(FREE ENGLISH LANGUAGUE TRANSLATION FROM SPANISH VERSION)

Central Latinoamericana de Valores, S. A.

Report and Financial Statements
December 31, 2017

Central Latinoamericana de Valores, S. A.

General Information
December 31, 2017

Dignitaries

Arturo Gerbaud	President
Roberto Brenes P.	Vice-president
Roberto Jimenez	Treasurer
Marielena Garcia Maritano	Secretary

Place of Business

Federico Boyd Avenue and 49 Street, Panama Stock Exchange Building

Banks and Other Financial Institutions

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

Auditors

PricewaterhouseCoopers Panama

Central Latinoamericana de Valores, S. A.

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December 31, 2017

FREE ENGLISH LANGUAGUE TRANSLATION
FROM SPANISH VERSION

Independent Auditors' Report

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

Our opinion

In our opinion, the financial statements of Central Latinoamericana de Valores, S. A. (the "Company") present fairly, in all material respects, the financial position as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2017;
- the statement of income for the year then ended:
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and the ethical requirements that are relevant to our audit of the financial statements in the Republic of Panama. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Panama.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 International Standards on Auditing 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 the financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 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.

PricewaterhouseCoopers (Signed)

March 21, 2018
Panama, Republic of Panama

Central Latinoamericana de Valores, S. A.

Statement of Financial Position
December 31, 2017
(Stated in balboas)

	2017	2016
Assets		
Cash and saving accounts (Note 5)	1,093,822	1,536,554
Time deposit (Note 5)	353,502	-
Investments available-for-sale (Notes 6 and 15)	634,000	436,896
Interest receivable	939	5,391
Accounts receivable, net (Note 7)	174,131	116,874
Prepaid expenses	74,118	37,289
Prepaid income tax	11,334	-
Property, furniture and equipment, net (Note 8)	152,682	118,833
Guarantee deposits and other assets	5,242	25,680
Total assets	2,499,770	2,277,517
Liabilities and Equity		
Liabilities		
Accrued expenses and withholdings payable	158,608	131,194
Income tax payable	-	12,594
Dividends payable (Note 16)	1,074,554	800,000
Total liabilities	1,233,162	943,788
Equity		
Common shares without par value: 500 authorized, issued and outstanding shares	639,223	639,223
Revaluation reserve for investments available-for-sale	106,366	182,347
Complementary tax	(32,296)	(41,156)
Retained earnings	553,315	553,315
Total equity (Note 17)	1,266,608	1,333,729
Total liabilities and equity	2,499,770	2,277,517

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

Central Latinoamericana de Valores, S. A.

Statement of Income
For the year ended December 31, 2017
(Stated in balboas)

	2017	2016
Revenue		
Commissions	1,556,111	1,464,722
Agency of settlement and international market transactions	1,574,505	1,530,555
Maintenance fees	141,750	148,600
Financial income (Notes 9 and 15)	128,300	32,547
Management fee	275,130	257,386
Others (Note 10)	110,826	142,545
Total revenue	3,786,622	3,576,355
General and Administrative Expenses		
Personnel expenses (Notes 11 and 15)	773,472	691,608
Depreciation and amortization (Note 8)	54,722	62,488
Insurance	86,253	77,470
Custody and agency of settlement, registers and transfer	751,839	727,058
Supervision fee	100,000	100,000
Other and administrative expenses (Note 12)	604,017	504,462
Total general and administrative expenses	2,370,303	2,163,086
Income before income tax	1,416,319	1,413,269
Income tax (Note 13)	(341,765)	(353,098)
Net income	1,074,554	1,060,171

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

Central Latinoamericana de Valores, S. A.

Statement of Comprehensive Income
For the year ended December 31, 2017
(Stated in balboas)

	2017	2016
Net income	1,074,554	1,060,171
Other Comprehensive Income Items:		
Items that can be subsequently reclassified to results:		
Gain transferred to income	(103,042)	-
Net change in fair value of investments available-for-sale (Note 6)	27,061	(4,929)
Total other comprehensive income	998,573	1,055,242

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

Central Latinoamericana de Valores, S. A.

