Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and Subsidiaries

Report and Consolidated Interim Financial Statements
September 30, 2025

Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and Subsidiaries

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September 30, 2025

Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and Subsidiaries

Consolidated Interim Statement of Financial Position
September 30, 2025
(Expressed in US Dollars)

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets			
Cash and cash equivalents	6,8	16,555,720	15,592,141
Investment in securities FVOCI	6	16,605,365	10,891,720
Loans receivable at amortized cost	6	280,666,842	256,770,362
Loans receivable at FVTPL	6	54,990,579	43,884,139
Assets held-for-sale	10	4,803,395	24,403,395
Furniture, equipment and improvements, net	11	693,649	930,619
Receivables from advisory and structuring services, net	6	5,620,435	5,654,433
Investments accounted for using the equity method	6,13	16,842,353	15,389,413
Investment property	14	-	10,561,503
Margin account	6,24	350,000	2,010,000
Goodwill	12	2,285,822	2,285,822
Deferred income tax	23	332,934	256,189
Other assets	15	1,841,837	2,081,964
Total assets		401,588,931	390,711,700
Liabilities and Equity			
Liabilities			
Loans payable	6,9,16	114,026,611	116,782,269
Corporate bonds payable	6,9,17	167,640,279	145,494,704
Commercial paper	6,9,18	3,270,080	4,031,936
Accrued interest payable	6	2,323,412	1,285,222
Derivative liabilities	6,24	854,569	2,847,915
Lease liabilities		494,880	632,930
Other liabilities	19	2,175,128	2,180,264
Total liabilities		290,784,959	273,255,240
Equity			
Share capital	20	54,000,001	54,000,001
Treasury shares	20	(3,673,618)	(3,673,618)
Additional paid-in capital		85,000	85,000
Securities valuation		89,354	81,814
Foreign currency subsidiary adjustment		234,961	(36,581)
Retained earnings		60,068,274	66,999,844
Total equity		110,803,972	117,456,460
Total liabilities and equity		401,588,931	390,711,700
Commitments and contingencies			
Loans pending disbursement	26	20,822,467	7,799,476
Undrawn balance of credit facilities	6,16	26,900,000	33,000,000
Notional amount of swaps	24	139,712,032	73,948,532

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

Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and Subsidiaries

Consolidated Interim Statement of Comprehensive Income
For the nine months ended on September 30, 2025
(Expressed in US Dollars)

	Notes	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Interest income:			
Cash and cash equivalents		633,789	445,319
Investment securities		525,202	657,023
Loans receivable		18,714,507	24,918,923
Total interest income		19,873,498	26,021,265
Interest expense:			
Loans		(6,778,675)	(9,351,986)
Corporate bonds and commercial papers		(9,670,236)	(11,185,929)
Lease liabilities		(42,900)	(37,981)
Total interest expense		(16,491,811)	(20,575,896)
Net interest income		3,381,687	5,445,369
Other income:			
Advisory and structuring services, net		8,838,184	4,674,085
Net gain on derivative instruments, financial instruments and others	22	4,318,119	4,401,443
Share of other comprehensive income of investments accounted for using the equity method	13	869,856	989,163
Other income, net		14,026,159	10,064,691
Operating income		17,407,846	15,510,060
Provision for loan losses	6	(2,284,793)	(906,741)
Provision for accounts receivable	6	(1,115,743)	58,537
Depreciation expense	11	(255,880)	(252,997)
Personnel expenses		(5,820,312)	(5,492,124)
Other administrative expenses		(3,463,248)	(3,142,619)
Income before income tax		4,467,870	5,774,116
Income tax	23	(508,292)	(190,055)
Net income		3,959,578	5,584,061
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Net change in valuation of investment securities at FVOCI	6	7,540	85,310
Foreign currency subsidiary adjustment		271,542	(32,348)
Comprehensive income for the period		4,238,660	5,637,023
Basic earnings per share	21	0.08	0.11

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

Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and Subsidiaries

Consolidated Interim Statement of Changes in Equity
For the nine months ended on September 30, 2025
(Expressed in US Dollars)

	Notes	Share capital	Treasury shares	Additional paid-in capital	Securities valuation	Foreign currency subsidiary adjustment	Retained earnings	Total equity
Balance at December 31, 2023 **(Audited)**		54,000,001	(3,673,618)	85,000	(17,762)	18,090	62,424,878	112,836,589
Total comprehensive income for the period								
Net income for the period		-	-	-	-	-	5,584,061	5,584,061
Net change in valuation of securities investments at FVOCI		-	-	-	85,310	-	-	85,310
Foreign currency subsidiary adjustment		-	-	-	-	(32,348)	(1,800)	(34,148)
Comprehensive income for the period		-	-	-	85,310	(32,348)	5,582,261	5,635,223
Transactions with owners of the Corporation:								
Dividends declared	20	-	-	-	-	-	(3,901,446)	(3,901,446)
Balance at September 30, 2024 **(Unaudited)**		54,000,001	(3,673,618)	85,000	67,548	(14,258)	64,105,693	114,570,366
Balance at December 31, 2024 **(Audited)**		54,000,001	(3,673,618)	85,000	81,814	(36,581)	66,999,844	117,456,460
Total comprehensive income for the period								
Net income for the period		-	-	-	-	-	3,959,578	3,959,578
Net change in valuation of securities investments at FVOCI		-	-	-	7,540	-	-	7,540
Foreign currency adjustment		-	-	-	-	271,542	69,959	341,501
Comprehensive income for the period		-	-	-	7,540	271,542	4,029,537	4,308,619
Transactions with owners of the Corporation:								
Complementary tax, Panama		-	-	-	-	-	25,664	25,664
Dividends declared	20	-	-	-	-	-	(10,986,771)	(10,986,771)
Balance at September 30, 2025 **(Unaudited)**		54,000,001	(3,673,618)	85,000	89,354	234,961	60,068,274	110,803,972

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

Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and Subsidiaries

Consolidated Interim Statement of Cash Flows
For the nine months ended on September 30, 2025
(Expressed in US Dollars)

	Notes	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Cash flows from operating activities			
Net income for the period		3,959,578	5,584,061
Adjustments to reconcile net income to net cash provided by operating activities			
Net gain on derivative instruments, financial instruments and others	22	(4,318,119)	(4,401,443)
Provision for loan losses	6	2,284,793	906,741
Provision for accounts receivable	6	1,115,743	(58,537)
Depreciation expense	11	245,623	252,997
Share of other comprehensive income of investments accounted for using the equity method	13	(869,856)	(989,163)
Interest income		(19,873,498)	(26,021,265)
Interest expense		16,491,811	20,575,896
Income tax	23	508,292	190,055
FX Change rate of furniture, equipment and improvements	11	(5,999)	2,868
		(461,632)	(3,957,790)
Net changes in:			
Deposit with original maturity of more than ninety days		(500,000)	-
Other assets		32,868,185	8,550,146
Other liabilities		(164,388)	(3,719,595)
Loan collections		54,904,807	99,079,590
Loan disbursements		(91,105,389)	(62,333,195)
		(3,996,785)	41,576,946
Income tax paid		(64,077)	(669,824)
Interest received		18,781,332	25,092,048
Interest paid		(15,453,622)	(19,598,422)
		3,263,633	4,823,802
Net cash provided by operating activities		(1,194,784)	42,442,958
Cash flows from investing activities			
Acquisition of investment securities	6	(29,325,510)	(216,763,293)
Proceeds form sales and redemptions of securities	6	23,609,359	224,271,675
Investments accounted for using the equity method		(1,452,940)	(7,660,285)
Acquisition of furniture, equipment and improvements	11	(2,653)	(41,964)
Net cash used in investing activities		(7,171,744)	(193,867)
Cash flows from financing activities			
Proceeds from loans payable	9	56,883,467	35,441,733
Repayment of loans payable	9	(59,639,125)	(73,824,799)
Proceeds from issuance of corporate bonds	9	73,552,644	48,306,000
Repayment of corporate bonds	9	(51,903,916)	(41,106,606)
Proceeds from issuance of commercial paper	9	3,278,000	4,035,000
Repayment of commercial paper	9	(4,039,856)	(9,685,874)
Margin account		1,660,000	1,850,000
Complementary tax paid		25,664	-
Dividends paid		(10,986,771)	(3,901,446)
Net cash used in financing activities		8,830,107	(38,885,992)
Net increase in cash and cash equivalents		463,579	3,363,099
Cash and cash equivalents at the beginning of the period	8	15,386,931	19,181,978
Cash and cash equivalents at the end of the period	8	15,850,510	22,545,077

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

1. Reporting Entity

Corporación Interamericana para el Financiamiento de Infraestructura, S. A. ("CIFI") was organized on August 10, 2001, under the laws of the Republic of Costa Rica, and began operations in July 2002. CIFI was legally redomiciled under the laws of the Republic of Panama on April 4, 2011.

Effective July 1, 2016, CIFI moved its headquarters from Arlington, Virginia to Panama City, Republic of Panama; the presence in Panama has allowed CIFI to be closer to CIFI's Latin America and Caribbean operations, which is its center stage. Panama is an important financial center in Latin America and the Caribbean, and it is a logistical hub that allows quick access to the region.

CIFI's main offices are at MMG Tower, 13th Floor, Office 13A, Paseo Roberto Motta Avenue, Costa del Este, Panama City, Republic of Panama.

CIFI's business structure is based on three segments: granting loans to finance infrastructure projects in Latin America, Advisory & Structuring services, and Asset Management services. Each segment is evaluated separately.

CIFI is the ultimate controlling entity of the following subsidiaries:

	Activity	Country of Incorporation	Controlling Ownership	
			September 30, 2025	December 31, 2024
CIFI SEM, S. A.	Personnel Management	Panama	100.00%	100.00%
CIFI PANAMA, S. A.	Lending & Financing Structuring	Panama	100.00%	100.00%
CIFI LATAM, S. A.	Lending & Financing Structuring	Panama	100.00%	100.00%
CIFI SERVICES, S. A.	Advisory Services	Panama	100.00%	100.00%
CIFI ASSET MANAGEMENT LTD.	Administration of Investment Funds	Cayman Islands	100.00%	100.00%
FINENGE CONSULTORIA LTDA.	Advisory Services	Brazil	99.97%	99.97%

This group of companies is denominated the "Corporation".

The consolidated interim financial statements were recommended for issuance by the members of the Management on November 6, 2025.

2. Basis of Preparation

(a) Statement of Compliance
These consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards).

The consolidated interim financial statements of the Corporation have been prepared in accordance with IFRS Accounting Standards, that comprise IFRS Accounting Standards, IAS Standards, and Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations). These consolidated interim financial statements are according to IAS 34 **-** Interim financial reporting, which establish an interim financial report shall not be described as complying with IFRSs unless it complies with all the requirements of IFRSs.

(b) Basis of Measurement
These consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments and certain loans and investment securities that are measured at fair value, investment property at fair value, and bonds designated as hedged items in qualifying fair value hedging relationships which are measured at amortized cost adjusted for hedging gains or losses. The consolidated interim statement of financial position is presented in order of the liquidity position.

(c) Functional and Presentation Currency
The amounts in the financial statements of each entity that makes up the Corporation are measured in the currency of the primary economic environment in which each entity operates, that is, its functional currency. The consolidated interim financial statements are presented in dollars of the United States of America (US$), the Corporation's presentation currency.

The monetary unit of the Republic of Panama is the Balboa, which is at par and is freely exchangeable with the dollar (US$) of the United States of America. The Republic of Panama does not issue its own paper money and, instead, the dollar (US$) of the United States of America is used as the legal and functional currency. Additionally, shareholders' contributions and ordinary shares are denominated in that currency.

(d) Use of Estimates and Judgments
The preparation of consolidated interim financial statements in conformity with IFRS Accounting Standards requires Management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

2. Basis of Preparation (Continued)

(d) Use of Estimates and Judgments (continued)
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year the estimate is reviewed and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

- Allowance for loan losses, Note 6,
- Fair value of financial instruments, Note 25 and
- Fair value investment property, Note 25.

3. Material Accounting Policies

(a) Amended adopted by the Corporation
The Corporation has applied the following amendments for the first time for its annual reporting period commencing on January 1, 2025:

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after January 1, 2025) and in August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Corporation does not expect these amendments to have a material impact on its operations or financial statements.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and amendments not yet adopted by the Corporation
Certain new accounting standards and amendments to accounting standards that have been published are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Corporation. The Corporation's assessment of the impact of these new standards and amendments is set out below:

3. Material Accounting Policies (Continued)

(b) New standards and amendments not yet adopted by the Corporation (continued)

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)
On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)
IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Corporation will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

The Corporation does not expect these amendments to have a material impact on its operations or financial statements.

3. Material Accounting Policies (Continued)

(c) Basis of Consolidation

(i) Subsidiaries

The Corporation has control over a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee; and could use its power to affect its returns. The financial statements of the subsidiaries, described in Note 1, are included in the consolidated interim financial statements since the date the Corporation obtains control and ceases when the Corporation loses control.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated interim statement of comprehensive income from the effective acquisition/inception date or until the effective disposal date, as applicable.

(ii) Transactions Eliminated in Consolidation

The consolidated interim financial statements include the assets, liabilities, equity, income and expenses of Corporación Interamericana para el Financiamiento de Infraestructura, S. A. and its subsidiaries CIFI SEM, S. A., CIFI Panamá, S. A., CIFI Latam, S. A., CIFI Services, S. A., CIFI Asset Management Ltd., and Finenge Consultoria LTDA. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the Corporation and its subsidiaries are eliminated when preparing the consolidated interim financial statements.

(iii) Structured Entities

Structured entities (SE) are created to achieve a specific and well-defined objective, such as the insurance of specific assets, or the execution of a specific loan or loan operation. An SE is consolidated if, based on an assessment of the substance of its relationship with the Corporation and the risks and rewards of the EE, the Corporation concludes that it controls the SE. The following circumstances may indicate a relationship in which, in essence, the Corporation controls and, therefore, consolidates an SE:

- The activities of the SE are carried out on behalf of the Corporation in accordance with its specific business needs for the Corporation to obtain benefits from the operation of the SE.
- The Corporation has the decision-making powers to obtain most of the benefits of SE activities or, by creating an “auto-pilot” mechanism, the Corporation has delegated those decision-making powers.

