Global Valores, S.A.

(A wholly-owned subsidiary of Global Bank Corporation)

Financial statements for the year ended June 30, 2023 and Independent Auditors' Report of August 31, 2023

"This document has been prepared with the knowledge that its contents will be available to investors and the general public"

Global Valores, S. A.
(A wholly-owned subsidiary of Global Bank Corporation)

Independent Auditors' Report and Financial Statements as of June 30, 2023

Contents **Page**

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Deloitte, Inc.
Contadores Públicos Autorizados
RUC 16292-152-155203 D.V. 65
Torre Panamá, piso 12
Avenida Boulevard y la Rotonda
Costa del Este, Panamá
Apartado 0816-01558
Panamá, Rep. de Panamá

Teléfono: (507) 303-4100
Fax: (507) 269-2386
infopanama@deloitte.com
www.deloitte.com/pa

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INDEPENDENT AUDITORS' REPORT

To the Shareholder and Board of Directors
Global Valores, S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Global Valores, S.A.** (the "Company"), which comprise the statement of financial position as of June 30, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, as well as a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements fairly represent, in all material aspects, the financial situation of the Company as of June 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for the Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities in accordance with these standards are further described in the *Auditor´s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent from the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accounting Professionals (IESBA Code) and the Professional Code of Ethics for Authorized Public Accountants in Panama (Chapter IV of Law 280 of December 30, 2021), and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities and of Those in Charge of Governance 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 in charge of the corporate governance are responsible for overseeing the financial reporting process of the Company.

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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 the International Auditing Standards 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 the International Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error; we 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 controls.

- 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 controls.

- 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We 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 in charge of corporate 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.

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Other Legal and Regulatory Requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of the Certified Public Accountant in the Republic of Panama, we declare the following:

- That the management, execution and supervision of this audit work has been carried out physically in Panamanian territory.
- The audit team that has participated in the audit referred to in this report is comprised by José Araúz, Partner and Doralis Oda, Manager.

(Signed by Deloitte)

Deloitte, Inc.

August 31, 2023
Panama, Republic of Panama

(Signed by José Araúz)

José Araúz
CPA No.0017-2023

Global Valores, S. A.

(A wholly-owned subsidiary of Global Bank Corporation)

Statement of financial position
June 30, 2023
(In balboas)

	Notes	2023	2022
Assets			
Bank deposits:			
Demand - domestic		5,404,780	4,560,297
Demand - foreign		2,686,380	4,131,719
Time - domestic		5,300,000	5,300,000
Interest receivable		13,930	10,288
Total bank deposits	6,7	13,405,090	14,002,304
Investment in securities	5,7,8	2,621,968	2,567,815
Other assets	9	546,791	533,368
Total assets		16,573,849	17,103,487
Liabilities and equity			
Liabilities:			
Other liabilities	7,10	964,281	2,129,540
Equity:			
Common shares with a par value of B/.100 each; authorized, issued and outstanding: 5,000		500,000	500,000
Fair value reserve		300,237	398,948
Retained earnings		14,809,331	14,074,999
Total equity		15,609,568	14,973,947
Total liabilities and equity		16,573,849	17,103,487

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

Global Valores, S. A.

(A wholly-owned subsidiary of Global Bank Corporation)

Statement of profit or loss
for the year ended June 30, 2023
(In balboas)

	Notes	2023	2022
Income from operations:			
Brokerage commissions		2,471,989	2,907,432
Interest earned on deposits	7	301,806	277,717
Interest earned on investments		137,467	138,844
Gain on sale of securities through OCI		388,602	507,495
Other income		74,995	156,227
Total income		3,374,857	3,987,715
Gain (loss) in securities at fair value through profit or loss		9,259	(79,700)
Reserve for investments		(33)	(133)
Interest and commission expenses		(56,142)	(51,880)
Total income from operations, net		3,327,942	3,856,002
General and administrative expenses:			
Salaries and other compensations	13	1,519,141	1,464,557
Administrative services	7	390,000	390,000
Professional fees		144,450	116,514
Other taxes		110,989	118,045
Insurances		75,411	72,747
Maintenance and repairs		15,130	14,544
Advertising		1,400	1,479
Others		150,612	107,210
Total general and administrative expenses		2,407,132	2,285,096
Profit before income tax		920,810	1,570,906
Income tax	14	(143,431)	(241,307)
Net profit		777,379	1,329,599

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

Global Valores, S. A.

(A wholly-owned subsidiary of Global Bank Corporation)

Statement of comprehensive income
for the year ended June 30, 2023
(In balboas)

	2023	2022
Net profit	777,379	1,329,599
Other comprehensive income:		
Items that are and can be reclassified to the statement of profit or loss:		
Reserve for investments	(33)	(133)
Net change in the valuation of investments at fair value through other comprehensive income	289,924	585,287
Gain transferred to the statement of profit or loss	(388,602)	(507,495)
Total other comprehensive income	(98,711)	77,659
Total comprehensive income	678,668	1,407,258

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

Global Valores, S. A.