Statement of Changes in Equity
For the year ended December 31, 2017
(Stated in balboas)

	Common Shares	Revaluation Reserve for Investments Available-for-Sale	Complementary Tax	Retained Earnings	Total
Balance at January 1, 2017	639,223	182,347	(41,156)	553,315	1,333,729
Comprehensive Income:					
Net income	-	-	-	1,074,554	1,074,554
Net change in fair value of investments available-for-sale (Note 6)	-	(75,981)	-	-	(75,981)
Total comprehensive income	-	(75,981)	-	1,074,554	998,573
Transactions with Shareholders:					
Complementary tax	-	-	8,860	-	8,860
Dividends declared (Note 16)	-	-	-	(1,074,554)	(1,074,554)
Total transactions with shareholders	-	-	8,860	(1,074,554)	(1,065,694)
Balance at December 31, 2017	639,223	106,366	(32,296)	553,315	1,266,608
Balance at January 1, 2016	639,223	187,276	-	293,144	1,119,643
Comprehensive Income:					
Net income	-	-	-	1,060,171	1,060,171
Net change in fair value of investments available-for-sale (Note 6)	-	(4,929)	-	-	(4,929)
Total comprehensive income	-	(4,929)	-	1,060,171	1,055,242
Transactions with Shareholders					
Complementary tax	-	-	(41,156)	-	(41,156)
Dividends declared (Note 16)	-	-	-	(800,000)	(800,000)
Total transactions with shareholders	-	-	(41,156)	(800,000)	(841,156)
Balance at December 31, 2016	639,223	182,347	(41,156)	553,315	1,333,729

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

Central Latinoamericana de Valores, S. A.

Statement of Cash Flows
For the Year Ended December 31, 2017
(Stated in balboas)

	2017	2016
Cash flows from operating activities		
Income before income tax	1,416,319	1,413,269
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation and amortization	54,722	62,488
Interests, dividend and other income	(25,258)	(32,547)
Gain on sale of investments	(103,042)	-
Net changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(57,257)	359,575
Increase in prepaid expenses	(36,829)	(10,454)
Decrease in guarantee deposits and other assets	20,438	-
Increase (decrease) in accrued expenses and withholdings payable	27,414	(16,973)
Interest received	132,753	32,734
Income tax paid	(365,693)	(409,975)
Net cash provided by operating activities	1,063,567	1,398,117
Cash flows from investing activities		
Time deposit	(353,502)	150,000
Purchases of investments available-for-sale	(500,000)	-
Sales and redemptions of investments available-for-sale	226,915	-
Adquisition of furniture and equipment	(88,572)	(30,858)
Net cash (used in) provided by investing activities	(715,159)	119,142
Cash flows from financing activities		
Complementary tax	8,860	(41,156)
Dividends paid	(800,000)	(800,000)
Net cash used in financing activities	(791,140)	(841,156)
Net (decrease) increase in cash	(442,732)	676,103
Cash at the beginning of the year	1,536,554	860,451
Cash at the end of the year	1,093,822	1,536,554

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

1. General Information

Central Latinoamericana de Valores, S. A. (the "Company") is incorporated under Panamanian Law in accordance to Public Deed No.1,725 of March 24, 1995 and subsequent to the legal reorganization according to Public Deed No.15,126 of June 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 two amendments were approved by the Superintendency of Securities Market by Resolution No.CNV-021-01 of February 5, 2001, Resolution No.226-2004 of November 25, 2004 and Resolution No.06-06 of January 4, 2006, respectively.

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

Corporate Governance

Summary of Policies
The Parent Company voluntarily adopted the Corporate Governance principles. This self-regulatory management was carried out with the purpose of ensuring the best interests of shareholders in particular and its subsidiaries in general.

The objectives of the Corporate Governance are the following purposes:

- Support the Board of Directors in the examination, assessment and monitoring of accounting and financial system of the Parent Company and its subsidiaries.
- Continuous verification of the independence criteria of the external auditor.
- 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.
- Establishment of efficient decision-making processes.
- Establish explicit guidance to the Board of Directors to the parent company and its subsidiaries, Executive Committee and Senior Management on policies for decision-making.

1. General Information (Continued)

Corporate Governance (continued)

Summary of Policies (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 Central Latinoamericana de Valores, S. A. It will be integrated by at least three (3) Directors of Central Latinoamericana de Valores, S A., and persons 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 the economic 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 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 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 voice and vote.

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 to 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 the Proliferation of Weapons of Mass Destruction, as well as ensuring that Participants meet 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 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 voice and vote.

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

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. No Director or Independent Director, directly or indirectly, is an important supplier of goods or services to the Company; however, some Directors are executives of companies with substantial relationships with the Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and the shareholders.

At a 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.

