	57,101	980,681	1,021	1,296,302
Additions	-	30,821	7,935	162,568	2,000	203,324
Depreciation for year	(61,410)	(7,982)	(15,588)	(171,538)	(1,019)	(257,537)
Net balance at the end of year	B/. 158,644	B/. 60,284	B/. 49,448	B/. 971,711	B/. 2,002	B/. 1,242,089
At cost	B/. 1,242,904	B/. 152,169	B/. 293,168	B/. 2,201,462	B/. 67,650	B/. 3,957,353
Accumulated depreciation and amortization	(1,084,260)	(91,885)	(243,720)	(1,229,751)	(65,648)	(2,715,264)
Net balance December 31, 2021	B/. 158,644	B/. 60,284	B/. 49,448	B/. 971,711	B/. 2,002	B/. 1,242,089

7. Property, Furniture and Equipment, Net (Continued)

	2020					
	Building	Improvements	Furniture	Computer Equipment	Vehicle	Total
At Cost	B/. 1,242,904	B/. 120,333	B/. 288,679	B/. 2,102,164	B/. 65,650	B/. 3,819,730
Accumulated depreciation and amortization	(961,440)	(76,564)	(203,391)	(957,242)	(52,405)	(2,251,042)
Net balance at the beginning of year	281,464	43,769	85,288	1,144,922	13,245	1,568,688
Additions	-	1,015	4,050	3,283	-	8,348
Depreciation for year	(61,410)	(7,339)	(32,237)	(167,524)	(12,224)	(280,734)
Net balance at the end of year	B/. 220,054	B/. 37,445	B/. 57,101	B/. 980,681	B/. 1,021	B/. 1,296,302
At cost	B/. 1,242,904	B/. 121,348	B/. 292,729	B/. 2,105,447	B/. 65,650	B/. 3,828,078
Accumulated depreciation and amortization	(1,022,850)	(83,903)	(235,628)	(1,124,766)	(64,629)	(2,531,776)
Net balance December 31, 2020	B/. 220,054	B/. 37,445	B/. 57,101	B/. 980,681	B/. 1,021	B/. 1,296,302

8. Information by Activity

Commissions are recognized for the daily transactions carried out by the exchange seats, purchase and sale of securities. 87% (2020: 86%) of income corresponds to commissions, and financial income represents 1% (2020: 1%).

9. Financial Income

Below is the detail of financial income:

	2021	2020
Interests	**B/. 15,926**	B/. 15,432
Dividends	**34,927**	34,055
	B/. 50,853	B/. 49,487

10. Other Income

Other income is detailed as follows:

	2021	2020
Forums	**B/. 40,667**	B/. 35,000
Sanctions	-	2,000
Financial information reports	**51,844**	34,594
Others	**29,569**	26,284
	B/. 122,080	B/. 97,878

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11. Personnel Expenses

Personnel expenses are detailed as follows:

	2021	2020
Salaries	**B/. 462,273**	B/. 481,489
Representation expenses	**260,877**	261,871
Profit sharing	**194,500**	182,150
Labor benefits	**100,960**	102,818
Indemnity and seniority premium	**148,888**	15,174
	B/. 1,167,498	B/. 1,043,502

As of December 31, 2021, the total number of collaborators was 21 (2020: 21).

12. Other Expenses

Below is the detail of other administrative expenses:

		2021		2020
Maintenance	B/.	**467,362**	B/.	421,483
Directors' allowances		**68,500**		62,500
Taxes		**47,650**		51,279
PH maintenance		**46,163**		48,058
Associations		**42,993**		48,599
Professional fees		**35,140**		37,652
Electronic information services		**28,800**		28,800
Audit		**27,799**		21,444
Electricity and telephone		**22,461**		21,064
Legal expenses		**18,549**		10,282
Meetings, speeches and events		**17,474**		20,277
Donations		**11,750**		20,157
Forums		**10,013**		16,694
Advertising		**8,789**		14,264
Training, courses and seminars		**8,610**		8,872
Education program		**8,581**		-
Travel abroad and customer service		**7,179**		3,602
Banking fees		**5,079**		4,304
Rent		**3,761**		3,761
Stationery and office supplies		**3,076**		800
Transportation and fuel		**2,018**		1,771
Cleaning		**1,219**		841
Cafeteria		**1,207**		447
Minor furniture		**896**		513
Fees and subscriptions		**541**		455
Others		**5,607**		3,806
	B/.	**901,217**	B/.	851,725

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13. Income Tax

The income tax is calculated based on the net taxable income. The reconciliation of income before income tax according to financial statements with the net taxable income is presented as follows:

		2021		2020
Income before income tax	**B/.**	**2,140,477**	B/.	1,527,035
Less: Exempt and/or nontaxable income		**(41,371)**		(53,396)
Plus: Non-deductible expenses		**3,196**		9,358
Net Taxable Income	**B/.**	**2,102,302**	B/.	1,482,997
Current income tax 25%	**B/.**	**525,576**	B/.	370,749
Deferred income tax		**(453)**		-
Income tax 25%	**B/.**	**525,123**	B/.	370,749

Legal entities whose taxable income exceeds one million five hundred thousand balboas per year (B/.1,500,000) will pay income tax on the calculation that is higher between:

a. The 25% rate on tax profit (traditional method).

b. Net taxable income resulting from applying 4.67% to total taxable income at the 25% rate (Alternative calculation of Income Tax).

For the years ended December 31, 2021 and 2020, the Company performed both calculations and determined the income tax based on the traditional method.

According to current regulations, the income tax returns of the Company are subject to review by the tax authorities for the last three (3) years, including the year ended December 31, 2021.

14. Balances and Transactions with Related Parties

Balances as of December 31, 2021 and 2020 and transactions during 2021 and 2020 with related parties are detailed as follows:

	December 31, 2021	December 31, 2020
Balances with Related Parties		
Investments at fair value through other comprehensive income	**B/. 242,667**	B/. 217,428
Dividends payable	**B/. 1,620,624**	B/. 1,452,403

	Year ended December 31, 2021	Year ended December 31, 2020
Transactions		
Income on investments	**B/. 14,093**	B/. 16,261
Key personnel compensation		
Key personnel compensation	**B/. 933,999**	B/. 834,801
Director's allowance	**B/. 68,500**	B/. 62,500

15. Declared Dividends

The Board of Directors approved dividends payments to shareholder, as follows:

Type of Dividend	Dividend Declared	Dividend Per share	Declaration date	Payment Date
2021				
Ordinary	**B/. 1,615,354**	**B/. 3,231**	**December 31, 2021**	**Biannual**
2020				
Ordinary	B/. 1,156,286	B/. 2,313	December 31, 2020	Biannual

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16. Contingency

With respect to the lawsuit filed by the Company to AGB Cambios, S. A., and the following legal proceedings, the diligence was ruled in favor of the Company and a recovery is expected to receive eventually through the auction of the seat, ordered by the Fourteenth Circuit Judge of the Civil First Judicial Circuit of Panama. Due to the nature of the collection amount, it has not been reflected in the consolidated statement of income. The first auction was ordered by the Judge for August 18, 2020, which was held but no bids were received, therefore the position has not been assigned and it should be expected that the Judge will establish the next date for the second auction.