3. Material Accounting Policies (Continued)

(c) Basis of Consolidation (continued)

(iii) Structured Entities (continued)

- The Corporation has the right to obtain most of the benefits of the SE and, therefore, may be exposed to the risks related to the activities of the SE.
- The Corporation retains most of the SE-related property or residual risks of its assets to obtain benefits from its activities.

The assessment of whether the Corporation has control over an SE is carried out at inception, and a subsequent reassessment is not typically made in the absence of changes in the structure or terms of the SE, or additional transactions between the Corporation and the SE. Day-to-day changes in market conditions do not usually lead to a reassessment of control. However, sometimes changes in market conditions can alter the substance of the relationship between the Corporation and the SE, and in these cases, the Company determines whether the change warrants a new control evaluation based on the specific facts and circumstances. If the Corporation's voluntary actions, such as lending amounts above existing liquidity facilities or extending terms beyond those established initially, change the relationship between the Corporation and an SE, the Corporation conducts a new control assessment of the SE.

(d) Foreign Currency Transactions

The functional currency of the Corporation is the U.S. dollar, and all assets and liabilities are denominated in U.S. dollars (US$). In case the Corporation has assets and liabilities denominated in currencies other than the U.S. dollar, the Corporation translates the value of such assets or liabilities into U.S. dollars at the prevailing exchange rate between the currency in which the assets or liabilities are denominated and the U.S. dollar as of the reporting date. Transactions in foreign currency are translated at the foreign exchange rate, which is in effect at the transaction date. The impact is considered minor given the limited amounts held. Translation gains or losses are presented in comprehensive income.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash at hand, unrestricted cash balances held with banks, and highly liquid financial assets with maturities of three months or less since acquisition. These assets are subject to an insignificant risk of changes in their fair value and are used by the Corporation to manage its short-term commitments.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities

(i) Recognition and Initial Measurement

The Corporation initially recognizes loans receivable, debt securities, loans payable, corporate bonds payable and commercial paper on the date on which they originated. All other financial instruments are recognized on the trade date, which is the date on which the Corporation becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

Financial Assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

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

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(ii) Classification (continued)

Financial assets (continued)
Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Business Model Assessment
The Corporation assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets, or realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Corporation's Management;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- The frequency, volume, and timing of sales in prior years, the reasons for such sales, and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Corporation's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(ii) Classification (continued)

Financial Assets (continued)

Assessment of Whether Contractual Cash Flows are Solely Payments of Principal and Interest
For this assessment, the principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Corporation considers the contractual terms of the instruments. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Corporation considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the corporation’s claim to the cash flows from specified assets - e.g., non-recourse asset arrangements; and
- Features that modify consideration of the time value of money - e.g., periodic reset of interest rates.

The Corporation holds a portfolio of long-term loans for which it has the option to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the revision time. The borrowers have the option to either accept the revised rate or redeem the loan at par, in some cases, without penalty. The Corporation has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that reflects a consideration for the time value of money, credit risk, other basic lending risks, and costs associated with the principal amount outstanding.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(ii) Classification (continued)

Financial Liabilities
Liabilities are carried at cost or amortized cost, except for corporate bonds in qualifying hedging relationships which are measured at amortized cost adjusted for hedging gain or loss.

Under IFRS 9, all fair value changes of liabilities designated as at FVTPL will generally be presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income (OCI); and

- The remaining amount of change in the fair value is presented in profit or loss.

The Corporation has not designated any liabilities at FVTPL and does not intend to do so.

(iii) Derecognition
A financial asset is derecognized when the Corporation loses control over the contractual rights that comprise the asset. This occurs when the rights are realized, expire, or surrendered when the Corporation modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, intending to maximize recovery. The Corporation derecognizes financial liability when its contractual obligations are discharged, canceled, or expired.

(iv) Modifications to Financial Assets
If the terms of a financial asset are modified, the Corporation evaluates whether the cash flows of the modified asset are substantially different. If it is the case the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(iv) Modifications to Financial Assets (continued)

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in the derecognition of the financial asset. In this case, the Corporation recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in comprehensive income. If such a modification is carried out because of the financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

(v) Fair Value Measurement

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

When available, the Corporation measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis.

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

If an asset or a liability measured at fair value has a bid price and an asking price, then the Corporation measures assets and long positions at a bid price and liabilities and short positions at an asking price.

The Corporation recognizes transfers between levels of the fair value hierarchy as of the end of the reporting year during which the change has occurred.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(vi) Impairment

The Corporation recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments; and
- Loan commitments issued and financial guarantees.

The Corporation measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of Expected Credit Losses (ECL)

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Corporation if the commitment is drawn down and the cash flows that the Corporation expects to receive.
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Corporation expects to recover.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(vi) Impairment (continued)

Restructured Financial Assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized, and ECL is measured as follows:

- If the expected restructuring does not result in the derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring does result in the derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired Financial Assets
At each reporting date, the Corporation assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- The significant financial difficulty of the borrower or issuer;

- A breach of contract such as a default or past due event;

- The restructuring of a loan or advance by the Corporation on terms that the Corporation would not consider otherwise;

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(vi) Impairment (continued)

Credit-impaired Financial Assets (continued)

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; and
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to an impairment in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Presentation of Allowance for ECL in the Consolidated Interim Statement of Financial Position

Loss allowances for ECL are presented in the consolidated interim statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of assets;
- Loan commitments and financial guarantee contracts: as a provision;
- Where a financial instrument includes both a drawn and an undrawn component and the Corporation cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Corporation presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized in the consolidated interim statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in retained earnings.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(*vi) Impairment (continued)*

Write-offs
Loans and debt financial instruments are written off when there is no realistic prospect of recovery, once all efforts for collections have been exercised. This is generally the case when the Corporation determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities, to comply with the Corporation's procedures for recovery of amounts due. Any write-off must be recommended by the Risk Committee and approved by the Board of Directors.

Financial Assets
IFRS 9 contains a forward-looking ECL model. This will require considerable judgment over how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The impairment model is applied to financial assets measured at amortized cost and FVOCI, except for investments in equity instruments.

A three-stage approach to impairment is used for financial assets that are performing at the date of origination or purchase. This approach is summarized as follows:

- 12-month ECL: The Corporation recognizes a credit loss allowance at an amount equal to 12-month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after initial recognition.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(vi) Impairment (continued)

Financial Assets (continued)

- Lifetime ECL not credit-impaired: The Corporation recognizes a credit loss allowance at an amount equal to lifetime expected credit losses for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on the lifetime probability of default (LTPD), which represents the probability of default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of increased in credit risk and the impact of a longer time horizon being considered compared to a 12-month ECL. The criteria for recognizing a "Significant Increase in Credit Risk", to migrate from 12-month ECL to Lifetime ECL not credit impaired are:

  a. If a country is downgraded three (3) or more notches, in a 6-month consecutive period, the Risk Committee will analyze all loans to decide which loans shall migrate to the "Watch List";

  b. Early Warning System (EWS) Red Zone. The EWS model is a scoring system internally developed and based on a client credit worthiness; and

  c. By credit events that might affect country or industry risk, based on a documented opinion by the Risk Unit, and approved by the Risk Committee.

- Lifetime ECL credit-impaired: The Corporation recognizes a loss allowance at an amount equal to lifetime expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset, for those financial assets that are credit-impaired.

- Financial assets that are credit-impaired upon recognition are categorized within this stage with a carrying value already reflecting the lifetime expected credit losses. The accounting treatment for these purchased or originated credit-impaired (POCI) assets is discussed further below.

3. Material Accounting Policies (Continued)

(f) Financial Assets and Liabilities (continued)

(vi) Impairment (continued)

Financial Assets (continued)

- POCI: Purchased or originated credit-impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted effective interest rate. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

(g) Derivatives Held for Risk Management Purposes and Hedge Accounting

Management uses derivative financial instruments as part of its operations. Those instruments are recognized at fair value in the consolidated interim statement of financial position.

The Corporation designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On the initial designation of the hedge, the Corporation formally documents the relationship between the hedging instrument and the hedged item, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Corporation makes an assessment, both at the inception of the hedge relationship as well as quarterly, as to whether the hedging instrument is expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged item during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For those cases outside this range, they are elevated to the Assets and Liabilities Committee (ALCO) to evaluate the effectiveness of the hedging relationship, based on IFRS 9.

3. Material Accounting Policies (Continued)

(g) Derivatives Held for Risk Management Purposes and Hedge Accounting (continued)
Derivative instruments recognized as fair value hedges hedge exposure to changes in the fair value of an asset or liability recognized in the consolidated interim statement of financial position, or in the fair value of an identified portion of such asset or liability that is attributable to the specific hedged risk that could affect the net gain or loss recognized in the consolidated interim financial statements.

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognized asset or liability or a firm commitment that could affect profit or loss, changes in the fair value are recognized immediately in comprehensive income. The change in fair value of the hedged item attributable to the hedged risk is recognized in profit or loss. If the hedged item would otherwise be measured at cost or amortized cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting or the hedge designation is revoked, hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective interest method is used is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(h) Investment Securities
The investment securities in the consolidated interim statement of financial position could be:

- Debt investment securities are measured at amortized cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method.

- Debt and equity investment securities are mandatorily measured at FVTPL or designated as at FVTPL; these are measured at fair value with changes recognized immediately in profit or loss.

- Debt securities measured at FVOCI.

- If the Corporation engages in equity investment securities, these would be designated as FVOCI.

3. Material Accounting Policies (Continued)

(h) Investment Securities (continued)

For debt securities measured at FVOCI, gains and losses are recognized in OCI, except for the following, which are recognized in comprehensive income in the same manner as for financial assets measured at amortized cost:

- Interest revenue using the effective interest method.
- ECL and reversals.
- Foreign exchange gains and losses.

When debt security measured at FVOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

The Corporation has elected to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is irrevocable and made on an instrument-by-instrument basis upon initial recognition.

Gains and losses on such equity instruments shall never be reclassified to profit or loss, and no impairment is recognized in profit or loss. Dividends shall be recognized in profit or loss unless they represent a recovery of part of the cost of the investment, in which case they shall be recognized in OCI. Cumulative gains and losses recognized in OCI shall be transferred to retained earnings on the disposal of an investment.

(i) Assets Held-for-sale

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be mainly recovered through a sale transaction rather than through continuing use and a sale is considered highly probable. When the Corporation acquires control of a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it will classify the non-current asset (or disposal group) as held-for-sale at the acquisition date. Such assets are generally measured at the lower level of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in profit or loss. The Corporation reviews the carrying amounts of its assets held-for-sale to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount.

3. Material Accounting Policies (Continued)

(i) Assets Held-for-sale (continued)
A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

(j) Furniture, Equipment, and Improvements, Net
Furniture, equipment, and improvements are used in the Corporation's premises. Those assets are stated at historical cost less accumulated depreciation and amortization. The historical cost includes the expense that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the carrying value of the asset or recognized as a separate asset, as applicable, only when it is likely that the Corporation would obtain the future economic benefits associated with the property and the cost can be reliably measured. Costs considered as repair and maintenance are recognized in comprehensive income during the financial period they are incurred on.

Depreciation and amortization expenses of furniture, equipment, and improvements are recognized in profit or loss under the straight-line method considering the useful life of the assets. The estimated useful lives are summarized as follows:

Property improvements	5 years
Furniture,equipment and computer equipment	4 - 5 years

Furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount. The recoverable amount is the greater of its value in use and its fair value less costs to sell.

(k) Right-of-use Assets
The Corporation recognizes a right-of-use asset, which represents its right to use the underlying asset, and a lease liability, which represents its obligation to make future lease payments.

3. Material Accounting Policies (Continued)

(k) Right-of-use Assets (continued)

The Corporation applies for the exemption from the standard for lease contracts identified as leases in accordance with IAS 17, applying the following practical options for current contracts:

- Exemption for not recognizing assets for rights of use and lease liabilities for contracts with a term of less than 12 months;
- Leases in which the underlying asset is of low value are excluded;
- Initial direct costs of measuring the right-of-use asset are excluded; and
- Hindsight reasoning is used to determine the lease term, when the contract contains options to extend or terminate the lease.

These exemptions to recognition and their respective payments are recorded as rental expenses in the consolidated interim statement of comprehensive income for the year.

The Corporation measures its right-of-use assets at cost less accumulated depreciation and are depreciated over the lease term. The right-of-use assets are presented with the furniture, equipment and improvements, net, in the consolidated interim statement of financial position.

(l) Investments Accounted for Using the Equity Method

Associates are all entities over which the Corporation has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

(m) Investment Property

Investment property is initially measured at cost and subsequently at fair value, with any change therein recognized in profit or loss within other income. If the investment property is acquired in exchange for a non-monetary asset or assets, the cost of such an investment property is measured at fair value.

Any gain or loss on disposal of the investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

When a property's use changes and it is reclassified as property and equipment, at its fair value at the date of reclassification becomes its cost for subsequent accounting.

3. Material Accounting Policies (Continued)

(n) Goodwill
The Corporation recognizes goodwill as of the acquisition date measured as the excess of (a) over (b) below:

(a) the aggregate of:

(i) the consideration transferred measured generally requires acquisition-date fair value;

(ii) the amount of any non-controlling interest in the acquiree; and

(iii) in a business combination achieved in stages, the acquisition-date fair value of the Corporation's previously held equity interest in the acquiree.

(b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

(o) Provisions
A provision is recognized in the consolidated interim statement of financial position when the Corporation has acquired a present legal or constructive obligation due to a past event, and, probably, an outflow of economic benefits will be required to settle the obligation.

Provisions made approximate settlement value; however, final amounts may vary. The estimated amount of the provision is adjusted at each reporting date, directly affecting profit or loss.

(p) Income Tax
Estimated income tax is the expected tax payable on taxable income for the period, using tax rates enacted at the reporting date, and any other adjustment to taxes payable in respect of previous periods.