Internal Regulations

The Company has Internal Regulations that govern 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, Senior, Executives, Employees and Representatives of the Company meet the highest standards of conduct. The Code governs relationships with principles of honesty, diligence and loyalty, conflicts of interest, insider trading, administrative, technical and physical controls; it contains specific rules relating to the protection of confidential information through confidentiality agreements to be signed by Directors, Dignitaries, Senior Executives, Employees and Representatives of the Company.

These financial statements were approved for issue by the Board of Directors on March 21, 2018.

2. Summary of Significant Accounting Policies

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

Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, modified by the revaluation of investments available-for-sale.

2. Summary of Significant Accounting Policies (Continued)

Basis of Preparation (continued)
The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the accounting policies .of the Company. 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 3

New Standards and Amendments Adopted by the Company
There are no standards and amendments adopted for the first time for the year began on January 1, 2017 that have had a material impact on the financial statements of the Company

New Standards and Amendments not yet Adopted by the Company
New standards and amendments to accounting standards have been published but are not mandatory for the year ended December 31, 2017, and have not been early adopted by the Company. The assessment of the impact of these new standards is presented as follows:

- IFRS 9 - Financial Instruments. IFRS 9 refers to the classification, recognition, measurement and discard of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made additional changes in the rules of classification and measurement, and also introduced a new model of impairment. These latest amendments now complete the new standard for financial instruments. This standard is effective for annual periods beginning on or after January 1, 2018 and early adoption is permitted. The new standard is not expected to have an impact on the classification of assets and liabilities.

- IFRS 15 - Revenue from Contracts with Customers. The IASB issued a new standard for revenue recognition. This standard will replace IAS 18, which covers contracts for goods and services and covering IAS 11 construction contracts. The new standard is based on the principle that revenue is recognized when control of the good or service is transferred to a customer, so the concept of control replaces the existing concept of risks and benefits. The Standard allows for adopting a modified retrospective approach. Under this approach, entities will recognize transitional adjustments in the retained earnings at the date of the initial application without restating the comparative period. The new rules will be needed to apply only to contracts that have not been completed on the date of the initial application. This standard is effective for annual periods beginning on or after January 1, 2018 and early adoption is permitted. Management has estimated that the impact of adopting this standard will not be significant.

There are no other standards and amendments issued that are not yet effective that could have a material impact on the Company.

2. Summary of Significant Accounting Policies (Continued)

Financial Assets
Financial assets are classified into the following categories: financial assets available-for-sale and accounts receivable. Management determines the classification of assets since their inception.

Accounts Receivable
Accounts receivable are initially recognized at fair value and subsequently at amortized cost, less any provision for impairment or bad debt. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all past due balances according to the original terms. The Company considers as indicators of impairment of accounts receivable the following: significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or others financial reorganization, and default or delinquency in payments. The amount of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the original effective interest rate. When a receivable is uncollectible, it is written-off against the allowance account. The subsequent recovery of amounts previously written-off and credited to the allowance account and then if it is determined that there is an excess, this will be reversed affecting the results.

Investments Available-for-Sale
Investments available-for-sale are comprised by bonds, equity shares, negotiable commercial securities (VCN's in Spanish), and mutual funds, which are not classified as financial assets at fair value through profit or loss or investments held-to-maturity.

Financial assets available-for-sale are initially recognized at fair value, which is the cash consideration including transaction costs, and subsequently measured at fair value with gains and losses recognized in the statement of comprehensive income until the financial asset is considered impaired or derecognized, in which case the gains or losses accumulated in equity are recognized in the results of current year.

Purchases and sales from the investments available-for-sale are recognized at the settlement date, this being the date on which the asset is delivered or received by the entity.

Interest is calculated using the effective interest method and is recognized in the statement of income. Dividends on equity instruments available-for-sale are recognized in the statement of income, when the right of the entity is established to receive the payment.

2. Summary of Significant Accounting Policies (Continued)

Investments Available-for-Sale (continued)
The Company assesses at the statement of financial position date if there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining the impairment of assets. If such evidence exists for financial assets available-for-sale, the accumulated loss - determined based on the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from equity and recognized in the statement of income.

Property, Furniture and Equipment, Net
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:

		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 are 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.

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-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 of fair value 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 following specific recognition criteria must also be met before revenue is recognized.

Commissions
Commissions on custody, maintenance fee from participants and management services are recognized as revenue when earned.

Agency of Settlement and International Market Transactions
The services provided by 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 contract.

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

Maintenance Fee from Participants
A monthly maintenance fee is collected according to monthly transactions generated.