Latin American Central Securities Depository (Latinclear)

Consolidated financial statements | December 31st, 2021
General information | December 31st, 2021

Dignitaries

Arturo Gerbaud	Chairman
Roberto Brenes	Vice President
Carlos Mendoza	Treasurer
Mónica García de Paredes de Chapman	Secretary

Physical address

| Federico Boyd Avenue & 49th Street, Building PH Latinex

Banks and other financial institutions

BAC Internacional Bank, Inc.
Banco Davivienda (Panamá), S. A.
Banco General, S. A.
Banco Internacional de Costa Rica, S. A.
Banco La Hipotecaria, S. A.
Banco Nacional de Panamá
Citibank, N.A.
Citibank, New York
Clearstream Banking
Euroclear Bank

Auditors

| Ernst & Young

Ernst & Young Limited Corp.
Costa del Este, Avenida Centenario,
PH Dream Plaza, Piso 9
Panamá, República de Panamá

P.O. Box 0832-1575 W.T.C.
Tel: (507) 208-0100
Fax: (507) 214-4301
www.ey.com/centroamerica

Translation of report originally issued in Spanish
(See explanation in the notes to the financial statements)

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors of
Central Latinoamericana de Valores, S.A.

Opinion

We have audited the financial statements of Central Latinoamericana de Valores, S.A. (the Company), which comprise the statement of financial position as of December 31, 2021, and the statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Professional Code of Ethics for Authorized Public Accountants in Panama (Decree No. 26 of May 17, 1984) and with the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of Central Latinoamericana de Valores, S.A for the year ended December 31, 2020 were audited by other auditors whose report dated March 29, 2021 expressed an unqualified opinion.

Responsibilities of management and those charged with governance of the Company for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's 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 auditor's 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 of the Company 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.

Other legal and statutory requirements

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

- That the direction and supervision, as well as the execution of the audit of the activities that the Company maintains in Panama, have been physically performed in Panamanian territory.
- The work team which participated in the audit that this report refers to is comprised by Aurora Díaz G., partner, Eduardo Sánchez, partner and Hellen Gallardo, senior manager.

Ernst + Young

Panama, Republic of Panama
March 29, 2022

Aurora Díaz G.
C.P.A. No. 2205

(Translation of financial statements originally issued in Spanish)
Central Latinoamericana de Valores, S. A.
Statement of Financial Position
December 31, 2021
(Amounts expressed in Balboas)

Notes		2021	2020
	Assets		
5	Cash and deposits in banks	**B/. 1,331,913**	B/. 1,492,435
5	Time deposits	**400,000**	387,336
6, 15	Investment in securities	**123,689**	110,208
7	Financial assets at amortized cost	**489,308**	567,170
	Prepaid expense	**64,932**	57,070
	Income tax paid in advance	**22,952**	-
8	Property, furniture and equipment, net	**297,541**	236,406
	Unemployment fund, net	**13,692**	14,291
	Guarantee deposits and other assets	**680**	680
	Total assets	**B/. 2,744,707**	B/. 2,865,596
	Liabilities and Equity		
	Liabilities		
	Accumulated expenses and withholdings payable	**263,305**	177,470
	Income tax payable	-	150,596
15	Dividends payable	**1,227,118**	1,297,588
	Total liabilities	**B/. 1,490,423**	B/. 1,625,654
18	**Contingencies**		
17	Equity		
	Common shares without par value: 500 shares authorized, issued and outstanding	**639,223**	639,223
	Valuation of investments in securities	**94,042**	79,700
	Complementary tax	**(32,296)**	(32,296)
	Retained earnings	**553,315**	553,315
	Total liabilities	**1,254,284**	1,239,942
	Total liabilities and equity	**B/. 2,744,707**	B/. 2,865,596

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Central Latinoamericana de Valores, S. A.
Statement of Income
For the year ended December 31, 2021
(Amounts expressed in Balboas)

Notes		2021	2020
	Revenue from contracts		
	Commissions	**B/. 1,929,638**	B/. 1,904,878
	Payment agency and international market transactions	**1,669,925**	1,714,425
	Maintenance fees	**162,000**	162,000
	Management services	**696,941**	627,367
	Total revenue from contracts	**4,458,504**	4,408,670
9	Financial income	**30,033**	38,950
10	Others	**61,441**	56,365
	Total revenue	**4,549,978**	4,503,985
	General and Administrative Expenses		
11, 15	Personnel expenses	**1,046,737**	1,014,643
8	Depreciation and amortization	**74,685**	75,443
	Insurance	**140,815**	122,217
	Custody and payment, registration and transfer, agency expenses	**919,929**	929,319
	Supervision fee	**101,200**	101,200
12	Other administrative expenses	**638,247**	536,973
	Total general and administrative expenses	**2,921,613**	2,779,795
	Income before income tax	**1,628,365**	1,724,190
13	Income tax	**(401,247)**	(426,602)
	Net income	**B/. 1,227,118**	B/. 1,297,588

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Central Latinoamericana de Valores, S. A.
Statement of Comprehensive Income
For the year ended December 31, 2021
(Amounts expressed in Balboas)

Note		2021	2020
	Net income	**B/. 1,227,118**	B/. 1,297,588
	Other Comprehensive Income Items:		
	Items that cannot be subsequently reclassified to income:		
6	Net change in equity instruments at fair value through other comprehensive income	**14,342**	(24,071)
	Total other comprehensive income	**14,342**	(24,071)
	Total comprehensive income	**B/. 1,241,460**	B/. 1,273,517

The accompanying notes are an integral part of these financial statements.

(Translation of financial statements originally issued in Spanish)
Central Latinoamericana de Valores, S. A.
Statement of Changes in Equity
For the year ended December 31, 2021
(Amounts expressed in Balboas)

	Common Shares	Valuation of Investments in Securities	Complementary Tax	Retained Earnings	Total
Balance as of January 1, 2021	**B/. 639,223**	**B/. 79,700**	**B/. (32,296)**	**B/. 553,315**	**B/. 1,239,942**
Comprehensive Income:					
Net income	-	-	-	**1,227,118**	**1,227,118**
Total comprehensive income (Note 6)	-	**14,342**	-	-	**14,342**
Total comprehensive income	-	**14,342**	-	**1,227,118**	**1,241,460**
Transactions with Shareholders					
Dividends declared (Note 16)	-	-	-	**(1,227,118)**	**(1,227,118)**
Balance as of December 31, 2021	**B/. 639,223**	**B/. 94,042**	**B/. (32,296)**	**B/. 553,315**	**B/. 1,254,284**
Balance as of January 1, 2020	B/. 639,223	B/. 103,771	B/. (32,296)	B/. 553,315	B/. 1,264,013
Comprehensive Income:					
Net income	-	-	-	1,297,588	1,297,588
Total comprehensive income (Note 6)	-	(24,071)	-	-	(24,071)
Total comprehensive income	-	(24,071)	-	1,297,588	1,273,517
Transactions with Shareholders					
Dividends declared (Note 16)	-	-	-	(1,297,588)	(1,297,588)
Balance as of December 31, 2020	B/. 639,223	B/. 79,700	B/. (32,296)	B/. 553,315	B/. 1,239,942

The accompanying notes are an integral part of these financial statements.

