Banca Afirme, S. A.
Institución de Banca Múltiple. Afirme Grupo Financiero
Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L.
Consolidated Statement of Financial Position, June 30, 2024
(Millions of Mexican Pesos)

A S S E T S

CASH AND CASH EQUIVALENTS			5,365
MARGIN ACCOUNTS (DERIVATIVE FINANCIAL INSTRUMENTS)			118
INVESTMENTS IN FINANCIAL INSTRUMENTS			
NEGOTIABLE FINANCIAL INSTRUMENTS		173,144	
FINANCIAL INSTRUMENTS TO COLLECT PRINCIPAL AND INTEREST		176	173,320
DEBTORS UNDER REPURCHASE AGREEMENTS			38,321
DERIVATIVES FINANCIAL INSTRUMENTS			
FOR TRADING		29	
FOR HEDGING PURPOSES		339	368
VALUATION ADJUSTMENTS OF HEDGING OF FINANCIAL ASSETS			(142)
LOAN PORTFOLIO WITH STAGE 1 CREDIT RISK			
COMMERCIAL LOANS:		36,535	
BUSINESS OR COMMERCIAL ACTIVITY	34,190		
FINANCIAL ENTITIES	40		
GOVERNMENT ENTITIES	2,305		
CONSUMER LOANS		11,312	
MORTGAGE LOANS:		12,291	
MEDIUM AND RESIDENTIAL	12,282		
OF SOCIAL INTEREST	9		
TOTAL CREDIT PORTFOLIO WITH STAGE 1 CREDIT RISK		60,138	
LOAN PORTFOLIO WITH STAGE 2 CREDIT RISK			
COMMERCIAL LOANS:			
BUSINESS OR COMMERCIAL ACTIVITY		178	
CONSUMER LOANS		312	
MORTGAGE LOANS:		318	
MEDIUM AND RESIDENTIAL	318		
OF SOCIAL INTEREST	-		
TOTAL CREDIT PORTFOLIO WITH STAGE 2 CREDIT RISK		808	
LOAN PORTFOLIO WITH STAGE 3 CREDIT RISK			
COMMERCIAL LOANS:			
BUSINESS OR COMMERCIAL ACTIVITY		2,365	
CONSUMER LOANS		376	
MORTGAGE LOANS:		750	
MEDIUM AND RESIDENTIAL	748		
OF SOCIAL INTEREST	2		
TOTAL CREDIT PORTFOLIO WITH STAGE 3 CREDIT RISK		3,491	
TOTAL LOAN PORTFOLIO		64,437	
(+/-) DEFRERRED ITEMS		40	
(-) LESS:			
ALLOWANCE FOR LOAN LOSSES		2,397	
LOAN PORTFOLIO, NET			62,080
OTHER ACCOUNTS RECEIVABLE, NET			1,574
FORECLOSED ASSETS, NET			263
ADVANCE PAYMENTS AND OTHER ASSETS, NET			1,807
PROPERTY, FURNITURE AND EQUIPMENT, NET			5,626
ASSETS FOR RIGHTS OF USE OF PROPERTY, FURNITURE AND EQUIPMENT, NET			1,433
PERMANENT INVESTMENTS			209
DEFERRED INCOME TAX ASSET, NET			569
TOTAL ASSETS			290,911

L I A B I L I T T I E S A N D S T O C K H O L D E R S´ E Q U I T Y

DEPOSIT FUNDING:			
IMMEDIATED DEMAND DEPOSITS		39,531	
TIME DEPOSITS		45,491	
FROM THE GENERAL PUBLIC	45,491		
CREDIT TITLES ISSUED		1,790	
GLOBAL COLLECTION ACCOUNT WITH NO MOVEMENTS		154	86,966
INTERBANK LOANS AND LOANS FROM OTHER INSTITUTIONS:			
SHORT-TERM		670	
LONG-TERM		3,327	3,997
CREDITORS UNDER REPURCHASE AGREEMENTS			145,672
COLLATERALS SOLD OR GIVEN AS COLLATERAL (REPOS)			38,321
DERIVATIVES FINANCIAL INSTRUMENTS			
FOR TRADING		2	
FOR HEDGING PURPOSES		92	94
LEASE LIABILITY			1,539
OTHER ACCOUNTS PAYABLE:			
CREDITORS FOR LIQUIDATION OF OPERATIONS		13	
CREDITORS FOR COLLATERALS RECEIVED IN CASH		70	
CONTRIBUTIONS PAYABLE		136	
SUNDRY CREDITORS AND OTHER ACCOUNTS PAYABLE		2,067	2,286
FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITIES			
SUBORDINATED DEBENTURES OUTSTANDING			3,357
EMPLOYEES BENEFITS			114
DEFERRED CREDITS ANTICIPATED COLLECTIONS			121
TOTAL LIABILITIES			282,467
STOCKHOLDERS' EQUITY:			
PAID-IN CAPITAL:			
CAPITAL STOCK			3,655
PREMIUM ON SALE SHARES			263
EARNED CAPITAL:			
CAPITAL RESERVES		554	
ACCUMULATED RESULTS		3,868	
OTHER INTEGRAL RESULTS:			
VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS TO HEDGE CASH FLOWS		121	
REMEASUREMENT OF DEFINED EMPLOYEES' BENEFITS		(17)	4,526
TOTAL CONTROLLING INTEREST			8,444
NON-CONTROLLING INTEREST			-
TOTAL STOCKHOLDERS' EQUITY			8,444
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			290,911

ORDER ACCOUNTS		
GUARANTEES GRANTED		1,115
CREDIT COMMITMENTS		13,711
ASSETS IN TRUST OR MANDATE		
TRUST	63,145	
MANDATE	12	63,157
ASSETS IN CUSTODY OR UNDER ADMINISTRATION AND INVESTMENT		208,518
COLLATERALS RECEIVED BY THE ENTITY		37,921
COLLATERALS RECEIVED AND SOLD OR DELIVERED AS COLLATERAL BY THE ENTITY		37,921
UNCOLLECTED ACCRUED INTEREST DERIVED FROM CREDIT PORFOLIO		
WHIT STAGE 3 CREDIT RISCK		313
OTHER REGISTRATION ACCOUNTS		332,671
		695,327

The consolidated statement of financial position was prepared in accordance with the Accounting Criteria for Credit Instituti ons issued by the National Banking and Securities Commission based on articles 99, 101 and 102 of the Law for Credit Institutions, general and compulsory enforcement consistently applied, reflecting the operations conducted by the Bank through the date mentioned above which were carried out and valued in accordance with sound banking practices and the applicable lega l and administrative rules.
This consolidated statement of financial position was approved by the Board of Directors under the responsibility of the foll owing signing officers.
The historical capital stock amounts $3,382.

JESUS ANTONIO RAMIREZ GARZA
CHIEF EXECUTIVE OFFICER

ALEJANDRO GARAY ESPINOSA
GENERAL DIRECTOR OF CORPORATE MANAGEMENT
FINANCE CONTROLLER

LUIS ARTURO ARIAS MEDINA
CHIEF FINANCIAL OFFICER

DAVID GERARDO MARTINEZ MATA
DIRECTOR OF INTERNAL AUDIT

Banca Afirme, S. A.
Institucion de Banca Multiple, Afirme Grupo Financiero
Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N. L.
Consolidated Statement Comprehensive Income
Period from January 1, to June 30, 2024
(Millions of Mexican pesos)

INTEREST INCOME		17,012
INTEREST EXPENSE		(14,358)
FINANCIAL MARGIN		2,654
ALLOWANCE FOR LOAN LOSSES		(740)
FINANCIAL MARGIN ADJUSTED FOR CREDIT RISK		1,914
FEES AND COMMISSIONS CHARGED	2,149	
COMMISSIONS AND FEES PAID	(979)	
INTERMEDIATION RESULT	208	
OTHER OPERATING INCOME, NET	98	
ADMINISTRATIVE AND PROMOTION EXPENSES	(3,080)	(1,604)
OPERATING RESULT		310
EQUITY IN THE RESULT OF UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATES		23
INCOME BEFORE INCOME TAX		333
CURRENT IT	(40)	
DEFERRED IT	(37)	(77)
NET INCOME		256
OTHER COMPREHENSIVE INCOME		
VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS TO HEDGE CASH FLOW		92
INTEGRAL RESULT		348
NET RESULT ATTRIBUTABLE TO:		
CONTROLLING INTEREST	256	
NON-CONTROLLING INTEREST	-	
INTEGRAL RESULT ATTRIBUTABLE TO:		
CONTROLLING INTEREST	348	
NON-CONTROLLING INTEREST	-	

The consolidated statement comprehensive income was prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Ban and Securities Commission based on articles 99, 101 and 102 of the Law for Credit Institutions, general and compulsory enforcement consistently applied, reflecting all the revenues and disbursements related to the transactions carried out by the Bank through the date mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative rules.

This consolidated statement comprenhensive income was approved by the Board of Directors under the responsibility of the following signing officers.

JESUS ANTONIO RAMIREZ GARZA
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Banca Afirme, S. A.
Institución de Banca Multiple, Afirme Grupo Financiero
Ave. Juárez No. 800 Sur, Zona Centro, Monterrey, N.L.
Consolidated Statement of Changes in Stockholders' Equity
Period from January 1, to June 30, 2024
(Millions of Mexican pesos)

	Paid-in capital		Earned capital						
	Capital Stock	Premium on share subscription	Capital reserves	Cumulative results	Result from valuation of cash flow hedging instruments	Remeasurement of defined employee benefits	Total controlling interest	Non-controlling interest	Total stockholders' Equity
Balances as of December 31, 2023	3,655	263	510	3,656	29	(17)	8,096	-	8,096
Reserve transactions									
Statutory reserves	-	-	44	(44)	-	-	-	-	-
Comprehensive income									
Net result	-	-	-	256	-	-	256	-	256
Valuation of derivative financial instruments to hedge cash flows	-	-	-	-	92	-	92	-	92
Balances as of June 30, 2024	3,655	263	554	3,868	121	(17)	8,444	-	8,444

The consolidated statemente of changes in stockholders' equity was prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission based on articles 99, 101 and 102 of the Law for Credit Institutions, general and compulsory enforcement consistently applied, reflecting all the stockholders' equity account entries related to the transactions carried out by the Bank through the dates mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative rules.

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Management Report

Banca Afirme

June 2024

Document Index

MANAGEMENT COMMENTS AND ANALYSIS ON THE RESULTS OF OPERATION AND FINANCIAL SITUATION OF BANCA AFIRME.

OPERATING RESULTS.

Comparative analysis of the period ending June 30, 2024 compared with the period ending June 30, 2023.

At the end of the second quarter of 2024, Banca Afirme's profit totaled 125.8 million pesos, 70.0% higher than the same period of the previous year, mainly due to a higher margin and, to a lesser extent, the result from intermediation, among other factors that will be analyzed later.

FINANCIAL MARGIN ANALYSIS

YIELDS GENERATED BY THE CREDIT PORTFOLIO

At the end of the second quarter of 2024, the interest generated by the credit portfolio amounts to 2,316.3 million pesos, an increase of 13.9% compared to the same period of the previous year. This is due, on one hand, to the behavior of the TIIE benchmark interest rates, the annual average goes from 11.45% to 11.20% from June 2023 to June 2024. On the other hand, the stage 1 portfolio increases by 10.6% and the stage 2 portfolio decreases by 13.7%, which together represents an increase of 5,620 million pesos, that is, 10.5%.

Credit Portfolio Interest	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Business Loans	1,055.2	1,154.3	1,171.7	116.5	11.0%
Consumer loans	642.6	725.7	752.9	110.3	17.2%
Housing loans	253.1	287.0	294.3	41.2	16.3%
Loans to government entities	70.7	107.3	85.9	15.3	21.6%
Loans to financial institutions	11.4	10.7	11.4	0.0	0.2%
Totals	**2,033.0**	**2,285.0**	**2,316.3**	**283.3**	**13.9%**

During the mentioned period, commissions for credit operations show a marginal decrease of 0.4% year-on-year.

Commissions on Credit Transactions	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Business Loans	13.0	13.4	14.8	1.8	14.2%
Consumer loans	32.7	28.0	32.8	0.2	0.5%
Housing loans	4.6	1.9	2.4	(2.2)	-47.9%
Loans to government entities	0.1	0.1	0.1	0.0	18.8%
Totals	**50.3**	**43.4**	**50.1**	**(0.2)**	**-0.4%**

INCOME FROM INVESTMENTS IN SECURITIES, REPURCHASES TRANSACTIONS AND CASH AND CASH EQUIVALENTS.

During the first semester of 2024, awards, interests, and premiums for investments significantly increased mainly because positions in securities were increased as a profitability strategy of the Institution. In the comparison of the second quarter of this year and the same period of the previous year, the growth in positions is reflected, so the results have reflected the change in the composition of the Financial Situation Statement.

As a relevant strategy in our Bank, we continue with liquidity to be able to respond to possible unexpected events and market stability, the above, coupled with what was explained in the first paragraph, causes an increase of 25.5% in the interest charged, mainly explained in the charge for negotiable securities that grew by 95.7%.

In summary, the growth of our liquidity and the increase in the Financial Situation Statement of values led to higher revenues in these items, so the change is significant.

The reduction in the interest charged for repurchase agreements was due to the fact that, at the same time as the position of live securities was increased, the purchase of repurchase agreements was reduced in a certain proportion, since our position allows us to be the investment vehicle with a lesser need to buy repurchase agreements in the market, for customer service. Therefore, this item decreased by 56.5%.

Premiums, interest and bonuses derived from investments in securities	II Quar 23	I Quar 24	II Quar 24	Variation	% Var.
For unrestricted trading securities	2,645.4	4,853.8	5,176.1	2,530.7	95.7%
Cash and cash equivalents	209.5	172.5	160.7	(48.9)	-23.3%
Restricted securities and securities under repurchase agreements					
Interest received and premiums on securities under repurchase agreements	2,190.8	811.5	952.5	(1,238.2)	-56.5%
Proceeds from hedging transactions	44.9	89.0	100.8	55.9	124.6%
Totals	**5,090.6**	**5,926.9**	**6,390.1**	**1,299.5**	**25.5%**

PRIZES AND INTEREST DERIVED FROM THE CAPTURE OF

During the second quarter of 2024, interest expenses show a growth of 23.1% in relation to the previous year, this increase is largely due to the interest and premiums on repos, which have a variation of 37.7%, mainly explained by the increase in the position in securities. The other items that did not have a substantial change in volume were significantly reduced by the start of the decline in reference rates during this quarter.

Interest expense	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Immediate callable deposits	474.6	428.9	397.2	(77.4)	-16.3%
Term deposits	1,153.4	1,237.3	1,170.1	16.6	1.4%
Interbank loans and loans from other institutions	138.7	131.8	107.3	(31.4)	-22.6%
Interest on subordinated debentures	124.4	123.9	121.8	(2.6)	-2.1%
Stock market liabilities	35.6	53.8	52.9	17.3	48.7%
Interest and premiums on repurchase agreements	3,969.7	4,917.3	5,464.5	1,494.8	37.7%
Interest on global deposit account	0.0	1.7	1.8	1.8	0.0%
Interest expense on leases	52.0	25.8	19.9	(32.1)	-61.8%
Other	44.0	61.9	40.0	(4.0)	-9.1%
Immediate callable deposits					
Totals	**5,992.3**	**6,982.4**	**7,375.4**	**1,383.1**	**23.1%**

Maintaining balances in the aforementioned term deposits was due to the strategy that the Institution has maintained to stabilize its term collection in order to have an even more robust liquidity and give the Institution the capacity for growth.

FINANCIAL MARGIN RESULT

Based on what was explained in the previous points, the actions taken have allowed the margin compared to the second quarter of 2023 to grow by 16.9%, achieving the result due to the strategy proposed within the Institution.

FINANCIAL MARGIN	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Total Interest Collected	7,173.9	8,255.3	8,756.5	1,582.5	22.1%
Total Interest Paid	5,992.3	6,982.4	7,375.4	1,383.1	23.1%
Financial Margin	**1,181.6**	**1,272.9**	**1,381.1**	**199.5**	**16.9%**

NON-FINANCIAL INCOME

COMMISSIONS AND FEES DERIVED FROM THE PROVISION OF SERVICES

At the close of the second quarter of 2024, the commissions and fees charged show an increase of 8.2% compared to the same period of the previous year. This variation is mainly due to the commissions charged in electronic banking, which show an increase of 15.0%, mostly due to an increase in electronic banking transactions (POS and ATM, mainly). Insurance commissions increase by 18.4% due to a higher placement of these services, while the item of other commissions decreases by 23.2% due to non-recurring commissions charged during the second quarter of 2023.