Management Services
Management services are recognized as income when earned.

Dividend Distribution
Dividend distribution to shareholder of the Company is recognized as a liability in the statement of financial position in the period in which the dividends are approved by the Board of Directors of the Company.

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

Monetary Unit
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.

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 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 Company is exposed to various risks (cash flow and fair value) associated with the effect of fluctuations in market interest rates.

The Company mitigates this risk by establishing guidelines for investments.

(b) *Credit Risk*

Credit risk is managed at the level of the Company. Credit risk originates in fixed income instruments included in investments available-for-sale and accounts receivable.

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 Committee, where participate the Directors of the Company or its subsidiaries and members of the Management.

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

The selection criteria consider first diversification by economic sectors and economic groups. These criteria limit the positions of certain group to fixed percentages of the total equity and temporary deviations require approval of the Investments Committee.

The second selection criterion considers investment profitability and liquidity of issuers. This approach allows 75% of investments in securities listed on the Panama Stock Exchange. It is only allowed to invest up to 25% of the portfolio in foreign investments with investment grade.

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

(b) Credit Risk (continued)
Investments on fixed income instruments and time deposit in bank by economic sector, are detailed as follows:

	2017		2016	
Banking sector	853,164	100%	-	0%
Goverment sector	-	0%	325,576	100%
	853,164	100%	325,576	100%

(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 of the Company by matutity date. This analysis is presented according to the contractual maturity date with undiscounted cash flows at present value of the statement of financial position.

December 31, 2017	Less than 1 year	1 to 5 years	More than 5 years	No maturity	Total
Cash and saving accounts	1,093,822	-	-	-	1,093,822
Time deposit	353,502	-	-	-	353,502
Investments available-for-sale	499,662	-	-	134,338	634,000
Interest receivable	939	-	-	-	939
Accounts receivable, net	174,131	-	-	-	174,131
Prepaid expenses	74,118	-	-	-	74,118
Prepaid income tax	11,334	-	-	-	11,334
Properties, furniture and equipment, net	76,626	44,099	31,957	-	152,682
Guarantee deposits and other assets	-	-	5,242	-	5,242
	2,284,134	44,099	37,199	134,338	2,499,770

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

(c) Liquidity Risk (continued)

	Less than 1 year	1 to 5 years	More than 5 years	No maturity	Total
December 31, 2016					
Cash and saving accounts	1,536,554	-	-	-	1,536,554
Investments available-for-sale	-	-	325,576	111,320	436,896
Interest receivable	5,391	-	-	-	5,391
Accounts receivable, net	116,874	-	-	-	116,874
Prepaid expenses	37,289	-	-	-	37,289
Properties, furniture and equipment, net	13,221	88,200	17,412	-	118,833
Guarantee deposits and other assets	-	-	25,680	-	25,680
	1,709,329	88,200	368,668	111,320	2,277,517

The following table analyzes the financial liabilities of the Company by due maturity:

	More than 1 year	1 to 5 years	More than 5 years	No maturity	Total
December 31, 2017					
Accrued expenses and withholdings payable	158,608	-	-	-	158,608
Dividends payable	1,074,554	-	-	-	1,074,554
	1,233,162	-	-	-	1,233,162

	More than 1 year	1 to 5 years	More than 5 years	No maturity	Total
December 31, 2016					
Accrued expenses and withholdings payable	128,991	-	2,203	-	131,194
Income tax payable	12,594	-	-	-	12,594
Dividends payable	800,000	-	-	-	800,000
	941,585	-	2,203	-	943,788

3. Financial Risk Management (Continued)

Capital Risk Management

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

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, or issue new shares or sell assets to reduce its obligations.

Decree Law No.1 of July 8, 1999 (Securities Act), its amendments and Article No.4 of Agreement No.7-2003, requires self-regulated entities operating in Panama have a minimum capital of two hundred fifty thousand balboas (B/.250,000). The Company maintains an amount of capital exceeding its required capital and has no significant debt more than those from the normal course of business. However, the Company seeks to maintain a level of capital to cover its costs of expansion and technological innovation.

Fair Value of Estimates

The Company establishes a hierarchy of valuation techniques based on whether the inputs of the valuation techniques are observable or unobservable. These two types of criteria have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Information or data, different from those that are quoted prices in active markets that are observable for the asset or liability, either directly prices (i.e. prices) or indirectly (i.e., derived from prices).