(A wholly-owned subsidiary of Global Bank Corporation)

Statement of changes in equity
for the year ended June 30, 2023
(In balboas)

	Total equity	Common shares	Fair value reserve	Retained earnings
Balance as of June 30, 2021	13,595,098	500,000	321,289	12,773,809
Net profit	1,329,599	-	-	1,329,599
Other comprehensive income:				
Reserve for investments	(133)	-	(133)	-
Net changes in securities at fair value through other comprehensive income	77,792	-	77,792	-
Total comprehensive income for the year	1,407,258	-	77,659	1,329,599
Transactions attributable to shareholders:				
Complementary tax	(28,409)	-	-	(28,409)
Total transactions attributable to shareholders:	(28,409)	-	-	(28,409)
Balance as of June 30, 2022	14,973,947	500,000	398,948	14,074,999
Net profit	777,379	-	-	777,379
Other comprehensive income:				
Reserve for investments	(33)	-	(33)	-
Net changes in the valuation of investments at fair value through other comprehensive income	(98,678)	-	(98,678)	-
Total comprehensive income for the year	678,668	-	(98,711)	777,379
Transactions attributable to shareholders:				
Complementary tax	(43,047)	-	-	(43,047)
Total transactions attributable to shareholders:	(43,047)	-	-	(43,047)
Balance as of June 30, 2023	15,609,568	500,000	300,237	14,809,331

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

Global Valores, S. A.
(A wholly-owned subsidiary of Global Bank Corporation)

Statement of cash flows
for the year ended June 30, 2023
(In balboas)

	Notes	2023	2022
Cash flows from operating activities:			
Net profit		777,379	1,329,599
Income taxes	14	143,431	241,307
Gain on investment securities		(397,861)	(507,495)
Provision for investments		33	133
Increase in other assets		(17,065)	(173,233)
(Decrease) increase in other liabilities		(1,165,261)	1,305,173
Income tax paid		(143,431)	(241,307)
Net cash flows (used in) provided by operating activities		(802,775)	1,954,177
Cash flows from investing activities			
Purchase of investments		(143,601,980)	(126,263,836)
Sale of investments		143,846,946	126,921,703
Net cash provided by investing activities		244,966	657,867
Cash flows from financing activities			
Complementary tax		(43,047)	(28,409)
Net cash used in financing activities		(43,047)	(28,409)
Net (decrease) increase in cash and cash equivalents		(600,856)	2,583,635
Cash and cash equivalents at beginning of the year		8,692,016	6,108,381
Cash and cash equivalents at end of the year	6	8,091,160	8,692,016

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

1. General Information

Global Valores, S. A. (the "Company") was incorporated under the laws of the Republic of Panama through Public Deed No.11218 of August 27, 2002 and started operations in February 2003. It is a wholly-owned subsidiary of Global Bank Corporation, an entity incorporated in June 1994 in accordance with the laws of the Republic of Panama.

The Company has a Brokerage Firm license granted by the Superintendency of Securities Market of Panama through Resolution CNV-022-03 of November 23, 2003. It also has an Investment Management license granted by the Superintendency of Securities Market of Panama through Resolution SMV-686-2016 of October 12, 2016.

The Superintendency of Securities Market of Panama regulates brokerage firm operations in accordance with Decree Law No.1 of July 8, 1999, amended through Law No.67 of September 1, 2011. Brokerage firm operations are in the process of adjusting to Agreement 4-2011, which modifies certain provisions through Agreement 8-2013, established by the Superintendency of Securities Market of Panama, indicating they are required to comply with standards of capital adequacy and its modalities.

The Company's main office is located at 50th Street, Global Bank Tower, Panama, Republic of Panama. Its parent company, Global Bank Corporation, provides management services to the Company.

2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

2.1 Standards and interpretations adopted without effects on the financial statements

For the year ended June 30, 2023, certain IFRS standards and their interpretations ("IFRICs") became effective, but had no impact on the Company's financial statements.

2.1 New and amended rules that are not yet effective

New standards, interpretations and amendments to accounting standards have been published, but are not mandatory for the year ending June 30, 2023, and have not been adopted early by the Company.

The main changes of these new standards are presented below:

IFRS 17 – Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 - *Insurance contracts*.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued *Amendments to IFRS 17* to address concerns and implementation challenges after IFRS 17 was published. The amendments changed the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued the Extension of the Temporary Exemption from the Application of IFRS 9 (*Amendments to IFRS 4*) that extends the fixed expiration date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

This IFRS is mandatory for periods beginning as of January 1, 2023. Earlier application is permitted. Management does not expect the adoption of this standard to have a material impact on the Company's financial statements in future periods.

Amendments to IAS 1 - Classification of liabilities as current or non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of «settlement» to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Amendments to IAS 12 "Taxes"

The IASB has issued an amendment to IAS 12 to clarify how deferred taxes arising on transactions such as leases or decommissioning obligations should be accounted for. The amendments clarify that entities are required to recognize deferred taxes on leases and decommissioning provisions. The purpose of the amendments has been to reduce diversity in the reporting of deferred tax information on such transactions. The amendments are effective January 1, 2023 with early application permitted.

Amendments to IFRS 16 "Leases"

The IASB has published an amendment to IFRS 16 detailing the accounting for sale and leaseback transactions. According to the amendment to the standard, the seller-lessee must calculate the value of the lease liability in such a way that it does not recognize any gain or loss related to the retained right-of-use. The amendment is effective as of January 1, 2024 and its early application is permitted.