Commissions and Fees Collected	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Credit operations	9.4	7.3	8.4	(1.0)	-10.5%
Transfers of funds	7.4	7.3	7.8	0.4	5.1%
Fiduciary activities	22.0	31.7	25.8	3.8	17.1%
Appraisals	3.1	3.6	3.6	0.5	15.1%
Account management	14.3	14.3	14.9	0.5	3.8%
Electronic banking	690.3	791.0	793.9	103.6	15.0%

Endorsements	0.2	0.4	0.3	0.1	35.7%
Royalty collection	21.5	24.3	15.4	(6.1)	-28.4%
Insurance	61.5	71.7	72.8	11.3	18.4%
Financial advisory	0.1	0.1	0.1	0.0	9.3%
Other commissions and fees	144.3	143.3	110.9	(33.5)	-23.2%
Totals	**974.1**	**1,094.9**	**1,053.8**	**79.7**	**8.2%**

RESULT BY INTERMEDIATION

Revenue from valuation in the second quarter of 2024 had significant growth, given the new rate expectations in the market and the fact that the Bank of Mexico effectively reduced the reference rate by 25 basis points. Regarding the result from buying/selling, it remained very similar to the last quarter.

The Institution continues to actively participate in the financial markets, including the Money Market and Foreign Exchange Operations, applying investment and operation strategies under the authorized risk limits.

Intermediation Result	II Quar 23	I Quar 24	II Quar 24	Variation	% Var.
Result from Fair Value Valuation and Decrease from Securities Valued at Cost.	**4.9**	**52.0**	**52.2**	**47.3**	**966.3%**
Trading Securities	4.9	52.0	52.2	47.3	966.3%
Results from purchase and sale of securities and foreign currencies	**45.8**	**51.5**	**51.8**	6.0	13.2%
Trading securities	8.0	10.3	12.2	4.2	52.5%
Exchange trading results	37.8	41.2	39.6	1.8	4.8%
Totals	**50.7**	**103.5**	**104.0**	**53.3**	**105.3%**

OTHER INCOME (EXPENSES) FROM THE OPERATION

At the end of the second quarter of 2024, the item of other operating income (expenses) shows a decrease of 8.4 million pesos compared to the same period of the previous year, which represents 19.4%, mainly explained by the accounts payable cleanup item where during the first quarter of the previous year there was a greater cleanup showing a decrease of 72.7%, customer bonuses decreased by 47.2%, on the other hand, Due to changes in accounting criteria, some items are not comparable, such as the result from operating leases. .

Other Net Operating Income (Expenses)	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Recoveries	16.6	17.6	15.6	(1.0)	-5.8%
Write-off of accounts payable	48.6	0.4	13.3	(35.3)	-72.7%
Income from operating leases	(15.5)	61.2	52.6	68.1	-439.8%
Collection of written-off loans	42.8	72.0	41.8	(1.0)	-2.4%
Release of reserves	0.0	1.0	0.0	0.0	0.0%
Release of reserves for other accounts payable	0.1	0.3	0.0	(0.1)	-69.3%
Sale of furniture and real estate	3.6	1.9	(0.0)	(3.7)	-100.7%
Bonus use of TDC and TDD	4.4	1.3	1.3	(3.1)	-70.8%
Other + funds	57.4	44.7	56.3	(1.1)	-1.9%
Loss on sale of portfolio	0.0	(0.3)	0.0	0.0	0.0%
Customer bonuses	(25.8)	(34.4)	(38.0)	(12.2)	47.2%
Sundry losses	(11.0)	(3.8)	(4.8)	6.2	-56.4%
Allowance for other past due accounts receivable	9.5	(0.7)	(5.7)	(15.1)	-160.2%
Reserve for foreclosed assets	1.9	(5.6)	(7.5)	(9.4)	-498.2%
IPAB fees	(85.3)	(91.0)	(88.1)	(2.8)	3.3%
Other	(4.2)	(1.3)	(2.0)	2.2	-51.6%
Totals	**43.1**	**63.3**	**34.8**	**(8.4)**	**-19.4%**

ADMINISTRATIVE EXPENSES

During the second quarter of 2024, administrative expenses showed ax| variation of 50.7%, mainly in the category of other administrative expenses where an increase of 117.2% is shown. This is due to the fact that during the second quarter of 2023 provisions were released, remunerations and benefits increased by 23.3% largely due to the performance of the financial table, depreciations increased by 50.1% which due to changes in accounting criteria are not comparable, fees increased by 99.4% mainly due to a higher requirement for specialized services.

Administrative Expenses	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Compensation and Benefits	482.3	540.7	594.4	112.1	23.3%
Fees	52.4	88.6	104.5	52.1	99.4%
Income	2.0	22.9	16.1	14.2	725.7%
Promotion	45.6	41.2	45.9	0.3	0.6%
Other Operating and Administrative Expenses	214.8	427.5	466.7	251.8	117.2%
Miscellaneous Taxes	81.4	87.6	87.9	6.5	8.0%
Depreciation and Amortization	171.9	262.7	258.2	86.2	50.1%
Items not deductible for income tax purposes	5.6	2.1	4.1	(1.5)	-26.8%
PTU Accrued	(12.7)	13.3	10.5	23.2	-182.1%
PTU Deferred	14.1	0.0	5.3	(8.7)	-62.0%
Totals	**1,057.4**	**1,486.7**	**1,593.6**	**536.2**	**50.7%**

CURRENT AND DEFERRED TAXES

Taxes on Profit	II Quart 23	I Quart 24	II Quart 24	Variation	% Var.
Accrued Income Taxes	(12.3)	(42.8)	3.1	15.45	-125.3%
Deferred Income Taxes	5.7	0.0	(37.6)	(43.28)	-760.5%
Totals	**(6.6)**	**(42.8)**	**(34.5)**	**(27.8)**	**419.8%**

At the end of the second quarter of 2024, Banca Afirme submits its tax returns individually, and to date it has no pending tax credits or debts.

FINANCIAL SITUATION, LIQUIDITY AND CAPITAL RESOURCES

The internal sources of liquidity for Banca Afirme are constituted both by the issuance of its own paper, traditional collection, and external sources coming from credit lines granted by financial institutions and development banking.

Level of indebtedness at the end of the second quarter of 2024

The total liabilities of Banca Afirme as of June 30, 2023 and 2024, were 247,793.7mdp and 282,466.5mdp respectively, the main component of the liabilities being the operations of the Financial Desk.

Total Liabilities	Jun 23	Mar 24	Jun 24	Var	%
Traditional Fund Raising	88,757.9	84,522.5	85,176.6	(3,581.2)	-4.0%
Debt securities issued	1,493.3	1,736.0	1,790.2	296.9	19.9%
Interbank Loans and Other Organizations	5,351.4	4,843.4	3,996.8	(1,354.6)	-25.3%
Repurchase Receivables	144,615.9	178,492.0	183,992.5	39,376.5	27.2%
Other accounts payable	2,416.4	2,668.7	2,286.2	(130.3)	-5.4%
Deferred Credits	108.5	104.7	120.9	12.5	11.5%
Lease Liabilities	1,525.5	1,605.0	1,539.3	13.8	0.9%
Other Liabilities	3,524.7	3,550.7	3,564.0	39.3	1.1%
Total Liabilities	**247,793.7**	**277,523.0**	**282,466.5**	**34,672.8**	**14.0%**

EVOLUTION OF THE FINANCIAL SITUATION STATEMENT

The total assets of Banca Afirme show an increase of 13.8% compared to the same period of the previous year, impacted by the increase in financial instruments and repo debtors, which together increase by 18.0% as a result of a larger operation of the financial desk.

The collection decreases its balances mainly the sight collection which decreases by 8.6%, the term collection shows a marginal growth of 0.2%, on the other hand, the balance in issued credit titles increases by 296.9mdp showing a balance as of June 30, 2024 of 1,790.2mdp.

RELEVANT INDICATORS	IIQ 23	IIIQ 23	IVQ 23	IQ 24	IIQ 24
Delinquency rate (stage 3 portfolio / total portfolio)	5.87%	5.82%	5.13%	5.22%	5.42%
Coverage of non-performing loans (allowance for loan losses / portfolio stage 3)	0.70	0.67	0.70	0.69	0.69
Operational efficiency (administrative and promotion expenses / average total assets)	1.75%	2.01%	2.18%	2.11%	2.21%

ROE (return on capital)	3.76%	5.04%	5.63%	6.33%	6.02%	
ROA (return on assets)	0.12%	0.16%	0.18%	0.18%	0.17%	
Liquidity Ratio (liquid assets / liquid liabilities)	0.99	0.98	0.96	0.97	0.97	
MIN (credit risk adjusted net interest margin / earning assets)	0.92%	1.31%	1.39%	1.32%	1.49%	
Banca Afirme						
Credit Capitalization Ratio	21.37%	20.99%	20.81%	20.36%	20.89%	(1)
Total Capitalization Ratio	15.38%	15.42%	15.20%	14.93%	15.26%	(1)
Basic Capital Ratio	11.53%	11.65%	11.49%	11.36%	11.68%	(1)

(1) Previous data before replicas with Banxico

Note: The details of the assets at risk are included in the financial notes.

TREASURY POLICIES

The Treasury is governed by internal policies in accordance with the regulations issued by various authorities, as well as prudential risk levels defined by internal collegiate bodies, among others, regarding the following:

Assets and Liabilities operations;
Accounting record of transactions;
Liquidity ratios;
Capacity of payment systems; and
Market, liquidity and credit risks.

The main objective of the Treasury is to level the funding requirements or surpluses between the different business units to maximize profitability, taking care of the adequate management of the risks to which it is affected, in accordance with the official regulations in force.

INTERNAL CONTROL

Banca Afirme is subject to an Internal Control System in which its objectives, policies and guidelines are set and approved by the Board of Directors, through a common and homogeneous methodology that is in accordance with the General Provisions Applicable to Credit Institutions in Mexico (CUB) instructed by the National Banking and Securities Commission.

The scope of the Internal Control System establishes the implementation of operating mechanisms, according to the strategies and purposes of the entity, allowing to provide reasonable security for its management processes, as well as for its registration procedures, data automation, and administration of risks.

The different functions and responsibilities between its corporate bodies, administrative units and its staff are focused on ensuring efficiency and effectiveness in carrying out activities and allow the identification, management, monitoring and evaluation of risks that may arise in the development of the corporate purpose and have As an institutional premise, mitigate possible losses or contingencies that may be incurred.

Likewise, measures and controls were implemented so that the financial, economic, accounting, legal and administrative information is correct, accurate, complete, reliable and timely in order to contribute to the strict compliance with the applicable regulations and standards and to contribute to the proper decision making.

The objectives and guidelines of the Internal Control System are reviewed and documented by the Comptroller's area and submitted at least once a year by the Board of Directors through the analysis and evaluation of the quarterly reports formulated by the General Management and by the Audit Committee.

Qualitative Information System Remuneration

a) For all positions there is a fixed remuneration consisting of a monthly base salary and guaranteed benefits that can be annual or monthly, such as:
   - Christmas bonus, 30 days a year.
   - Vacation Premium, 25% of vacation days according to the LFT table.
   - Savings Fund, 10% monthly with legal limit.

   Management positions have bonus schemes for meeting business objectives and/or goals, profitability, improvement and efficiency projects, service level evaluations, etc.

b) The Remuneration Committee was integrated into the Risk Committee and its function is to evaluate and, where appropriate, authorize the necessary adjustments to the remuneration schemes of eligible personnel, in compliance with the regulations issued for that purpose.

   The Risk and Compensation Committee is composed of:

President **Independent Director**
Adviser

Independent Director
Managing Director
Head of Comprehensive Risk Management
Deputy General Director of Risk and Credit Management
Deputy General Director Corporate Administration
Secretary **Legal and Trustee Director**
Independent Expert **Guest with voice, without vote**

The Human Resources Department participates in this Committee to inform and, where appropriate, request the approval of modifications and/or new variable compensation schemes of the Remuneration System when necessary. The Finance Department participates by evaluating the results of the schemes of the different areas.

The Remuneration Manual applies to the Management positions of the first two levels of the Staff areas, and to the Management positions of the first three levels of the Deputy General Business Management.

For the 2024 financial year, the list of these positions is:

STAFF	BUSINESS
EXECUTIVE DIRECTOR MONEY MARKET	DIVISIONAL DIRECTOR
DEPUTY MANAGING DIRECTOR INVESTMENTS	GOVERNMENT BANK DIRECTOR NUEVO LEON
CORPORATE SERV. DEVELOPMENT DIRECTOR	PEOPLE SEGMENT DIRECTOR
FINANCE DIRECTOR	DIRECTOR DIGITAL BANKING
MONEY MARKET CONTROLLER EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR OF PRODUCTS
DIRECTOR FACTORING	MORTGAGE DIRECTOR
IT CORP, OPERATIONS AND PROCESSES DIRECTOR	BANKING RECRUITMENT AND CORRESPONDENCE DIRECTOR
GOVERNMENT CREDIT ANALYSIS DIRECTOR	DIRECTOR SELF-SERVICES
EXECUTIVE DIRECTOR. OPERATIONS AND PROCESSES	PAYROLL AND PAYROLL CREDIT DIRECTOR
LEGAL AND APPRAISALS EXECUTIVE DIRECTOR	DIRECTOR OF ACQUISITION

DIRECTOR CORP RELATIONS INSTI AND BCA GOB	BUSINESS BANKING MONTERREY EXECUTIVE DIRECTOR
DIRECTOR PREV. FRAUDS AND CLARIFICATIONS	DEPUTY MANAGING DIRECTOR OF BUSINESS
LEGAL DIRECTOR OF RECOVERY	CREDIT AND DEBIT CARD DIRECTOR
EXECUTIVE PROJECTS DIRECTOR	BUSINESS DEVELOPMENT CENTERS DIRECTOR
CONTROLLER GENERAL	BILLU DIRECTOR
DIRECTOR OF INFRASTRUCTURE AND SERVICES	ESTATE SEGMENT DIRECTOR
IT PROCESS AND ARCHITECTURE DIRECTOR	SPECIALIZED SALES EXECUTIVE DIRECTOR
DIRECTOR OF SECURITY AND INTELLIGENCE	BANKING INSURANCE EXECUTIVE DIRECTOR
DIRECTOR OF INFORMATION SECURITY	CORPORATE COMMERCIAL AND DIGITAL DIRECTOR
MONEY MARKET DIRECTOR	COMMERCIAL PARTNERSHIP DIRECTOR
CONTROLLER DIRECTOR	BUSINESS SEGMENT DIRECTOR
AUDIT DIRECTOR	DGA BUSINESS DEVELOPMENT IN BANKING
GOVERNMENT AND INFRASTRUCTURE DIRECTOR	SME SEGMENT DIRECTOR
TRUSTEE DIRECTOR	REGIONAL COMMERCIAL DIRECTOR
LEGAL STRUCTURING BUSINESS DIRECTOR	BUSINESS BANKING DIRECTOR
REGULATORY CONTROLLER DIRECTOR	
EXECUTIVE DIRECTOR CREDIT	
ADMINISTRATIVE RECOVERY AND CALL CENTER DIRECTOR	
DGA RISK AND CREDIT MANAGEMENT	
DIRECTOR OF PARAMETRIC CREDITS	
HUMAN RESOURCE EXECUTIVE DIRECTOR	
NON-CREDIT RISK EXECUTIVE DIRECTOR	
DIRECTOR SPECIALIZED BANKING	
TREASURY BALANCE SHEET EXECUTIVE DIRECTOR	
DEPUTY LEGAL DIRECTOR GENERAL AND FID.	
CENTER SERVICES DEVELOPMENT AND TRAD CHANNELS DIRECTOR	
DIRECTOR GOVERNMENT BANKING	
WORKS AND MAINTENANCE DIRECTOR	
ADMINISTRATIVE CONTROL AND PURCHASES DIRECTOR	
CREDIT RISK EXECUTIVE DIRECTOR	
CALL CENTER DIRECTOR	
RECOVERY CONSUMPTION AND TRADE DIRECTOR.	
PERIMETER SECURITY DIRECTOR	
CORPORATE SERVICES DEVELOPMENT DIRECTOR	

c) Banca Afirme operates a Remuneration System that promotes and is consistent with effective risk management.

The Compensation System considers as eligible personnel the Managerial positions of the first two levels of the Staff areas and the Managerial positions of the first three levels of the Deputy General Business Management. The personnel included were chosen based on the fact that the decisions they make in their daily activities may involve a risk for the Institution.
The extraordinary remuneration schemes established for eligible personnel are subject to analysis by the Comprehensive Risk Management Unit in order to propose adjustments or deferrals to them.