Deferred income tax represents the amount of income tax payable and/or receivable in future years resulting from temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. These temporary differences are expected to be reversed in future years. If it is determined that the deferred tax would not be realized in future years, the deferred tax will be totally or partially reduced.

3. Material Accounting Policies (Continued)

(q) Income and Expense Recognition

(i) Interest Income and Expense

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Corporation estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees, which are integral to the rate. Transaction costs include incremental costs directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortized Cost and Gross Carrying Amount

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of Interest Income and Expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

3. Material Accounting Policies (Continued)

(q) Income and Expense Recognition (continued)

(i) Interest Income and Expense (continued)

Calculation of Interest Income and Expense (continued)
However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the asset's credit risk improves.

(ii) Fee and Commission Income and Expenses
Fee and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. When a commission is deferred, it is recognized over the term of the loan.

Other fee and commission income, included in other operating income, arises from services provided by the Corporation, including advisory and structuring services, and is recognized as the related services are performed.

Fee and commission income from customer contracts is measured based on the consideration specified in the contract. The Corporation recognizes revenue when it transfers control over a service to a customer.

3. Material Accounting Policies (Continued)

(q) Income and Expense Recognition (continued)

(ii) Fee and Commission Income and Expenses (continued)

The following table describes the products, services, and nature for which the Corporation generates its income:

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Advisory and Structuring Services	Advising customers on the structuring of the terms and conditions established in the offer of financing and coordination between the legal advisors of the lending and borrowing counterparties in all legal aspects relating to the offer and acceptance of the credit facility, among others.	Revenue related to transactions is recognized at the point in time when the transaction takes place.
Asset Management	Involves the management of assets on behalf of their clients which generates several kinds of administrative commissions.	Revenue related to transactions is recognized at the point in time when the transaction takes place.

(r) Net Gain on Derivative Instruments, Financial Instruments, and Others

Net gain from other financial instruments at fair value through profit or loss (FVTPL) relates to non-trading derivatives held for risk management purposes that do not pertain to qualifying hedge relationships and financial assets and liabilities designated at fair value through profit or loss and includes all realized and unrealized fair value changes.

(s) Basic Earnings per Share

The Corporation presents basic earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Corporation by the weighted average number of ordinary shares outstanding during the period.

(t) Segment Information

A business segment is a component of the Corporation, whose operating results are regularly reviewed by Management to make decisions about the resources assigned to the segment and thus evaluate its performance, and for which financial information is available for this purpose.

3. Material Accounting Policies (Continued)

(t) Segment Information (continued)
The Corporation's business structure is based on three segments, as follows:

- Lending: Financing directly infrastructure projects in Latin America and the Caribbean.
- Advisory and Structuring: This includes due diligence, structuring, and syndication services for projects in a wide range of sectors and many countries in Latin America and the Caribbean.
- Asset Management: Provides investors with diversified portfolio management services on direct infrastructure loans in high demographic growth areas while mitigating environmental, social, and governance risks.

(u) Employee Benefits

(i) Short-term Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other Long-term Employee Benefits
The Corporation's net obligation in respect of long-term employee (key executive) benefits is the amount of future benefits that executives have earned in return for their service in the current and future period. That benefit is based on the award value generated to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(v) Leases
At the inception of a contract, the Corporation assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

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

3. Material Accounting Policies (Continued)

(v) Leases (continued)

- The Corporation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- The Corporation has the right to direct the use of the asset. The Corporation has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Corporation has the right to direct the use of the asset if either:

  - The Corporation has the right to operate the asset; or

  - The Corporation designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on a reassessment of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease component based on their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Corporation has elected to separate non-lease components and not to account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of furniture, equipment, and improvements. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Material Accounting Policies (Continued)

(v) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. The Corporation uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payments in an optional renewal period if the Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Corporation is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when future lease payments change due to a change in an index or rate, the Corporation's estimate of the amount expected to be payable under a residual value guarantee changes, or the Corporation changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation presents right-of-use assets that do not meet the definition of investment property in furniture, equipment and improvement and lease liabilities in the consolidated interim statement of financial position.

3. Material Accounting Policies (Continued)

Short-term Leases and Leases of Low-value Assets

The Corporation has elected not to recognize right-of-use assets and lease liabilities for short-term leases of computer equipment with a lease term of 12 months or less and leases of low-value assets. Instead, the Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Balances and Transactions with Related Parties

During the period, the Corporation maintained transactions with parties that are considered to be related.

The following items were included in the consolidated interim statements of financial position and comprehensive income, and their effects are as follows:

		September 30, 2025		September 30, 2025	
Type of entity	**Relationship**	**Assets – Loans and Accrued Interest Receivable**	**Liabilities - Loans and Accrued Interest Payable**	**Interest Income on Loans Receivable**	**Interest Expenses on Loans Payable**
Legal entities	Shareholders	-	15,182,305	-	475,857

		December 31, 2024		September 30, 2024	
Type of entity	**Relationship**	**Assets – Loans and Accrued Interest Receivable**	**Liabilities - Loans and Accrued Interest Payable**	**Interest Income on Loans Receivable**	**Interest Expenses on Loans Payable**
Legal entities	Shareholders	-	6,270,846	194,001	271,412

On September 30 2025, the Corporation have fully disbursed committed and uncommitted lines of credit with related parties (December 31, 2024: US$10,000,000), in addition to other credit facilities (see Note 16).

Members of the Board of Directors have received compensation of US$145,750 (September 30, 2024: US$259,454) for attending meetings during the period. Compensation of key executive officers is included in Note 5.

5. Employee Benefits

For the period ended on September 30, 2025, personnel expenses include salaries and benefits paid to key executive officers for US$884,599 (September 30, 2024: US$854,331).

5. Employee Benefits (Continued)

In addition to employee salaries, the Corporation provides all full-time employees with the following benefits:

(a) All full-time employees are required to participate in the following insurance plans unless they provide proof of equivalent coverage:

- Medical insurance
- Health and life insurance
- Travel insurance

(b) Retirement plan contributions (Simple IRA): The Corporation contributes 3% (December 31, 2024: 3%) of each employee's annual base salary. The Corporation makes its contributions to an independent fund manager and expenses those contributions as incurred. The Corporation has no future commitment to manage the funds contributed.

(c) In June 2018, the Corporation's Board of Directors approved the implementation of a long-term incentive plan ("Plan") applicable to key executives ("Participants"). The Plan focuses on rewarding and motivating the Participants to generate sustainable long-term value for the Corporation.

According to the Plan, the Corporation grants the Participant a right to receive stock options convertible into cash if certain performance metrics are achieved during a seven-year term starting in 2018 that is attributed yearly ("Option"). The Option does not grant the Participant any rights on the Corporation's stock. The Plan was amended in 2019.

The Plan has a five-year vesting period and a subsequent three-year payout period. During the first two years of the payout period, the plan continues granting the right under the Option to the Participants. The benefits to the Participants are recognized in the consolidated interim statement of comprehensive income as personnel expenses in the year they arise.

The annual pro-rata portion of the Option accumulated for this benefit maintains an open balance of US$25,782 (December 31, 2024: US$574,252), based on amended terms.

The Corporation's internal policy does not allow loans to be extended to its employees.

6. Financial Risk Management

In the ordinary course of operations, the Corporation is exposed to different types of financial risks, which are minimized by applying risk management policies and procedures. Those policies cover credit, liquidity, market, capital adequacy, and operating risks.

Risk Management Framework
The Corporation's Board of Directors establishes and oversees the risk management framework. For this purpose, the Board reviews and approves the Corporation's policies and has created the Risk Committee, the Audit Committee, and the Nominating, Compensation, Corporate Governance and Ethics Committee. All report regularly to the Board and are comprised of board members and independent members.

The Corporation's risk management policies are established to identify and analyze the risks faced by the Corporation and to set appropriate risk limits and controls. Risk management policies and controls are reviewed regularly to adapt to and reflect changes in market conditions and the products and services offered. The Corporation applies periodic employee training, management standards, and internal procedures to develop a disciplined and controlled environment where all employees understand their roles and responsibilities.

The Risk Committee of the Board of Directors oversees management's program to limit or control material business risks. It ensures the Corporation has in place an appropriate enterprise-wide process to identify, assess, monitor, and control material business risks including, but not limited to, credit risk, interest rate risk, liquidity risk, regulatory risk, counterparty risk, legal risk, operational risk, strategic risk, environmental risk, social risk, and reputational risk. In the case of Credit Risk, the Committee recommends write-offs to the Board of Directors; also, the Committee regularly reviews the risk management programs and activities and the Corporation's compliance with those programs and activities. In addition, the Committee periodically reviews and monitors all matters related to the corporate culture within the Corporation. It reviews and monitors all the environmental and social responsibility standards and guidelines under which the Corporation and its employees must operate.

The Audit Committee assists the Board of Directors in overseeing the integrity of the Corporation's financial statements, compliance with legal and regulatory requirements, the independent auditors' qualifications, independence and function, the performance of the Corporation's internal audit, the Corporation's system of disclosure controls and system of internal controls regarding finance, accounting, legal compliance and anti-money laundering. The Audit Committee encourages continuous improvement and fosters adherence to the Corporation's policies, procedures, and practices at all levels. It also provides an open avenue of communication among the independent auditors, financial and senior management, the internal auditing function, and the Board of Directors.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)
The Nominating and Corporate Governance/Compensation Committee assists the Board in establishing and maintaining qualification standards for evaluating board candidates, in determining the size and composition of the Board of Directors and its committees, in monitoring a process to assess board effectiveness, and in developing and implementing the Corporation's corporate governance guidelines. The Committee also makes employment and compensation decisions for the Chief Executive Officer (the "CEO"). It assists the CEO in carrying out his or her responsibilities relating to executive compensation, incentive compensation, and equity and non-equity-based benefit awards.

There are three (3) committees at the management level: Credit, Asset and Liability Committee (ALCO), and Procurement.

The Credit Committee, a majority comprised of senior management and two independent members nominated by the Board of Directors, reviews, approves and oversees the lending program of the Corporation. Its duties and responsibilities are to review and approve loan transactions (including refinancing, rescheduling, and restructuring transactions) within limits established by the Board, including but not limited to the Corporation's credit and lending policies; review and approve material waivers and amendments to a credit (changes in the spread, amortization schedule, tenor and/or guarantees) within limits established by the Board; review the periodic credit follow-up reports of each loan; and monitor problem loans and assets. Any temporal waiver to limits and policies requires approval from the Risk Committee.

The ALCO must abide by the guidelines established in the risk policies relating to managing Interest Rate, Forex, GAP, and Liquidity Risks and comply with technical criteria according to good banking practices. In addition, it recommends updates to the Risk Committee on capital adequacy, interest rates, forex, GAP, and liquidity policies. This Committee is composed of three (3) members of Management and is assisted by the Treasurer. As in the Credit Committee, any waiver to limits and policies will require approval from the Risk Committee.

The Procurement Committee, composed of three (3) members of Management, procures goods and services on behalf of the Corporation. The Committee should ensure that purchasing and contracting activities comply with the principles of fair competition, non-conflict of interest, cost-effectiveness, and transparency.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)
Following is a detailed explanation of the management of credit, liquidity, market, and operational risks:

(a) Credit Risk
Credit risk is the risk that the debtor or issuer of a financial instrument owned by the Corporation fails to meet an obligation fully and on time following the contractual terms and conditions agreed upon when the Corporation acquired or originated the financial asset. Credit risk is mainly associated with the loan and investment security (bonds) portfolios and is represented by the carrying amount of those assets in the consolidated interim statement of financial position.

Investment and Loan Portfolios
The Corporation will invest its liquid portfolio to give priority to security, liquidity, and profitability, using the following criteria:

- The investment horizon is up to 3 years.
- In instruments:

  - Type of instruments: Fixed Income Instruments (Bonds), Certificates of Deposits, or Time Deposits.
  - Type of Issuers: Corporates, financial institutions, and US Treasuries.
  - Program Size: a minimum issue or program size of US$200 million (for insuring liquid secondary market), excluding commercial papers programs in Panama (in Spanish, VCN - Valores Comerciales Negociables), with a minimum program size of US$50 million approved by the Superintendency of Securities Market of Panama.
  - Country Risk: issuers located in countries with a rating of at least BBB-/Baa3 from one of the main rating agencies (Moody's, S&P, Fitch). The only exception is Panama in case its rating is less than BBB-/Baa3.
  - Issuer Rating: have a national rating of at least A or an international rating of BBB-/Baa3 (long term) or F2/ P-2 (short term).

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit risk (continued)

Investment and Loan Portfolios (continued)

- Excluding demand deposits, the exposure to any single issuer shall not exceed 10% of CIFI's total capital.
- All investments shall be denominated in US$.
- 25% of the nominal value of the investment in the Liquid Portfolio will be included in the overall country loan portfolio exposure.
- For Certificates of Deposit, minimum issue or program size does not apply.
- The investment portfolio could be used as a guarantee for margin credit facilities if it is required and approved by CIFI.

As of September 30, 2025, the concentrations of credit risk by sectors and countries are within the limits established by the Corporation. The nominal amount of each financial asset represents the maximum exposure to credit risk.

The loan portfolio includes the financing of corporate bonds totaling US$10,839,706 (December 31, 2024: US$16,934,270).

The Corporation has a policy for granting payment extensions and for restructuring, renegotiating, and refinancing for granting payment extensions and loans. Payment extensions apply only when the borrower is experiencing temporary difficulties and will be able to resume payments in the short term under the original agreement. Restructuring and refinancing are considered part of the overall credit/risk reevaluation framework, provided that all participating lenders make a joint and collective effort and that both owners and lenders will equally share the debt burden.

The Corporation's derecognition policy requires impaired loans and investments to be monitored on an ongoing basis to determine the probability of their recovery, either by executing a guaranty pledged on behalf of the Corporation or through financial restructuring. An impaired loan is derecognized when a loan or investment is determined to be uncollectible or if its valuation does not warrant continued recognition as the original asset.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit risk (continued)

Investment and Loan Portfolios (continued)
As of September 30, 2025, the Corporation held loans receivable by US$49,882,359 (December 31, 2024: US$41,150,735) recognized as FVTPL, adjusted by remeasurement by US$5,108,220 (December 31, 2024: US$2,733,404).