Amendments to IFRS 10 – Consolidated financial statements and IAS 28 – *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The Company's Management do not anticipate that the application of these amendments may have an impact on the financial statements in future periods.

Amendments to la IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgments - Disclosure of Accounting Policies

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy disclosures." Information about accounting policies is material if, when considered together with other information included in a company's financial statements, it could reasonably be expected to influence the decisions that primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs of IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information related to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, early application permitted and are applied prospectively. The Amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. According to the new definition, accounting estimates are “monetary amounts in the financial statements that are subject to measurement uncertainty.”

The definition of change in accounting estimates was eliminated. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate resulting from new information or new developments is not the correction of an error.

- The effects of a change in an input or measurement technique used to develop an accounting estimate are changes in accounting estimates if they are not the result of correction of prior period errors. The Board added two examples (Examples 4-5) to the accompanying Guidance on the implementation of IAS 8. The Board has removed one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with early application permitted.

Amendments to IAS 12 - Income Taxes - Deferred Taxes relating to Assets and Liabilities Arising from Single Transactions

The amendments introduce a new exception to the exemption from initial recognition. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and a liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. For example, this may arise when recognizing a lease liability and the corresponding right-of-use asset by applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments apply.

The amendments apply to transactions occurring on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period, an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:

    - Right-of-use assets and lease liabilities
    - Dismantling, restoration and similar liabilities and the related amounts recognized as part of the cost of the related asset.

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as applicable) as of that date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with permitted application.

Management does not expect the adoption of the above standards to have a material impact on the Company's financial statements in future periods.

3. More significant accounting policies

3.1 Statement of compliance

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

3.2 Basis of preparation

The financial statements have been prepared under the historical cost basis, except for investments at fair value through other comprehensive income and through profit or loss, which are presented at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

The financial statements have been prepared by Management assuming that the Company will continue to operate as a going concern.

3.3 Functional and presentation currency

Records are carried in Balboas and the financial statements are expressed in this currency. The Balboa, the monetary unit of the Republic of Panama, is at par and freely exchangeable with the United States dollar. The Republic of Panama does not issue paper money and instead uses the U.S. dollar as legal tender.

3.4 Financial assets

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal (SPPI), are later measured at amortized cost. Debt instruments held in a business model, whose objective is both to collect the contractual cash flows as well as to sell financial assets and that have contractual cash flows that are SPPI, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments (for example, those managed on a fair value basis, or held for sale) and capital investments are subsequently measured at fair value through profit and loss (FVTPL).

However, the following irrevocable choice or designation may be made in the initial recognition of a financial asset on an asset-by-asset basis:

- It is possible to irrevocably choose to present subsequent changes in the fair value of a capital investment that is not held for trading, nor a contingent consideration recognized by an acquirer in a business combination to which IFRS 3 is applied - *"Business Combinations"*, in other comprehensive income; and
- A debt instrument that meets the amortized cost or the FVTOCI criteria measured at FVTPL can be irrevocably designated if doing so eliminates or significantly reduces causing an accounting asymmetry.

3.4.1 Classification

The Company classifies its financial assets according to its subsequent measurement at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the Company's business model for asset management of financial assets and contractual cash flow characteristics of financial assets.

The Company classifies all financial liabilities according to their subsequent measurement at amortized cost, except for those liabilities measured through profit or loss, as a result of hedge accounting, as well as liabilities measured at fair value corresponding to non-designated derivatives.

3.4.2 Evaluation of the business model

The Company carries out an evaluation of the objective of the business model in which the financial asset is held at the portfolio level, as it reflects the way in which the business is managed and information is provided to Management. The information considers the following:

- The Company's policies and objectives for the portfolio and the operation of these policies in practice. In particular, if the management strategy is focused on obtaining income from contractual interests, maintaining a particular interest rate profile, adapting the duration of the financial assets to the duration of the liabilities that finance those assets or making cash flows to through the sale of assets;
- How the portfolio performance is evaluated and informed to the Company's Management;
- The risk that affects the performance of the business model and how these risks are managed;

An evaluation of business models to manage financial assets is essential for the classification of a financial asset. The Company determines the business model at a level that reflects how financial asset groups are managed together to achieve a particular business objective. The business model does not depend on Management's intentions for an individual instrument; therefore, the evaluation of the business model is carried out at a higher level of aggregation rather than instrument by instrument.

In the initial recognition of a financial asset, it is determined whether the newly recognized financial assets are part of an existing business model or if they reflect the beginning of a new business model. The Company reassesses its business model in each reporting period to determine if business models have changed since the previous period. For the current and previous reporting period, the Company has not identified a change in its business model.

3.4.3 Evaluation on contractual cash flows if they are only capital and interest payments

For the purposes of this evaluation, “principal” means the fair value of the financial asset at the time of initial recognition. “Interest” is defined as the consideration for the value of money over time and for the credit risk associated with the outstanding capital for a certain period of time and for other basic risks and costs of the loan, as well as the profit margin.

The contractual cash flows that are SPPI are consistent with a basic loan agreement. Contractual terms that introduce exposure to risks or volatility in contractual cash flows that are not related to a basic loan agreement, such as exposure to changes in stock prices or commodity prices, do not give rise to contractual cash flows that are SPPI. A financial asset originated or acquired may be a standard credit agreement regardless of whether it is a loan in its legal form.