On the other hand, the Comprehensive Risk Management Unit will deliver the analysis described above to the Remuneration Committee, including scenarios and projections on the effects of the materialization of the risks inherent to the activities of the people subject to the Remuneration System and the application of remuneration schemes on the stability and solidity of the Institution.

The last update of the Remuneration System was carried out in July 2021, where an subsection was added in the General Policies section Related to Ordinary Remuneration, in order to align it with the Manual of Diversity, Equity and Inclusion Policies and Guidelines.

The salaries of the participating personnel in the Risk, Audit and Compliance areas are based on the fulfillment of their own and specific objectives in their areas.

d) The main risks considered when applying remuneration measures are market and credit risks.

These types of risk are a function of the institution's risk appetite and are defined in its respective policy.

Excesses to the established limits are monitored, and the risk levels are taken into account for the final allocation of the deferral and retention of remuneration.

The risk limits to which the operations are subject are established according to the risk appetite of the Institution.

e) The main performance parameters for the institution, the business units and the individual staff are related to profitability, operating profit, budget compliance with sales goals, portfolio quality, level of customer service, among others.

Individual remunerations are related to the total performance of the institution to the extent that the purse for its payment must be generated with the fulfillment of the budgetary goals.

Remuneration can be adjusted, deferred or canceled based on non-compliance with risk parameters, codes of conduct, breaches of regulations and for not reaching the minimum percentage of compliance with the budget goal.

f) Variable remuneration in the institution is paid in cash as a concept within the Payroll for all employees who participate in the Remuneration System.

Quantitative Information System Remuneration

a) Number of meetings of the Risk and Remuneration Committee during the year: 4 on a quarterly basis.

b) Number of employees: 81

1. Number of covered bonds: 4
   Percentage: 0.14141%
2. Number of bonds awarded: 71
   Percentage: 4.42111%
3. Number of compensation and settlements: 6
   Percentage: 0.66826%
4. Bonds pending to be awarded in cash: 0
   Percentage: 0%
5. Fixed + Variable Compensation of personnel subject to SR

Total: 14.92296%

c)

1. Fixed Remuneration: 8.98235%
   Variable Remuneration: 4.56252%
2. Transferred: 0%
   Not Transferred: 4.56252%
3. Pecuniary: 4.42111%

d)

1. Percentage exposed to subsequent adjustments: 0%

2. Percentage of reductions made due to adjustments: 0%

Note: The percentage that the account 6410 of Banca Afirme represents regarding the account 6400 (Administration and Promotion Expenses) is 36.9868%.

OTHER RELEVANT EVENTS

At the end of the second quarter of 2024, Banca Afirme has an asset level of 290,911.0mdp, showing an increase of 13.8% against the same period of the previous year. This variation is impacted by the increase in financial instruments resulting from the transfer of operations from Afirme Investment Bank to Banca Afirme, which increases both total Assets and Liabilities.

Capitalization

The Capitalization Index of Banca Afirme was at 15.26% at the end of June 2024 with a basic capital index of 11.68%.

Issuance of Subordinated Bonds

QAFIRME15

At the Extraordinary General Shareholders' Meeting held on February 4, 2015, the Shareholders agreed to issue non-preferred capital subordinated bonds, perpetual and susceptible to be converted into shares at the Bank's option, obtaining authorization from the Central Bank for their Issuance through official letters OFI/S33-001-12465 and OFI/S33-001-12722 dated January 21, 2015, and February 3, 2015, correspondingly. The issuance of the bonds was carried out through a private offer for up to 11,000,000 subordinated bonds with a face value of $100 pesos each, which accrue interest at a TIIE + 4.0% rate, this issuance is not guaranteed, the interest payment period is every three months, it has no maturity date. Said issuance was for an amount of $ 800, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 73%.

QBAFIRME18

At the Extraordinary General Shareholders' Meeting held on October 1, 2018, the Shareholders agreed to carry out an issue of non-preferred subordinated capital bonds not convertible into shares, obtaining authorization from the Central Bank for their issuance through official letter OFI/033-24335. The issuance of the bonds was carried out through a public offering of up to 12,000,000 subordinate bonds with a face value of $100 pesos each, which earn interest at a TIIE + 2.8% rate, this issuance is not secured, the interest payment period is every 28 days and its maturity will be in September 2028. Said issuance was for an amount of $ 1,200, the proportion of the authorized amount of the subordinated obligations compared to the amount issued was 100%.

QBAFIRME20

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred subordinated capital bonds not convertible into shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. Through an issuance act dated March 24, 2020, it was carried out through a public offer of up to 5,000,000 subordinated obligations with a nominal value of $100.00 pesos each, which accrue interest at a TIIE + 2.8% rate, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in March 2030. Said issuance was for an amount of $ 500, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

QBAFIRME20 - 2

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred subordinated capital bonds not convertible into shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. Through an issuance deed dated October 22, 2020, a public offer was carried out for up to 2,300,000 subordinated bonds with a nominal value of $100.00 pesos each, which accrue interest at a TIIE + 2.8% rate. This issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in October 2030. Said issuance was for an amount of $ 230, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 100%.

QBAFIRME22

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferential subordinated capital bonds that cannot be converted into shares, obtaining authorization from the Central Bank for their issuance through document 153/12258/2020. By means of the act of issue dated February 15, 2022, the subordinated obligations were issued through a public offer for up to 2,012,500 subordinated obligations with a nominal value of $ 100.00 pesos each, which accrue interest at a TIIE rate of 28 days + 2.8%, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in February 2032. Said issuance was for an amount of $ 201, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%. As of March 31, 2023 and 2022, the subordinated obligations do not have a discount rate nor a premium.

QBAFIRME22-2

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred, non-convertible subordinated capital obligations of the Bank, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. On September 14, 2022, the subordinated debentures were issued through a public offering of 4,025,000 subordinated debentures, considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for a term of up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for $403.

BAFIRME 23

At the Extraordinary General Shareholders' Meeting held on November 27, 2023, the Shareholders agreed to carry out an issue of non-preferred, non-convertible subordinated capital obligations of the Bank, obtaining authorization from the CNBV for their issuance through official letter 153/5758/2023. Through an issuance act dated November 30, 2023, the issuance of subordinated obligations was carried out through a public offer for 12,000,000 subordinated obligations. The Issuer did not exercise the over-allotment right, with a nominal value of $100.00 pesos each, which accrue interest at a TIIE rate for up to 28 days, this issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in November 2033. This issuance was for $1,200. The proportion of the authorized amount of subordinated obligations to the issued amount was 47%. The authorized program is for a total amount of $2,550.

At the end of the second quarter of 2024, the subordinated obligations program has a balance of 3,356.9 million pesos.

CERTIFICATION

"The undersigned declare under protest of saying the truth that, within the scope of our respective functions, we prepare the information regarding Banca Afirme contained in this annual report, which, to the best of our knowledge and belief, reasonably reflects its situation. Likewise, we declare that we are not aware of relevant information that has been omitted or falsified in this annual report or that it contains information that could mislead investors".

C.P. Jesus Antonio Ramirez Garza

Chief Executive Officer

B.A. Alejandro Garay Espinosa

General Corporate Financial Director
Finance Controller

B.A. Luis Arturo Arias Medina

Chief Financial Officer

C.P. David Gerardo Martínez Mata

Internal Audit Director

OTHER RELEVANT EVENTS

At the end of the second quarter of 2024, Banca Afirme has an asset level of 290,911.0mdp, showing an increase of 13.8% against the same period of the previous year. This variation is impacted by the increase in financial instruments resulting from the transfer of operations from Banca de Inversión Afirme to Banca Afirme, which increases both total Assets and Liabilities.

Capitalization

The Capitalization Index of Banca Afirme was at 15.26% at the end of June 2024 with a basic capital index of 11.68%.

Issuance of Subordinated Bonds

At the Extraordinary General Shareholders' Meeting held on November 27, 2023, the Shareholders agreed to carry out an issue of non-preferred, non-convertible subordinated capital obligations of the Bank, obtaining authorization from the CNBV for their issuance through official letter 153/5758/2023. Through an issuance act dated November 30, 2023, the issuance of subordinated obligations was carried out through a public offer for 12,000,000 subordinated obligations. The Issuer did not exercise the over-allotment right, with a nominal value of $100.00 pesos each, which accrue interest at a TIIE rate for up to 28 days, this issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in November 2033. This issuance was for $1,200. The proportion of the authorized amount of subordinated obligations to the issued amount was 47%. The authorized program is for a total amount of $2,550.

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The objectives and guidelines of the Internal Control System are reviewed and documented by the Comptroller's area and submitted at least once a year by the Board of Directors through the analysis and evaluation of the quarterly reports formulated by the General Management and by the Audit Committee.

II.- The shareholding of the holding company by subsidiary.

SHAREHOLDING OF BANCA AFIRME

ENTITY	% OF PARTICIPATION
FONDOS DE INVERSION AFIRME	99.99%
ARRENDADORA AFIRME	99.98%

Notes on the Consolidated Financial Statements (figures in Millions of pesos)

III.- The amounts of the different categories of investments in financial instruments, as well as the positions for repo transactions, by generic type of issuer are presented below as of June 30, 2024 and 2023:

Negotiable Financial Instruments (NFI)	2024	2023
Without restriction:		
Governmental:		
LDS	150	324
BEPAS	-	195
BEPAS T	1	137
Government Subtotal	151	656
Private:		
Stock certificates	1,936	920
Bankers:		
Investment funds	15	145
PRLV	10,678	8,181
Cedes	12,571	7,378
Banking Subtotal	23,264	15,704
Total of negotiable financial instruments without restriction	25,351	17,280
Governmental:		
BPA's	92,125	78,946
LDS Bonds	-	11,336
BPA	7,025	3,576
BPAT's	41,898	21,952
CBIC	50	38
CETES	1,238	30
UNIBONDS	10	1,989
BREMS WARRANTIES	1,033	1,033
Government Subtotal	143,379	118,900
Bankers:		
PRLV	-	126
Stock certificates	4,608	8,450
Banking Subtotal	4,608	8,576
Total IFN restricted	147,987	127,476
Value date operations with restriction:		
Purchases (1)	-	-
Sales (2)	(194)	-
Total titles to negotiate	173,144	144,756

Notes on the Consolidated Financial Statements (figures in Millions of pesos)

Financial instruments for collecting principal and interest

2024		A year	From 1 to 3 years	More than 3 years	Total
Stock certificates:					
Without restriction	$	-	-	176	176
2023					
Stock certificates:					
Without restriction	$	-	-	202	202

Repurchase operations

Instrument		2024		2023	
		Debtors	Creditors	Debtors	Creditors
Debt instruments					
Government debt					
CBICS	$	-	50	-	39
BPAT's		-	41,243	-	21,948
BPA's		37,099	91,489	30,709	77,827
BEPAS		544	7,025	884	3,572
LDS BONDS		-	-	2,701	11,204
UNIBONDS		-	11	-	1,979
CETES		678	1,238	75	30
		38,321	**141,056**	**34,369**	**116,599**
Bank debt					
Certificates of deposit		-	4,616	-	8,452
PRLV		-	-	-	126
		-	4,616	-	8,578
	$	**38,321**	**145,672**	**34,369**	**125,177**

Notes on the Consolidated Financial Statements (figures in Millions of pesos)

Collateral sold or given as a guarantee for repurchase agreements

Instrument		2024	2023
Debt instruments			
Government debt			
BEPIS	$	37,099	19,369
BONDES		-	70
BEPAS		544	-
CETES		678	-
	$	38,321	19,439

As of June 30, 2024, the average term of the repurchase operations carried out by the Bank in its capacity as a repo seller and repo buyer were 18 and 3 days, respectively. As of June 30, 2023, those deadlines were 14 and 3 days, respectively.

Notes on the Consolidated Financial Statements (figures in Millions of pesos)

IV- The nominal amounts of derivative financial instrument contracts by type of instrument and underlying as of June 30, 2024 and 2023 are presented below:

2024

For negotiation purposes				Fair value		Net Balance	
Underlying	Operation	Market	Notional amount	Active	Liabilities	Debtor	Creditor
TIIE	Trading	Recognized	5,000	170	(171)	-	(1)
TIIE	Trading	Recognized	5,000	170	(171)	-	(1)
TIIE	Trading	Recognized	5,000	170	(170)	-	-
TIIE	Trading	Recognized	5,000	170	(170)	-	-
TIIE	Trading	Recognized	1,000	9	(9)	-	-
TIIE	Trading	Recognized	3,000	127	(127)	-	-
TIIE	Trading	Recognized	3,000	127	(127)	-	-
TIIE	Trading	Recognized	5,000	43	(43)	-	-
TIIE	Trading	Recognized	5,000	43	(43)	-	-
TIIE	Trading	Recognized	3,000	52	(52)	-	-
TIIE	Trading	Recognized	10,000	87	(87)	-	-
TIIE	Trading	Recognized	7,000	121	(121)	-	-
TIIE	Trading	Recognized	15,000	130	(130)	-	-
TIIE	Trading	Recognized	2,000	35	(35)	-	-
TIIE	Trading	Recognized	1,700	29	(29)	-	-
TIIE	Trading	Recognized	5,000	86	(86)	-	-
TIIE	Trading	Recognized	1,000	26	(26)	-	-
TIIE	Trading	Recognized	3,000	127	(127)	-	-
TIIE	Trading	Recognized	3,000	103	(103)	-	-
TIIE	Trading	Recognized	5,000	87	(86)	1	-
TIIE	Trading	Recognized	5,000	87	(86)	1	-
TIIE	Trading	Recognized	10,000	174	(173)	1	-
TIIE	Trading	Recognized	5,000	129	(128)	1	-
TIIE	Trading	Recognized	10,000	173	(172)	1	-
TIIE	Trading	Recognized	5,000	129	(128)	1	-
TIIE	Trading	Recognized	2,000	85	(84)	1	-
TIIE	Trading	Recognized	5,000	129	(128)	1	-
TIIE	Trading	Recognized	2,000	85	(84)	1	-
TIIE	Trading	Recognized	(5,000)	214	(213)	1	-
TIIE	Trading	Recognized	10,000	260	(259)	1	-
TIIE	Trading	Recognized	(5,000)	214	(213)	1	-
TIIE	Trading	Recognized	5,000	171	(170)	1	-
TIIE	Trading	Recognized	4,000	171	(170)	1	-
TIIE	Trading	Recognized	5,000	213	(211)	2	-
TIIE	Trading	Recognized	(5,000)	255	(253)	2	-
TIIE	Trading	Recognized	10,000	342	(339)	3	-
TIIE	Trading	Recognized	(7,500)	383	(380)	3	-
TIIE	Trading	Recognized	15,000	640	(635)	5	-
			163,200	5,766	(5,739)	29	(2)

Notes on the Consolidated Financial Statements (figures in Millions of pesos)

For coverage purposes

Underlying	Operation	Market	Notional amount	Fair value		Net Balance	
				Active	Liabilities	Debtor	Creditor
TIIE	FE Coverages	Recognized	250	48	(42)	6	-
TIIE	FE Coverages	Recognized	250	66	(57)	9	-
TIIE	FE Coverages	Recognized	250	82	(71)	11	-
TIIE	FE Coverages	Recognized	250	82	(71)	11	-
TIIE	FE Coverages	Recognized	1,000	188	(172)	16	-
TIIE	FE Coverages	Recognized	500	132	(115)	17	-
TIIE	FE Coverages	Recognized	1,000	137	(117)	20	-
TIIE	FE Coverages	Recognized	500	179	(158)	21	-
TIIE	FE Coverages	Recognized	500	183	(162)	21	-
TIIE	FE Coverages	Recognized	500	183	(162)	21	-
TIIE	FE Coverages	Recognized	1,000	359	(317)	42	-
TIIE	VR Coverings	Unrecognized	108	10	(20)	-	(10)
TIIE	VR Coverings	Unrecognized	105	8	(18)	-	(10)
TIIE	VR Coverings	Unrecognized	102	8	(17)	-	(9)
TIIE	VR Coverings	Unrecognized	99	7	(16)	-	(9)
TIIE	VR Coverings	Unrecognized	96	6	(15)	-	(9)
TIIE	VR Coverings	Unrecognized	94	5	(14)	-	(9)
TIIE	VR Coverings	Unrecognized	84	1	(10)	-	(9)
TIIE	VR Coverings	Unrecognized	91	4	(13)	-	(9)
TIIE	VR Coverings	Unrecognized	89	3	(12)	-	(9)
TIIE	VR Coverings	Unrecognized	87	2	(11)	-	(9)
TIIE	VR Coverings	Unrecognized	279	3	(2)	1	-
TIIE	VR Coverings	Unrecognized	1	29	(28)	1	-
TIIE	VR Coverings	Unrecognized	226	8	(6)	2	-
TIIE	VR Coverings	Unrecognized	278	10	(7)	3	-
TIIE	VR Coverings	Unrecognized	984	429	(381)	48	-
TIIE	VR Coverings	Unrecognized	1,899	838	(749)	89	-
			10,622	3,010	(2,763)	339	(92)