As of September 30, 2025, the average loan portfolio internal risk rating is "B-" (December 31, 2024: "B-"), based on the Corporation's standards, which are not necessarily comparable to international credit rating standards.

The following table provides information about the credit quality of financial assets measured at FVOCI and investment accounted for using the equity method. As of September 30, 2025, of the total US$33,447,718 (December 31, 2024: US$26,281,133) in securities, the Corporation holds US$8,157,635(December 31, 2024: US$2,609,955) in US Treasury Bonds; this is an initiative incorporated in 2023 to keep the excess liquidity of the Corporation invested in profitable instruments with very low risk.

	September 30, 2025			
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
Investment accounted for using the equity method				
B+ / B-	16,842,353	-	-	16,842,353
Total investment accounted for using the equity method	16,842,353	-	-	16,842,353
Investment securities at FVOCI (*)				
AAA / A-	9,184,006	-	-	9,184,006
BBB + / BBB-	7,228,514	-	-	7,228,514
Total gross amount	16,412,520	-	-	16,412,520
Accrued interest receivable	103,491	-	-	103,491
Investment valuation	89,354	-	-	89,354
Total investment securities	16,605,365	-	-	16,605,365

(*) The grades used are in line with the criteria of international credit rating agencies.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

The Corporation´s loan portfolio is allocated as follows:

	September 30, 2025			
	12-month ECL	**Lifetime ECL, not credit impaired**	**Lifetime ECL, credit impaired**	**Total**
Loans receivable at amortized cost (*)				
BBB + / BBB-	-	-	-	-
BB+ / BB-	75,762,252	-	-	75,762,252
B+ / B-	90,294,018	6,417,406	-	96,711,424
<= CCC+	65,847,982	28,130,007	17,172,822	111,150,811
Total gross amount	231,904,252	34,547,413	17,172,822	283,624,487
Accrued interest receivable	4,016,819	1,208,995	1,844,619	7,070,433
Allowance for loan losses	(2,197,867)	(2,362,968)	(4,875,122)	(9,435,957)
Deferred income	(592,121)	-	-	(592,121)
Net carrying amount (*)	233,131,083	33,393,440	14,142,319	280,666,842
Loans receivable at fair Value				
BB+ / BB-	19,895,763	-	-	19,895,763
B+ / B-	30,754,282	4,340,534	-	35,094,816
<= CCC+	-	-	-	-
Net carrying amount	50,650,045	4,340,534	-	54,990,579
Total loans receivable	283,781,128	37,733,974	14,142,319	335,657,421

(*) The grades used are in line with the criteria of international credit rating agencies.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

	December 31, 2024			
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
Investment accounted for using the equity method				
B+ / B-	15,389,413	-	-	15,389,413
Total investment accounted for using the equity method	15,389,413	-	-	15,389,413
Investment securities at FVOCI (*)				
AAA / A-	3,850,170	-	-	3,850,170
BBB + / BBB-	6,861,281	-	-	6,861,281
Total gross amount	10,711,451	-	-	10,711,451
Accrued interest receivable	98,456	-	-	98,456
Investment valuation	81,813	-	-	81,813
Total investment securities	10,891,720	-	-	10,891,720

(*) The grades used are in line with the criteria of international credit rating agencies.

	December 31, 2024			
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
Loans receivable at amortized cost (*)				
BBB + / BBB-	1,307,328	-	-	1,307,328
BB+ / BB-	78,920,327	5,921,171	-	84,841,498
B+ / B-	113,051,220	6,465,234	5,773,927	125,290,381
<= CCC+	39,544,805	-	7,816,357	47,361,162
Total gross amount	232,823,680	12,386,405	13,590,284	258,800,369
Accrued interest receivable	3,940,153	165,571	1,877,578	5,983,302
Allowance for loan losses	(2,497,718)	(935,308)	(3,718,138)	(7,151,164)
Deferred income	(862,144)	-	-	(862,144)
Net carrying amount (*)	233,403,971	11,616,668	11,749,724	256,770,363
Loans receivable at fair Value				
BB+ / BB-	16,702,062	-	-	16,702,062
B+ / B-	23,320,310	3,861,767	-	27,182,077
Net carrying amount	40,022,372	3,861,767	-	43,884,139
Total loans receivable	273,426,343	15,478,435	11,749,724	300,654,502

(*) The grades used are in line with the criteria of international credit rating agencies.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)
Reconciliation of cash movements arising from investing activities is presented in the consolidated interim statement of cash flows as follows:

	September 30, 2025	December 31, 2024
Balance at beginning of year	10,891,720	18,371,645
Change from investing cash flows		
Acquisition of investment securities	29,325,510	247,203,739
Proceeds from sales, redemption and amortization	(23,609,359)	(254,770,673)
Total from investing cash flows	5,716,151	(7,566,934)
Accrued interest receivable	5,035	(12,567)
Investment valuation	(7,541)	99,576
Balance at the end of period	16,605,365	10,891,720

Modification of Financial Assets
The Corporation may modify the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, intending to maximize recovery. Such restructuring activities include extended payment term arrangements, payment holidays, and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition when the modification is not substantial, and so does not result in the derecognition of the original asset.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)
The Corporation monitors the subsequent performance of modified assets. As of September 30, 2025, the Corporation doesn´t have a gross carrying amount of such assets held (December 31, 2024: US$16,465,628).

The Corporation continues to monitor if there is a subsequent significant increase in credit risk concerning such assets by using specific models for modified assets.

As of September 30, 2025, the Corporation has credit impaired loans for US$17,172,822 (December 31, 2024: US$13,590,284).

To secure some of its loans payable as of September 30, 2025, the Corporation has pledged to the lenders' rights to cash flows derived from certain loans receivable granted by the Corporation; those cash flows derive from specific loan and investment security portfolios representing 5.77% (December 31, 2024: 2.44%) of the total assets.

The following table shows a reconciliation from the opening to the closing balance of the ECL allowance by class of financial instrument:

	September 30, 2025			
	12 - month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
Loans receivable at amortized cost				
Balance on January 1	2,497,718	935,308	3,718,138	7,151,164
Transfer to 12-month ECL	(237,356)	216,759	20,597	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net remeasurement of loss allowance parameters	(402,985)	958,676	1,136,388	1,692,079
New financial assets originated	582,764	9,950	-	592,714
Financial assets that have been derecognized	-	-	-	-
Write-offs (*)	-	-	-	-
Change in models/risk parameters	-	-	-	-
Balance on September 30	2,440,141	2,120,693	4,875,123	9,435,957

(*) The Corporation does not maintain legal processes for those write-offs.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

	December 31, 2024			
	12 - month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
Loans receivable at amortized cost				
Balance on January 1	2,633,651	1,127,509	371,816	4,132,976
Transfer to 12-month ECL	(65,026)	65,026	-	-
Transfer to lifetime ECL not credit impaired	-	(909,979)	909,979	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net remeasurement of loss allowance parameters	(1,358,932)	652,752	2,436,343	1,730,163
New financial assets originated	292,176	-	-	292,176
Financial assets that have been derecognized	-	-	-	-
Write-offs (*)	-	-	-	-
Change in models/risk parameters	995,849	-	-	995,849
Balance on December 31	2,497,718	935,308	3,718,138	7,151,164

(*) The Corporation does not maintain legal processes for those write-offs.

As of September 30, 2025, the Corporation has US$271,677,479 (December 31, 2024: US$249,315,808) of loans evaluated collectively with a provision for a loan portfolio of US$4,560,835 (December 31, 2024: US$3,433,206); and US$19,017,441 (December 31, 2024: US$15,467,862) of loans evaluated individually with a loan portfolio provision of US$4,875,122 (December 31, 2024: US$3,718,138).

The movement of provision on receivables from advisory and structuring services is detailed as follows:

	September 30, 2025	December 31, 2024
Balance at the beginning of the year	286,656	1,056,682
Provision on receivables	1,115,733	120,359
Write-offs	(1,100,426)	(890,385)
Balance at the end of the period	301,963	286,656

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)
Management of the Corporation generally requires collateral from its customers or a corporate loan guarantee before formally extending and disbursing a loan. The loan portfolio collaterals and guarantees are as follows:

	September 30, 2025	December 31, 2024
Pledge on property and mortgages on machinery	307,953,076	305,363,360
Mortgages or securities on land	72,431,050	58,681,050
Corporate	61,675,244	111,913,044
Mortgages or securities on buildings	47,951,716	44,332,754
Cash or CD pledge	11,382,587	12,602,176
Pledge over rights on contracts or others	8,342,764	8,342,764
Collateral trust agreement for a fiduciary assignment	8,090,540	8,090,540
Guarantees issued by the operating companies	6,421,535	6,421,535
Accounts receivable	5,406,911	10,726,404
Conditional sale agreement	5,048,244	5,048,244
Letter of credit on confirmed and irrevocable imports	2,387,680	456,040
Stand-by letters of credit	2,206,022	1,494,840
Pledge over rights on contracts	-	4,099,877
	539,297,369	577,572,628

The Corporation classifies loans as past due when no principal or interest payments have been made thirty-one days after the due date. The Corporation classifies loans as impaired when no principal or interest payment has been made ninety-one days after the due date.

Loans and investment securities earn interest at annual rates between 1% and 12% (December 31, 2024: between 1% and 14.26%).

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

- Maximum risk by economic unit: The maximum risk limit assumed by the Corporation concerning individual borrowers or groups of borrowers having similar economic interests is 18% of the Corporation's net worth of its consolidated interim financial statements. However, exposure to any single client shall not exceed the following criteria, applicable for both periods, based on the Corporation's net worth of its consolidated interim financial statements:

Tier	Credit Rating	Unsecured	Secured
I	BB or better	12.5%	18.0%
II	B+ to BB-	9.0%	15.0%
III	B to B-	5.0%	12.0%

A loan will be secured if exposure is fully covered with acceptable guarantees to the Corporation. All guarantees shall comply with the following criteria:

(i) Security valuation is performed based on an external and independent assessment. Appraisers shall be recommended by the COO based on their technical background and approved by the CEO;

(ii) An analysis must be made related to the underlying credit quality of any collateral and its acceptable value for CIFI, including appraisals. The most recent security valuation that occurred within three years might be accepted for appraisals. However, the valuation will be adjusted yearly according to the appropriate depreciation. If the collateral is related to publicly available market information, collateral should be updated on the quarterly review of the loan/covenant for information from the issuer. The analysis must be included in the Credit Memorandum;

(iii) For mortgages or securities on land, analyzing environmental liabilities must be part of the acceptance process. The level of effort shall be commensurate with the risk and determined by the ESG and the Risk units; and

(iv) After the above value estimation, this valuation will be further adjusted.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

- Maximum risk by economic unit: (continued)
  The concentration of the loan portfolio in individual borrowers or groups of borrowers having similar economic interests based on total equity is as follows:

	% of total equity September 30, 2025			
	Number of exposures	Carring Amount	Number of exposures	Nominal Amount
0 to 4.99%	10	28,089,566	9	22,890,279
5 to 9.99%	19	153,487,248	20	160,032,875
10 to 14.99%	5	66,119,010	6	79,667,069
15 to 18%	5	90,919,242	4	70,916,623
	39	338,615,066	39	333,506,846

	% of total equity December 31, 2024			
	Number of exposures	Carring Amount	Number of exposures	Nominal Amount
0 to 4.99%	10	27,561,600	10	27,561,600
5 to 9.99%	20	167,069,811	21	178,912,885
10 to 14.99%	7	108,053,096	6	93,476,618
15 to 18%	-	-	-	-
	37	302,684,507	37	299,951,103

- Country risk: The Corporation uses a series of classifications by country risk and gross domestic product to place countries in the following risk categories: Prime, Normal, Fair, Restricted, and Limited. Under this system, country size is less relevant for high-risk countries and more significant for low-risk countries. Each category has a maximum credit limit on the total value of the corresponding loan portfolio, defined every year by the Board of Directors, based on a recommendation by the Risk Committee. As of September 30, 2025 and December 31, 2024 the Corporation complied with country risk exposure limits.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

- Country risk (continued)
  An analysis of the concentration of credit risk by country for gross loans and investment securities at the reporting date, is as follows:

	September 30, 2025	December 31, 2024
Chile	115,560,827	89,005,496
Dominican Republic	79,735,001	42,414,173
Panama	35,348,680	40,445,294
Argentina	17,794,691	19,488,466
Belize	17,525,910	11,407,200
Peru	16,733,635	14,475,283
Brazil	14,907,754	32,596,310
United States of America	14,847,709	9,651,127
Honduras	13,475,566	13,957,734
Paraguay	10,757,940	10,327,002
Saint Lucia	7,890,154	8,188,510
Guatemala	7,444,540	7,444,540
France	1,151,199	1,142,137
Ecuador	1,068,550	1,753,523
Japan	502,968	-
Colombia	371,816	371,816
Mexico	-	1,307,328
Nicaragua	-	9,501,832
Gross loans and investment portfolio	355,116,940	313,477,771
Accrued interest receivable	7,173,924	6,081,758
	362,290,864	319,559,529

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)

- Sector risk: The Corporation limits its portfolio concentration by subsectors based on the applicable I, II, or III TIERS. Subsectors classified in TIER I - Renewable Energy, such as Solar, Wind, and Hydro are limited to 75% of the total portfolio; Subsectors classified in TIER II - Transportation and Telecommunication are limited to 40% of the total portfolio, and Subsectors classified in TIER III - Alternative Fuels, Construction and Logistics, among others, are limited to 20% of the total portfolio. As of September 30, 2025 and 2024, the Corporation complied with sector risk exposure limits.