In assessing whether contractual cash flows are only payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the schedule or amount of contractual cash flows so that it does not meet this condition. When conducting the evaluation, the Company considers the following:

- Contingent events that would change the amount and schedule of cash flows;
- Leverage characteristics;
- Prepayment and extension terms;
- Terms that limit the Company's claim to the cash flows of specified assets (for example, agreements with assets without recourse); and characteristics that modify the consideration of the value of money over time (for example, periodic readjustment of interest rates).

3.4.4 Financial assets at fair value through other comprehensive income (FVTOCI)

These securities are composed of debt instruments not classified as securities at FVTPL or securities at amortized cost and are subject to the same approval criteria as the rest of the credit portfolio. These values are carried at fair value if the following two conditions are met:

- The financial asset remains within the business model whose objective is to maintain the financial assets so as to obtain the contractual cash flows, and
- The contractual conditions of the financial asset give rise, on the specified dates, to cash flows that are only payments of the principal and interest on the amount of the outstanding principal.

Unrealized gains and losses are reported as net increases or decreases in other comprehensive income ("OCI") in the statement of changes in equity until they are realized. Gains and losses made from the sale of securities that are included in the net gain on the sale of securities are determined using the specific identification method.

For an equity instrument designated as measured at FVTOCI, the accumulated gain or loss previously recognized in other comprehensive income is not subsequently reclassified to gains and losses, but may be transferred within the equity.

3.4.5 Financial assets at amortized cost

Financial assets at amortized cost represent securities and loans whose objective is to maintain them in order to obtain contractual cash flows during the life of the instrument. These securities and loans are valued at amortized cost if the following two conditions apply:

- The financial asset remains within the business model whose objective is to maintain the financial assets so as to obtain the contractual cash flows, and
- The contractual conditions of the financial asset give rise, on the specified dates, to cash flows that are only payments of the principal and interest on the amount of the outstanding principal.

3.4.6 Financial assets and liabilities at fair value through profit or loss (FVTPL)

Financial assets and liabilities at fair value through profit and loss include a) assets and liabilities with contractual cash flows that are not SPPI; and/or b) assets and liabilities designated in FVTPL using the fair value option; and accounts receivable (unrealized gains) and accounts payable (unrealized losses) related to derivative financial instruments that are not designated as hedging or that do not qualify for hedge accounting.

Unrealized gains and losses made on assets and liabilities for trading are recorded in the statement of profit or loss as profit (loss) of financial instruments at fair value through profit or loss.

3.4.7 Reclassification

If the business model, under which the Company maintains financial assets changes, the affected financial assets are reclassified. The classification and measurement requirements related to the new category are applied prospectively from the first day of the first reporting period following the change in the business model resulting in the reclassification of the Company's financial assets.

During the current fiscal year and the prior accounting period there were no changes in the business model under which the Company owns financial assets and, therefore, no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy of modification and derecognition of financial assets and liabilities described below.

3.4.8 *Derecognition of assets*

A financial asset (or, where appropriate, a part of a financial asset or a part of a group of similar financial assets) is written off when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive the cash flows of the asset and has either substantially transferred all the risks and benefits of the asset, or has transferred or substantially retained the risks and benefits of the asset, but control has been transferred of the asset.
- The Company reserves the right to receive the cash flows of the asset, but has assumed an obligation to pay the cash flows received in full and without significant delay to a third party under a "pass-through agreement."
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, and neither has substantially transferred or retained all the risks and benefits of the asset, nor transferred control of the asset, the asset is recognized to the extent that the Company's participation in the asset continues. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the contractual rights and obligations that the Company has retained.

The continued participation that takes the form of a guarantee on the transferred asset is measured by the lower amount between the original carrying value of the asset and the maximum amount of the consideration that the Company could be required to pay.

The Company carries out operations through which it transfers recognized assets in its statement of financial position, but retains all or substantially all the risks and rewards of the transferred asset or part thereof. In such cases, the transferred assets are not written-off. Examples of these transactions are securities loans and sale and repurchase transactions.

3.5 Equity instruments issued by the Company

Classification as equity

Equity instruments are classified as equity according to the basis of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in an entity's assets after deducting all of its liabilities. Equity instruments issued by the Company are recorded for the amount received, net of direct issuance costs..

3.6 Interest income and expenses

Interest income and expenses are recognized in the statement of profit or loss for all financial instruments that generate interest using the effective interest method. The method of effective interest rate is the method used to calculate the amortized cost of an asset or financial liability and to distribute the income or interest expense over a period of time. The effective interest rate is the rate that exactly discounts the estimated cash flows over the expected life of a financial instrument or, when appropriate in a shorter period, to its net carrying amount. When calculating the effective interest rate, cash flows are estimated considering the contractual terms of the financial instrument, but future losses due to credit are not considered.

3.7 Commission income

Generally, commissions on financial services are recognized as income at the time of its collection due to being short-term transactions. The revenue recognized at the time of its collection is not significantly different from that recognized under the cumulative or accrual method. Commissions on loans and other medium and long-term transactions, net of certain direct costs from granting them, are deferred and amortized over their lifetime.