(Translation financial statements originally issued in Spanish)
Central Latinoamericana de Valores, S. A.
Statement of Cash Flows
For the year ended December 31, 2021
(Amounts expressed in Balboas)

	2021	2020
Cash flows from operating activities		
Income before income tax	**B/. 1,628,365**	B/. 1,724,190
Adjustments to reconcile profit before income tax with net cash provided by operating activities:		
Depreciation and amortization	**74,685**	75,443
Financial income	**(30,033)**	(38,950)
Net changes in operating assets and liabilities:		
Financial assets at amortized cost	**77,862**	(397,347)
Prepaid expenses	**(7,862)**	(8,493)
Accrued expenses and withholdings payable	**85,835**	1,203
Reimbursements of severance fund, net	**599**	(1,890)
Interest and dividends received	**30,894**	50,023
Income tax paid	**(574,795)**	(272,849)
Net cash provided by operating activities	**1,285,550**	1,131,330
Cash flows from investing activities		
Time deposit	**(12,664)**	(15,832)
Sales and redemptions of investments at fair value through other comprehensive income	-	300,000
Acquisition of furniture and equipment, net	**(135,820)**	(16,365)
Net cash (used in) provided by Investing activities	**(148,484)**	267,803
Cash flows from financing activities		
Dividends paid	**(1,297,588)**	(1,210,503)
Net cash used in financing activities	**(1,297,588)**	(1,210,503)
Net increase in cash	**(160,522)**	188,630
Cash at the beginning of the year	**1,492,435**	1,303,805
Cash at the end of the year	**B/. 1,331,913**	B/. 1,492,435

The accompanying notes are an integral part of these financial statements.

Explanation Added for Translation into English

The accompanying financial statements have been translated from Spanish into English for international use. These financial statements are presented in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. Certain accounting practices applied by Central Latinoamericana de Valores, S.A. which are in conformity with International Financial Reporting Standards may differ from accounting principles generally accepted in some countries where the financial statements may be used.

1. General Information

Central Latinoamericana de Valores, S. A. (the "Company") is incorporated under the Panamanian Law in accordance with the Public Deed No.1,725 of March 24, 1995 and subsequent to the legal corporate reorganization according with the Public Deed No.15,126 of September 28, 2010. By Resolution No.CNV-68-97 of July 23, 1997 of the Superintendency of Securities Market, the Company was authorized to operate a business for the administration, custody, clearing, and settlement of investments.

In addition, the Internal Rules of Operations of the Company and its amendments were approved by the Superintendency of Securities Market (SMV, in Spanish). The last amendment was approved by the SMV by Resolution No. SMV 213-21 of May 6, 2021.

The Company is 100% subsidiary of Latinex Capital, Inc., which in turn is 100% subsidiary of Latinex Holdings, Inc. (the Parent Company).

Corporate Governance

Summary of Policies
In accordance with the provisions contained in the Articles of Incorporation, the Company has been developing and adopting, continuously and voluntary, a Corporate Governance scheme in order to:

- Define the best practices that the Company will follow for all their stakeholders (shareholders, members of the Board of Directors and Committees, customers, suppliers and creditors, strategic allies, the State, regulatory bodies, media, public in general, among others.)
- Support the Board of Directors in the examination, assessment and permanent monitoring of the accounting, financial and risk management systems of the Company.
- Follow up of the procedures of internal control management system.
- Establish a clear framework for risk identification, verification and control.
- Clear arrangements for delegating authority and responsibility.
- Establish efficient decision-making processes.
- Establish explicit guidance for the Board of Directors relating to policies for decision-making.

1. General Information (Continued)

The Company has various working Committees appointed by the Board of Directors:

Audit Committee: Its main function is to ensure the proper functioning of the internal control system and the integrity of the financial information of the Company. It is composed by at least three (3) Directors of the Company and individuals who are not part of the Board of Directors but have the experience and/or knowledge necessary to fulfill the functions and responsibilities will integrate it. All members have the right to voice and vote.

The General Manager and the Internal Auditor of the Company, as well as advisors or any other guest determined by the Committee, will be invited to participate.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the risks inherent to the operations carried out by Central Latinoamericana de Valores, S. A., based on best practices and international standards. It is composed by at least three (3) Directors of the Company and individuals who are not part of the Board of Directors but have the experience and/or necessary knowledge to fulfill the functions and responsibilities will integrate it. All members have the right to voice and vote.

The General Manager, the Risk Officer of the Company and the Compliance Officer, as well as advisors or any other guest determined by the Committee, will be invited to participate.

Ethics and Compliance Committee: Its main function is to plan, coordinate and ensure compliance with current legislation on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as to ensure that Participants comply with all Internal Rules of the Company. It is composed of at least three (3) directors of the Company and persons who are not part of the Board of Directors, but who have the experience and / or knowledge necessary to fulfill the functions and responsibilities. All members have the right to speak and vote.

The General Manager, the Compliance Officer and the Internal Auditor of the Company, as well as advisors or any other guest determined by the Committee, will be invited to participate.

Technology Committee: Its main function is to promote the necessary technological development for the management of the Company's businesses. It is integrated by at least two (2) directors of the Company, who holds the Executive Vice Presidency of Latinex Holdings, Inc., the Technology Manager of the Latinex Group and Systems Security Officer and an advisor or specialist in the field.

Other managers of the operating companies and other advisors or specialists that the members of the Committee consider necessary to hire and/or invite, all with the right to voice, but without vote, will be invited to participate in this Committee.

1. General Information (Continued)

Directors, Independent Directors and Executives

The Directors and Independent Directors of the Company are not directly or indirectly, individually or jointly, effective owners of a controlling number of common shares of the Parent Company. Neither a Director nor an Independent Director, directly or indirectly, is an important supplier of goods or services for the Company; however, some Directors are executives of companies with substantial relationships with the Parent Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and the shareholders.

At the meeting held on May 4, 2017, the Shareholders' Assembly approved the amendment to the Articles of Incorporation, in order to integrate, at least, two (2) Independent Directors to the Board of Directors of the Company.

In addition, the Board of Directors will be integrated by the percentage of women's participation established in the Law 56 of July 11, 2017, who can occupy both the position of Director or Independent Director, in accordance with the bylaws of the Company.

Statutes
The Company has statutes, which regulate the operation of the different Committees, based on general principles of Corporate Governance.

Code of Ethics and Conduct
The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Dignitaries, Members or guests of the Board Committees, Legal Representatives, Managers and Collaborators of the Company meet the highest standards of conduct. The Code of Ethics and Conduct governs relations with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflict of interest and regulates prohibited behaviors, such as the use of confidential and privileged information, dishonest or unfair behaviors, bribery, corruption, among others.

Code of Corporate Governance
The Company adopted a Code of Corporate Governance that aims to define the best practices that Latinex Group will follow for all its stakeholders, in addition to what are established by the Law, the Articles of Incorporation, the Statutes of each company and any another policy that has been duly approved by the Board of Directors and that, in turn, devote rights for these. Therefore, the application, compliance and interpretation of said Code must be done in accordance with the Law, the Articles of Incorporation and the Statutes. The Corporate Governance Code is applicable to Shareholders, Directors, Dignitaries, members of the Board Committees, Managers, Collaborators and other groups of interest of Latinex Group.