  Gross loans and investment securities by economic sector are as follows:

	September 30, 2025	December 31, 2024
Solar Power	124,229,305	123,916,135
Tourism	37,847,029	35,486,661
Thermo Power	27,399,674	21,267,661
Logistical Centers and Other	27,122,524	10,030,838
Co-generation (Biomass)	19,963,676	20,688,103
Alternative Fuels	19,832,471	-
Airports and Seaports	16,587,136	23,856,163
Securities	16,501,874	10,793,264
Energy Efficiency	13,089,442	14,592,330
Wind Power	12,311,903	8,658,378
Transmission & Distribution	9,618,035	-
Hydro Power	7,701,639	8,183,807
Real State	6,739,359	-
Social Infrastructure	5,801,100	5,948,398
Roads, Railroads and Others	5,773,927	5,773,928
Construction & Engineering	4,597,846	2,905,857
Telecommunications	-	11,874,416
Geothermal	-	9,501,832
Gross loans and investment portfolio	355,116,940	313,477,771
Accrued interest receivable	7,173,924	6,081,758
	362,290,864	319,559,529

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Credit Risk (continued)

Investment and Loan Portfolios (continued)
The Z-score method, adapted to emerging markets, is used for project finance loans. The method identifies key factors based on a debtor's financial performance that determine the probability of default and combines or weighs them into a quantitative score. That system also includes quantitative information and qualitative factors that affect infrastructure projects and emerging markets. The results consider relevant information such as foreign exchange, competition, project analysis, and country risks.

In 2024, the Corporation implemented a minimum probability of default that represents the potential risk that exists in making a placement/investment within the different latitudes, considering that the Corporation maintains exposures in different countries with different levels of risk. The Corporation based its methodology on the EMBI spread created by J.P Morgan Chase.

Finally, this rating was not related to expected losses as LGD and does not impact the Corporation's internal credit rating.

The Corporation acquired the RiskCalc EDF model for Emerging Markets from Moody's for corporate loans.

In addition, commissions receivable from corporate services rendered to third parties, amounted to US$5,620,435 as September 30, 2025 (December 31,2024: US$5,654,433), which are presented as receivables from advisory and structuring services, and are classified as performing receivables. The Corporation recognized US$1,100,426 (December 31, 2024: US$839,637) write-offs related to billing receivables for the period.

ECL impairment on receivables recognized in the consolidated interim statement of comprehensive income for the period ended on September 30, 2025, amounted to US$1,115,743 (September 30, 2024: US$ 58,537).

(b) Liquidity Risk
Liquidity risk arises in the general funding of the Corporation's activities. It includes both the risk of being unable to settle assets at contractual maturities and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate timeframe.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(b) Liquid Risk (continued)

Management of Liquidity Risk
The Corporation's approach to managing liquidity is to ensure, as far as possible, that it always must have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Treasurer receives information from the management of new business units regarding liquidity needs for the next several days, weeks, and months. The Treasurer then keeps a portfolio of short-term liquid assets, largely made up of cash in banks, liquid investments in secure instruments following internal policies on liquid portfolio investment limits, and committed and available lines of credit, to ensure that the Corporation can meet expected and unexpected liquidity requirements.

The liquidity position is monitored regularly, and liquidity stress testing is conducted under scenarios covering normal and more severe market conditions. All internal policies and procedures for term matching are subject to review and approval by the Board of Directors. The ALCO monitors the Corporation's liquidity position by evaluating the following requirements established in the Corporation's current liquidity policy, which are reported to the Risk Committee and the Board of Directors every quarter:

- Mismatches in the consolidated interim statement of financial position - asset-liability gap analysis;
- Anticipated funding needs and strategies;
- Liquidity position;
- Mark to-market variances; and
- Stress analysis of the Corporation's forecasted cash flows.

When a financial crisis impacts the markets, the Corporation activates its liquidity contingency plan, which requires Management to increase liquidity and extend its liquidity position from 6 months to 1 year.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(b) Liquid Risk (continued)

Management of Liquidity Risk (continued)
As of September 30, 2025, the Corporation had US$16,555,720 (December 31, 2024: US$15,592,141) in cash and cash equivalents and maintained undisbursed and available balances of committed credit facilities with financial institutions for US$10,000,000 (December 31, 2024: US$16,000,000) with tenors at 2025 and 2030 (December 31, 2024: tenors in 2025 and 2029). Additionally, the Corporation maintains undisbursed and available balances of uncommitted short-term revolving credit facilities with financial institutions for US$16,900,000 (December 31, 2024: US$17,000,000). (See Note 16).

According to the Corporation's liquidity policies, the Corporation shall comply with the following three limits: i) Cumulative asset-liability gap from 1 to 180 days > 0; ii) Probability of negative cash flow balance in six months ≤ 1%; and iii) original contractual maturity defined as short-term funding, up to 1 year, cannot exceed either US$65 million or 25% of total funding. To apply the policy, the asset-liability gap analysis aggregates all contractual cash flows of on- and off-balance sheet assets and liabilities in their corresponding time band. Cash flows attributed to undrawn loan commitments and loans payable are allocated to the time band in which management expects their occurrence.

The Corporation's consolidated interim statement of financial position presents assets and liabilities by time band, as follows:

	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
September 30, 2025							
Assets							
Cash and cash equivalents	15,850,509	-	-	-	705,211	-	16,555,720
Investment securities	5,445,329	687,526	35,890	1,608,218	2,065,028	6,763,374	16,605,365
Loans receivable	548,053	1,699,639	1,696,543	18,391,099	20,233,408	293,088,679	335,657,421
Asset Held-for-Sale	-	-	-	-	-	4,803,395	4,803,395
Receivables from advisory and structuring services	-	2,408,002	14,819	1,121,128	-	2,076,486	5,620,435
Margin account	350,000	-	-	-	-	-	350,000
	22,193,891	4,795,167	1,747,252	21,120,445	23,003,647	306,731,934	379,592,336
Liabilities							
Loans payable	1,000,000	(10,428,571)	9,583,448	4,176,125	49,147,166	60,548,443	114,026,611
Corporate bonds	4,435,668	1,140,000	-	9,005,559	40,020,860	113,038,192	167,640,279
Commercial paper	-	-	-	1,000,000	2,270,080	-	3,270,080
Derivative liabilities	-	(13,590)	-	99,899	2,634,623	(1,866,363)	854,569
Accrued interest payable	423,245	188,396	1,314,150	297,837	-	99,784	2,323,412
	5,858,913	(9,113,765)	10,897,598	14,579,420	94,072,729	171,820,056	288,114,951

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(b) Liquidity Risk (continued)

Management of Liquidity Risk (continued)

	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
December 31, 2024							
Assets							
Cash and cash equivalents	15,386,931	-	-	-	205,211	-	15,592,141
Investment securities	1,371,836	650,535	2,524,946	647,138	1,965,000	3,732,265	10,891,720
Loans receivable	3,087,133	4,657,724	4,310,706	6,597,604	32,804,120	249,197,214	300,654,501
Receivables from advisory and structuring services	2,273,511	2,006,581	301,225	1,073,116	-	-	5,654,433
Margin account	2,010,000	-	-	-	-	-	2,010,000
	24,129,411	7,314,840	7,136,877	8,317,858	34,974,331	252,929,479	334,802,796
Liabilities							
Loans payable	633,786	5,857,143	(4,250,000)	7,413,162	46,345,486	60,782,692	116,782,269
Corporate bonds	950,000	12,281,846	1,611,000	3,315,000	24,965,503	102,371,355	145,494,704
Commercial paper	-	3,531,936	-	500,000	-	-	4,031,936
Derivative liabilities	-	-	191,942	-	640,118	2,015,855	2,847,915
Accrued interest payable	123,009	278,205	405,422	443,634	25,837	9,115	1,285,222
	1,706,795	21,949,130	(2,041,636)	11,671,796	71,976,944	165,179,017	270,442,046

Outstanding contractual maturities of financial assets and liabilities and unrecognized loan commitments are as follows:

	Carrying amount	Gross Nominal inflow/ (outflow)	Less than 1 month	Over 1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years
September 30, 2025							
Liabilities:							
Loans payable	114,026,611	(127,338,940)	(1,233,619)	(18,452,032)	(41,125,498)	(66,527,790)	-
Corporate bonds *	167,640,279	(194,459,324)	(7,723,947)	(2,375,367)	(48,327,405)	(136,032,604)	-
Commercial paper	3,270,080	(3,401,869)	-	-	(3,401,869)	-	-
Derivative liabilities	854,569	(130,112,032)	(7,000,000)	-	(23,409,532)	(99,702,500)	-
Margin account	(350,000)	(350,000)	(350,000)	-	-	-	-
Unrecognized loan commitments	-	(20,822,467)	(20,822,467)	-	-	-	-
	285,441,539	(476,484,630)	(37,130,033)	(20,827,399)	(116,264,304)	(302,262,894)	-
Assets:							
Investment securities	16,605,365	17,222,955	5,327,697	880,833	3,960,415	7,054,010	-
Loans receivable	335,657,421	541,433,977	2,249,473	8,298,068	59,707,233	192,696,655	278,482,548
	352,262,786	558,656,932	7,577,170	9,178,901	63,667,648	199,750,665	278,482,548

*Before fair value hedging adjustment.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(b) Liquidity Risk (continued)

Management of Liquidity Risk (continued)

	Carrying amount	Gross Nominal inflow/ (outflow)	Less than 1 month	Over 1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years
December 31, 2024							
Liabilities:							
Loans payable	116,782,269	(130,418,385)	(80,215)	(7,084,228)	(64,895,074)	(58,358,868)	-
Corporate bonds *	145,494,704	(171,277,573)	(953,534)	(14,462,565)	(35,374,365)	(120,487,109)	-
Commercial paper	4,031,936	(4,082,523)	-	(3,566,815)	(515,708)	-	-
Derivative liabilities	2,847,915	(73,948,532)	-	(2,000,000)	(10,000,000)	(61,948,532)	-
Margin account	(2,010,000)	(2,010,000)	(2,010,000)	-	-	-	-
Unrecognized loan commitments	-	(33,000,000)	(33,000,000)	-	-	-	-
	267,146,824	(414,737,013)	(36,043,749)	(27,113,608)	(110,785,147)	(240,794,509)	-
Assets:							
Investment securities	10,891,720	11,284,095	1,376,519	3,207,598	2,778,378	3,921,600	-
Loans receivable	300,654,501	478,093,871	3,615,852	9,179,947	52,224,989	179,295,553	233,777,530
	311,546,221	489,377,966	4,992,371	12,387,545	55,003,367	183,217,153	233,777,530

*Before fair value hedging adjustment.

(c) Market Risk

Market risk is the risk that unfavorable movements in market variables, such as interest rates, equity prices, underlying assets, foreign exchange rates, and other financial variables, will affect the Corporation's income or the value of its holdings of financial instruments. Market risk management aims to manage and monitor risk exposure and ensure that such exposure does not exceed acceptable limits, thus jeopardizing returns.

Foreign Currency Risk

The Corporation incurs foreign currency risk when the value of its assets and liabilities denominated in currencies other than the U.S. dollar is affected by exchange rate variations, which are recognized in the consolidated interim statement of comprehensive income.

As of September 30, 2025, all the Corporation's assets and liabilities are denominated in U.S. dollars. Accordingly, no foreign currency risk is anticipated.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(c) Market Risk (continued)

Interest Rate Risk
Interest rate risk is the risk that future cash flows and the value of underlying financial instruments will vary due to changes in market interest rates. Interest rate risk is managed by following an internal policy limiting equity duration to +/-2.0%. The ALCO Committee is responsible for monitoring interest rate risk.

Most of the Corporation's interest-earning assets and interest-bearing liabilities are re-priced at least quarterly. As of September 30, 2025, 22% (December 31, 2024: 23%) of interest-earning assets and 17% (December 31, 2024: 21%) of interest-bearing liabilities net of swaps are set to re-price after six months.

The following tables summarize the Corporation's exposure to interest rate risks based on a duration of economic equity analysis:

September 30, 2025	Assets	Liabilities	Net
Present value	390,237,940	(303,598,669)	86,639,271
Duration (excluding interest rate swaps)	0.83	0.39	
Duration (including interest rate swaps)	0.83	0.39	0.44
Floating rate as a % total	86.65%	38.85%	
Fixed-rate as a % total	10.54%	16.79%	
Hybrid rate as a % total	2.81%	44.36%	
Net portfolio's sensitivity to 100bp change in interest rate			2.38
POLICY LIMIT:			+/- 3.00

December 31, 2024	Assets	Liabilities	Net
Present value	356,086,594	(282,461,112)	73,625,482
Duration (excluding interest rate swaps)	0.54	0.57	
Duration (including interest rate swaps)	0.54	0.57	-0.03
Floating rate as a % total	86.74%	44.88%	
Fixed-rate as a % total	13.26%	28.44%	
Hybrid rate as a % total	0.00%	26.68%	
Net portfolio's sensitivity to 100bp change in interest rate			0.43
POLICY LIMIT:			+/- 2.00

As of September 30, 2025, a change of 100 basis points in interest rates would have increased or decreased the Corporation's net economic value by US$2,065,960 (December 31, 2024: US$313,389) or 1.86% (December 31, 2024: 0.27%).

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(c) Market Risk (continued)

Interest Rate Risk (continued)
The following tables summarize the Corporation's exposure to interest rate risk. Assets and liabilities are classified based on the repricing or maturity date, whichever occurs first:

September 30, 2025	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 Days	181 to 365 days	Over 365 days	Total
Asset							
Loans receivables and investments, gross	62,262,522	54,716,618	98,176,634	61,239,222	6,695,958	72,025,986	355,116,940
Liability							
Loans payable, gross	8,000,000	3,571,429	61,066,895	20,196,454	13,325,200	8,092,133	114,252,111
Bonds, gross	8,584,000	1,140,000	-	28,325,300	37,611,149	99,070,900	174,731,349
Commercial paper, gross	-	-	-	1,000,000	2,278,000	-	3,278,000
Net position	45,678,522	50,005,189	37,109,739	11,717,468	(46,518,391)	(35,137,047)	62,855,480

December 31, 2024	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 Days	181 to 365 days	Over 365 days	Total
Asset							
Loans receivables and investments, gross	61,340,490	30,097,983	106,339,788	44,541,850	14,129,235	56,946,612	313,395,958
Liability							
Loans payable, gross	3,000,000	8,571,429	15,691,733	74,109,752	11,325,200	4,417,333	117,115,447
Bonds, gross	950,000	13,000,000	21,111,000	3,315,000	24,819,000	89,837,849	153,032,849
Commercial paper, gross	-	3,535,000	-	500,000	-	-	4,035,000
Net position	57,390,490	4,991,554	69,537,055	(33,382,902)	(22,014,965)	(37,308,570)	39,212,662

Projections include only the principal amount of loans, investment securities, and liabilities.