3.8 Impairment of financial assets

Measuring the provision for expected credit losses (ECLs) for financial assets measured at amortized cost and at fair value through other comprehensive income requires the use of complex models and significant assumptions about future economic conditions and credit behavior. Several significant judgments are also required when applying accounting requirements to measure expected losses, such as:

- Determine the criteria for a significant increase in credit risk.
- Choice of appropriate models and assumptions for measuring the expected loss.
- Incorporate future scenarios of macroeconomic conditions for each type of product / market and the associated expected loss, and
- Establish groups of similar financial assets in order to measure the expected loss.

The Company recognizes provision for expected credit losses (ECLs) in the following financial instruments that are not measured at FVTPL:

- Investment debt securities;

No impairment loss is recognized in equity investments.

With the exception of financial assets, ECLs are required to be measured for those impaired financial assets that are acquired through a loss provision at an amount equal to:

- ECLs at 12-months - ECLs during the life time that results from events of default in the financial instrument that are possible within 12 months after the filing date of the report, (referred to as Stage 1); or

- ECLs during the lifetime - ECLs during the lifetime that result from all possible events of default during the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The provision for loss by all ECLs during the lifetime is required for a financial instrument if the credit risk in that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the ECLs of 12-months.

Impaired financial assets

A financial asset is ‘credit-impaired’ when one or more events have occurred that have a detrimental effect on the estimated future cash flows of the financial asset. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data of the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- For economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider is granted to the borrower;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- The purchase of a financial asset with a huge discount reflecting the incurred credit losses.

It may not be possible to identify a single discrete event; instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or at FVTOCI are credit-impaired on each reporting date. To assess whether sovereign and corporate debt instruments have credit-impaired, the Company considers factors such as bond yields, credit ratings and the borrower's ability to obtain funds.

3.9 Income tax

Current income tax expense is based on taxable income for the year. Income tax is recognized in the results of operations of the current year. The current income tax refers to the estimated income tax payable over taxable income of the fiscal year, using the applicable rate at the date of the statement of financial position.

Taxable income differs from net income as reported in the statement of profit or loss because it excludes income or expenses that are taxable or deductible in other years and also excludes items that will never be taxable or deductible.

The complementary tax corresponds to a portion of tax prepaid in advance on dividends on behalf of the shareholders, which is deducted when dividends are paid to shareholders.

4. Risk management of financial instruments

4.1 *Objectives of financial risk management*

The Company's activities are exposed to multiple financial risks and these activities include the analysis, evaluation, acceptance, and management of certain degree of risk or combination of risks. Taking risks is central to the financial business, and the operational risks are an inevitable consequence of being in business. Therefore, the objective of the Company is to achieve an appropriate balance between risk and return and minimize the potential adverse effects on the Company's financial profit.

The activities of the Company are mainly related with the use of financial instruments, and, as such, the statement of financial position is mainly composed of financial instruments. The Company is therefore exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Operating risk

The Board of Directors of the Company has the responsibility to establish and overlook the policies of financial instruments risk management. In that effect, it has appointed committees in charge of the periodic management and supervision of the risks to which the Company is exposed.

These committees are the following:

- Audit Committee, under the leadership of the Bank's Board of Directors
- Risk Management Committee

In addition, the Company is subject to the regulations of the Superintendency of the Securities Market of Panama and the Superintendency of Banks of Panama, in relation to concentration risks, liquidity and capitalization risk among others.

4.2 Credit and counterparty risk

Credit risk is the risk of a financial loss for the Company that may take place if a client or a counterparty of a financial instrument fails to meet their contractual obligations arising mainly on loans to clients and investment in equity securities.

For purposes of risk management, the Company considers and consolidates all the elements of exposure of credit risk, debtor risk, country risk, and segment or industry risk. The credit risk that originates in maintaining securities is managed independently but informed as a component of credit risk exposure.

The respective committees appointed by the Board of Directors periodically monitor the financial condition of the debtors and issuers of negotiable instruments that involve a credit risk for the Company.

4.3 Liquidity risk

The liquidity risk is defined as the risk that the Company may encounter difficulties in obtaining funds to meet its commitments and obligations on time. The key measure used by the Company for liquidity risk management is the ratio of liquid assets to liquid liabilities.

Liquid assets are cash, bank deposits and debt securities, for which there is an active and liquid market. Liquid liabilities correspond to commitments maturing in the short term. A similar calculation, but not identical, is used for the measurement of the liquidity limits established by the Company in compliance with what is indicated by the Superintendency of the Securities Market of Panama, as established in Agreement 4-2011, regarding the measurement of liquidity risk.

The ratios for net liquid assets margin to liquid liabilities at the date of the financial statements are as follows:

	2023	**2022**
At end of the year	**890.94%**	**610.09%**
Average for the year	711.67%	576.02%
Maximum for the year	1316.75%	1151.47%
Minimum for the year	177.76%	77.68%

4.4 Market risk

It is the risk that the value of a financial asset may be reduced because of changes in interest rates, in foreign exchange rates, in stock prices, and other financial variables, as well as the reaction of market participants to political and economic events, whether by latent losses as well as potential profits. The objective of market risk management is to manage and monitor the risk exposures and at the same time to make sure that they are maintained within acceptable parameters, optimizing the risk returns.