These financial statements were approved for issue by the Board of Directors on March 28, 2022.

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2. Summary of Significant Accounting Policies

Following are the most significant accounting policies used by the Company in the preparation of these financial statements, which were consistently applied in the previous year.

Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), on a historical cost basis, except for the fair value measurement of investments at fair value through other comprehensive income according to IFRS 9 Financial Instruments.

The preparation of the financial statements in accordance with the IFRS requires the use of certain critical accounting estimates. Also, it requires Management to use its judgment in the process of applying the Company's accounting policies. The areas that involve a high degree of judgment or complexity, or areas where the assumptions and estimates are significant for the financial statements, are disclosed in Note 4.

The Company presents its statement of financial position in order of liquidity based on the intention and perception to recover the majority of its assets and liabilities in the corresponding lines of said financial statement.

Changes in accounting policies and disclosures, new standards, amendments to standards and interpretations

The accounting policies adopted by the Company for the preparation of its financial statements as of December 31, 2021 are consistent with those that were used for the preparation of its financial statements as of December 31, 2020.

Some modifications and interpretations that were applied for the first time in 2021 did not have a material impact on the Company's financial statements. These modifications and new interpretations have required certain additional disclosures and, in some cases, the revision of certain accounting policies. The Company has not early adopted in any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has not adopted in advance any other standard, interpretation or amendment that has been issued and has not entered into force.

The following rules, amendments and interpretations were adopted by the Company during the year 2021 and did not have a significant impact on the financial statements:

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS16 and IAS 39: Reform of the Interest Rate Benchmark – phase 2.
- Amendment to IFRS 16 Concessions on Covid-19 Related Leases, after June 30, 2021.

2. Summary of Significant Accounting Policies (Continued)

Future changes to accounting policies

The International Financial Reporting Standards or their interpretations and modifications issued, but not yet effective up to the date of issuance of the Company's financial statements, are described below. The standards or interpretations and modifications described are only those that, in the opinion of management, may have a significant effect on the Company's disclosures, position or financial performance when applied at a future date. The Company intends to adopt these new and modified standards and interpretations, if any, when they become effective.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements.

The amendments are effective for annual financial reporting periods beginning on or after January 1, 2022 and are applied prospectively.

Property, Plant and Equipment: Revenue Before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued *Properties, Plant and Equipment – Revenue Before Intended Use*, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to function in the manner intended by management. The amendment states that an entity recognizes the proceeds of the sale of such items, and the costs of producing them, in the results of the period.

The amendment is effective for annual reporting periods beginning on or after the beginning of January 1, 2022 and must be applied retroactively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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2. Summary of Significant Accounting Policies (Continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

2. Summary of Significant Accounting Policies (Continued)

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Financial Assets

a) *Recording*
Purchases or sales of financial assets that require delivery of assets within a time frame established by a regulation or convention in the marketplace (regular-way trades) are recognized on the settlement date; that is, the date on which the transaction becomes effective.

b) *Classification*
Financial assets are classified into the following categories: financial assets at amortized cost, investments at fair value through other comprehensive income. Management determines the classification of the assets since their initial recognition.

c) *Measurement*
Financial assets are subsequently measured at amortized cost and, fair value through other comprehensive income based on the entity's business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset.

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2. Summary of Significant Accounting Policies (Continued)

Financial assets at amortized cost
Financial assets are measured at amortized cost if they meet the following two conditions:

- The asset is maintained within a business model whose objective is to maintain assets to obtain contractual cash flows; and
- The contractual terms of the financial asset establish specific dates for the cash flows derived from solely payments of principal and interest on outstanding balance.

Investments at Fair Value Through Other Comprehensive Income
Investments are measured at fair value through other comprehensive income only if they meet the following conditions:

- The asset is maintained within a business model whose objective is achieved by collecting contractual cash flows and selling these financial assets; and
- The contractual terms of the financial asset establish specific dates for the cash flows derived from solely payments of principal and interest on the outstanding balance.

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

Equity Instruments at Fair Value through Other Comprehensive Income
The Company subsequently measures all equity investments at fair value. Management has chosen to present the gains or losses of fair value in equity instruments at fair value through other comprehensive income, there is no subsequent reclassification of gains or losses of fair value to results after the derecognition of the investment. Dividends received from equity instruments are recognized in the statement of income.

Evaluation of The Business Model
The Company realized an assessment of the objectives of the business models in which the different financial assets are maintained at the portfolio level to reflect, in the best way, the way in which the business is managed and how the information is provided to Management (strategy to collect solely payments of principal and interest or realize cash flows through the sale of assets, or considering whether the include frequency, value of sales in previous period or the expectation of future sales).

Business model whose objective is to maintain the assets to obtain the contractual cash flows
A portfolio of financial assets is managed in order to obtain cash flows through payments of principal and interest throughout the life of the instrument, even when sales of the financial assets take place or are expected to occur in the future.

2. Summary of Significant Accounting Policies (Continued)

Business model whose objective is to obtain contractual cash flows and the sale of financial assets
In this type of business model, there are different objectives that can be seen framed, for example, an objective to manage liquidity needs.

In comparison with the business model in which the objective is to maintain financial assets to collect cash flows through the payment of principal and interest, this business model involves more frequency and value of sales, without the need to have a frequency threshold or defined value, since the sales and collection of contractual flows are combined in a way that allows achieving the objective of the business model.

Change of the Business Model
When the business model for the management of financial assets is changed, all the affected assets must be reclassified prospectively from the date of the reclassification and the previously recognized gains, losses or interests, including impairment gains or losses, will not be restated.

Assessment of whether contractual cash flows are solely payments of principal and interest – SPPI
The Company considers whether the cash flows are consistent with the consideration of money over time, credit risk and other basic risks associated with the financial assets. When evaluating whether the contractual cash flows are solely payments of principal and interest, the Company considered the terms of the contracts. This included the evaluation to determine whether the financial asset contains a contractual term that could change the period or amount of the contractual cash flows in such way that it does not comply with this condition.

a) Impairment
The Company has defined that the measurement of impairment of financial assets can be done through a collective or individual evaluation according to the amount and characteristics of the portfolio.

Individual Methodology
Accounts receivable and investments from a government or quasi-government entity will be considered individually.

Collective Methodology
For instruments that are not considered individually significant, an evaluation is performed collectively, grouping portfolios of financial assets with similar characteristics and including parameters of probability of default at 12 months, probability of default throughout the life of the obligation, loss given default, and exposure to non-compliance with the inclusion of the prospective criterion.

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2. Summary of Significant Accounting Policies (Continued)

Measurement of Expected Credit Losses
The quantification of the collectively expected credit losses is done according to the classification of the stages, the homogeneous groups defined in each type of portfolio and the level of risk of the client.