Notes on the Consolidated Financial Statements (figures in Millions of pesos)

2023

For negotiation purposes				Fair value		Net Balance	
Underlying	Operation	Market	Notional amount	Active	Liabilities	Debtor	Creditor
TIIE	Trading	Unrecognized	(300)	7	(13)	-	(6)
TIIE	Trading	Recognized	4,000	140	(141)	-	(1)
TIIE	Trading	Recognized	3,000	132	(133)	-	(1)
TIIE	Trading	Recognized	4,000	140	(141)	-	(1)
TIIE	Trading	Recognized	2,000	70	(71)	-	(1)
TIIE	Trading	Recognized	2,000	35	(36)	-	(1)
TIIE	Trading	Recognized	2,000	35	(35)	-	-
TIIE	Trading	Recognized	2,000	70	(70)	-	-
TIIE	Trading	Recognized	1,000	35	(35)	-	-
TIIE	Trading	Recognized	3,200	85	(85)	-	-
TIIE	Trading	Recognized	5,000	176	(176)	-	-
TIIE	Trading	Recognized	2,000	53	(53)	-	-
TIIE	Trading	Recognized	5,000	175	(175)	-	-
TIIE	Trading	Recognized	300	13	(8)	5	-
			32,500	1,166	(1,172)	5	(11)

For negotiation purposes				Fair value		Net Balance	
Underlying	Operation	Market	Notional amount	Active	Liabilities	Debtor	Creditor
TIIE	VR Coverings	Recognized	1,000	199	(191)	8	-
TIIE	VR Coverings	Unrecognized	1,899	831	(856)	-	(25)
TIIE	VR Coverings	Unrecognized	984	427	(436)	-	(9)
TIIE	VR Coverings	Unrecognized	1	31	(35)	-	(4)
TIIE	VR Coverings	Unrecognized	226	17	(14)	3	-
TIIE	VR Coverings	Unrecognized	279	9	(7)	2	-
TIIE	VR Coverings	Unrecognized	278	20	(16)	4	-
			4,667	1,534	(1,555)	17	(38)

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

V.- The credit portfolio with credit risk by stages by type of credit as of June 30, 2024 and 2023, is composed as shown below:

		2024			2023		
		Pesos	Valued foreign currency	Total	Pesos	Valued foreign currency	Total
Commercial credits							
Stage 1							
Commercial Credits	$	35,238	1,297	**36,535**	32,393	745	**33,138**
Business or commercial activity		32,893	1,297	**34,190**	30,493	528	**31,021**
Financial entities		40	-	**40**	11	217	**228**
Governmental entities		2,305	-	**2,305**	1,889	-	**1,889**
Consumer loans		11,312	-	**11,312**	10,214	-	**10,214**
Home loans		12,291	-	**12,291**	11,037	-	**11,037**
		58,841	**1,297**	**60,138**	**53,644**	**745**	**54,389**
Stage 2							
Commercial Credits	$	170	8	**178**	127	-	**127**
Business or commercial activity		170	8	**178**	127	-	**127**
Financial entities		-	-	**-**	-	-	**-**
Governmental entities		-	-	**-**	-	-	**-**
Consumer loans		312	-	**312**	451	-	**451**
Home loans		318	-	**318**	358	-	**358**
		800	**8**	**808**	**936**	**-**	**936**
Stage 3							
Commercial Credits	$	2,365	-	**2,365**	2,453	-	**2,453**
Business or commercial activity		2,365	-	**2,365**	2,453	-	**2,453**
Financial entities		-	-	**-**	-	-	**-**
Governmental entities		-	-	**-**	-	-	**-**
Consumer loans		376	-	**376**	294	-	**294**
Home loans		750	-	**750**	701	-	**701**
		3,491	**-**	**3,491**	**3,448**	**-**	**3,448**
Total of credits							
Commercial Credits	$	37,773	1,305	**39,078**	34,973	745	**35,718**
Business or commercial activity		35,428	1,305	**36,733**	33,073	528	**33,601**
Financial entities		40	-	**40**	11	217	**228**
Governmental entities		2,305	-	**2,305**	1,889	-	**1,889**
Consumer loans		12,000	-	**12,000**	10,959	-	**10,959**
Home loans		13,359	-	**13,359**	12,096	-	**12,096**
	$	**63,132**	**1,305**	**64,437**	**58,028**	**745**	**58,773**

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Amounts in millions of pesos

The following is the credit portfolio with credit risk by stages by economic sector for June 30, 2024 and 2023:

Economic activity	**2024**	**2023**
Commercial credits:		
AGRICULTURE	408	321
COMMERCE	10,849	10,736
CONSTRUCTION	4,478	3,794
ELECTRICITY AND WATER	4,872	4,726
MANUFACTURING	3,557	3,207
MINING AND OIL	269	274
SERVICES	8,553	7,206
FINANCIAL SERVICES	40	228
REAL ESTATE SERVICES AND RENTAL	1,790	2,059
TRANSPORT AND COMMUNICATIONS	1,958	1,278
GOVERNMENTAL ENTITIES	2,305	1,889
CONSUMPTION	12,000	10,959
HOUSING	13,358	12,096
	$ 64,437	$ 58,773

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Amounts in millions of pesos

Phased credit portfolio by Geographical Area

2024

		Stage 1	Stage 2	Stage 3
Downtown [1]	$	9,001	166	491
Nuevo Leon [2]		36,076	339	2,437
North [3]		8,214	120	281
Other [4]		6,847	183	282
		60,138	808	3,491
	$		64,437	

2023

		Stage 1	Stage 2	Stage 3
Downtown [1]	$	8,270	198	472
Nuevo Leon [2]		33,788	248	2,302
North [3]		6,721	358	296
Other [4]		5,610	132	378
		54,389	936	3,448
	$		58,773	

(1) It includes Mexico City and the State of Mexico.
(2) It mainly includes Monterrey and its metropolitan area.
(3) Includes Tamaulipas, Coahuila, Durango, Sinaloa, Baja California, Sonora and Chihuahua.
(4) Includes Aguascalientes, Colima, Guanajuato, Guerrero, Hidalgo, Jalisco, Michoacán, Morelos, Nayarit, Puebla, Querétaro, San Luis Potosí, Quintana Roo, Yucatán, and Veracruz.

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Amounts in millions of pesos

The movements in the stage 3 credit risk portfolio as of June 30, 2024 and 2023, as well as the transfers to and from the stage 1 credit risk portfolio, are integrated as follows:

PORTFOLIO MOVEMENTS STAGE 3 IN THE SECOND QUARTER OF 2024 AND 2023
(AMOUNTS IN MILLIONS OF PESOS)

		2024	2023
Balance at the beginning of the year (past due portfolio)	$	3,216	3,148
Restructurings		102	82
Punishments		(586)	(972)
Transfers from the portfolio with stage 1 risk		81	109
Transfers to the portfolio at risk stage 1		(167)	(131)
Transfers from portfolio with stage 2 risk		1,001	1,450
Transfers to the portfolio at risk stage 2		(21)	(43)
Clearances		(135)	(195)
Total	**$**	**3,491**	**3,448**

VI.- The deferred income tax assets are presented below according to their origin for June 30, 2024 and 2023:

AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF JUNE 30, 2024
(AMOUNTS IN MILLIONS OF PESOS)

	TOTAL BASE	ISR	TOTAL
FAVOR MATCHES			
TEMPORARY PROVISIONS	414	124	124
PREVENTIVE ESTIMATION FOR CREDIT RISKS	2,564	769	769
OTHER TEMPORARY DIFFERENCES	756	227	227
			1,120
MATCHES CHARGED			
EARLY DEDUCTIONS	(1,584)	(475)	(475)
OTHER DIFFERENCES TEMPORARY	(253)	(76)	(76)
			(551)
TOTAL DEFERRED TAXES IN FAVOR			**569**

AMOUNT OF DEFERRED TAXES ACCORDING TO THEIR ORIGIN AS OF JUNE 30, 2023
(AMOUNTS IN MILLIONS OF PESOS)

	TOTAL BASE	ISR	TOTAL
FAVOR MATCHES			
TEMPORARY PROVISIONS	793	238	238
PREVENTIVE ESTIMATION FOR CREDIT RISKS	2,471	741	741
OTHER TEMPORARY DIFFERENCES	596	179	179
			1,158
MATCHES CHARGED			
EARLY DEDUCTIONS	(1,459)	(438)	(438)
OTHER DIFFERENCES TEMPORARY	(57)	(17)	(17)
			(455)
TOTAL DEFERRED TAXES IN FAVOR			**703**

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

VII.- The following are the average interest rates for traditional savings and interbank loans and from other organizations, by type of currency for June 30, 2024 and 2023.

AVERAGE INTEREST RATES

CONCEPTS	NATIONAL CURRENCY		FOREIGN CURRENCY	
	2024	2023	2024	2023
BANKING				
TRADITIONAL DEPOSITS	**8.40%**	**8.53%**	**0.03%**	**0.04%**
DEPOSITS PAYABLE ON DEMAND	5.30%	5.77%	0.00%	0.04%
TERM DEPOSITS	10.59%	10.74%	0.00%	0.00%
The terms of the maturities are from 1 to 365 days.				
INTERBANK LOANS AND LOANS FROM OTHER BODIES				
BANCA	10.53%	10.77%	6.38%	6.55%
ARRENDADORA	12.37%	12.29%	6.25%	5.05%
The terms of the maturities are from 1 to 10 years.				

As of June 30, 2024 and 2023, the Bank has unused credit lines with multiple banking institutions, development banks, and promotion funds, amounting to $7,291 and $4,791, respectively. The amount of the authorized credit lines as of June 30, 2024 and 2023 amounts to $11,672 and $10,520, respectively.

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

Deposit funding by Geographic Zone

DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE
AS OF JUNE 30, 2024
(AMOUNTS IN MILLIONS OF PESOS)

	MEXICO CITY (**)	MONTERREY (*)	NORTH (***)	CENTER (****)	TOTAL
IMMEDIATE AVAILABLE DEPOSITS	7,066	11,716	6,129	14,620	39,531
TERM DEPOSITS	16,256	15,630	5,947	7,658	45,491
CREDITS SECURITIES ISSUED	0	1,790	0	0	1,790
GLOBAL COLLECTION ACCOUNT WITHOUT MOVEMENTS	0	154	0	0	154
TOTAL	**23,322**	**29,290**	**12,076**	**22,278**	**86,966**

DEPOSITS GROUPED BY GROUP AND GEOGRAPHICAL ZONE
BY JUNE 30, 2023
(AMOUNTS IN MILLIONS OF PESOS)

	MEXICO CITY (**)	MONTERREY (*)	NORTH (***)	CENTER (****)	TOTAL
IMMEDIATE AVAILABLE DEPOSITS	11,727	11,078	5,336	15,089	43,230
TERM DEPOSITS	15,484	16,965	4,911	8,054	45,414
CREDITS SECURITIES ISSUED	0	1,494	0	0	1,494
GLOBAL COLLECTION ACCOUNT WITHOUT MOVEMENTS	0	114	0	0	114
TOTAL	**27,211**	**29,651**	**10,247**	**23,143**	**90,252**

(*) It mainly includes Monterrey and its metropolitan area.
(**) It includes Mexico City and the State of Mexico.
(***) Includes Baja California, Chihuahua, Coahuila, Durango, Sinaloa, Sonora, and Tamaulipas.
(****) Includes Aguascalientes, Colima, Guanajuato, Guerrero, Hidalgo, Jalisco, Michoacán, Morelos, Nayarit, Puebla, Querétaro, San Luis Potosí, Quintana Roo, Yucatán, and Veracruz.

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

VIII.- Results by valuation and by sale and purchase, by type of operation corresponding to the second quarter of 2024 and 2023:

		2nd 2024	2nd 2023
Result by fair value measurement			
Result from valuation of securities and derivatives	$	**52**	**4**
Titles to negotiate		61	16
Derivatives for trading purposes		(2)	(12)
Derivatives for hedging purposes		(7)	0
Impairment loss or reversal of impairment effect on securities and derivatives		**0**	**1**
Derivatives		0	1
Result by currency valuation		**(280)**	**(447)**
		(228)	(442)
Result from buying and selling			
Result from the sale and purchase of securities and derivatives		**13**	**8**
Titles to negotiate		11	6
Derivatives for trading purposes		0	0
Derivatives for hedging purposes		2	2
Results for Sales and Purchase of Currency		**320**	**485**
		333	493
	$	**105**	**51**

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

IX.- Amount and origin of the main items that make up the category of other income and expenses for the second quarter of 2024 and 2023.

Other operating expenses, net	IIQ 2024	IIQ2023
Income:		
Recoveries	16	17
Debugging accounts payable	13	49
Result from operating lease	53	-
Collection of written-off credits	42	43
Release of reserves	-	-
Release of reserves from other debts	-	-
Sale of furniture and real estate	-	4
Subscription and membership bonus	1	4
Others	56	56
Total other income	181	173
Expenses:		
Result from operating lease	-	(15)
Customer bonuses	(38)	(26)
Reserve for other overdue debts	(6)	9
Reserve foreclosed assets	(8)	2
Heartbreaks	(5)	(11)
IPAB Contribution	(88)	(85)
Others	(1)	(4)
Total other expenses	(146)	(130)
Total	35	43

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

XI.- Capitalization index
see point XX

XII.- Basic and Complementary Capital
see point XX

XIII.- Value at Market Risk

CAPITALIZATION AND MARKET VALUE AT RISK (VAR) (BEFORE REPLICATIONS WITH BANCO DE MEXICO) AMOUNTS IN MILLIONS OF PESOS	II TRIM 2024	 2023
ASSETS SUBJECT TO RISK		
OF CREDIT	51,855	47,843
MARKET	9,862	10,643
OPERATIONAL	9,645	8,000
CAPITAL STRUCTURE		
BASIC CAPITAL	8,332	7,666
COMPLEMENTARY CAPITAL	2,557	2,557
NET CAPITAL	10,889	10,223
CREDIT CAPITALIZATION INDEX	21.00%	21.37%
TOTAL CAPITALIZATION INDEX	15.26%	15.38%
AVERAGE MARKET VALUE AT RISK (VAR)	13.34	10.27
PERCENTAGE OF NET CAPITAL	0.12%	0.10%

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

XIV.- Information by segments.

Banca Afirme
Statement of Financial Position by Segments
amounts in millions of pesos

June 24	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Assets	**76,306**	**214,363**	**242**	**290,911**
Cash and Cash equivalents	3,011	2,354	-	5,365
Investments in Financial Instruments	-	173,320	-	173,320
Debtors by Repurchase	-	38,321	-	38,321
Derivative Financial Instruments	-	368	-	368
Credit card	62,081	-	-	62,081
Other assets	11,214	-	242	11,456
Liabilities	**68,104**	**214,363**	**-**	**282,467**
Immediate Demand Deposits	37,531	2,000	-	39,531
Term Deposits	23,196	24,239	-	47,435
Creditors for repurchase	-	145,672	-	145,672
Collateral Vend. O Dice in G.	-	38,321	-	38,321
Interbank Loans	3,997	-	-	3,997
Derivative Financial Instruments	-	94	-	94
Subordinated Obligations in Circulation	-	3,357	-	3,357
Other liabilities	3,380	680	-	4,060
Capital	**8,202**	**-**	**242**	**8,444**
Stockholders' Equity	8,202	-	242	8,444
Total Liabilities and Capital	**76,306**	**214,363**	**242**	**290,911**

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

Banca Afirme
Statement of Financial Position by Segments
amounts in millions of pesos

June 23	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Assets	**68,139**	**186,863**	**707**	**255,709**
Cash and Cash equivalents	1,873	7,514	-	9,387
Investments in Financial Instruments	-	144,958	-	144,958
Debtors by Repurchase	-	34,369	-	34,369
Operations with Securities and Derivatives	-	22	-	22
Credit card	56,383	-	-	56,383
Other assets	9,883	-	707	10,590
Liabilities	**60,932**	**186,863**	**-**	**247,795**
View catchment	41,235	2,000	-	43,235
Collection Term	10,995	36,026	-	47,021
Creditors for repurchase	-	144,616	-	144,616
Collateral Veins. O Dice in G.	-	-	-	-
Interbank Loans	5,351	-	-	5,351
Operations with Securities and Derivatives	-	50	-	50
Subordinated bonds	-	3,357	-	3,357
Other liabilities	3,351	814	-	4,165
Capital	**7,207**	**-**	**707**	**7,914**
Stockholders' Equity	7,207	-	707	7,914
Total Liabilities and Capital	**68,139**	**186,863**	**707**	**255,709**

Afirme Bank, Inc. A., Institución de Banca Múltiple,
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(Subsidiaria de Afirme Grupo Financiero, S. A. de C. V.)