Risk management policies set compliance with limits by financial instrument and the requirement that, unless approved by the Board of Directors, substantially all assets and liabilities are denominated in United States of America dollar or in balboas.

The Company manages the market risk of its financial instruments at fair value with changes in OCI through periodic reports to the Assets and Liabilities Committee (ALCO) and the Risk Committee in which changes in the price of each instrument are analyzed in order to take measures regarding the composition of the portfolio.

Within the Company's investment strategy, duly approved by the Board of Directors, limits exposure are set to individual risks, which are approved, based on risk rating of the issuers of these instruments.

Additionally, as part of the market risk, the Company and its subsidiaries are mainly exposed to the interest rate risk.

- *Interest rate risk of cash flows and fair value* – The interest rate risk of cash flows and fair value are the risks that will cause future cash flows and the value of financial instruments to fluctuate due to changes in market interest rates.

- *The Assets and Liabilities Committee* (ALCO) periodically reviews the exposure to interest rate risk.

The following table summarizes the Company’s exposure to interest rate risk. The Company’s assets and liabilities are included in the table at carrying value, classified by category whichever occurs first between the contractual repricing rate or maturity dates.

2023	Up to 6 months	6 months to 1 year	1 to 5 years	More than 5 years	Without interest rate	Total
Financial assets:						
Deposits in banks	500,000		4,800,000	-	8,091,160	13,391,160
Investments at fair value through profit or loss	-	-	-	1,959,559	-	1,959,559
Investments at fair value through other comprehensive income	-	38,370	11,745	30,238	582,056	662,409
Total financial assets	500,000	38,370	4,811,745	1,989,797	8,673,216	16,013,128

2022	Up to 6 months	6 months to 1 year	1 to 5 years	More than 5 years	Without interest rate	Total
Financial assets:						
Deposits in banks	500,000	3,800,000	1,000,000	-	8,692,016	13,992,016
Investments at fair value through profit or loss	-	-	-	1,950,300	-	1,950,300
Investments at fair value through other comprehensive income		-	12,034	30,728	571,753	614,515
Total financial assets	500,000	3,800,000	1,012,034	1,981,028	9,263,769	16,556,831

4.5 Capital Management

The Superintendency of the Securities Market of Panama through Agreement 8-2013, requires the Company to maintain a minimum total equity and free of encumbrances of B/ 350,000. Additionally, the Company, as a stock exchange, manages its capital to ensure compliance with the requirements established by the Panama Stock Exchange.

- *Solvency ratio:* Stock exchange positions must maintain a minimum solvency ratio of 8% at all times.

- *Capital* funds: The capital funds of the stock exchanges may not be, at any time, less than the highest of any of the following two (2) magnitudes: (i) two thirds of the minimum paid-up capital established by the Panama Stock Exchange, and (ii) the amount resulting from the application of the rules of coverage of the requirements for the level of activity complemented as planned.

- *Liquidity ratio:* Stock exchanges must maintain at all times a volume of investments in low-risk and highly liquid assets that will be, at least, ten percent (10%) of all their receivable liabilities with a residual term of less than one year.

- *Risk Concentration:* The risks maintained by a member of the Panama Stock Exchange with respect to an issuer, individual client or a group of issuers or related clients, will be considered as a concentration situation when the accumulated value of these risks exceeds ten percent (10%) of the total value of its capital resources.

In addition, the value of all risks that a stock exchange assumes and maintains with the same issuer, client or group of issuers or related clients may not exceed thirty percent (30%) of the total value of its capital resources.

2023	At the end of June 30,	Maximum of the year	Minimum of the year
Solvency ratio	525.43%	550.27%	289.60%
Date of occurrence	June 30, 2023	May 10, 2023	January 26, 2023
Capital funds	14,301,540	14,497,775	8,777,873
Date of occurrence	June 30, 2023	May 9, 2023	September 19, 2022
Liquidity ratio	890.94%	1316.75%	177.76%
Date of occurrence	June 30, 2023	February 2, 2023	April 25, 2023
Risk concentration	n/a	n/a	n/a

2022	At the end of June 30,	Maximum of the year	Minimum of the year
Solvency ratio	562.72%	566.74%	103.54%
Date of occurrence	June 30, 2022	January 5, 2022	August 9, 2021
Capital funds	13,501,223	13,563,150	2,479,241
Date of occurrence	June 30, 2022	June 8, 2022	July 9, 2021
Liquidity ratio	610.09%	1151.47%	77.68%
Date of occurrence	June 30, 2022	June 29, 2022	July 9, 2021
Risk concentration	n/a	n/a	n/a

5. Accounting estimates and critical judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are periodically assessed and based on the historical experience and other factors, including expectations of future events considered reasonable under the circumstances.

(a) *Fair value determinants and valuation processes* - The Company measures fair value using hierarchy levels that reflect the significance of the inputs used in making the measurements. The Company has established a documented process and policy for the determination of fair value which defines the responsibilities and segregation of duties between the different areas involved in this process, which has been approved by the Assets and Liabilities Committee, the Risk Committee and the Board of Directors.