The segmentation of homogeneous groups is done by type of client and is presented as follows:

- Accounts receivable - issuers
- Accounts receivable - participant/stock exchange seats
- Accounts receivable - others

In order to estimate the provisions under the collective methodology, the following formula is used:

$$\text{Impairment: EAD} \times (1\text{-PF}) \times \text{PD} \times \text{LGD}$$

Where:

Exposure at Default (EAD): is the exposed value of the asset valued at amortized cost (includes the principal balance, interest and accounts receivable). In the case of products whose nature is of a rotating type and have an available quota that is capable of being used in its entirety, the estimation of the (EAD) considers the use of the risk conversion factor (RCF), in order to find a relationship regarding the use and the unused component of the instrument.

Probability of Default (PD): estimated probability of occurrence of default of the instrument.

PF (Prospective Factor): the country's most relevant economic and financial variables (CPI, GDP growth), compiled from official sources.

- **Stage 1:** it is the estimated probability of occurrence of a default in the next 12 months of the instrument's life as of the date of analysis. The Company defines its use for the healthy portfolio that does not present a significant increase in risk or any evidence of impairment. To estimate the probability of default for 12 months, the Company uses traditional techniques, modeling the behavior of the portfolio.

- **Stage 2:** is the estimated probability of occurrence of a default throughout the remaining life of an instrument, being dependent on the conditions of the specific product to be analyzed. The Company according to the standard defines its use for the portfolio with a significant increase in credit risk.

- **Stage 3:** instruments assessed by the collective and individual methodologies have an associated probability of default of 100%.

2. Summary of Significant Accounting Policies (Continued)

Loss Given Default (LGD): it is the percentage of exposure that the Company finally expects to lose in the event of a default in a financial instrument.

The general formulation for the calculation of the LGD is:

$$LGD = 1 - \% RR$$

Where % RR is understood as the recovery percentage and refers to the sum of the flows received from the operation discounted at the rate of the obligation at the date of analysis on the total exposure at the time of default.

After being calculated, the LGD is adjusted for a historical factor in the behavior of the Company's portfolio.

Significant Increase in Credit Risk
The Company determines whether the credit risk of a financial asset has significantly increased since its initial recognition, considering reasonable and sustainable information that is relevant and available without cost or disproportionate effort, including information and analysis of quantitative and qualitative nature based on historical experience and expert credit assessment including future information.

To establish whether an asset presents a significant increase in risk since the initial recognition, an evaluation of quantitative and qualitative factors is carried out, these factors are:

- Assets with arreas of more tan 30 days
- Assets where the client is experiencing financial difficulties.
- The Company reviews whether there are collective criteria for the migration of a group of customers to Stage 2.

Stage 2
It will include those instruments that meet the corporate definition of a significant increase in risk.

Definition of Default
An asset is considered to be in default when it has any of the following characteristics:

- Arrears of more than 90 days, except for the Republic of Panama and quasi-government.
- Customer in special status of restructuring or business reorganization and insolvency law agreements.
- Customers on watch list or classified as doubtful or delayed.

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2. Summary of Significant Accounting Policies (Continued)

Prospective Information
The Company incorporates macroeconomic scenarios in the calculation of the expected loss in order to reflect the prospective effect. The inclusion of macroeconomic conditions in the models of expected loss is made from methodologies that correlate the historical behavior of the portfolio with certain economic variables.

To make the projections, the historical information is considered for the most relevant economic and financial variables of the country (inflation, GDP growth). The information bases are compiled from official sources.

Impairment of Investments at Fair Value through other Comprehensive Income

Investments are classified into stages according to the following classification:

- Stage 1: investments that are in default on their interest and principal obligations. The Company uses the default probabilities according to its country risk adjusted risk rating compared to international risk ratings.
- Stage 2: investments that are in speculation grade in the fulfillment of their interest or capital obligations; and
- Stage 3: investments that are in default on their interest or principal obligations.

To estimate the impairment of the instruments, the risk rating of the issue, and the probability of default (PD) according to the external rating adjusted to the highest international risk rating registered at the local level are considered. If they do not have a risk rating, it is provisioned with the internal rating model and the probability of default developed by the Company.

$$\text{Impairment: } EAD \times (1\text{-}PF) \times PD \times LGD$$

- All instruments classified in Stage 1 will be assigned a 12-month probability of default.
- All instruments classified in Stage 2 will be assigned a probability of default for the life of the instrument.
- All instruments classified in Stage 3 will be assigned a default probability of 100%.

In all cases, the loss given default (LGD) is the parameter calculated in the process of impairment of the debt instruments portfolio.

Equity instruments at fair value through other comprehensive income are not subject to impairment assessment.

2. Summary of Significant Accounting Policies (Continued)

Property, Furniture and Equipment

Building, furniture and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated based on a straight-line method over the estimated life of the asset as follows:

	Percentage	Estimated Useful Life
Building	6.67%	15 years
Improvements	20% to 33.33%	3 to 10 years
Furniture	10% to 33.33%	3 to 10 years
Equipment	10% to 33.33%	3 to 10 years

The useful life of assets is reviewed and adjusted, if appropriate, to the date of each statement of financial position.

Costs of non-capitalizable items are recognized as expenses and costs as incurred. The cost of major repairs is capitalized when it is probable that it, in addition to the originally assessed future economic benefits arising following the standard of performance for existing asset.

Gains or losses on disposal of fixed assets are determined by comparing the net proceeds from the sale against the carrying value of the assets. Gains or losses on disposal of fixed assets are included in the results for the period.

Property, furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is written-off immediately to its recoverable amount if the carrying amount of an asset is greater than the estimated recoverable value. The recoverable amount is the higher between the fair value of asset less cost to sell and its value in use.

Revenue Recognition

Revenue is recognized based on the economic benefits that flow to the Company and the revenue can be reliably measured. The specific recognition criteria must also be met before revenue is recognized.

Revenues from contracts
The Company classifies recognized revenue from contracts with customers in categories that show how the nature, the amount, the income and the cash flows are affected by economic factors. The Company also discloses information on the relationship between the disclosure of detailed income and income information disclosed for each segment.

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2. Summary of significant Accounting Policies (Continued)

Income is classified in the following categories:

Commissions
Commissions on custody and management services to participants are recognized as revenue when earned.

Agency of settlement and international market transaction
The services provided related to the agent of settlement payment, register and transfer of the securities migrated in the I-link platform and the custody services are registered based on the terms and conditions of the contracts.

Financial income
Interest income is recognized over time on a proportional basis, using the effective interest method.

Maintenance Fees
The monthly maintenance fee is charged according to the monthly transactions it has generated.

Management Fees
Management fees are recognized as income when earned.

The commitment is fulfilled throughout the term of the contract.

Dividend Distribution

Dividend distribution to shareholder of the Company is recognized as a liability in the financial statements in the period in which the Board of Directors of the Company approves the dividends.

Income Tax

The income tax is recognized in the current results of operations. Current tax refers to tax on the net taxable income of the period, using the income tax rate in effect at the date of the statement of financial position.

Monetary Unit and Functional Currency

The financial statements are expressed in balboas (B/.), the monetary unit of the Republic of Panama, which is at par and is freely exchangeable with the dollar (US$) of the United States of America and it considered as the functional currency.