(d) Operational Risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Corporation's processes, personnel, technology, and infrastructure, and from external factors such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the Corporation's operations and are faced by all subsidiaries.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(e) *Operational Risk (continued)*

The Corporation's objective is to manage operational risk to balance the avoidance of financial losses and damage to the Corporation's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development of internal controls and procedures to address operational risk is assigned to the Corporation's management. The Corporation has the following established controls and procedures:

- Internal procedures for evaluating, approving, and monitoring loan operations.
- Internal procedures for managing the liquid portfolio;
- Internal procedures for acquiring derivative financial instruments;
- Internal procedures for the minimum insurance requirement;
- Environmental and social policies;
- Compliance with internal policies and controls;
- Code of conduct for employees and the Board of Directors and its Committees;
- Corporate Compliance Manual to prevent money laundering activities; and
- Acquisition of insurance to mitigate operational risk.

The Risk Committee oversees management's program to limit or control operational risk and ensures that the Corporation has in place an appropriate enterprise-wide process to identify, assess and monitor this risk. The Audit Committee monitors compliance with the Corporation's internal policies and procedures regularly, based on reports made by the Internal Auditor.

6. Financial Risk Management (Continued)

Risk Management Framework (continued)

(f) Capital Management
The Corporation adopted the Standardized Approach of Basel II, approved by the Board of Directors on December 13, 2018. The Corporation's capital structure is as follows:

	September 30, 2025	December 31, 2024
Tier 1 capital	110,803,972	117,456,460
Total capital	110,803,972	117,456,460
Risk weight of 20%	1,175,387	41,042
Risk weight of 50%	5,264,091	9,271,176
Risk weight of 100%	251,717,016	271,024,244
Risk weight of 150%	88,377,827	25,197,037
Risk weight of 250%	109,381,335	138,279,501
Risk weight of 400%	78,835,386	71,589,410
Subtotal for credit risk	534,751,042	515,402,410
Concentration	162,699,853	167,541,608
Operational risk	84,653,089	84,653,089
Risk-weighted assets	782,103,984	767,597,107
Capital adequacy	14.17%	15.30%
Required capital adequacy (as established by the Board)	12.50%	12.50%

7. Segment Information

The Corporation maintains three business segments for its financial analysis. Each piece offers different products and services, which are controlled separately in consistency with the data obtained, budgeting, and performance evaluated by the Management.

7. Segment Information (Continued)

The information classified by segment based on the Corporation businesses as of September 30, 2025 is as follows:

	September 30, 2025			
	Lending	**Advisory and Structuring**	**Asset Management**	**Total**
Interest income	19,761,090	108,053	4,355	19,873,498
Interest expenses	(16,489,923)	(1,888)	-	(16,491,811)
Other income	6,023,782	5,377,524	2,624,853	14,026,159
Allowance for losses	(3,231,521)	(169,015)	-	(3,400,536)
Depreciation and amortization expenses	(241,836)	(14,044)	-	(255,880)
Personnel expenses	(3,497,237)	(1,801,047)	(522,028)	(5,820,312)
General and administrative expenses	(2,702,564)	(495,631)	(265,053)	(3,463,248)
Income before income tax	(378,209)	3,003,952	1,842,127	4,467,870
Income tax	(38,430)	(469,862)	-	(508,292)
Net income	(416,639)	2,534,090	1,842,127	3,959,578
Total assets	392,064,727	6,422,377	3,101,827	401,588,931
Total liabilities	290,051,987	385,276	347,696	290,784,959

	September 30, 2024			
	Lending	**Advisory and Structuring**	**Asset Management**	**Total**
Interest income	25,983,937	26,535	10,793	26,021,265
Interest expenses	(20,574,008)	(1,888)	-	(20,575,896)
Other income	6,708,588	1,096,120	2,259,983	10,064,691
Allowance for losses	(949,612)	101,408	-	(848,204)
Personnel expenses	(3,646,522)	(1,058,950)	(786,652)	(5,492,124)
General and administrative expenses	(1,688,547)	(889,501)	(564,571)	(3,142,619)
Depreciation and amortization expenses	(240,338)	(12,659)	-	(252,997)
Income before income tax	5,593,498	(738,935)	919,553	5,774,116
Income tax	(53,148)	(136,907)	-	(190,055)
Net income	5,540,350	(875,842)	919,553	5,584,061
Total assets	390,243,830	1,867,605	2,789,954	394,901,389
Total liabilities	279,706,928	182,536	441,559	280,331,023

8. Cash and Cash Equivalents

Cash and cash equivalents are detailed as follows:

	September 30, 2025	December 31, 2024
Cash	1,388	1,200
Current account	8,577,396	14,390,731
Time deposits	7,976,936	1,200,210
	16,555,720	15,592,141
Less: Time deposits with original maturity more than ninety days	(705,210)	(205,210)
	15,850,510	15,386,931

Time deposits earn interest at annual rates between 3.75% and 4.63% (December 31, 2024: between 4% and 4.63%).

9. Reconciliation of Movements of Loans Payable and Debt Arising from Financing Activities, as Presented in the Consolidated Interim Statements of Cash Flows

	September 30, 2025			
	Loans Payable	Corporate Bonds	Commercial Paper	Total
Balance on January 1, 2025	116,782,269	145,494,704	4,031,936	266,308,909
Change from financing cash flow				
Proceeds from loans payable	56,883,467	-	-	56,883,467
Repayment of loans payable	(59,639,125)	-	-	(59,639,125)
Proceeds from issuance of corporate bonds	-	73,552,644	-	73,552,644
Repayment of corporate bonds	-	(51,903,916)	-	(51,903,916)
Proceeds from issuance of commercial paper	-	-	3,278,000	3,278,000
Repayment of commercial paper	-	-	(4,039,856)	(4,039,856)
Total from financing cash flows	(2,755,658)	21,648,728	(761,856)	18,131,214
Change of fair value for hedge accounting relationship	-	496,847	-	496,847
Balance on September 30, 2025	114,026,611	167,640,279	3,270,080	284,936,970

9. Reconciliation of Movements of Loans Payable and Debt Arising from Financing Activities, as Presented in the Consolidated interim statements of Cash Flows (Continued)

	September 30, 2024			
	Loans Payable	Corporate Bonds	Commercial Paper	Total
Balance on January 1, 2024	150,784,413	147,606,721	9,820,873	308,212,007
Change from financing cash flow				
Proceeds from loans payable	35,441,733	-	-	35,441,733
Repayment of loans payable	(73,824,799)	-	-	(73,824,799)
Proceeds from issuance of corporate Bonds	-	48,306,000	-	48,306,000
Repayment of corporate bonds	-	(41,106,606)	-	(41,106,606)
Proceeds from issuance of commercial paper	-	-	4,035,000	4,035,000
Repayment of commercial paper	-	-	(9,685,874)	(9,685,874)
Total from financing cash flows	(38,383,066)	7,199,394	(5,650,874)	(36,834,546)
Change of fair value for hedge accounting relationship	-	704,181	-	704,181
Balance on September 30, 2024	112,401,347	155,510,296	4,169,999	272,081,642

10. Assets Held-for-Sale

As of September 30, 2025, the Corporation recognizes as assets held-for-sale concerning discontinued operations the following:

	September 30, 2025	**December 31, 2024**
Assets classified as held-for-sale by sector		
Solar Power	4,803,395	4,803,395
Co-generation (Biomass)	-	19,600,000
	4,803,395	24,403,395

CIFI accelerated the loan granted to a solar-power company in Panama, executing the loan guarantees, including the trusts that owned all the company's shares, all fixed assets, and the plant license. As of December 31, 2024, CIFI recognized as “Assets Held-for-Sale” for US$4,803,395, with a loss in recognition of discontinued operation of assets in the consolidated comprehensive income of US$68,295. Currently, the Corporation is actively promoting the selling of the asset.

10. Assets Held-for-Sale (Continued)

In November 2024, CIFI executed a loan guarantee and agreed with the sponsor of a pellet-producing plant in Chile to sell the borrower's company to a third party for a fixed price. The transaction will include all the company's assets (shares, land, equipment). As of December 31, 2024, CIFI recognizes "Assets Held-for-sale" for US$19,600,000, with a loss in this transaction in the consolidated comprehensive income of US$327,310. As of September 2025, this assets was sold to a third party, and the Corporation has derecognized it from its balance sheet. This sale was made over the carrying amount which represented a gain of US$125,616. As a result, the buyer agreed to execute a restructured loan, which has been recognized at fair value through Profit & Loss.

The recognition of assets held-for-sale was made to lower their carrying amount to fair value net of the selling costs.

11. Furniture, Equipment and Improvements, Net

Movement of furniture, equipment, and improvements are summarized as follows:

	September 30, 2025				
	Furniture and Equipment	Improvements	Computer Equipment	Rights-of-use Assets	Total
Cost					
Balance on January 1, 2025	155,240	1,136,269	224,356	992,958	2,508,823
Adquisitions	-	-	2,653	-	2,653
FX change adjustment	1,230	2,672	5,555	-	9,457
Balance on September 30, 2025	156,470	1,138,941	232,564	992,958	2,520,933
Accumulated depreciation and amortization					
Balance on January 1, 2025	154,475	832,587	196,756	394,386	1,578,204
Expense of the period	-	84,600	7,883	153,139	245,622
FX change adjustment	1,283	684	1,491	-	3,457
Balance on September 30, 2025	155,758	917,871	206,130	547,525	1,827,284
Net balance	712	221,070	26,434	445,433	693,649

(1) The rights-of-use assets mainly consist of office premises under lease (see Note 3 (t)).

11. Furniture, Equipment and Improvements, Net (Continued)

	December 31, 2024				
	Furniture and Equipment	**Improvements**	**Computer Equipment**	**Rights-of-use Assets**	**Total**
Cost					
Balance on January 1, 2024	162,554	1,140,808	234,655	957,497	2,495,514
Acquisitions	-	-	-	41,964	41,964
Adjustments	-	-	-	(6,503)	(6,503)
FX change adjustment	(7,314)	(4,539)	(10,299)	-	(22,152)
Balance on December 31, 2024	155,240	1,136,269	224,356	992,958	2,508,823
Accumulated depreciation and amortization					
Balance on January 1, 2024	162,032	721,835	190,343	191,500	1,265,710
Expense of the year	-	112,573	19210	204,187	335,970
Adjustments	-	-	-	(1,301)	(1,301)
FX change adjustment	(7,557)	(1,821)	(12,797)	-	(22,175)
Balance on December 31, 2024	154,475	832,587	196,756	394,386	1,578,204
Net balance	765	303,682	27,600	598,572	930,619

(1) The rights-of-use assets mainly consist of office premises under lease (see Note 3 (v)).

12. Goodwill

On October 6, 2022, the Corporation acquired a 99.97% participation in the Brazilian company Finenge e Associados Ltda. The net asset value for the acquisition was US$2,875, and goodwill of US$2,285,822 was recognized. The acquired company is located in Sao Paulo City and has been active in the advisory and financial structuring business since 1992. Its integration with the Corporation is strategic to ensure sound growth in Brazil for the coming years.

As part of the acquisition agreement, the Corporation recognized a non-recurring expense to the seller concerning advisory fees (net of expenses) per Finenge's previous contracts for 6 months after the acquisition effective date. The final amount recognized as a non-recurring expense was an equivalent of US$1,303,210 in 2023, which was recognized in other administrative expenses.

The Corporation completed the accounting calculations for recording the acquisition of Finenge e Associados Ltda., and no additional assets or liabilities were identified after the acquisition.

12. Goodwill (Continued)

The Corporation evaluates and performs the annual impairment test of this asset by projecting the expected future net cash flows from the company's business for 5 years, defining a projected period end's multiple to estimate the final cash flow. The Corporation will use a discount rate based on its capital cost for the applicable periods to calculate the net present value of the projected net cash flows. No impairment was recognized as a result of this analysis.

Below are detailed the key assumptions that were used:

- Time horizon: 5 years (2024-2028) of projection are being used within the model.
- Income: Includes income from consulting fees and service fees. The forecasted compound annual growth of the banking financial industry from 2024 to 2028 in Brazil is taken into consideration for the growth rate, that is, 3.23% (December 31, 2024: 3.23%).
- Expenses: Management and general operating expenses were projected, considering the projected inflation in Brazil in the coming years.
- Terminal Value: The Entity uses the "Exit Multiple" approach, where the terminal value is calculated based on the remaining years of the fund.
- Discount rate: A weighted average cost of capital (WACC) of 10.69% (December 31, 2024: 10.69%) was used.

13. Investments Accounted for Using the Equity Method

Investments under the equity method are detailed below:

Name of the Society	Main Activity	Place of Constitution and Operations	% Participation September 30, 2025	% Participation December 31, 2024	September 30, 2025	December 31, 2024
CIFI Sustainable Infrastructure Debt Fund L.P.	Investment Fund	Canada	21.19%	20.91%	16,842,353	15,389,413

The financial information on investments in associates is summarized below:

Name of the Society	Financial Information Date	Assets	Liabilities	Equity	Income	Expenses	Net Income (Loss)	Recognized Participation in net Income (Loss)
CIFI Sustainable Infrastructure Debt Fund L.P.	September 30, 2025	110,054,837	43,657,694	66,397,143	7,134,393	3,029,360	4,105,033	869,856
	September 30, 2024	81,541,701	19,935,323	61,606,378	7,435,030	2,447,150	4,987,880	989,163

14. Investment Property

Investment property is summarized as follows:

	September 30, 2025	December 31, 2024
Balance at the beginning of the year	10,561,503	11,434,872
Changes in fair value	-	(873,369)
Loss in sale of investment property	(2,061,503)	-
Sale	(8,500,000)	-
Balance at the end of the period	-	10,561,503

By June 2025, the Corporation completed the sale of the land classified as investment property, recovering 80% of its book value.