Notes to the Consolidated Financial Statements

Amounts in millions of pesos

Banca Afirme
Statement of Comprehensive Income by Segments
amounts in millions of pesos

IIQuartT24	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Interest Income	2,366	6,390	-	8,756
Interest Expense	(1,377)	(5,998)	-	(7,375)
Preventive Estimation for Credit Risks.	(357)	-	-	(357)
Commissions and Fees Charged	317	-	736	1,053
Commissions and Fees Paid	(74)	-	(400)	(474)
RESULT BY INTERMEDIATION	40	64	-	104
OTHER INCOME (EXPENSES) FROM THE OPERATION	35	-	-	35
Administration and Promotion Expenses	(855)	(417)	(322)	(1,594)
Operating Result	95	39	14	148
ISR	(22)	(9)	(3)	(34)
Result before participation of subsidiaries	**73**	**30**	**11**	**114**
Participation in the results of subsidiaries			12	12
Net profit	**73**	**30**	**23**	**126**

Banca Afirme
Statement of Comprehensive Income by Segments
amounts in millions of pesos

IIQuart23	Credit Operations	Treasury and Investment Banking Operations	Others	Total
Interest Income	2,083	5,091	-	7,174
Interest Expense	(1,371)	(4,622)	-	(5,992)
Preventive Estimation for Credit Risks.	(651)	-	-	(651)
Commissions and Fees Charged	335	-	639	974
Commissions and Fees Paid	(125)	-	(334)	(469)
RESULT BY INTERMEDIATION	38	13	-	51
OTHER INCOME (EXPENSES) FROM THE OPERATION	43	-	-	43
Administration and Promotion Expenses	(325)	(446)	(286)	(1,057)
Operating Result	27	36	8	71
ISR	(3)	(4)	-	(7)
Result before participation of subsidiaries	**24**	**32**	**8**	**65**
Participation in the results of subsidiaries			9	9
Net profit	**24**	**32**	**17**	**74**

Amounts in millions of pesos

XV.- Information on related parties:
The main operations carried out with related parties as of June 30, 2024 and 2023, were as follows:

NATURAL AND MORAL PERSONS WHO HAVE DIRECT AND INDIRECT CONTROL OF THE GROUP	**2024**	**2023**
CASH AND CASH EQUIVALENTS	21	111
CREDIT PORTFOLIO	1,282	1,640
OPENING OF IRREVOCABLE CREDITS	211	87
OTHER ACCOUNTS RECEIVABLE	41	148
Debtors by Repurchase	38,321	34,369
PREPAID EXPENSES AND OTHER ASSETS	210	10
TERM DEPOSITS AND REPURCHASE AGREEMENTS	2,838	2,315
VISUAL PERCEPTION	641	494
CREDITORS FOR REPURCHASE	1,071	883
VARIOUS CREDITORS	5	7
SUBORDINATED BONDS	1,081	602
MEMBERS OF THE BANK AND GROUP BOARD OF DIRECTORS		
CREDIT PORTFOLIO	9	8
TERM DEPOSITS AND REPURCHASE AGREEMENTS	80	58
UPTAKE AT SIGHT	14	15
SUBORDINATED BONDS	9	9
SPOUSES AND PEOPLE RELATED TO THE PREVIOUS PEOPLE		
CREDIT PORTFOLIO	15	17
TERM DEPOSITS AND REPURCHASE AGREEMENTS	225	30
UPTAKE AT SIGHT	12	13
SUBORDINATED BONDS	377	-

Afirme Bank, Inc. A., Institución de Banca Múltiple,
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INTEREST, COMMISSIONS AND OTHER EXPENSES OF RELATED COMPANIES	**IIT 2024**	**IIT 2023**
INTEREST CHARGED	37	41
SERVICE REVENUES	21	49
FEES CHARGED	85	71
AWARDS COLLECTED	949	2,191
INCOME COLLECTED	1	1
TOTAL REVENUES	**1,093**	**2,353**
SALARIES AND BENEFITS	36	9
OTHER FEES	40	39
COMMISSIONS PAID	-	-
RENT PAID	41	39
INTEREST PAID	105	92
OTHER OPERATING AND ADMINISTRATIVE EXPENSES	127	115
AWARDS PAID	28	54
RESULT FROM PURCHASE-SALE OF SECURITIES	3	(5)
TOTAL EXPENSES	**380**	**343**

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Financial indicators

RELEVANT INDICATORS	IIQ 24	IIQ 23	
NPL ratio (past due portfolio/total portfolio)	5.42%	5.87%	
Overdue portfolio coverage (preventive estimate/past due portfolio)	0.69	0.70	
Operating efficiency (administration and promotion expenses/average total assets)	2.21%	1.75%	
ROE (return on equity)	6.02%	3.76%	
ROA (return on assets)	0.17%	0.12%	
Liquidity Ratio (liquid assets/liquid liabilities)	0.97	0.99	
MIN (financial margin adjusted for credit risks/productive assets)	1.49%	0.92%	
Banca Afirme			
Credit Capitalization Index	21.00%	21.37%	(1)
Total Capitalization Ratio	15.26%	15.38%	(1)
Basic Capital Index	11.68%	11.53%	(1)

(1) Previous data before replicas with Banxico

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

Banca Afirme Portfolio Rating

ANNEX 35
BANCA AFIRME, SA
CREDIT PORTFOLIO RATING
AS OF JUNE 30, 2024
Amounts in millions of pesos

RISK GRADES	AMOUNT OF CREDIT PORTFOLIO	NECESSARY PREVENTIVE RESERVATIONS				
		COMMERCIAL	CONSUMPTION		HOUSING MORTGAGE PORTFOLIO	TOTAL LOAN-LOSS RESERVES
			NON-REVOLVENT	CREDIT CARD AND OTHER REVOLVING CREDITS		
A-1	$48,530	$124	$47	$35	$15	$222
A-2	$6,070	$49	$15	$18	$4	$86
B-1	$2,987	$22	$40	$10	$3	$74
B-2	$1,285	$5	$31	$6	$3	$45
B-3	$739	$7	$20	$6	$3	$35
C-1	$1,964	$116	$29	$11	$11	$166
C-2	$1,209	$5	$54	$26	$47	$132
D	$2,049	$398	$80	$79	$130	$686
E	$1,289	$343	$381	$43	$93	$861
EXCEPTED QUALIFIED	$0	$0	$0	$0	$0	$0
TOTAL	**$66,122**	**$1,069**	**$697**	**$234**	**$309**	**$2,307**
Less:						
RESERVES CONSTITUTED						**$2,396**
EXCESS						**-$88**
BALANCE RESERVATIONS						**$2,396**

GRADES:

1.- The figures for the rating and establishment of preventive reserves are those corresponding to the last day of the month referred to in the balance sheet as of June 30, 2024.

2.- The loan portfolio is rated according to the methodology established by the National Banking and Securities Commission in Chapter V of Title Two of the General Provisions applicable to credit institutions, and may be rated by internal methodologies authorized by the Commission itself.

The Institution uses the rating methodologies established by the CNBV.

Credit institutions use risk grades: A-1; A-2; B-1; B-2; B-3; C-1; C-2; D and E, for the purposes of grouping loan-loss reserves according to the type of portfolio and the percentage that the reserves represent of the unpaid balance of the credit, which are established in Section Five "*On the constitution of reserves and their classification by degree of risk*" , contained in Chapter V of Title Two of the aforementioned provisions.

3.- The base loan portfolio for the rating includes contingent operations that are shown in the corresponding group of memorandum accounts at the bottom of the balance sheet.

4.- The excess of preventive reserves constituted by $ 88', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

Afirme Bank, Inc. A., Institución de Banca Múltiple,
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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

ANNEX 35
BANCA AFIRME, SA
CREDIT PORTFOLIO RATING
BY JUNE 30, 2023
Amounts in millions of pesos

RISK GRADES	AMOUNT OF CREDIT PORTFOLIO	NECESSARY PREVENTIVE RESERVATIONS				
		COMMERCIAL	CONSUMPTION		HOUSING MORTGAGE PORTFOLIO	TOTAL LOAN-LOSS RESERVES
			NON-REVOLVENT	CREDIT CARD AND OTHER REVOLVING CREDITS		
A-1	$43,681	$124	$44	$31	$14	$214
A-2	$5,018	$40	$14	$16	$4	$74
B-1	$2,510	$19	$34	$9	$2	$63
B-2	$1,216	$6	$27	$5	$3	$42
B-3	$780	$11	$17	$5	$2	$35
C-1	$2,140	$139	$24	$10	$8	$182
C-2	$1,058	$7	$45	$24	$40	$116
D	$2,148	$442	$84	$63	$110	$699
E	$1,390	$341	$388	$35	$122	$886
EXCEPTED QUALIFIED	$0	$0	$0	$0	$0	$0
TOTAL	**$59,941**	**$1,129**	**$677**	**$198**	**$305**	**$2,311**
Less:						
RESERVES CONSTITUTED						**$2,396**
EXCESS						**-$86**
BALANCE RESERVATIONS						**$2,396**

GRADES:

1.- The figures for the rating and establishment of preventive reserves are those corresponding to the last day of the month referred to in the balance sheet as of June 30, 2023.

2.- The loan portfolio is rated according to the methodology established by the National Banking and Securities Commission in Chapter V of Title Two of the General Provisions applicable to credit institutions, and may be rated by internal methodologies authorized by the Commission itself.

The Institution uses the rating methodologies established by the CNBV.

Credit institutions use risk grades: A-1; A-2; B-1; B-2; B-3; C-1; C-2; D and E, for the purposes of grouping loan-loss reserves according to the type of portfolio and the percentage that the reserves represent of the unpaid balance of the credit, which are established in Section Five "*On the constitution of reserves and their classification by degree of risk*" , contained in Chapter V of Title Two of the aforementioned provisions.

3.- The base loan portfolio for the rating includes contingent operations that are shown in the corresponding group of memorandum accounts at the bottom of the balance sheet.

4.- The excess of preventive reserves constituted by $ 86', correspond to reserves derived from operational risks, additional reserves for interest on overdue loans, other overdue debts and reserves for specific cases.

Amounts in millions of pesos

The following shows for each type of portfolio, the Exposure to Default, the Probability of Default and the Severity of Loss as of June 30, 2024 and 2023, respectively:

IIQ2024

Portfolio Type	Exposure to Default	Weighted Probability of Default	Loss Severity Weighted
COMMERCIAL PORTFOLIO	38,314.3	7.90%	37.66%
Housing Portfolio	13,358.0	9.54%	14.37%
Non-Revolving Consumer Portfolio	10,469.7	8.99%	71.76%
Revolving Consumer Portfolio: Credit Card	2,755.2	11.56%	73.24%

IIQ2023

Portfolio Type	Exposure to Default	Weighted Probability of Default	Loss Severity Weighted
COMMERCIAL PORTFOLIO	34,873.5	8.30%	37.79%
Housing Portfolio	12,097.1	9.98%	14.52%
Non-Revolving Consumer Portfolio	9,676.9	9.57%	71.68%
Revolving Consumer Portfolio: Credit Card	2,379.6	11.07%	73.01%

XVI.-Main characteristics of the issuance or amortization of long-term debt.

QAFIRME15
At the Extraordinary General Shareholders' Meeting held on February 4, 2015, the Shareholders agreed to issue non-preferred capital subordinated bonds, perpetual and susceptible to be converted into shares at the Bank's option, obtaining authorization from the Central Bank for their Issuance through official letters OFI/S33-001-12465 and OFI/S33-001-12722 dated January 21, 2015, and February 3, 2015, correspondingly. The issuance of the bonds was carried out through a private offer for up to 11,000,000 subordinated bonds with a face value of $100 pesos each, which accrue interest at a TIIE + 4.0% rate, this issuance is not guaranteed, the interest payment period is every three months, it has no maturity date. Said issuance was for an amount of $ 800, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 73%.

QBAFIRME18
At the Extraordinary General Shareholders' Meeting held on October 1, 2018, the Shareholders agreed to carry out an issue of non-preferred subordinated capital bonds not convertible into shares, obtaining authorization from the Central Bank for their issuance through official letter OFI/033-24335. The issuance of the bonds was carried out through a public offering of up to 12,000,000 subordinate bonds with a face value of $100 pesos each, which earn interest at a TIIE + 2.8% rate, this issuance is not secured, the interest payment period is every 28 days and its maturity will be in September 2028. Said issuance was for an amount of $ 1,200, the proportion of the authorized amount of the subordinated obligations compared to the amount issued was 100%. As of November 30, 2023, the circulating securities of the issue were prematurely matured.

QBAFIRME20

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred subordinated capital bonds not convertible into shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. Through an issuance act dated March 24, 2020, it was carried out through a public offer of up to 5,000,000 subordinated obligations with a nominal value of $100.00 pesos each, which accrue interest at a TIIE + 2.8% rate, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in March 2030. Said issuance was for an amount of $ 500, the proportion of the authorized amount of the subordinated bonds compared to the amount issued was 100%.

QBAFIRME20-2

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred subordinated capital bonds not convertible into shares, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. Through an issuance deed dated October 22, 2020, a public offer was carried out for up to 2,300,000 subordinated bonds with a nominal value of $100.00 pesos each, which accrue interest at a TIIE + 2.8% rate. This issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in October 2030. Said issuance was for an amount of $ 230, the proportion of the authorized amount of subordinated bonds compared to the amount issued was 100%.

QBAFIRME22

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issuance of non-preferential subordinated capital bonds that cannot be converted into shares, obtaining authorization from the Central Bank for their issuance through document 153/12258/2020. By means of the act of issue dated February 15, 2022, the subordinated obligations were issued through a public offer for up to 2,012,500 subordinated obligations with a nominal value of $ 100.00 pesos each, which accrue interest at a TIIE rate of 28 days + 2.8%, this issue is not guaranteed, the interest payment period is every 28 days and its maturity will be in February 2032. This issuance was for an amount of $201, and the ratio of the authorized amount of subordinated debentures to the amount issued was 100%.

QBAFIRME22-2

At the Extraordinary General Shareholders' Meeting held on March 17, 2020, the Shareholders agreed to carry out an issue of non-preferred, non-convertible subordinated capital obligations of the Bank, obtaining authorization from the Central Bank for their issuance through official letter 153/12258/2020. On September 14, 2022, the subordinated debentures were issued through a public offering of 4,025,000 subordinated debentures, considering that the Issuer exercised its over-allotment right for 525,000 subordinated debentures, with a nominal value of Ps. 100.00 each, bearing interest at a TIIE rate for a term of up to 28 days.00 pesos each, bearing interest at a TIIE rate for a term of up to 28 days, this issue is unsecured, the interest payment period is every 28 days and maturity will be in September 2032. This issuance was for $403. The proportion of the authorized amount of subordinated obligations to the issued amount was 100%.

BAFIRME 23

At the Extraordinary General Shareholders' Meeting held on November 27, 2023, the Shareholders agreed to carry out an issue of non-preferred, non-convertible subordinated capital obligations of the Bank, obtaining authorization from the CNBV for their issuance through official letter 153/5758/2023. Through an issuance act dated November 30, 2023, the issuance of subordinated obligations was carried out through a public offer for 12,000,000 subordinated obligations. The Issuer did not exercise the over-allotment right, with a nominal value of $100.00 pesos each, which accrue interest at a TIIE rate for up to 28 days, this issuance is not guaranteed, the interest payment period is every 28 days and its maturity will be in November 2033. This issuance was for $1,200. The proportion of the authorized amount of subordinated obligations to the issued amount was 47%. The authorized program is for a total amount of $2,550.

As of June 30, 2024 and 2023, the amount placed from the current issues in the category of "Subordinated obligations in circulation" amounts to $3,357 and 3,357, respectively, which include accrued interest pending payment of $34 and $33 and include issuance costs and expenses to be amortized, which amount to $11 and $10, respectively.

As of June 30, 2024, the subordinated obligations are registered in the consolidated Financial Situation Statement under the item "Subordinated obligations in circulation", which have the option of prepayment from the fifth year and have among other things the following characteristics:

I.- They are bearer titles.

II.- Coupons will not be attached for the payment of interest and the issue will be backed by a single bearer security.

III.- They meet the requirements and contain the mentions referred to in articles 63 and 64 of the LIC, as well as the provisions of Circular 2019/95 and in the Capitalization Rules.

IV.- They confer the Bondholders corresponding to this issue equal rights and obligations.