When the Company uses or contracts third parties as pricing agents to determine the fair value of the instruments, this control unit assesses and documents the evidence obtained from these third parties that support the conclusion that such valuations meet IFRS requirements. This review includes:

- Verifying that the pricing agents have been approved by the Company;
- Obtaining an understanding of how the fair value was determined and if it reflects current market transactions.

When similar instruments are used to determine fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the information included in such valuation techniques is observable or unobservable. Observable information reflects market data obtained from independent sources; the non-observable information reflects the Company's market assumptions. These two types of information have created the following fair value hierarchy:

Level 1: Inputs that are listed market prices (unadjusted) in active markets for identical assets and liabilities to those that the entity can access on the measurement date.

Level 2: Prices listed in active markets for similar financial instruments or use of a valuation technique where all variables are obtained from observable market information for the assets or liabilities either directly or indirectly. In some cases, the Company uses benchmark information from active markets for similar instruments, and in other instances, it employs discounted flow techniques where all variables and inputs from the model are obtained from observable market information.

Level 3: When inputs are not available and the fair value is required through a valuation model, the Company relies on entities engaged in the valuation of equity instruments or of the asset management entities or liabilities in question. The models used to determine the fair value are usually through discount of flows or valuations that use historical market observations.

Fair value of financial assets measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key data inputs	Significant unobservable input data	Relationship of the unobservable input data at fair value
	2023	2022				
Shares issued by companies -domestic	436,003	515,447	Level 2	Observable market prices in non-active markets	N/A	N/A
Shares issued by companies -domestic	25,000	25,000	Level 3	Share prices in non-liquid market	N/A	N/A
Shares issued by companies - foreign	121,053	31,340	Level 3	Share prices in non-liquid market	N/A	N/A
Private debt securities - domestic	1,959,559	1,950,300	Level 2	Observable market prices in non-active markets	N/A	N/A
Private debt securities - domestic	80,353	45,728	Level 3	Observable market prices in non-active markets	N/A	N/A
	2,621,968	2,567,815				

Fair value of financial assets of the Company not measured at fair in the statement of financial position (but that require fair value disclosures)

The carrying value of the main financial assets that are not measured at fair value in the Company's statement of financial position is summarized below:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Demand deposits	8,091,160	8,091,160	8,692,016	8,692,016
Time deposits	5,300,000	5,436,409	5,300,000	5,338,635
Total financial assets	13,391,160	13,527,569	13,992,016	14,030,651

Fair value hierarchy
2023

	Total	Level 1	Level 2	Level 3
Financial assets:				
Demand deposits	8,091,160	-	8,091,160	-
Time deposits	5,436,409	-	5,436,409	-
Total	13,527,569	-	13,527,569	-

Fair value hierarchy
2022

	Total	Level 1	Level 2	Level 3
Financial assets:				
Demand deposits	8,692,016	-	8,692,016	-
Time deposits	5,338,635	-	5,338,635	-
Total	14,030,651	-	14,030,651	-

6. Deposits in bank

Bank deposits are listed below:

	2023	2022
Demand deposits	8,091,160	8,692,016
Time deposits	5,300,000	5,300,000
	13,391,160	13,992,016
Interest receivable	13,930	10,288
	13,405,090	14,002,304
Less:		
Interest receivable	(13,930)	(10,288)
Time deposits with maturities greater than 90 days	(5,300,000)	(5,300,000)
Cash and cash equivalents for purposes of the statement of cash flows	8,091,160	8,692,016

As of June 30, 2023, there were time deposits with maturities greater than 90 days for B/.5,300,000 (2022: B/.5,300,000).

7. Balances and transactions with related parties

A summary of balances and transactions with related parties included in the financial statements is presented below:

Transactions with related parties

	2023	2022
Statement of financial position		
Assets		
Deposits in banks	5,404,780	8,692,016
Time deposits - domestic	5,300,000	5,300,000
Investments in securities	1,959,559	1,950,300
Other assets	187,980	370,262
Statement of profit or loss		
Income and expenses		
Income earned on deposits	295,992	277,368
Interest earned on investments	134,822	221,664
Custody and administration fee	647,534	523,650
Administrative fee income	12,791	-
Service fees	40,800	40,800
Management fee paid	2,616	-
Administrative services expenses	390,000	390,000
Insurance expenses	75,411	72,747

The Company has an administrative services agreement with its Parent Bank that includes, among other things, the use of part of the Bank's facilities, electricity, water, telephone, maintenance, space, stationery, administration and accounting services by bank personnel.

8. Investment in securities

Below is the detail of investments in securities:

	2023	2022
Investments at fair value through other comprehensive income	662,409	617,515
Investments at fair value through profit or loss	1,959,559	1,950,300
Totals	2,621,968	2,567,815

8.1 Investments at fair value through other comprehensive income

	2023	2022
Securities listed on the stock exchange:		
Shares issued by companies - domestic	436,003	515,413
Private debt securities - domestic	80,353	45,762
	516,356	561,175
Securities not listed on the stock exchange:		
Investment fund - domestic	25,000	25,000
Investment fund - foreign	121,053	31,340
	146,053	56,340
Totals	662,409	617,515

8.2 Investments at fair value through profit or loss

Based on the IFRS 9 classification category for financial assets at fair value through profit or loss, the information as of June 30, 2023 is presented below:

	2023	2022
Securities listed on the stock exchange:		
Private debt securities - domestic	1,959,559	1,950,300
Totals	1,959,559	1,950,300

As of June 30, 2023, the Company sold investments for B/.143,846,946 (2022: B/.126,921,703) and as a result recorded a gain of B/.397,861 (2022: B/.507,495) which is included in the statement of profit or loss.