15. Other Assets

Other assets are summarized as follows:

	September 30, 2025	December 31, 2024
Prepaid expenses and taxes	1,176,428	1,414,319
Treasury prepaid expenses	44,150	8,917
Intangible asset, net	114,245	1,484
Guarantee deposits	22,164	22,164
Other receivables	484,850	635,080
	1,841,837	2,081,964

The Corporation has an intangible asset for US$211,359 (December 31, 2024: US$93,922) with an amortization of US$97,114 (December 31, 2024: US$92,438). These assets have a non-material variation related to the exchange rate for the subsidiary in Brazil and generated a movement for the period in the statement of comprehensive income of US$10,258 (September 30, 2024: US$1,856).

16. Loans Payable

Loans payable, net of origination costs (commissions paid), are as follows:

	Maturity	September 30, 2025	December 31, 2024
Foreign financial institutions			
International Finance Bank	2030	7,000,000	-
International Finance Bank	2029	8,000,000	9,000,000
Caribbean Development Bank	2028	4,859,067	6,184,267
Global Climate Partnership Fund	2027	14,750,000	23,750,000
OPEC Fund for International Development (OFID)	2027	20,000,000	25,000,000
Cargill	2027	10,000,000	10,000,000
Cargill	2026	2,857,143	8,571,429
Micro, Small & Medium Enterprises Bonds, S.A. (Symbiotics)	2026	4,566,895	4,566,895
Cargill	2025	-	3,400,000
Cargill	2025	3,571,428	7,142,857
FinDev	2025	-	1,500,000
Finnfund	2027	10,000,000	-
Banco de Desarrollo de Amércia Latina (CAF)	2025	2,500,000	5,000,000
Local financial institutions			
Banco Mercantil, S.A.	2027	10,000,000	10,000,000
MMG Bank	2025	-	3,000,000
Banco Nacional de Panama	2030	9,147,578	-
Banco Internacional de Costa Rica, S.A.	2026	7,000,000	-
		114,252,111	117,115,448
Deferred costs		(225,500)	(333,179)
		114,026,611	116,782,269

The effective annual interest rates on loans with financial institutions range between 5.46% and 9.14% (December 31, 2024: between 4.90% and 10.11%).

Following is a detail of the loans payable, undrawn balance of committed lines of credit and undrawn balance of uncommitted lines of credit:

	September 30, 2025	December 31, 2024
Loans payable	114,026,611	116,782,269
Undrawn balance of committed lines of credit	10,000,000	16,000,000
Undrawn balance of uncommitted lines of credit	16,900,000	17,000,000

16. Loans Payable (Continued)

See Note 6(b) for information on outstanding contractual maturities of loans payable. The Corporation does not have any defaults of principal, interest, or other covenant breaches concerning its loans payable.

17. Corporate Bonds Payable

Corporate bonds payable are detailed as follows:

	September 30, 2025	December 31, 2024
Corporate Bond – Panama	103,066,175	94,210,132
Corporate Green Bond – Panama	48,289,894	44,555,189
Corporate Bond – Colombia	16,847,046	7,242,447
	168,203,115	146,007,768
Deferred costs	(562,836)	(513,064)
	167,640,279	145,494,704

Corporate Bond – Panama
Through Resolution SMV-691-17 of December 20, 2017 of the Superintendency of the Securities Market of Panama, the public offering of a corporate bonds program in Panama was approved, with a nominal value of US$100,000,000. The corporate bonds were issued in nominative and rotating titles, registered and without coupons, in denominations of US$1,000 and their multiples. The corporate bonds will pay interest.

The terms and conditions are detailed below:

17. Corporate Bonds Payable (Continued)

Corporate Bond – Panama (continued)

	Nominal Interest Rate	Maturity Date	September 30, 2025 Carrying Amount	December 31, 2024 Carrying Amount
Corporate Bonds				
Series O	7.00%	2025	-	2,000,000
Series P	4.75%	2026	3,000,000	3,000,000
Series AC	4.38%	2025	7,000,000	7,000,000
Series AD	4.25%	2025	1,140,000	1,140,000
Series AI	7.25%	2027	10,000,000	10,000,000
Series AJ	5.25%	2025	-	3,000,000
Series AK	6.00%	2026	3,590,000	3,590,000
Series AN	7.25%	2025	-	450,000
Series AO	7.25%	2025	-	500,000
Series AP	7.75%	2027	2,000,000	2,000,000
Series AQ	7.25%	2025	-	500,000
Series AR	7.25%	2025	-	4,500,000
Series AS	7.25%	2025	-	2,000,000
Series AT	7.25%	2025	-	500,000
Series AU	7.25%	2025	-	85,000
Series AV	7.25%	2025	-	426,000
Series AW	7.25%	2025	-	600,000
Series AX	7.00%	2025	-	1,055,000
Series AY	7.00%	2025	-	2,260,000
Series AZ	7.25%	2026	1,055,000	1,055,000
Series BA	7.00%	2025	-	9,000,000
Series BB	7.00%	2025	-	1,095,000
Series BC	7.00%	2025	704,000	704,000
Series BD	7.25%	2026	7,000,000	7,000,000
Series BE	7.00%	2026	1,500,000	1,500,000
Series BF	7.00%	2026	600,000	600,000
Series BG	7.25%	2027	500,000	500,000
Series BH	6.75%	2025	-	3,500,000
Series BI	7.00%	2026	500,000	500,000
Series BJ	7.25%	2027	5,030,000	5,030,000
Series BK	7.00%	2026	1,000,000	1,000,000
Series BL	7.00%	2026	1,000,000	1,000,000
Series BM	7.00%	2026	500,000	500,000
Series BN	7.63%	2027	2,190,000	2,190,000
Series BO	7.63%	2027	2,090,000	2,090,000
Series BP	7.63%	2027	1,101,000	1,101,000
Series BQ	7.63%	2027	3,763,000	3,763,000
Series BR	7.00%	2026	1,000,000	1,000,000
Series BS	7.00%	2027	1,499,000	1,499,000
Series BT	6.75%	2026	1,000,000	1,000,000
Series BU	6.75%	2026	1,000,000	1,000,000
Series BV	7.00%	2027	2,557,000	2,557,000
Series BW	7.00%	2027	2,837,000	2,837,000
Series BX	7.00%	2027	1,215,000	1,215,000
Series BY	7.00%	2028	2,145,000	-
Series BZ	7.00%	2028	4,422,000	-
Series CA	6.50%	2027	1,000,000	-
Series CB	7.00%	2028	1,497,000	-
Series CC	7.00%	2028	457,000	-
Series CD	7.00%	2028	5,000,000	-
Series CE	6.50%	2028	2,145,000	-
Series CF	7.25%	2029	990,000	-
Series CG	7.00%	2028	2,207,000	-
Series CH	7.00%	2028	3,000,000	-
Series CI	7.00%	2028	3,000,000	-
Series CJ	7.00%	2029	3,000,000	-
			95,234,000	97,842,000
Remeasurement of hedged items			(3,848,547)	(3,631,868)
			91,382,453	94,210,132

17. Corporate Bonds Payable (Continued)

Corporate Bond – Panama
Through Resolution SMV-222-25 of June 20, 2025 of the Superintendency of the Securities Market of Panama, the public offering of a corporate bonds program in Panama was approved, with a nominal value of US$150,000,000. The corporate bonds were issued in nominative and rotating titles, registered and without coupons, in denominations of US$1,000 and their multiples. The corporate bonds will pay interest quarterly.

	Nominal Interest Rate	Maturity Date	September 30, 2025 Carrying Amount	December 31, 2024 Carrying Amount
Corporate Bonds				
Series A	7.00%	2028	1,929,000	-
Series B	6.25%	2027	2,000,000	-
Series C	7.15%	2028	1,069,000	-
Series D	7.00%	2028	1,000,000	-
Series E	7.00%	2028	1,300,000	-
Series F	6.75%	2028	4,384,000	-
			11,682,000	-
Remeasurement of hedged items			(1,278)	-
			11,680,722	-

Corporate Green Bond – Panama
Through Resolution SMV-337-19 of August 20, 2019 of the Superintendency of the Securities Market of Panama, the public offering of the corporate green bonds program in Panama was approved, with an authorized nominal value of up to US$200,000,000. The corporate green bonds were issued in nominative and rotating titles, registered and without coupons, in denominations of US$1,000 and their multiples. The corporate green bonds will pay interest quarterly or semi-annually.

The terms and conditions are detailed below:

	Nominal Interest Rate	Maturity Date	September 30, 2025 Carrying Amount	December 31, 2024 Carrying Amount
Green Bonds				
Series L	6.75%	2026	10,229,000	10,229,000
Series N	7.00%	2025	-	2,000,000
Series O	7.00%	2025	880,000	880,000
Series P	7.49%	2026	10,000,000	10,000,000
Series Q	7.00%	2026	750,000	750,000
Series R	7.00%	2026	5,800,000	5,800,000
Series S	6.50%	2028	10,000,000	10,000,000
Series T	7.00%	2027	2,000,000	2,000,000
Series U	6.75%	2027	3,000,000	3,000,000
Series V	6.75%	2027	570,000	570,000
Series W	7.00%	2028	998,000	-
Series X	7.15%	2028	5,000,000	-
			49,227,000	45,229,000
Remeasurement of hedged items			(937,106)	(673,811)
			48,289,894	44,555,189

17. Corporate Bonds Payable (Continued)

Corporate Bond – Colombia
Through filing No.2020258225-006-000 of November 23, 2020 of the Financial Superintendency of Colombia, the public offering of an ordinary bonds program in Colombia was approved, with a nominal value equivalent to US$109,592,044. The corporate bonds will pay interest quarterly.

The terms and conditions are detailed below:

	Nominal Interest Rate	Maturity Date	September 30, 2025 Carrying Amount	December 31, 2024 Carrying Amount
Corporate Bonds				
Series C	7.15%	2026	9,961,849	9,961,849
			9,961,849	9,961,849
Remeasurement of hedged items			(1,642,460)	(2,719,402)
			8,319,389	7,242,447

Corporate Bond – Colombia
Through filing No.2020258225-006-000 of November 23, 2020 of the Financial Superintendency of Colombia, the public offering of an ordinary bonds program in Colombia was approved, with a nominal value equivalent to US$63,082,249. The corporate bonds will pay interest quarterly.

The terms and conditions are detailed below:

	Nominal Interest Rate	Maturity Date	September 30, 2025 Carrying Amount	December 31, 2024 Carrying Amount
Corporate Bonds				
Series C – Subserie S1	6.92%	2028	8,626,500	-
			8,626,500	-
Remeasurement of hedged items			(98,873)	-
			8,527,657	-

18. Commercial Paper

Through Resolution SMV-690-17 of December 20, 2017 of the Superintendency of the Securities Market of Panama, the public offering of a commercial paper program in Panama (in Spanish, Valores Comerciales Negociables - VCN) was approved, with a nominal value authorized of up to US$50,000,000.

The VCNs were issued in nominative and rotating titles, registered and without coupons, in denominations of US$1,000 and their multiples. The VCNs will pay interest quarterly and may not be redeemed early by the issuer.

The terms and conditions are detailed below:

			September 30, 2025	December 31, 2024
	Nominal Interest Rate	Maturity Date	Carrying Amount	Carrying Amount
Commercial Paper				
Series BU	6.75%	2025	-	3,535,000
Series BV	6.50%	2025	-	500,000
Series BW	6.125%	2026	1,000,000	-
Series BX	6.00%	2026	2,278,000	-
			3,278,000	4,035,000
Deferred cost			(7,920)	(3,064)
			3,270,080	4,031,936

19. Other Liabilities

Other liabilities are summarized as follows:

	September 30, 2025	December 31, 2024
Employment benefits	1,614,236	1,699,995
Tax payable	374,213	135,730
Dividends payable	-	47,172
Others payable	186,679	297,367
	2,175,128	2,180,264

20. Equity

Share Capital
The Corporation's share capital is comprised of 54,000,001 (December 31, 2024: 54,000,001) common shares of US$1 par value each, for a total of US$54,000,001 (December 31, 2024: US$54,000,001). Treasury shares acquired in 2019 amount to US$3,673,618.

The issued and outstanding share capital (net of treasury shares) is distributed as follows:

	September 30, 2025		December 31, 2024	
	Share Capital	Ownership Interest	Share Capital	Ownership Interest
Valora Holdings, Ltd.	22,653,979	45.02%	22,653,979	45.02%
Norwegian Investment Fund for Developing Countries	17,263,819	34.30%	17,263,819	34.30%
Caribbean Development Bank	3,673,618	7.30%	3,673,618	7.30%
Finnish Fund for Industrial Cooperation Ltd.	3,673,618	7.30%	3,673,618	7.30%
Banco Pichincha C. A.	3,061,349	6.08%	3,061,349	6.08%
	50,326,383		50,326,383	

During 2025, the Corporation distributed dividends of US$10,986,771 (December 31, 2024: US$3,901,446).

21. Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to shareholders and the weighted average number of shares for the period, as follows:

	September 30, 2025	September 30, 2024
Net income	3,959,578	5,584,061
Weighted average number of shares	50,326,383	50,326,383
Earnings per share	0.08	0.11

22. Net Gain on Derivative Instruments, Financial Instruments and Others

Net gain on derivative instruments, financial instruments and others are summarized as follows:

	September 30, 2025	September 30, 2024
Fair value of loans classified as FVTPL	4,936,417	3,526,849
Derivatives (Note 24)	1,505,835	874,594
Loss in the sale of investment property	(2,163,549)	-
Others	39,416	-
	4,318,119	4,401,443

23. Income Taxes

The income tax expense of US$508,292 (September 30, 2024: US$190,055) is made up of taxes recognized for US$199,038 in Panama (September 30, 2024: US$53,148) and US$309,254 (September 30, 2024: US$136,907) in Brazil.

Panama
Under current Panamanian tax regulation, the Corporation's income tax returns are subject to examination by the local income tax authorities for the last three years.