V.- They enjoy executive action against the issuer, upon request for payment before a notary public.

As of June 30, 2024, the subordinated obligations do not have a discount rate or premium.

XVII.- The consolidated financial statements are prepared based on banking legislation and in accordance with the accounting criteria for credit institutions in Mexico (the Accounting Criteria) established in Annex 33 of the Provisions, and the applicable operating rules, established by the Commission, which is responsible for the inspection and surveillance of credit institutions and reviews their financial information.

The Accounting Criteria establish that the accounting of credit institutions must conform to the basic structure of the Financial Reporting Standards (NIF) defined by the Mexican Council of Financial Information Standards, A.C. (CINIF) in NIF A-1 "Structure of Financial Reporting Standards", first considering the NIFs contained in the NIF A Series "Conceptual Framework", as well as what is established in Accounting Criterion A-4 "Supplementary Application to Accounting Criteria". Likewise, they establish that institutions must observe the accounting guidelines of the NIF except when necessary, at the discretion of the Commission, to apply a specific regulation or accounting criteria on the recognition, valuation, presentation, and disclosure applicable to specific items of the financial statements and those applicable to their preparation.

XVIII.- Activity and outstanding operations-

Banca Afirme, S. A., Institución de Banca Múltiple, Afirme Grupo Financiero (the "Bank") was incorporated under Mexican laws domiciled at Av. Juarez No. 800 Sur, Zona Centro, Monterrey, N. L The Bank is a 99.99% subsidiary of Afirme Grupo Financiero, S. A. de C. V. ("Grupo Afirme") and based on the Law of Credit Institutions ("LIC"), is authorized to carry out multiple banking operations, which include, among others, the acceptance and granting of credits, the collection of deposits, the making of investments in financial instruments, the operation of repurchase agreements and financial derivative instruments and the execution of trust contracts, among others. Their activities are regulated by the Bank of Mexico ("Central Bank") and by the National Banking and Securities Commission (the "Commission").

Some relevant regulatory aspects require the Bank to maintain a minimum capitalization ratio in relation to the market and credit risks of its operations, compliance with certain limits on acceptance of deposits, obligations and other types of funding that can be denominated in foreign currency, as well as the establishment of minimum limits of paid capital and capital reserves.

The two subsidiaries of the Bank in whose capital stock it participates 99.976% and 99.99%, respectively, are described below:

- Arrendadora Afirme, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Regulated Entity, Affirme Grupo Financiero (the "Leasing Company") (99.976% stake), dedicated to the execution of financial and operational leasing contracts of movable and immovable property, acceptance and granting of credit, making investments and financial instruments.

- Fondos de Inversión Afirme, S. A. de C. V., Investment Fund Operating Company (the "Operator") (99.99% stake), which is engaged in the provision of asset management services, distribution, valuation, promotion and acquisition of shares issued by Investment Funds, as well as the deposit and custody of assets subject to investment of shares of investment funds, among others.

The Bank has entered into a liability agreement in accordance with the provisions of the Law to Regulate Financial Groupings ("LRAF"), through which Grupo Afirme undertakes to be unlimitedly liable for compliance with the obligations of its subsidiaries, as well as for the losses that may be generated in your case.

XIX.- Summary of the main accounting policies-

The accounting policies shown below have been uniformly applied in the preparation of the consolidated financial statements presented, and have been consistently applied by the Bank.

Authorization -

On July 26, 2024, Mr. P. Jesus Antonio Ramirez Garza (General Director); Atty. Alejandro Garay Espinosa (Deputy General Director of Corporate Administration, Financial Controller); Mr. Luis Arturo Arias Medina (Director of Finance); and C. P. David Gerardo Martínez Mata (Director of Internal Audit) authorized the issuance of the attached consolidated financial statements and their notes.

In accordance with the General Law of Commercial Companies ("LGSM"), the Bank's bylaws, and the General Provisions applicable to Credit Institutions ("the Provisions"), issued by the Commission, the shareholders and said Commission have the power to modify the consolidated financial statements after their issuance. The consolidated financial statements attached as of June 30, 2024 will be submitted for approval at the next Shareholders' Meeting.

Presentation bases -

a) Compliance Statement-

The consolidated financial statements are prepared based on banking legislation and in accordance with the accounting criteria for credit institutions in Mexico (the Accounting Criteria) established in Annex 33 of the Provisions, and the applicable operating rules, established by the Commission, which is responsible for the inspection and surveillance of credit institutions and reviews their financial information.

The Accounting Criteria establish that the accounting of credit institutions must conform to the basic structure of the Financial Reporting Standards (NIF) defined by the Consejo Mexicano de Normas de Información Financiera y de Sostenibilidad, A.C. (CINIF) in the NIF A-1 "Conceptual Framework of Financial Reporting Standards", as well as what is established in the accounting criterion A-4 "Supplementary application to accounting criteria". Likewise, they establish that institutions must observe the accounting guidelines of the NIF except when necessary, at the discretion of the Commission, to apply a specific regulation or accounting criteria on the recognition, valuation, presentation, and disclosure applicable to specific items of the financial statements and those applicable to their preparation.

The Accounting Criteria indicate that in the absence of specific accounting criteria from the Commission for credit institutions, or in a broader context, from the NIF, the bases of subsidiarity provided in Chapter 90 "Subsidiarity of the NIF A-1 Conceptual Framework of Financial Reporting Standards" by the NIF A-8 "Subsidiarity" will be applied, and only in the event that the International Accounting Standards (IAS) referred to in Chapter 90 "Subsidiarity of the NIF A-1" do not provide a solution to accounting recognition, it may be chosen to apply a subsidiary standard that belongs to any other regulatory scheme, provided that it complies with all the requirements indicated in the aforementioned NIF and the same accounting criteria, the subsidiarity must be applied in the following order: the generally accepted accounting principles in the United States of America (US GAAP) and any accounting standard that is part of a formally recognized set of standards, as long as it meets the requirements of the A-4 criterion "Supplementary application to the accounting criteria" of the Commission.

b) Relative importance-

In accordance with the Accounting Criteria, financial information should take into account what is established in NIF A-7 "Presentation and disclosure", regarding that the responsibility to provide information about the economic entity rests with its Administration, having to gather such information, certain qualitative characteristics such as reliability, relevance, understandability and comparability based on what is provided in NIF A-1 "Structure of financial information standards". The Administration should consider the relative importance in terms of the NIF A-4 "Qualitative Characteristics of Financial Statements", that is, they should show material aspects of the Bank recognized in accounting as indicated by this characteristic associated with relevance. The above implies, among other elements, that relative importance requires the exercise of professional judgment in the circumstances that determine the facts reflected in the financial information. In the same sense, an appropriate balance must be obtained between the qualitative characteristics of financial information in order to achieve the objective of the consolidated financial statements, for which an optimal point should be sought rather than the achievement of maximum levels of all qualitative characteristics.

c) Use of judgments and estimates -

The preparation of the consolidated financial statements requires the Administration to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the recorded amounts of revenues and expenses during the fiscal year. Actual results may differ from these estimates and assumptions.

Judgments

The information about judgments made in the application of accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is described in the following notes:

- Revenue Recognition: determining whether revenues are recognized over time or at a specific point in time.
- Investments in associates: determination of whether the Bank has significant influence.

- Consolidation: determination of whether the Bank has de facto control over a subsidiary.
- Investments in financial instruments: business model definition: Financial Instrument for Collecting Principal and Interest (FICPI), Financial Instrument for Collecting or Selling (FICV), or Negotiable Financial Instrument (NFI).
- Credit portfolio: definition of the business model, either to collect principal and interest (IFCPI), or to collect or sell (IFCV).
- Derivatives: determination on whether financial instruments are for trading or are designated for hedging purposes.

Assumptions and uncertainties in estimates-

The information about judgments made in the application of accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements and on assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year, is included in the following notes:

- Investments in financial instruments: Market values of securities in observable markets.
- Valuation of financial derivative instruments: key assumptions for determining market value, especially those complex derivatives without an active market.
- Determination of the preventive estimate for credit risks and recoverability of accounts receivable: assumptions and inputs used in its determination.
- Recognition of deferred tax assets: availability of future taxable profits, and the realization of deferred taxes.

Determination of fair value-

Some of the Bank's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Bank has a control framework established in relation to the measurement of fair values. This includes the authorization by the Board of Directors for the hiring of a price provider, in addition to the authorization by the Bank's Risk Committee of the internal valuation models and their modifications, the estimation methods of the variables used in these valuation models when they are not directly provided by the price provider that the Bank has hired, and of those values and other financial instruments and virtual assets to which the internal valuation models are applicable.

Likewise, the established control framework includes a valuation team that has the overall responsibility for the supervision of all significant fair value measurements, including Level 3 fair values, and that reports directly to the Bank's Risk Committee. The valuation team regularly reviews significant unobservable input data and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, the valuation team evaluates the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of the IFRS, including the level within the fair value hierarchy within which these valuations should be classified. Significant valuation matters are reported to the Audit Committee and the Risk Committee of the Bank.

When measuring the fair value of an asset or liability, the Bank uses observable market data whenever possible. Reasonable values are classified at different levels within a fair value hierarchy that is based on input data (observability of inputs) used in valuation techniques, as described on the following page.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities, which corresponds to the highest level, corresponding to prices obtained exclusively with Level 1 input data.
- Level 2: Input data different from the quoted prices included in Level 1, which are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices) corresponding to prices obtained with Level 2 input data.
- Level 3: data or inputs to measure the asset or liability that are not based on observable market data (unobservable input data), which corresponds to the lowest level, for those prices obtained with level 3 input data.

Financial instruments that are valued using the Bank's internal valuation model are not considered Level 1 under any circumstances.

If the input data used to measure the fair value of an asset or liability are classified at different levels of the fair value hierarchy, then the fair value measurement is classified in its entirety at the same level of the fair value hierarchy as the lowest observable variable that is significant to the total measurement.

In accordance with the Provisions, the Bank determines the fair value of the following financial instruments through direct vector valuation, which consists of applying the updated price for valuation provided by a price provider to the Bank's position in securities or contracts:

I. Values registered in the national registry of values or authorized, registered or regulated in markets recognized by the Commission.
II. Derivative financial instruments that are listed on national derivative exchanges or that belong to markets recognized by the Central Bank.
III. Underlying assets and other financial instruments that are part of structured operations or derivative packages, when it comes to securities or financial instruments provided in sections I and II mentioned above.

The price provider hired by the Bank that provides the prices and inputs for the determination of the valuation of financial instruments is Operational Valuation and Market References, S. A. de C. V. ("Valmer").

d) Functional Currency and Reporting Currency -

The consolidated financial statements are presented in the reporting currency of the Mexican peso, which is the same as the recording currency and its functional currency.

For disclosure purposes in the notes to the consolidated financial statements, when reference is made to pesos, national currency or "$", it refers to millions of Mexican pesos, and when reference is made to dollars or "USD", it refers to United States dollars.

e) Investments in financial instruments -

i. Initial recognition and measurement

Investments in financial instruments include equity instruments, obligations, bonds, certificates and other credit titles and documents that are issued in series or in bulk, listed and unlisted, which the entity holds as its own position. They are initially measured and recognized at their fair value plus, in the case of financial assets or liabilities not measured at fair value with changes in this, carried through comprehensive income, the transaction costs directly attributable to their acquisition or issuance, when subsequently measured at their amortized cost.

ii. Classification and subsequent measurement

In the initial recognition, investments in financial instruments are classified into the following categories, according to the business model and the characteristics of their contractual cash flows, such as:

— *Financial instruments to collect principal and interest (IFCPI)* , whose purpose in holding them is to recover the contractual flows that the instrument entails. The terms of the contract provide for cash flows on predetermined dates, which correspond only to payments of principal and interest (yield), usually on the amount of the outstanding principal. The IFCPI must have the characteristics of a granted financing and be managed based on its contractual performance.

— *Financial instruments to collect or sell (IFCV)* , measured at fair value with changes in other comprehensive income (VRCORI), whose objective is both to collect the contractual flows of principal and interest, and to obtain a profit on their sale when it is convenient. The Bank irrevocably acknowledges the changes in the fair value of the IFCV through the ORI; and

— *Negotiable financial instruments (NFI)* , measured at fair value with changes in results (VRCR) that represent the investment in debt or equity financial instruments, and whose objective is to obtain a profit between the purchase and sale price.

The classification of investments in financial instruments is based both on the business model and on the characteristics of their contractual cash flows. In accordance with the business model, a financial instrument or a class of financial instruments (a portfolio), can be managed under:

— A model that seeks to recover contractual flows (represented by the amount of principal and interest).

— A business model that seeks both the recovery of contractual flows as in the previous model, and the obtaining of a profit through the sale of financial instruments, which leads to shifting a combined management model of these financial instruments.

— A model that seeks to achieve maximum performance through the purchase and sale of financial instruments.

Financial instruments are not reclassified after their initial recognition, except if the Bank changes its business model, in which case all affected financial instruments are reclassified to the new category at the time when the change in the business model has occurred.

The reclassification of investments in financial instruments between categories is applied prospectively from the date of change in the business model, without modifying any previously recognized profit or loss, such as interest or impairment losses.

When any reclassification is made in accordance with the aforementioned, the Bank must inform the Commission in writing of this fact within 10 business days following its determination, detailing the change in the business model that justifies it. Such change must be authorized by the Bank's Risk Committee.

A financial instrument is measured at amortized cost if the following two conditions are met and it is not classified as measured at its fair value with changes through results:

— The financial instrument is preserved within a business model whose objective is to maintain the financial instruments to obtain the recovery of contractual cash flows; and

— The contractual conditions of the financial instrument give rise, on specific dates, to cash flows that are represented only by payments of the principal and interest on the outstanding principal amount (Only Principal and Interest Payment, or SPPI, for its acronym).

An investment in a debt instrument is measured at fair value with changes in other comprehensive income (OCI) if the following two conditions are met and it is not classified as measured at fair value with changes in results:

— The financial asset is maintained within a business model whose objective is achieved both by obtaining the contractual cash flows and by selling the financial assets; and

— The contractual conditions of the financial asset give rise, on specific dates, to cash flows that are represented only by payments of the principal and interest on the outstanding principal amount (SPPI).

All financial instruments not classified as measured at amortized cost or at fair value with changes in other comprehensive income (OCI) as described above, are measured at fair value with changes in results. This includes all derivative financial instruments (see clause (j) of this note).

Financial Instruments: Evaluation of the Business Model

The Bank conducts an evaluation of the business model objective in which a financial instrument is maintained at the portfolio level, as this is what best reflects the way the business is managed and information is delivered to the Administration. The information considered includes:

— The policies and objectives outlined for the portfolio and the operation of these policies in practice. These include whether the Administration's strategy focuses on collecting income from contractual interests, maintaining a specific interest rate profile, or coordinating the duration of financial instruments with that of the liabilities that these instruments are financing or the expected cash outflows, or generating cash flows through the sale of the instruments;

— How is the portfolio performance evaluated and how is this reported to the Bank's Administration;

— the risks that affect the performance of the business model and, specifically, the way in which these risks are managed;

— how are the business managers compensated; and

— the frequency, volume, and timing of sales in previous periods, the reasons for those sales, and expectations about future sales activity.

The transfers of financial instruments to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Bank's ongoing recognition of the instruments.

Financial instruments that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value with changes in results.

Financial Instruments: Evaluation of whether contractual cash flows are solely payments of principal and interest (SPPI) -

For the purposes of this assessment, the amount of the "principal" is defined as the fair value of the financial instrument at the time of initial recognition. "Interest" is defined as the consideration for the value of money over time and for the credit risk associated with the outstanding principal, over a specific period of time and for other basic risks and costs of loans (for example, liquidity risk and administrative costs), as well as a profit margin.

When assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), the Bank considers the contractual terms of the instrument. This includes assessing whether a financial instrument contains a contractual condition that could change the timing or amount of the contractual cash flows in such a way that it would not meet this condition.

When conducting this assessment, the Bank takes into account:

— contingent events that would change the amount or timing of cash flows;

— terms that could generate leverage;

— Terms that refer to the value of money over time, such as adjusting the coupon rate, including variable rate features;

— terms that generate implicit derivative instruments, or changes in their terms and conditions, by indexing to variables unrelated to the nature of the contract;

— features of advance payment and extension; and

— Terms that limit the Bank's right to cash flows from specific instruments.