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

3. Financial Risk Management (Continued))

Fair Value Estimates (continued)

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, 2017				
Investments available-for-sale	134,338	499,662	-	634,000
December 31, 2016				
Investments available-for-sale	436,986	-	-	436,986

Level 1 - Unadjusted prices are used of purchases and sales reported in the Bolsa de Valores de Panama, S. A. at the end of December 31, 2017. This level includes equities and funds that scored above 57% of market activity during the year.

Level 2 - The Company values the instrument on a date that has been observed an important transaction (B/.100,000) and calibrates a spread over the discount rate for the observed value on that date. The Company analyzes the prospect of the issue and list the characteristics of the local instrument, such as cash flows and optionality of early redemption.

The instrument is valued using market levels at the valuation date, and the differential calibrated at the time of observation. The valuation model builds the discount rate as follows:

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

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

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 Available-for-sale*

The Company follows the guidance of IAS 39 to determine when a financial asset available-for-sale is impaired. This determination requires significant judgment by the Management.

In determining this judgment, the Company assess, among other factors, the term and degree to which the fair value of an investment is less than its cost, the financial condition and business perspective short-term invested company, including factors such as the performance of the industry and the industry, changes in technology and operations, and financial cash flow.

b. *Fair Value of Financial Instruments*

The fair value of financial instruments that are not quoted in active markets are 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, Savings Accounts and Time Deposit

Cash and deposits in banks are summarized as follows:

	2017	**2016**
Cash on hand	350	350
Current accounts	908,762	256,180
Saving accounts	184,710	1,280,024
	1,093,822	1,536,554

The fair value of cash and deposits in banks is similar to carrying value, due to its short-term nature.

The Company maintains time deposit of B/.353,502, with an interest rate of 4% and maturity on March 26, 2019.

6. Investments Available-for-Sale

Investments available-for-sale are summarized as follows:

Type of Investment	**2017**	**2016**
Equity shares	134,338	111,320
Bonds of the Republic of Panama, with annual interest rate of 9.375% and maturity on April 1, 2029	-	325,576
Corporate bonds issued by local companies, with annual interest rates of 3.25% and maturity until September 20, 2018	499,662	-
	634,000	436,896

6. Investments Available-for-Sale (Continued)

On February 2, 2017, External Public Debt Bonds of the Republic of Panama 2029 were sold at market value, generating a gain of B/.103,042, which is recognized as investment income in the statement of income.

The movement of these investments is presented as follows:

	2017	2016
Balance at beginning of year	436,896	441,825
Purchases	500,000	-
Sales	(226,915)	-
Realized gain on sales	(103,042)	-
Net change in fair value	27,061	(4,929)
Balance at end of year	634,000	436,896

7. Accounts Receivable

At December 31, 2017, the Company maintained B/.121,486 (2016: B/.54,475) in accounts receivable from services provided to the Ministry of Economy and Finance (MEF) as Issue Agent, Paying Agent and Agent of Register and Transfer of the migrated securities registered on the i-Link platform in Euroclear.

8. Property, Furniture and Equipment, Net

The movement of property, furniture and equipment is as follows:

	December 31, 2017					
	Building	Improvements	Furniture	Vehicle	Computer Equipment	Total
Net balance at the beginning of the year	26,896	25,591	6,195	1	60,150	118,833
Additions	-	32,688	18,315	-	37,900	88,903
Sales and disposals	-	-	(88)	(1)	(243)	(332)
Depreciation for the year	(13,498)	(3,965)	(2,464)	-	(34,795)	(54,722)
Net balance at the end of the year	13,398	54,314	21,958	-	63,012	152,682
At cost	202,374	109,362	63,295	-	303,053	678,085
Accumulated depreciation and amortization	(188,976)	(55,048)	(41,337)	-	(240,041)	(525,403)
Net balance at the end of the year	13,398	54,314	21,958	-	63,012	152,682

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

	December 31, 2016					
	Building	Improvements	Furniture	Vehicle	Computer Equipment	Total
Net balance at the beginning of the year	40,395	19,323	2,815	1	87,929	150,463
Additions	-	9,517	4,899	-	16,442	30,858
Depreciation for the year	(13,499)	(3,249)	(1,519)	-	(44,221)	(62,488)
Net balance at the end of the year	26,896	25,591	6,195	1	60,150	118,833
At cost	202,374	76,675	48,552	9,995	329,865	667,461
Accumulated depreciation and amortization	(175,478)	(51,084)	(42,357)	(9,994)	(269,715)	(548,628)
Net balance at the end of the year	26,896	25,591	6,195	1	60,150	118,833

According to the appraisal of May 3, 2016, the market value of the property is B/.700,000.