3. Financial Risk Management

Financial Risk Factors

The activities of the Company are exposed to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate), credit risk, liquidity and capital risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

a) Interest Rate Risk
The risk of the interest rate of cash flow is the risk that future cash flows and fair value of a financial instrument will fluctuate due to changes in prevailing interest rates in the market. The Company mitigates this risk by establishing guidelines for investments made and establishing interest rate risk limits, and its exposure is periodically reviewed by the Market Development Department.

b) Credit Risk
Credit risk is the risk that the Company will incur a loss due to its clients or counterparties failing to meet their contractual obligations. Credit risk is managed at the Company level. Credit risk originates from fixed income instruments included in fair value with changes in other comprehensive results and assets at amortized cost.

The process of selection, approval and monitoring of investments is limited to criteria and internal processes to diversify the investment portfolio and mitigate market risks and those inherent to the nature of the securities and issuers.

The responsibility for this process lies in the Investments and Finance Committee of Latinex Holdings, Inc.

The continuous monitoring of performance and market movement is done by Management reporting to the Investments and Finance Committee. The Investments and Finance Committee reports to the Board of Directors of Latinex Holdings Inc.when changes are needed in policies and investment criteria.

The selection criteria consider diversification by asset class, type of instrument, duration, country or region, industry, issuer and economic group. These criteria limit the positions of a certain group to fixed percentages of the total equity and their temporary deviations require the approval of the Investment and Finance Committee.

Likewise, the profitability and credit quality of the issuers are considered, allowing 100% of the portfolio to be invested in the Republic of Panama, a maximum of 20% for countries with a BBB or higher risk rating and 10% for member countries of the Association of Capital Markets of the Americas (AMERCA).

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3. Financial Risk Management (Continued)

Investments, including time deposits by economic sector, are detailed as follows:

	December 31,			
	2021		2020	
Financial sector	**B/. 400,000**	**100%**	B/. 387,336	100%

Credit quality analysis
The following table presents the financial assets and reserves for expected credit losses at December 31:

	Stage 1	**Stage 2**	**Stage 3**	**2021**	**2020**
Maximum exposure					
Net book value	**B/. 611,904**	**B/. -**	**B/. -**	**B/. 611,904**	B/. 673,705
Financial assets at amortized cost					
Group 1: Participants	**4,503**	-	-	**4,503**	1,818
Group 2: Issuers	**12,546**	-	-	**12,546**	19,921
Grupo 3: Others	**836**	-	-	**836**	703
Government and quasi-government	**470,330**	-	-	**470,330**	543,929
Net book value	**B/. 488,215**	**B/. -**	**B/. -**	**B/. 488,215**	B/. 566,371
Investments at fair value through other comprehensive income					
Local rating	-	-	-	-	-
Internal rating	**96,750**	-	-	**96,750**	85,000
No rating	**24,926**	-	-	**24,926**	22,333
Interest receivable	**2,013**	-	-	**2,013**	2,874
Net book value	**B/. 123,689**	**B/. -**	**B/. -**	**B/. 123,689**	B/. 110,207

The following table presents the reserve for credit losses as follows:

	Stage 1	Stage 2	Stage 3	Total
Reserve for expected credit losses as of December 31, 2020	B/. 647	-	-	B/. 647
Net effect of changes in the reserve for expected credit losses	(53)	-	-	(53)
Reserve for expected credit losses as of December 31, 2021	B/. 594	B/. -	B/. -	B/. 594

3. Financial Risk Management (Continued)

c) Liquidity Risk
Liquidity risk is the risk in which the Company is unable to meet all its obligations. The Company mitigates this risk by maintaining sufficient cash and highly liquid instruments.

The following table analyzes the financial assets and liabilities of the Company by maturity date. Such analysis is presented according to the contractual maturity date and are undiscounted cash flows at current value of the balance:

2021	Less than 1 year	1 to 5 years	More than 5 years	No maturity	Total
Assets					
Cash and deposits in banks	B/. 1,331,913	B/. -	B/. -	B/. -	B/. 1,331,913
Time deposit	400,000	-	-	-	400,000
Investments at fair value	-	-	-	121,676	121,676
Interest receivable	2,013	-	-	-	2,013
Financial assets at amortized cost	489,308	-	-	-	489,308
Prepaid expenses	64,932	-	-	-	64,932
Prepaid income tax	22,952	-	-	-	22,952
Unemployment fund, net	-	-	-	13,692	13,692
	B/. 2,311,118	**B/. -**	**B/. -**	**B/. 135,368**	**B/. 2,446,486**
Liabilities					
Accrued expenses and withholdings payable	B/. 263,305	B/. -	B/. -	B/. -	B/. 263,305
Dividends payable	1,227,118	-	-	-	1,227,118
	B/. 1,490,423	**B/. -**	**B/. -**	**B/. -**	**B/. 1,490,423**

2020	Less than 1 year	1 to 5 years	More than 5 years	No maturity	Total
Assets					
Cash and deposits in banks	B/. 1,492,435	B/. -	B/. -	B/. -	B/. 1,492,435
Time deposit	387,336	-	-	-	387,336
Investments at fair value	-	-	-	107,334	107,334
Interest receivables	2,874	-	-	-	2,874
Financial assets at amortized cost	567,170	-	-	-	567,170
Prepaid expenses	57,070	-	-	-	57,070
Properties, furniture and equipment, net	6,018	84,719	145,669	-	236,406
Unemployment fund, net	-	-	-	14,291	14,291
Guarantee deposits and other assets	-	-	-	680	680
	B/. 2,512,903	B/. 84,719	B/. 145,669	B/. 122,305	B/. 2,865,596
Liabilities					
Accrued expenses and withholdings payable	B/. 177,470	B/. -	B/. -	B/. -	B/. 177,470
Income tax payable	150,596	-	-	-	150,596
Dividends payable	1,297,588	-	-	-	1,297,588
	B/. 1,625,654	B/. -	B/. -	B/. -	B/. 1,625,654

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3. Financial Risk Management (Continued)

d) Price risk
It is the risk that the value of a financial instrument fluctuates as a result of changes in market prices, regardless of whether they are caused by specific factors related to the particular instrument or its issuer, or by factors that affect all securities traded in the market. The Company is exposed to price risk derived from investments in securities measured at fair value with changes in income and with changes in other comprehensive income. The Company mitigates this risk through its Investment Policy.

Covid-19 effect
The appearance of the Covid-19 (coronavirus) at the end of 2019 and its respective arrival in our country, caused the National Government of Panama Republic to decree a state of national emergency. During the year 2020, it was established a quarantine with a limited citizen circulation and a closure of a large part of the country, significantly affecting the Panamanian economy at the macro and micro level. The country reopened its activities during late 2020, with full opening in 2021.

The Company has policies and procedures for business continuity that establish the mechanisms to function in contingency situations, allowing the interrupted continuity of operations and services to its clients. The Company develops both collective and individual studies of the condition of its investments, which together with investment policies and strategies, allow risk management in general.

The extent of the impact of Covid-19 on the Company's operational and financial performance after the reporting period will depend on future developments, including the duration and spread of new outbreaks of the virus, government actions and other variables, all of which are highly uncertain and cannot be predicted. The Company's Management will continue to monitor and modify operational and financial strategies to mitigate potential risks that could affect its business in the short, medium and long term.