A prepayment feature is consistent with the sole principal and interest payment criterion if the prepayment amount substantially represents the unpaid amounts of the principal and interest on the principal amount, which may include additional reasonable compensation for the early termination of the contract. Additionally, in the case of a financial instrument acquired at a significant discount or premium to its contractual nominal amount, a feature that allows or requires the prepayment of an amount that substantially represents the contractual nominal amount plus accrued (but unpaid) contractual interest (which may also include a reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Instruments: Subsequent Measurement and Profits and Losses -

Negotiable Financial Instruments (NFI)	These instruments are subsequently measured at fair value. Net gains and losses, including any income from interest or dividends, are recognized in results (VRCR). However, see subsection (j) of this note in the case of derivatives designated as hedging instruments.
Financial instruments for collecting principal and interest (FICPI)	These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, gains and losses from foreign currency conversion, and impairment are recognized in results. Any gain or loss in the write-down of accounts is recognized in earnings.
Financial Instruments for Collection or Sale (FICS)	These instruments are subsequently measured at fair value. Interest income calculated under the effective interest method, gains and losses from foreign currency conversion, and impairment are recognized in results. Other net gains and losses are recognized in other comprehensive income (OCI). At the time of account closure, accumulated gains and losses in other comprehensive income are reclassified into results.
Investments in stocks through ORI	These assets are subsequently measured at fair value. Dividends are recognized as income in results unless the dividend clearly represents a recovery of part of the investment cost. Other net gains and losses are recognized in other comprehensive income.

iii. Drop in accounts

The Bank writes off financial instruments from accounts when the contractual rights to the cash flows from the financial instrument expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and benefits of ownership of the financial instrument are transferred, or in which the Bank neither transfers nor retains substantially all the risks and benefits related to ownership and does not retain control over the financial instruments.

The Bank participates in transactions in which it transfers the instruments recognized in its consolidated financial statement, but retains all or substantially all the risks and benefits of the transferred financial instruments. In these cases, the transferred financial instruments are not written off in accounts (see subsections (j) and (k) of this note).

iv. *Deterioration*

The Bank assesses from its initial recognition the expected credit losses (ECL) of the FVOCI and the FVPL, which are determined considering the level of expected recoverability corresponding to the different Financial Instruments to be Collected (FIC) and recognizes the effect of the loss, based on the amortized cost of the FVOCI and the FVPL. Given that the fair value of the IFCV already recognizes the impairment for expected credit losses, the Bank does not proceed to create an estimate that reduces the fair value of the IFCV; therefore, the effect is recognized in the net profit or loss, affecting the value of the IFCV before recognizing the effect in ORI for fair value valuation. For the IFCPI, the determined PCE is recognized affecting the fair value of the IFCPI. The above does not affect the NIFs, as the issue of collectability does not arise in these since there is no intention to collect, and because the market value of them generally captures the effects of expected credit losses of the same.

The ECLs are the weighted average by the probability of credit losses and are measured as the present value of cash shortfalls. When estimating the PCE, the Bank considers reasonable and sustainable information that is relevant and available without undue costs or efforts. This includes quantitative and qualitative information and analysis, based on the Bank's historical experience and an informed credit assessment including prospective information.

The Bank ensures that the PCE for the deterioration of securities issued by a counterparty is consistent with the deterioration determined for credits granted to the same counterparty, in case both operations are presented.

In the event that there are favorable changes in the credit quality of the IFCV that are properly supported based on observable subsequent events, the already recognized PCE is reversed in the period in which these changes occur, against the net profit or loss of the period, as a reversal of previously recognized PCE.

Value date operations-
The acquired titles that are agreed to be settled at a later date, up to a maximum period of four business days following the agreement of the purchase and sale operation, are recognized as restricted titles, while the sold titles are recognized as titles to be delivered, reducing investments in securities. The counterparty must be a clearing, creditor, or debtor account, as appropriate. When the amount of securities to be delivered exceeds the balance of own position securities of the same nature (government, banking, equity and other debt securities), it is presented in the liabilities under the item "Securities assigned for settlement".

f) Repurchase operations-

Repurchase operations that do not comply with the terms established in the NIF C-14 "Transfer and write-off of financial assets", are treated as collateral financing, attending to the economic substance of these transactions, regardless of whether they are "cash-oriented" or "security-oriented" repurchase operations. In "cash-oriented" transactions, the reported intention is to obtain cash financing and the buyer's intention is to invest their excess cash, and in the "security-oriented" transaction, the buyer aims to access specific securities and the seller's intention is to increase the returns on their securities investments.

Acting as reported-

On the date of the repurchase agreement operation, the Bank acknowledges the cash inflow or cash equivalents or a debtor clearing account, as well as a payable account initially measured at the agreed price that is presented in the "Repurchase Creditors" section, which represents the obligation to return said cash to the buyer. Throughout the duration of the repurchase agreement, the payable account is valued at its amortized cost by recognizing the interest for the repurchase agreement in the results of the fiscal year as it accrues, in accordance with the effective interest method, under the heading of "Interest Expenses". The financial assets transferred to the buyer entity are reclassified in the consolidated financial position statement, presenting them as restricted, and continue to be valued in accordance with the accounting criterion corresponding to the asset.

Acting as a buyer-

On the date of the repurchase agreement operation, the cash outflow and cash equivalents are recognized, or a creditor liquidating account, recording an account receivable at the agreed price that is presented in the "Repurchase Debtors" item, which represents the right to recover the cash delivered. Throughout the term of the repurchase agreement, the accounts receivable was valued at its amortized cost, by recognizing the interest for the repurchase in the results of the fiscal year as it accrues, in accordance with the effective interest method, under the heading of "Interest Income". Financial assets received as collateral are recorded in order accounts and are valued at fair value.

In the event that the Bank sells the collateral or grants it as a guarantee, the entry of the proceeds from the transaction is recognized, as well as an account payable for the obligation to return the collateral, which is valued, in the case of sale at its fair value or, in the event that it is given as a guarantee in another repurchase operation, at its amortized cost. The difference that may result between the price received and the value of the account payable is recognized in the results of the fiscal year.

g) Derivative financial instruments and hedging operations -

The Bank classifies derivative financial instruments based on their intent into the two categories shown below:

— For negotiation purposes - It consists of the position that the Bank assumes with the intention of obtaining profits based on changes in its fair value.

— For coverage purposes - It consists of the position that the Bank assumes with the aim of compensating or transforming the profile of one or several of the risks generated by a covered item.

The recognition in the consolidated financial statements of assets and/or liabilities arising from operations with Financial Derivative Instruments (FDI), is carried out on the date the operation is finalized, regardless of the settlement or delivery date of the good.

The Bank recognizes all financial assets or liabilities resulting from the rights and obligations established in the IFD contracts, initially at their fair value, which, presumably, corresponds to the transaction price, that is, the consideration price received or delivered. Transaction costs that are directly attributable to the acquisition of IFD are recognized directly in results within the "Intermediation Result".

Subsequently, all IFDs are valued at their fair value, without deducting the transaction costs that could be incurred in the sale or other type of disposal, recognizing this valuation effect in the results of the period within the item "Result from intermediation".

Derivatives are presented in the consolidated financial statement in a specific item of the asset or liability, depending on whether their fair value corresponds to a debit balance or a credit balance, respectively. Such debtor or creditor balances are offset as long as they comply with the rules for offsetting financial assets and liabilities.

Operations for negotiation purposes

— *Forward contracts and futures:*

The futures contract operates with standardized terms (general contracting conditions), has a secondary market, and requires the mandatory establishment of collateral in contribution accounts or daily settlement margin accounts. The forward contract is operated privately (outside of organized futures or options markets). The balance of these IFDs represents the difference between the fair value of the contract and the stipulated "forward" price of the same. If the difference is positive, it's a capital gain and it's presented in the assets; if it's negative, it's a capital loss and it's presented in the liabilities.

— *Options:*

In purchased options, your debit balance represents the fair value of future cash flows to be received, recognizing the effects of valuation on the results of the fiscal year.

In sold options, your credit balance represents the fair value of future flows to be delivered, recognizing the effects of valuation in the results of the fiscal year.

— *Swaps:*

Your balance represents the difference between the fair value of the active part and the passive part.

Operations for negotiation purposes

The Bank designates certain IFDs as hedging instruments to cover risks associated with highly probable forecasted transactions arising from changes in exchange rates and interest rates.

At the beginning of the designated hedging relationships, the Bank documents the risk management objective and strategy to carry out the hedge. The Bank also documents the economic relationship between the hedged item and the hedging instrument (linked or designated to exposures housed in the consolidated financial position statement, in one or more hedging relationships), including whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other.

Derivatives for hedging purposes, which meet all conditions, are valued at fair value and the effect is recognized depending on the type of hedge, as shown below:

— Fair value coverages. They cover the exposure to changes in the fair value of a recognized asset or liability or of an unrecognized firm commitment, or a component of any of the above, or an aggregate exposure. The primary position covered and the hedging derivative instrument were valued at their fair value, recording the net effect in the results of the period under the heading of "Intermediation Result".

— Cash flow hedges. They cover the exposure to cash flow variability attributable to a particular risk associated with a recognized asset or liability, a portfolio or a component thereof, or one or several highly probable forecasted transactions or portions thereof, or an aggregate exposure. The derivative hedging instrument is valued at fair value and the valuation corresponding to the effective part of the hedge is recorded in the "Valuation of derivative financial instruments for cash flow hedging" account in Other Comprehensive Income. The ineffective portion is recorded in the period's results under the heading "Intermediation Result".

A hedging relationship should be discontinued prospectively when it ceases to meet the criteria for recognizing a hedging relationship, this includes when the hedging instrument is sold, expires, is terminated or exercised, as well as after any rebalancing of the hedging relationship has been considered or carried out and the hedging relationship turns out to be ineffective or does not meet the Bank's risk management objective.

Implicit derivatives

When it comes to financial liabilities, the Bank segregates the implicit derivatives of structured notes, where the underlying reference are currencies, indices, extendable term interest rate options, and options on UMS bond prices. When it comes to financial assets, the Bank analyzes the terms that can generate implicit derivatives as part of the analysis carried out to verify the recovery of capital and interest in cash flows.

For those debt contracts of credits and bonds issued, where the underlying reference is an interest rate with implicit options of " *caps", "floor" and "collars"* , which is considered closely related to the host contract, these are not segregated. Consequently, the main contract of the credits and bonds issued is recorded with the criterion applicable to each contract, in both cases at amortized cost.

Credit derivative financial instruments

These are contracts that involve the execution of one or several transactions with IFD (mainly options and swaps), with the purpose of assuming or reducing exposure to credit risk (underlying) in financial assets such as loans or securities. The transfer of risk in this type of operations can be total or partial. In such contracts, it is possible to agree on the payment of initial premiums for their execution.

Credit derivative financial instruments can be of two types:

- Credit Default Swap (CDS): These are contracts in which only the risk of default on financial assets is transferred to the counterparty, such as in credit operations or in the early repayment of securities.
- Total performance IFD: These are contracts in which, in addition to exchanging interest flows or returns inherent to financial assets, such as a credit operation or issuance of securities, the market and credit risk of these are transferred.

Collaterals granted and received in IFD operations outside of recognized markets or exchanges-

The accounts receivable generated by the granting of cash collateral in IFD operations not carried out in recognized markets or exchanges are presented in the item "Other accounts receivable, net", while the accounts payable generated by the receipt of cash collateral are presented within the item "Creditors for cash collateral received".

Collateral delivered in non-realizable assets, such as securities, are recorded as securities restricted by guarantees, and collateral received in securities for derivative transactions are recorded in order accounts.

h) Credit portfolio

The credit portfolio consists of financing granted to clients by the Bank through credit contracts, financial factoring operations, discount and assignment of credit rights, as well as financial leasing operations, which are recognized when they are originated and, in the case of acquisitions, on the date of the acquisition agreement.

The credit portfolio includes:

1. Credit portfolio valued at amortized cost. The business model of this credit portfolio consists of retaining it to collect the contractual cash flows and the terms of the contract provide for cash flows on predetermined dates, which correspond only to payments of principal and interest on the outstanding principal amount. It is initially recognized at its fair value, which corresponds to the transaction price, that is, the net financed amount resulting from adding or subtracting to the original credit amount, the insurance that has been financed, transaction costs, commissions, interest, and other items charged in advance. For subsequent recognition, the credit portfolio was valued at its amortized cost. The amortized cost corresponds to the present value of the contractual cash flows to be collected from the credit portfolio, minus the preventive estimate for credit risks.

2. Credit portfolio valued at fair value. It corresponds to a credit portfolio whose business model consists of collecting contractual cash flows, or making a profit from its sale when convenient. Its initial and subsequent recognition is made at fair value. Changes in its fair value are recognized in results.

3. Lease receivables. Your recognition complies with what is established in note 3(q).

The transaction costs referred to include, among others, fees and commissions paid to agents, advisors and intermediaries, appraisals, research expenses, as well as the credit assessment of the debtor, evaluation and recognition of guarantees, negotiations for the terms of the credit, preparation and processing of the credit documentation and closing or cancellation of the transaction, including the proportion of compensation to employees directly related to the time invested in the development of these activities. On the other hand, transaction costs do not include prizes or discounts, which are part of the fair value of the credit portfolio at the time of the transaction.

The Bank recognizes the costs and expenses associated with the granting of loans as a deferred charge, and they are amortized as an interest expense during the same period in which the income from charged commissions is recognized. The costs and expenses that the Bank defers are those considered incremental. In accordance with the Accounting Criteria established by the Commission, they are presented net of the commissions charged for the initial granting of the credit in the item "Deferred credits and advanced collections" in the consolidated financial statement.

Credit portfolio classification

The credit portfolio is presented in the categories of commercial, housing mortgage, and consumer, as described below:

Commercial credits. Include the credits mentioned below:

a) those granted to legal entities or individuals with business activity and intended for their commercial or financial operations;
b) Credits granted to financial entities other than interbank loans with a term of less than 3 business days;
c) credits for financial factoring operations, discount and assignment of credit rights;
d) credits for financial leasing operations that are entered into with legal entities or individuals with business activity;
e) Credits granted to trustees acting under the protection of trusts and credit schemes commonly known as "structured" in which there is an asset allocation that allows for individual assessment of the risk associated with the scheme;
f) the credits granted to the Federal Government, federal entities, municipalities and their decentralized agencies, and the credits to productive state companies, and

g) those with express warranty from the Federation registered with the Ministry of Finance and Public Credit and the Central Bank, as well as those expressly guaranteed by the federal entities, municipalities and their decentralized agencies, registered in the Single Public Registry referred to by the Financial Discipline Law of the federal entities and municipalities.

Housing credits. Credits for housing are classified as direct credits granted to individuals and intended for the acquisition or construction of housing without commercial speculation purposes, which have a mortgage guarantee on the borrower's housing. Likewise, housing loans are considered those aimed at the construction, remodeling or improvement of housing that are backed by the savings of the borrower's housing sub-account, or have a guarantee granted by a development banking institution or by a public trust established by the Federal Government for economic development (remodeling or improvement). Additionally, the credits granted for such purposes to the former employees of the Bank and those liquidity credits secured by the borrower's home are included.

Consumer credits. These are direct credits granted to individuals, derived from credit card operations, personal loans, payroll loans, microcredits, loans for the acquisition of durable consumer goods (known as ABCD), which include among others automotive credit and financial leasing operations that are entered into with individuals; including those credits granted for such purposes to former employees of the Bank, as well as liquidity loans that do not have real estate guarantees.

Credit lines

In the case of credit lines and letters of credit that the Bank has granted, in which not all the authorized amount is exercised, the unused part of them is recognized in order accounts.

Financial factoring operations, discount and assignment of credit rights

Financial factoring consists of an operation in which the Bank, in its capacity as "factor", agrees to acquire credit rights that the client, in their capacity as "factored" (transferor), has in their favor for a determined or determinable price, and it can be agreed that the factored party is obliged or not to respond for the timely and prompt payment of the credit rights transferred to the Bank, that is, factoring with recourse or without recourse, respectively.

The discount is an operation in which the Bank, as the "discounter", is obliged to advance to a customer, as the "discountee", the amount of a credit, against a third party and of future maturity, in exchange for the transfer in favor of the Bank of said credit, reduced by an interest in favor of the discounter.

The assignments of credit rights are financing operations through which the ownership of credit rights is transferred to the Bank, being different from the acquisitions of credit portfolio.

For any of the operations mentioned above, the Bank initially recognizes as a credit portfolio the nominal value of the portfolio received against the cash outflow, the agreed valuation recognized in "Other accounts payable" for the amount of the nominal value of the transferred credit rights that the Bank does not finance, and the financial income to be accrued.

The financial income to be accrued from these operations corresponds to the difference between the value of the portfolio received deducted from the appraisal and the financed amount. Its accrual in the comprehensive result is determined and recognized according to the effective interest rate of the operations.

Payments in kind

Payments in kind are recognized in accordance with what is established in the accounting policy for awarded goods in note 3(r).