Per current tax regulations, companies incorporated in Panama are exempt from income taxes on profits derived from foreign operations. They are also exempt from income taxes on profits derived from interest earned on deposits with banks operating in Panama, investment securities issued by the Government of Panama, and securities listed with the Superintendency of the Securities Market and traded on the Panama Stock Exchange.

For corporations in Panama, the current income tax rate is 25%.

Law No.8 of March 15, 2010 introduced the method of taxation for presumptive income tax, requiring a legal person who earns income above one million five hundred thousand dollars (US$1,500,000) to determine its base as the amount greater than (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%) on total gross income.

The income tax net is detailed below:

	September 30, 2025	September 30, 2024
Income tax	275,783	107,179
Deferred income tax	(76,745)	(54,031)
Income tax, net	199,038	53,148

23. Income Taxes (Continued)

Panama (continued)

Following is a reconciliation of net financial income tax to net taxable income:

	September 30, 2025	September 30, 2024
Panama		
Net financial income before income tax	4,467,870	5,774,116
Foreign revenue, exempt and non-taxable, net of costs and expenses	(2,261,606)	(4,916,684)
Tax loss carryforward	(1,103,132)	(428,716)
Net taxable income	1,103,132	428,716
Income tax	275,783	107,179

The movement of the deferred income tax asset is detailed as follows:

	September 30, 2025	December 31, 2024
Balance at the beginning of the year	256,189	539,518
Increase/(decrease)	76,745	(283,329)
Balance at the end of the period	332,934	256,189

Deferred income tax asset is detailed as follows:

	September 30, 2025	December 31, 2024
Panama		
Deferred income tax - asset		
Allowance for loans losses	332,934	104,899
Tax loss carryforward	-	151,290
	332,934	256,189

<u>Transfer Price Regime</u>
Law No.52 of August 28, 2012 established as of the 2012 fiscal period the transfer pricing regime aimed at regulating for tax purposes the transactions carried out between related parties, and applicable to operations that the taxpayer carries out with related companies that are tax residents of other jurisdictions. The most relevant aspects of this regulation include:

23. Income Taxes (Continued)

Panama (continued)

- Taxpayers must submit, annually, an informative declaration of the operations related to related parties, within six (6) months following the closing of the corresponding fiscal period.
- Failure to present the previous report will be sanctioned with a fine equivalent to 1% of the total amount of operations with related parties.
- The entities obliged to present the report referred to in the previous point must maintain a study of transfer prices, which must contain the information and analysis that allow assessing and documenting their operations with related parties, following the established provisions in the law.
- The taxpayer must only present this study at the request of the General Directorate of Revenue within 45 days after their request.

Brazilian current income tax

The company's tax regimen option for income tax is Presumed Profit according to Brazilian law 9.430, 12/1996 (Chapter I; Section VI)

Current income tax (IRPJ): Calculated quarterly based on the application of 32% rate over gross revenue to get the taxable profit basis and applying 15% over this value plus an additional 10% over the exceeding BRL 20,000 for each month. Financial incomes are also included (income over financial investments, discounts received etc.) but are not subject of the 32% rate. The company also deduct income tax withheld from the amount payable.

The income tax net is detailed below:

	September 30, 2025	September 30, 2024
Income tax	309,254	136,907

24. Derivatives

Interest Rate Derivatives
Management uses interest rate swaps to reduce interest rate risk on its liabilities (Bonds). The Corporation reduces its interest rate risk in respect of those agreements by dealing with financially sound counterpart institutions.

At September 30, 2025, the Corporation held the following interest rate swaps as hedging instruments in fair value hedges of interest risk:

	Maturity September 30, 2025				
Risk category	**Less than 1 month**	**1-3 months**	**3 months – 1 year**	**1-5 years**	**More than 5 years**
Interest rate risk					
Hedge of issued bonds					
Notional amount (US$)	7,000,000	-	13,445,000	99,702,500	-
Average fixed interest rate	4.38%	-	6.25%	7.04%	-
Average flotating rate	7.95%	-	7.20%	7.69%	-
Interest rate risk					
Hedge of issued loans					
Notional amount (US$)	-	-	-	-	9,600,000
Average fixed interest rate	-	-	-	-	10.00%
Average flotating rate	-	-	-	-	10.31%
Cross Currency risk					
Hedge of issued bonds					
Notional amount (US$)	-	-	9,964,532	-	-
Average fixed interest rate	-	-	8.40%	-	-
Average flotating rate	-	-	7.25%	-	-

	Maturity December 31, 2024				
Risk category	**Less than 1 month**	**1-3 months**	**3 months – 1 year**	**1-5 years**	**More than 5 years**
Interest rate risk					
Hedge of issued bonds					
Notional amount (US$)	-	2,000,000	10,000,000	51,984,000	-
Average fixed interest rate	-	4.50%	4.81%	6.95%	-
Average flotating rate	-	8.70%	7.44%	7.73%	-
Cross Currency risk					
Hedge of issued bonds					
Notional amount (US$)	-	-	-	9,964,532	-
Average fixed interest rate	-	-	-	8.40%	-
Average flotating rate	-	-	-	7.58%	-

24. Derivatives (Continued)

Interest Rate Derivatives (Continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

September 30, 2025

US$	Nominal amount	Carrying amount Assets	Carrying amount Liabilities	Line item in the consolidated statement of financial position where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in comprehensive income	Line item in profit or loss that includes hedge ineffectiveness
Interest rate risk Interest rate swaps - hedge of issued bonds	120,147,500	95,368	-	Derivative assets held for risk management	4,880,995	206,716	Other income - gain or loss on derivative instruments
Interest rate risk Interest rate swaps – hedge of issued loans	9,600,000	-	115,764	Derivative liabilities held for risk management	9,787	-	
Cross currency risk Cross currency swaps - hedge of issued bonds	9,964,532	-	834,172	Derivative assets held for risk management	1,642,382	155,968	Other income - gain or loss on derivative instruments
Total	139,712,032	95,368	949,936		6,513,590	362,684	

December 31, 2024

US$	Nominal amount	Carrying amount Assets	Carrying amount Liabilities	Line item in the consolidated statement of financial position where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in comprehensive income	Line item in profit or loss that includes hedge ineffectiveness
Interest rate risk Interest rate swaps - hedge of issued bonds	63,984,000	-	703,240	Derivative assets held for risk management	4,300,214	(319,139)	Other income - gain or loss on derivative instruments
Cross currency risk Cross currency swaps - hedge of issued bonds	9,964,532	-	2,144,675	Derivative assets held for risk management	2,719,223	311,217	Other income - gain or loss on derivative instruments
Total	73,948,532	-	2,847,915		7,019,437	(7,922)	

24. Derivatives (Continued)

Interest Rate Derivatives (continued)

The amounts relating to items designated as hedged items were as follows:

September 30, 2025					
Line item in the consolidated statement of financial position in which the hedged item is included	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Change value used for calculating hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Bonds	-	130,112,032	-	6,523,377	6,523,377
Loans	9,600,000	-	9,787		9,787

December 31, 2024					
Line item in the consolidated statement of financial position in which the hedged item is included	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Change value used for calculating hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Bonds	-	73,948,532	-	7,019,437	7,019,437

Derivatives and Repurchase Agreements

In the ordinary course of business, the Corporation enters into derivative financial instrument transactions under industry standards agreements. Depending on the collateral requirements stated in the contracts, the Corporation and counterparties can receive or deliver collateral based on the fair value of the financial instruments transacted between parties. Collateral typically consists of pledged cash deposits and securities. The master netting agreements include clauses that, in the event of default, provide for close-out netting, which allows all positions with the defaulting counterparty to be terminated and net settled with a single payment amount.

The International Swaps and Derivatives Association Master Agreement (“ISDA”) and similar master netting arrangements do not meet the criteria for offsetting in the consolidated interim statement of financial position. This is because they create for the parties to the agreement a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency, or bankruptcy of the Corporation or the counterparties or following other predetermined events.

Such arrangements provide for a single net settlement of all financial instruments covered by the agreements in the event of default on any one contract.

24. Derivatives (Continued)

Derivatives and Repurchase Agreements (Continued)

Master netting arrangements do not normally result in an offset of balance–sheet assets and liabilities unless certain conditions for offsetting are met.

Although master netting arrangements may significantly reduce credit risk, it should be noted that:

- Credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realized.
- The extent to which overall credit risk is reduced may change substantially within a short period because the exposure is affected by each transaction subject to the arrangement.

The following tables present financial assets and liabilities that are offset in the consolidated interim financial statement or subject to an enforceable master netting arrangement:

Derivative Financial Instruments - Liabilities

September 30, 2025						
				Gross amount of offset in the consolidated interim financial position		
Description	Gross amount of recognized financial liabilities	Gross amount offset in the consolidated interim financial position	Net amount of liabilites presented in the consolidated financial position	Financial instruments (Margin Account)	Cash received	Total amount
Bonds	130,112,032	-	130,112,032	350,000	-	130,462,032
Loans	9,600,000	-	9,600,000	-	-	9,600,000

December 31, 2024						
				Gross amount of offset in the consolidated interim financial position		
Description	Gross amount of recognized financial liabilities	Gross amount offset in the consolidated interim financial position	Net amount of liabilities presented in the consolidated interim financial position	Financial instruments (Margin Account)	Cash received	Total amount
Bonds	73,948,532	-	73,948,532	2,010,000	-	75,958,532

25. Fair Value of Financial Instruments and Investment Property

The fair values of financial assets and liabilities traded in active markets are based on quoted market prices or dealer price quotations. The Corporation determines fair values for all other financial instruments using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, the uncertainty of market factors, pricing assumptions, and other risks affecting the specific instrument.

The Corporation measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premises used in estimating discount rates, bond and equity prices, and foreign currency exchange rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

25. Fair Value of Financial Instruments and Investment Property (Continued)

The Corporation uses widely recognized valuation models for determining the fair value of common and simpler financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple over-the-counter derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with determining fair values.

The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The financial instruments recorded at fair value by hierarchical level are as follows:

	September 30, 2025			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Investment securities	16,605,365	16,605,365	-	-
Loans receivable	54,990,579	-	-	54,990,579
Financial liabilities				
Derivative liabilities	854,569	-	854,569	-

	December 31, 2024			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Investment securities	10,891,720	10,891,720	-	-
Loans receivable	43,884,139	-	-	43,884,139
Financial liabilities				
Derivative liabilities	2,847,915	-	2,847,915	-

25. Fair Value of Financial Instruments and Investment Property (Continued)

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorized, except those short-term financial instruments whose carrying value approximates fair value:

	September 30, 2025		
	Carrying amount	Fair value Level 2	Fair value Level 3
Financial assets			
Cash and cash equivalents	16,555,720	-	16,555,720
Loans receivable	280,666,842	-	302,060,444
Receivables from advisory and structuring services	5,620,435	-	5,620,435
Margin account	350,000	-	350,000
Financial liabilities			
Loans payable	114,026,611	-	119,703,309
Corporate bonds	167,640,279	-	180,590,861
Commercial paper	3,270,080	-	3,304,500

	December 31, 2024		
	Carrying amount	Fair value Level 2	Fair value Level 3
Financial assets			
Cash and cash equivalents	15,592,141	-	15,592,141
Loans receivable	256,770,362	-	285,606,118
Receivables from advisory and structuring services	5,654,433	-	5,654,433
Margin account	2,010,000	-	2,010,000
Financial liabilities			
Loans payable	116,782,269	-	121,373,579
Corporate bonds	145,494,704	-	157,045,393
Commercial paper	4,031,936	-	4,042,140

During the period ended September 30, 2025 and December 31, 2024, there have not been transfers between levels of the fair value hierarchy.

25. Fair Value of Financial Instruments and Investment Property (Continued)

Valuation techniques and data inputs used in measuring financial instruments categorized in Level 2 and Level 3 of the fair value hierarchy are as follows:

(a) Loans Receivable
The fair value of loans is determined by grouping loans into classes with similar financial characteristics. The fair value of each class of loans is calculated by discounting cash flows expected until maturity, using a discount market rate that reflects the inherent credit and interest rate risks. Assumptions related to credit, cash flows, and discounted interest rate risks are determined by management based on available market and internal information, such as corporate debt market prices and governmental bonds market values with a similar maturity to the loans where no corporate debt information is available, among others.

(b) Receivables from Advisory and Structuring Services
The fair value of receivables from advisory and structuring services is the same as the carrying amount. These are short-term financial assets and, therefore, are not subject to discounted cash flows.

(c) *Margin Accoun*t
The margin account's fair value is the same as its carrying amount. It contains cash or short-term financial assets and, therefore, is not subject to discounted cash flows.

(d) Loans Payable
The fair value of loans payable is calculated by discounting committed cash flows at current market rates for loans payable with similar maturities.

(e) Bonds and Commercial Paper
Fair values of bonds and commercial paper are calculated by discounting committed cash flows at current market rates for instruments with similar maturities.

Investment Property
Fair values of investment properties are determined within the level 3 of the fair value hierarchy using a model based on observable market data, including property appraisal and expected future cash flows at current market interest rates to bring the future value to present value. As of June 30, 2025, the investment property was fully sold (December 31, 2024: US$10,561,503). The appraisal used to determined the fair value is less than a year old.

25. Fair Value of Financial Instruments and Investment Property (Continued)

Investment Property (continued)
The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Asset	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Land	Average between adjusted appraisal and last sale price available for the property in an orderly market transaction.	Global crisis impacting: – Market value US$27M (December 31, 2024: US$27M) – Hair cut of 60% (December 31, 2024: 60%) due to size	The estimated fair value would increase (decrease) if: – Market value was higher (lower) – Discount value was lower (higher)

26. Commitments and Contingencies

In the normal course of business, the Corporation maintains off-consolidated interim financial position statement commitments and contingencies that involve a certain degree of credit and liquidity risks.

As of September 30, 2025, the Corporation has commitments for US$20,822,467 (December 31, 2024: US$7,799,476), corresponding to pending credits disbursement to various entities.

Based on Management’s best knowledge, the Corporation is not involved in any litigation that is likely to have a significant adverse effect on its business, consolidated interim financial position, or consolidated interim financial performance.