Sensitivity Analysis
The Company uses forward-looking information that is available without undue cost or effort in its assessment of the significant increase in credit risk, as well as in its measurement of provisions for expected losses. The Department of Markets Devepartment uses external and internal information to generate a base scenario for the future forecast of relevant economic variables. The external information includes economic data published by government entities and monetary agents.

The following table lists the macroeconomic assumptions used, under the base, optimistic and pessimistic scenarios, considering a forecast period of one year. Likewise, a sensitivity of the differential between the provision for expected losses is included based on the weighting of the different scenarios.

3. Financial Risk Management (Continued)

Scenarios	GDP Var%	Sensitivity about provision
Optimistic	-7.0%	B/.422
Base	-10.0%	B/.572
Pessimistic	-13.0%	B/.721

e) *Capital Risk Management*
Decree Law No.1 of July 8, 1999 (Securities Law), its reforms and Article No.4 of Agreement No.7-2003 require that self-regulated entities operating in Panama have a minimum capital of two hundred and fifty thousand balboas (B/.250,000). The Company maintains a principal amount greater than its requirement and does not have a significant indebtedness other than those derived from the normal commercial line. Notwithstanding the foregoing, efforts are made to maintain a level of capital in order to defray its expenses for technological expansion and innovation. As a practice, the Company seeks to retain between 40% and 50% of its annual profits to maintain this capital ratio.

Fair Value of Financial Instruments

The methodology of fair value of financial instruments held by the Company classified by level of fair value hierarchy is described below:

Level 1 – Quoted prices (unadjusted) on identical active markets to which the Company can access on the measurement date.

Level 2 - Prices obtained from the electronic stock market information system are used for investments that show buying and selling transactions during the period. For investments with a low level of transaction movement, the Company values the instrument on a date that has been observed a major transaction (B/.100,000) and calibrates a spread over the discount rate to obtain the value observed on that date. The Company analyzes the prospectus of the issue and lists the characteristics of the local instrument, such as cash flows and optional early redemption. The instrument is valued, using the market levels on the valuation date, and the calibrated spread on the observation date. The valuation model constructs the discount rate as follows:

a. LIBOR is the reference rate
b. Corporate risk is added
c. Country risk is added
d. Calibrated differential is added

Level 3 - Inputs of the financial asset or liability that are not based on observable market data (unobservable inputs).

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3. Financial Risk Management (Continued)

The following table presents the fair values of financial instruments held by the Company classified by level of the fair value hierarchy:

	Stage 1	Stage 2	Stage 3	Total
December 31, 2021				
Investments in securities	**B/. 121,676**	**B/. -**	**B/. -**	**B/. 121,676**
December 31, 2020				
Investments in securities	B/. 107,334	B/. -	B/. -	B/. 107,334

There were no transfers from levels 1 and 2 and no transfers in and from level 3 during 2021 and 2020.

4. Critical Judgments

Critical judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments in Applying Accounting Policies

Impairment of financial assets through other comprehensive income
The Company follows the guidance of IFRS 9 to determine when a financial asset at fair value through other comprehensive is impaired. This determination requires significant judgment by the Management. In determining this judgment, the Company assesses, among other factors, the term and degree to which the fair value of an investment is less than its cost, the financial condition and short-term business perspective of the invested company, including factors such as the performance of the industry and the sector, changes in technology and operations, and financial cash flows.

Fair value of financial instruments
The fair value of investments at fair value through other comprehensive income that are not quoted in active markets is determined using valuation techniques. When valuation techniques (i.e., models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel. When possible, the models use only observable data; however, areas such as credit risk (self and counterparty), volatilities and correlations require judgment to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Cash and Deposits in Banks

Cash and deposits in banks are summarized as follows:

	December 31, 2021	December 31, 2020
Cash on hand	B/. **500**	B/. 500
Current accounts	**1,169,117**	983,117
Saving accounts	**162,296**	508,818
	B/. **1,331,913**	B/. 1,492,435

The fair value of cash and demand deposits is similar to the book value, due to its short-term nature.

The Company maintains time deposits for B/.400,000 (2020: B/.387,336), with an interest rate of 3.85% and maturity on March 25, 2022.

6. Investments in Securities

Following is a summary of investments at fair value through other comprehensive income:

Type of Investment	December 31, 2021	December 31, 2020
Capital shares	B/. **121,676**	B/. 107,334
Interest receivable	**2,013**	2,874
	B/. **123,689**	B/. 110,208

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6. Investments in Securities

Movement of the investments at fair value through other comprehensive income is presented as follows:

	December 31, 2021	December 31, 2020
Balance at the beginning of year	B/. **107,334**	B/. 431,405
Sales	-	(300,000)
Valuation of financial assets	**14,342**	(24,071)
Sub-total	**121,676**	107,334
Interest receivable	**2,013**	2,874
Balance at the end of the year	B/. **123,689**	B/. 110,208

7. Financial Assets at Amortized Cost

A As of December 31, 2021, the Company held B/.489,308 (2020: B/.547,170) of which B/.468,324 (2020: B/.538,505) that correspond to financial assets at amortized cost, as a result of services provided to the Ministry of Economy and Finance (MEF) as Issue Agent, Agent of Payment and Registration and Transfer Agent of the migrated and registered securities on the I-Link platform at Euroclear.

8. Property, Furniture and Equipment, Net

Movement of property, furniture and equipment is presented as follows:

2021

	Building	Improvements	Furniture	Vehicle	Office Equipment	Total
At cost	**B/. 202,374**	**B/. 200,730**	**B/. 182,812**	**B/. -**	**B/. 394,755**	**B/. 980,671**
Accumulated depreciation and amortization	**(202,373)**	**(97,442)**	**(130,923)**	**-**	**(313,527)**	**(744,265)**
Net balance at the beginning of year	**1**	**103,288**	**51,889**	**-**	**81,228**	**236,406**
Additions	**-**	**32,783**	**6,676**	**-**	**96,381**	**135,840**
Write-offs	**-**	**-**	**(8)**	**-**	**(12)**	**(20)**
Depreciation for year	**-**	**(17,791)**	**(9,133)**	**-**	**(47,761)**	**(74,685)**
	B/. 1	**B/. 118,280**	**B/. 49,424**	**B/. -**	**B/. 129,835**	**B/. 297,541**
At cost	**B/. 202,374**	**B/. 233,513**	**B/. 186,313**	**B/. -**	**B/. 489,678**	**B/. 1,111,879**
Accumulated depreciation and amortization	**(202,373)**	**(115,233)**	**(136,889)**	**-**	**(359,843)**	**(814,338)**
Net balance at the end of year	**B/. 1**	**B/. 118,280**	**B/. 49,424**	**B/. -**	**B/. 129,835**	**B/. 297,541**