9. Other assets

Other assets are detailed below:

	2023	2022
Other accounts receivables	207,733	291,832
Other assets	245,381	201,956
Prepaid expenses	93,677	39,580
	546,791	533,368

10. Other liabilities

Other liabilities are detailed below:

	2023	2022
Employee benefits	505,284	431,669
Accounts payable	389,243	388,629
Other accounts payable	60,616	1,292,669
ITBMS payable	9,138	16,573
	964,281	2,129,540

11. Managed amount of customer accounts

11.1 Assets in custody

The Company, under the Securities Brokerage House License granted by the Superintendency of the Securities Market of Panama, offers brokerage, administration and custody of securities to third parties. As of June 30, 2023, the value of assets held under custody amounts to B/.1,736,229,276 (2022: B/.1,631,826,553) and cash from third parties to B/.25,303,816 (2022: B/.44,562,062), and they are recorded outside the statement of financial position of the Company. Management considers that there are no risks for the Company. As of June 30, 2023, the Company has no assets under management on behalf of third parties.

11.2 Administration of funds

The Company, owns 25,000 common shares with a par value of B/.1, representing 100% of the type A shares issued by Fondo Global de Inversiones, S.A. (Management Shares), a Panamanian company incorporated on September 30, 2016 and by Resolution of the Superintendency of the Securities Market No.SMV-71-17 of February 14, 2017 and amended by Resolution No.SMV-151-17 of March 30, 2017, which authorized its operation. The main purpose of the Fund is to be an umbrella investment company that offers different types of participation quotas, aliquots in different investment portfolios or sub-fund through Participation Shares.

12. Managed amount of own accounts

The value of the Company's own and cash positions as of June 30, 2023, amounts to B/.16,013,128 (2022: B/.16,559,831).

13. Salaries, remuneration and other personnel expenses

Salaries, remuneration and other personnel expenses are summarized below:

	2023	**2022**
Salaries	656,787	648,532
Representation expenses	384,756	346,905
Vacation, thirteenth month	188,381	183,676
Employee benefits	173,858	173,550
Bonus	84,596	79,241
Seniority premium	29,863	31,653
Production bonus	900	1,000
	1,519,141	1,464,557

14. Income tax

Income tax returns for the last three years of banks incorporated in the Republic of Panama are subject to revision by the tax authorities, including for the year ended June 30, 2023, according to current tax regulations.

In accordance with current Panamanian Tax Legislation, the Company is exempt from income tax on foreign source earnings. Interest earned on time deposits in local banks, interest earned on Panamanian government securities and investments in securities issued through the Panamanian Stock Exchange are also exempt from income tax.

In Official Gazette No.26489-A, regarding Law No.8 of March 15, 2010, the general Income Tax (ISR in Spanish) rates were modified. For financial entities, the current rate was 27.5% as of January 1, 2012, and was reduced to 25% as of January 1, 2014.

By means of Law No.8 of March 15, 2010, the method called Alternate Income Tax Calculation (CAIR in Spanish) is eliminated and replaced with the presumptive income taxation, obliging any legal entity that accrues income in excess of one million five hundred thousand balboas (B/.1,500,000), to determine as taxable base for said tax, the greater amount between: (a) the net taxable income calculated by the ordinary method established in the Tax Code and (b) the net taxable income resulting from applying four point sixty seven percent (4.67%) to the total taxable income.

A reconciliation of current income taxes is presented as follows:

	2023	2023
Profit before income tax	920,810	1,570,906
Less: non-taxable income	(1,030,134)	(1,409,919)
Expenses	683,048	804,242
Taxable income	573,724	965,229
Income tax expenses - calculation at 25%	143,431	241,307

15. Complementary information

The Brokerage Firm, Global Valores, S.A., presents information on assets, liabilities, equity and results by activity, based on Agreement No.3-2015 detailed below:

	2023		
	Brokerage Firm	**Administrator of investments**	**Totals**
Total assets	14,516,463	2,057,386	16,573,849
Total liabilities	960,519	3,762	964,281
Total equity	13,555,944	2,053,624	15,609,568
Total operating income	2,555,359	772,583	3,327,942
Total operating expenses	2,336,269	70,863	2,407,132
Profit before income tax	219,090	701,720	920,810
Income tax	143,431	-	143,431
Net profit	75,659	701,720	777,379

	2022		
	Brokerage Firm	**Administrator of investments**	**Totals**
Total assets	15,748,067	1,355,420	17,103,487
Total liabilities	2,126,023	3,517	2,129,540
Total equity	13,622,043	1,351,904	14,973,947
Total operating income	2,314,452	626,823	2,941,275
Total operating expenses	2,643,010	74,107	2,717,117
Profit before income tax	1,018,189	552,717	1,570,906
Income tax	241,307	-	241,307
Net profit	776,882	552,717	1,329,599

16. Approval of the financial statements

These financial statements for the year ended June 30, 2023 were authorized by General Management for issuance on August 31, 2023.

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