9. Financial Income

The following is the detail of financial income:

	2017	2016
Interest	18,509	29,256
Dividends	4,070	3,291
Gain on sale of investments	103,042	-
Others	2,679	-
	128,300	32,547

10. Other Income

Other income is detailed as follows:

	2017	2016
Trusts	-	133
Membership	32,000	17,000
Compensation system	40,500	42,239
Others	38,326	83,173
	110,826	142,545

11. Personnel Expenses

Personnel expenses are detailed as follows:

	2017	**2016**
Salaries	499,919	422,375
Representation expenses	114,623	88,601
Labor benefits	82,430	73,754
Profit sharing	63,850	44,009
Indemnity and seniority premium	12,650	62,869
	773,472	691,608

12. Other Administrative Expenses

The detail of other administrative expenses is presented as follows:

	2017	**2016**
Professional fees	116,233	138,480
Taxes	68,254	59,943
Legal expenses	53,366	14,006
Diet	52,300	40,350
Electricity and telephone	48,004	43,831
Traveling	36,210	13,085
PH maintenance BVP	34,882	31,496
Meetings, speeches an events	32,425	21,211
Maintenance	25,428	15,679
Audit	25,334	23,700
Training, courses and seminars	9,803	5,265
Advertising	6,932	6,754
Fees and subscriptions	6,808	1,135
Stationery and office supply	5,508	5,978
Donations	4,700	10,000
Banking expenses	4,632	2,935
Transportation and fuel	3,412	3,858
Others	69,786	66,756
	604,017	504,462

13. Income Tax

According to current Panamanian legislation, the Company is exempt from income tax in respect of 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 Bolsa de Valores de Panama, S. A.

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

	2017	**2016**
Income before income tax	1,416,319	1,413,269
Less: Exempt and/or nontaxable income	(128,300)	(32,547)
Plus: Non-deductible expenses	79,041	31,671
Net taxable income	1,367,060	1,412,393
Income tax 25%	341,765	353,098

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, 2017.

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 value of assets held in custody and/or deposits in banks is as fallows at December 31:

	2017	**2016**
Fixed income	8,298,174,576	7,864,483,890
Government securities	5,455,422,878	5,129,228,873
Variable income	5,287,802,579	4,479,050,252
Funds	2,699,231,109	2,558,504,854
Promissory notes	342,637,639	261,743,484
Cerpanes	50,104,124	57,135,531
Deposits in banks	17,959,581	14,829,328
	22,151,332,486	20,364,976,212

For purposes of mitigating the risks inherent to the business, the Company maintains a fidelity policy with a local insurance company.

14. Assets Under Management and Custody (Continued)

In accordance with provisions of the Internal Rules of the Company, as part of Central Latinoamericana de Valores, S. A., and as part of the safeguards of the financial activities of the participants, the central custody maintain, as of December 31, 2017, a total combined of B/.2,020,000 (2016: B/.1,770,000) as bonds and/or guarantees as support of the obligations of participants. Such bonds and/or guarantees are properly segregated and managed in memorandum accounts of the Company.

15. Balances and Transactions with Related Parties

Balances and transactions with related parties are detailed below:

	2017	2016
Balances		
Investments available-for-sale	27,838	22,270
Revaluation reserve for investments available-for-sale	25,206	19,638
Dividends payable	1,074,554	800,000
Transactions		
Interest and dividends	1,670	891
Key personnel compensation	320,583	386,017

16. Dividends Declared

The Board of Directors approved dividends payments to shareholder. These payments are summarized as follows:

Type of Dividend	Dividend Declared	Dividend per Share	Declaration Date	Payment
2017				
Ordinary	1,074,554	2,149	December 31, 2017	Annual
2016				
Ordinary	800,000	1,600	December 31, 2016	Annual

17. Guaranty Trust for the Company

As indicated in Note 1, the Company is controlled by Latinex Holding, Inc. (Parent Company).

On February 9, 2012, Latinex, 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, 2017, the Trust held total assets for the Company in the amount of B/.3,586,062 (2016: B/.2,863,687), included in the total of investments available-for-sale and time deposits for B/.308,454 (2016: B/.300,000) in order to guarantee the operations of that subsidiary.

The Grantor and the Trustee entered into a Trust Agreement No.119 called "Latin Clear Trust", whose beneficiary is the Company.

18. Contingency

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