2020

	Building	Improvements	Furniture	Vehicle	Office Equipment	Total
At cost	B/. 202,374	B/. 200,730	B/. 180,612	B/. -	B/. 380,591	B/. 964,307
Accumulated depreciation and amortization	(202,373)	(80,922)	(113,779)	-	(271,749)	(668,823)
Net balance at the beginning of year	1	119,808	66,833	-	108,842	295,484
Additions	-	-	2,200	-	14,165	16,365
Depreciation for year	-	(16,520)	(17,144)	-	(41,779)	(75,443)
	B/. 1	B/. 103,288	B/. 51,889	B/. -	B/. 81,228	B/. 236,406
At cost	B/. 202,374	B/. 200,730	B/. 182,812	B/. -	B/. 394,755	B/. 980,671
Accumulated depreciation and amortization	(202,373)	(97,442)	(130,923)	-	(313,527)	(744,265)
Net balance at the end of year	B/. 1	B/. 103,288	B/. 51,889	B/. -	B/. 81,228	B/. 236,406

9. Financial Income

Below is the detail of financial income:

	December 31, 2021	December 31, 2020
Interests	**B/. 25,585**	B/. 34,280
Dividends	**4,448**	4,670
	B/. 30,033	B/. 38,950

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10. Other Income

Other income is detailed as follows:

	December 31, 2021	December 31, 2020
Sanctions	**B/. 2,804**	B/. -
Compensation system	**54,000**	54,000
Others	**4,637**	2,365
	B/. 61,441	B/. 56,365

11. Personnel Expenses

Personnel expenses are detailed as follows:

	December 31, 2021	December 31, 2020
Salaries	**B/. 632,377**	B/. 591,646
Representation expenses	**205,114**	223,356
Profit sharing	**81,000**	73,370
Labor benefits	**111,886**	110,126
Indemnity and seniority premium	**16,360**	16,145
	B/. 1,046,737	B/. 1,014,643

As of December 31, 2021, the total number of collaborators was 26 (2020: 27).

12. Other Administrative Expenses

Below is the detail of other administrative expenses:

	December 31, 2021	December 31, 2020
Maintenance	B/. **141,746**	B/. 116,128
Professional fees	**89,535**	62,501
Banking services	**68,610**	55,052
Director's Allowance	**64,750**	66,750
Taxes	**55,401**	55,658
PH maintenance	**48,869**	50,579
Audit	**30,630**	25,427
Legal expense	**24,561**	6,558
Electricity and telephone	**18,704**	25,722
Meetings, speeches and events	**18,086**	9,600
Associations	**14,001**	14,001
Training, courses and seminars	**12,120**	6,078
Rent	**9,833**	9,767
Forums	**7,828**	4,327
Donations	**6,405**	11,900
Abroad travel and customer service	**5,914**	1,505
Others	**5,442**	3,543
Advertising	**4,953**	5,261
Gas and transport	**3,238**	3,132
Stationery and office supplies	**2,781**	865
Minor furniture	**2,391**	372
Canteen	**996**	658
Cleaning	**989**	1,452
Fees and subscriptions	**464**	137
	B/. 638,247	B/. 536,973

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13. Income Tax

The income tax is calculated based on the net taxable income. The reconciliation of income before income tax according to financial statements with the net taxable income is presented as follows:

	December 31, 2021	December 31, 2020
Income before income tax	**B/. 1,628,365**	B/. 1,724,190
Less: Exempt and/or nontaxable income	**(30,033)**	(38,950)
Plus: Non-deductible expenses	**16,269**	21,169
Net Taxable Income	**1,614,601**	1,706,409
Current income tax 25%	**403,650**	426,602
Deferred income tax	**(2,403)**	-
Income tax expense 25%	**B/. 401,247**	B/. 426,602

Legal entities whose taxable income exceeds one million five hundred thousand balboas per year (B/.1,500,000) will pay income tax on the calculation that is higher between:

a. The 25% rate on tax profit (Traditional Method)
b. The net taxable income resulting from applying 4.67% to total taxable income at the 25% rate (Alternative Calculation of Income Tax).

According to current regulations, the income tax returns of the Company are subject to review by the tax authorities for the last three (3) years, including the year ended December 31, 2021.

14. Assets under Management and Custody

In the normal course of business, the Company maintains under custody financial assets of third parties as fiduciary, according to Decree Law No.1 of July 8, 1999 and its amendments.

The assets held under custody and deposits in banks are as follows:

	December 31, 2021	2020
Fixed income	**B/. 8,267,867,007**	B/. 8,383,023,692
Government securities	**7,715,296,446**	7,381,491,155
Variable income	**5,824,669,756**	5,383,045,600
Funds	**3,965,257,517**	3,323,840,075
Promissory notes	**481,584,309**	438,538,235
CERPANES	**20,526,071**	28,328,301
Deposits in banks	**8,482,511**	20,893,846
	B/. 26,283,683,617	B/. 24,959,160,904

For purposes of mitigating the risks inherent to the business, the Company maintains a fidelity policy with a local insurance company.

In accordance with the provisions of the Internal Rules of the Company and as part of the safeguards of the financial activities of the participants, the custody center maintains as of December 31, 2021, a combined total cash of B/.1,300,000 (2020: B/.1,705,000) as guarantees in support of the obligations of the participants. Said guarantees are duly segregated and are managed in the Company's memorandum accounts.

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15. Balances and Transactions with Related Parties

Balances as of December 31, 2021 and 2020 and transactions during 2021 and 2020 with related parties are detailed as follows:

	December 31, 2021	2020
Balances with Related Companies		
Investments at fair value through other comprehensive income	**B/. 24,926**	B/. 22,333
Dividends payable	**B/. 1,227,118**	B/. 1,297,588
Transactions with related companies		
Income on investments	**B/. 1,448**	B/. 1,670
Key personnel compensation transactions		
Key personnel compensation	**B/. 837,390**	B/. 811,714
Director´s allowances	**B/. 64,750**	B/. 66,750

16. Dividends Declared

The Board of Directors approved dividends payments to shareholder, as follows:

Type of Dividend	Dividend Declared	Dividend Per share	Declaration date	Payment Date
2021				
Ordinary	**B/. 1,227,118**	**B/. 2,454**	**December 31, 2021**	**Annual**
2020				
Ordinary	B/. 1,297,588	B/. 2,595	December 31, 2020	Annual

17. Guaranty Trust for the Company

As indicated in Note 1, the Company is controlled by Latinex Holding, Inc. (the Parent Company).

On February 9, 2012, Latinex Capital, Inc. approved by its Board of Directors the establishment of an independent trust assets for security purposes, exclusively to support operations of Central Latinoamericana de Valores, S. A. (the "Beneficiary").

Latinex, Inc. (the "Settlor") and part the Group, is holder of financial assets and shares in companies, which are free of encumbrances and restrictions, operating professionally in the organized market of the Republic of Panama.

One of the powers of the Company as beneficiary and which translates as an obligation of the Trust is to execute the transfer of assets from the equity of the Trust to the accounts of the Beneficiary, under a simple request of the Beneficiary, to meet capital requirements or meet business needs or when they are appropriate in the ordinary course of business of the Beneficiary.

As of December 31, 2021, the Trustee held a total of trust assets in favor of the Company for B/.3,921,630 (2020: B/.3,483,560), included in the total investments at fair value through comprehensive income.

The Grantor and the Trustee entered into a Trust Agreement No.119 called "Latin Clear Trust", whose beneficiary is the Company.

18. Contingencies

There are lawsuits filed against the Company, on which the Administration of the Company and its legal advisors consider that the results of these processes are not expected to generate an adverse effect on the Company's financial position.

Latinex

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