Valuation of credits in Times Minimum Wage (VSM) or Measurement and Updating Unit (UMA)

Credits denominated in VSM or UMA are valued in pesos using the minimum wage approved by the National Commission of Minimum Wages and the UMA approved by the National Institute of Statistics and Geography, respectively, that are announced in the Official Gazette of the Federation (DOF) and are applicable on the valuation date.

Business model of the credit portfolio

The determination of the business model for the credit portfolio is based on the history of how the Bank manages it. The Bank considers the following:

a) The way in which the performance of the credit portfolio is determined and reported to the Board of Directors, for example, on returns associated with contractual collection, or its market sale value.
b) The risks that affect the performance of the business model and the credit portfolio and how these risks are managed.
c) The guidelines on which the remuneration of the credit management is based, whether on maximizing the value of the credit portfolio or on collecting its contractual flows.

The Bank also considers the frequency, value, and timing of credit portfolio sales in previous periods, the reasons for such sales, as well as expectations about future sales activity within the context and conditions in which they occurred, and the influence they have on the way the entity's objective to manage or handle the credit portfolio is achieved, and specifically on how cash flows are carried out.

Annually, the Bank evaluates the characteristics of its business models to classify the credit portfolio based on its objective, in accordance with its established policies.
Reclassifications of the valuation method

The Bank only makes reclassifications when the business model of the credit portfolio is modified, exclusively when determined by the Board of Directors as a result of significant external or internal changes that occur, communicating them to the Commission. Reclassifications are recognized prospectively without affecting the Bank's comprehensive result, in accordance with the following:

- Reclassification of credit portfolio valued at fair value with effects on results, to be valued at its amortized cost. The fair value at the date of reclassification should be its initial amortized cost, calculating the effective interest rate.

- Reclassification of credit portfolio valued at fair value with effect on the ORI, to be valued at its amortized cost. The recognized effect in the ORI must be offset against the value of the credit portfolio, so that it is valued at its amortized cost, as if it had always been recognized on this basis.

<u>Renegotiations</u>

Renegotiations are considered to be the restructuring and renewals of credit portfolio operations, which are described below:

Restructuring. It is a renegotiation from which any modification to the original credit conditions is derived, among which are:
- change in the interest rate set for the remaining term of the credit;
- change of currency or unit of account (for example, VSM, UMA or UDI);
- granting of a grace period regarding the fulfillment of payment obligations according to the original terms of the credit;
- extension of the credit term;
- modification to the agreed payment scheme, or
- Extension of guarantees that cover the credit in question.

Renovation. It is a renegotiation in which the balance of a loan is partially or fully paid off by the debtor, their joint obligors, or another person who, due to their financial ties, constitutes common risks with the debtor, through an increase to the original amount of the loan, or with the product resulting from another loan contracted with the same entity or with a third party who, due to their financial ties with the latter, constitutes common risks.

Notwithstanding the above, the Bank does not consider a credit renewed by the provisions made during the term of a pre-established credit line, as long as the borrower has paid off all the payments that are required according to the original conditions of the credit.

Due to the restructurings, as well as the renewals with which the original credit is partially liquidated, the Bank recognizes a profit or loss for the difference between the cash flows of the new credit discounted at the original effective interest rate and the book value of the original credit at the date of the renegotiation, without considering its preventive estimation for credit risks.

For the purposes of the above, book value is considered to be the amount effectively credited, adjusted for accrued interest, other financed concepts, principal and interest charges, as well as for write-offs and cancellations, bonuses and discounts that have been granted, and where applicable, the income or financial expenses to be accrued.

For the determination of the effective interest rate of the new loan, resulting from the restructuring or partial renewal, the basis is taken from the result of adding the financed amount to the transaction costs incurred and, where appropriate, the commissions charged for its origination and the result is used as a basis to apply the original effective interest rate. Transaction costs and fees charged are recognized as a deferred charge or credit, respectively, and are amortized over the remaining life of the credit.

In the case of total renewals, the Bank considers that there is a new loan, so it writes off the original loan.

Credit risk level of the credit portfolio

The credit portfolio is periodically evaluated in order to determine the credit risk, which represents the potential loss due to non-payment by a borrower or counterparty in the operations carried out by the Bank, including any real or personal guarantees granted to them, as well as any other mitigation mechanism used by the entities. The level of credit risk of the credit portfolio is classified by stages which are, in ascending order of risk level, Stage 1, Stage 2, and Stage 3.

Stage 1

It refers to a credit portfolio whose credit risk has not significantly increased from its initial recognition to the date of the consolidated financial statements, meaning it is not in the assumptions to be considered in stages 2 and 3 mentioned later.

Additionally, in accordance with the provisions for the determination of the preventive estimate for credit risks, the Bank considers the following criteria to define when credits are in Stage 1:

- On non-revolving consumer loans (for the acquisition of durable consumer goods or ABCD, Auto, Payroll, Personal and Others), when they present up to a month late .
- For credit card and other revolving credits, when there is a default in the immediate previous consecutive periods.
- In the case of microcredits, when they present up to a month of delay.
- For the mortgage and housing loan portfolio, when there are delays of up to one month or delays of up to three months for a portfolio that has an extension.
- In the case of commercial credit portfolio, when there are delays of 30 natural days or less.

Stage 2

It includes credits that have shown a significant increase in risk from their initial recognition up to the date of the consolidated financial statements in accordance with the calculation models for the preventive estimation of credit risks (see note 3(n)).

Additionally, in accordance with the provisions for the determination of the preventive estimate for credit risks, the Bank considers the following criteria to define when credits are in Stage 2:

- For non-revolving consumer credits, when they present delays of more than one month and up to three months.
- In the case of credit cards and other revolving credits, when they present more than one and up to three defaults in immediate consecutive periods.
- Microcredits, when they present delays of more than one month and up to three months.
- Mortgage and housing credit portfolio, if they present delays of more than one month and up to three months.
- Commercial credit portfolio, when it presents delays greater than 30 calendar days and less than 90 calendar days.

The credits that are in stage 2 and have fully paid off the outstanding payable balances, or that have been restructured or renewed and have met the sustained payment, are reclassified to stage 1.

Stage 3

It corresponds to the credit portfolio with credit deterioration originated by the occurrence of one or more events, which have a significant impact on the future cash flows of such credits. Specifically, the credits considered at this stage are the following:

1. Those for which the Bank is aware that the debtor has been declared in commercial bankruptcy.

   Notwithstanding the above, the credits that continue to receive payment under the terms provided by section VIII of article 43 of the Commercial Bankruptcy Law ("LCM"), as well as the credits granted under article 75 in relation to sections II and III of article 224 of the aforementioned Law, are transferred to a credit portfolio with stage 3 credit risk when they incur the assumptions provided by the following numeral 2.

2. In the case of non-revolving consumer loans, microloans, and housing loans, which have been partially paid, when the due dates of their debts are as follows:

a. Credits with a single payment of principal and interest at maturity, when they present 30 calendar days or more overdue in capital and interest.
b. Credits with a single principal payment at maturity and with periodic interest payments, if they present 90 natural days or more overdue in interest or 30 natural days or more overdue in capital.
c. Partial periodic payments of principal and interest, when they present 90 natural days or more overdue in capital or interest.

3. Credits different from those mentioned in the previous section, whose amortizations have not been fully settled in the terms originally agreed upon, when the due dates of their debts are as follows:
   a. Credits with a single payment of principal and interest at maturity, when they present 30 calendar days or more overdue in capital and interest.
   b. Credits with a single principal payment at maturity and with periodic interest payments, if they present 90 natural days or more overdue in interest or 30 natural days or more overdue in capital.
   c. Partial periodic payments of principal and interest, when they present 90 natural days or more overdue in capital or interest.

4. Immediate collection documents referred to in the accounting policy of "Cash and cash equivalents", at the time when they have not been collected.

For consumer credits where the payment conditions established in the contract stipulate payments with a frequency less than one calendar month, the Bank considers the following equivalences:

Frequency for contractual payment	Equivalence	
	30 days	**90 days**
Biweekly	2 fortnights	More than 6 fortnights
Biweekly	2 fortnights	More than 6 fortnights
Decennial	3 dozens	More than 9 dozens
Weekly	4 weeks	More than 13 weeks

Additionally, in accordance with the provisions for the determination of the preventive estimate for credit risks, the Bank considers the following criteria to define when credits are in Stage 3:

- For non-revolving consumer credits when there are delays greater than three months
- Regarding credit cards and other revolving credits, when they present more than three defaults in immediate consecutive periods.
- Microcredits, when they present delays greater than three months.
- Mortgage and housing credit portfolio. When they have delays of more than three months.
- Commercial credit portfolio, if there are delays of 90 natural days or more.

In the case of credit portfolio acquisitions, for the determination of natural days of maturity, defaults that have occurred since their origination are considered.

The credits that are in stage 3 and have fully paid off the outstanding payable balances, or that have been restructured or renewed and have met the sustained payment, are reclassified to stage 1.

Effect of renegotiations on the level of credit risk.

Credits with stage 2 or stage 3 credit risk that are restructured or renewed are not reclassified to a stage with lower credit risk as a result of their restructuring or renewal, as long as there is no evidence of sustained payment.

Credits with a single principal payment at maturity, regardless of whether the interest is paid periodically or at maturity, that are restructured during their term or renewed at any time, are transferred to the next immediate category with higher credit risk, and remain in that stage until there is evidence of sustained payment.

The arranged credit lines, which have been restructured or renewed at any time, are transferred to the immediate next category with higher credit risk, except when there are elements that justify the borrower's repayment capacity and the following has been met:

a) the entirety of the payable interest has been settled, and
b) All payments required under the terms of the contract have been covered as of the date of restructuring or renewal.

In the case of credit provisions made under a line of credit, when they are restructured or renewed independently of that line, they are evaluated in accordance with the rules for restructurings and renewals previously described, taking into account the characteristics and conditions of the provision or provisions that have been restructured or renewed.

If after the evaluation described in the previous paragraph it is concluded that one or more provisions granted under a line of credit must be transferred to the next immediate category with higher credit risk due to such restructuring or renewal, and such provisions, individually or collectively, represent at least 25% of the total balance of the line of credit as of the date of restructuring or renewal, the total balance disbursed, as well as its subsequent provisions, are transferred to the next immediate category with higher credit risk.

Credits with credit risk in stage 1 and stage 2, other than credits relating to i) credits with a single principal payment at maturity, regardless of whether interest is paid periodically, ii) arranged credit lines, and iii) credit disbursements made under credit lines, which have been restructured or renewed and for which at least 80% of the original credit term has not elapsed, remain in the same category only if they meet the following:

a) the borrower has covered the entirety of the accrued interest up to the date of renewal or restructuring, and
b) the borrower has covered the principal of the original loan amount, which should have been covered by the date of renewal or restructuring.

Regarding the same type of credits mentioned in the previous paragraph, with credit risk in stage 1 and stage 2, but which have been restructured or renewed during the course of the final 20% of the original credit term, they are transferred to the next immediate category, with higher credit risk, unless they meet the following:

a) The total accrued interest has been paid off as of the date of renewal or restructuring.
b) the principal of the original loan amount has been covered, which as of the date of renewal or restructuring should have been covered, and
c) 60% of the original loan amount has been covered.

If all the conditions described in the two previous paragraphs are not met, as applicable, the credit is transferred to the next immediate category with higher credit risk from the moment it is restructured or renewed and until there is evidence of sustained payment.

The requirement of sections a) of the two previous paragraphs is considered fulfilled, when having covered the interest accrued to the last cut-off date, the period elapsed between said date and the restructuring or renewal does not exceed the lesser of half the current payment period and 90 days.

Credits with credit risk in stage 1 or stage 2 that are restructured or renewed more than once are transferred to a portfolio with credit risk in stage 3, except when the Bank has elements that justify the debtor's ability to pay. In the case of commercial portfolio, such elements must be properly documented and integrated into the credit file.

When various credits granted by the Bank to the same borrower are consolidated through a restructuring or renewal, each of the consolidated credits is analyzed as if they were restructured or renewed separately and, if it is concluded that one or more of these credits would have been transferred to a portfolio with credit risk in stage 2 or stage 3 due to the restructuring or renewal itself, the total balance of the consolidated credit is transferred to the category that would correspond to the credit subject to consolidation with the highest credit risk.

Credits classified in the stage 2 credit risk level due to a restructuring are periodically evaluated to determine if there is an increase in their risk that causes them to be transferred to the stage 3 credit risk level, as described in the first paragraph of the subsection "Stage 3" of this note.

Credits are not transferred to a category with a higher credit risk, as a result of their restructuring, if at the date of the operation they present payment compliance for the total amount due of principal and interest and only modify one or several of the original conditions of the credit mentioned below:

- Guarantees: only when they involve the expansion or replacement of guarantees with others of better quality.

- Interest rate: when the agreed interest rate is improved for the borrower.

- Currency or unit of account: as long as the corresponding rate is applied to the new currency or unit of account.

- Payment date: only in the case that the change does not involve exceeding or modifying the frequency of payments. Under no circumstances does the change in the payment date allow for the omission of payment in any period.

- Credit line expansion: only in the case of consumer credits granted through revolving credit lines.

Sustained payment of the credit.

It is considered that there is sustained payment when the borrower covers the total amount due of principal and interest without delay, according to the following:

a) When it comes to amortizations less than or equal to 60 days, a minimum of three consecutive amortizations of the credit payment scheme are covered.
b) For credits with periods between 61 and 90 natural days, two amortization payments are made.
c) In the case of loans with amortizations that cover periods longer than 90 natural days, a payment of an amortization is made.

When the agreed amortization periods in the restructuring or renewal are not homogeneous, the number of periods representing the longest term is considered, in accordance with what was previously described.

For restructurings in which the payment frequency is modified to shorter periods, for the determination of whether there is sustained payment, the number of amortizations corresponding to the original credit scheme is considered.

In the case of consolidated loans, if two or more loans result in the transfer to a portfolio with stage 2 or stage 3 risk, to determine the amortizations required for the existence of sustained payment, the original payment scheme of the loan whose amortizations equate to the longest term is considered.

In the case of loans with a single principal payment at maturity, regardless of whether the interest payment is periodic or at maturity, it is considered that there is sustained payment of the loan when any of the following assumptions occur:

a) The borrower has covered at least 20% of the original loan amount at the time of restructuring or renewal, or else,
b) The amount of accrued interest has been covered according to the payment scheme for restructuring or renewal corresponding to a period of 90 days and at least that period has elapsed.

Credits that are restructured or renewed more than once, which have been agreed upon with a single principal payment at maturity, regardless of whether the interest payment is periodic or at maturity, will accredit sustained payment of the credit when:

a) The accredited covers at least 20% of the outstanding principal as of the date of the new restructuring or renewal;
b) The amount of accrued interest has been covered according to the new payment scheme for restructuring or renewal corresponding to a period of 90 days and at least that period has elapsed, and
c) The entity has elements that justify the debtor's ability to pay. In the case of commercial loans, such elements are properly documented and integrated into the loan file.

The early payment of amortizations of restructured or renewed loans, other than those with a single principal payment at maturity, regardless of whether interest is paid periodically or at maturity, is not considered sustained payment. Such is the case of the amortizations of restructured or renewed credits that are paid without having elapsed the natural days equivalent to the periods required according to the first paragraph of this subsection.

Credits that, as a result of a restructuring or renewal, are transferred to a category with a higher credit risk, in all cases remain a minimum of three months in this until sustained payment is accredited and consequently transferred to the next immediate stage with lower credit risk. The above, with the exception of loans with principal payment at maturity, regardless of whether the interest payment is periodic or at maturity, in which what was previously described for these cases applies.

In any case, for the Bank to demonstrate that there is sustained payment, in addition to ensuring that the borrower complies with the sustained payment guidelines indicated in the previous paragraphs, it must have at the disposal of the Commission evidence that justifies that the borrower has the ability to pay at the time the restructuring or renewal is carried out to respond to the new conditions of the credit. The minimum evidence that must be obtained is as follows:

a) inherent default probability of the borrower,
b) the guarantees granted to the restructured or renewed credit,
c) the payment priority over other creditors and,
d) the liquidity of the borrower in the face of the new financial structure of the financing.

Revenue recognition, costs and expenses

The effective interest determined by applying the effective interest rate is recognized as it accrues. The effective interest includes the accrual of portfolio interest and the amortization of commissions for the granting of credit, both presented in the "Interest Income" item, as well as the amortization of transaction costs for the granting of credit presented in the "Interest Expenses" item.

To determine the effective interest rate, the Bank does the following:

1. Determine the amount of estimated future cash flows to be received. It consists of adding the principal and the interest that will be received according to the payment scheme of the loan, during the contractual term, or in a shorter term if there is a probability of payment before the due date or another circumstance that justifies the use of a shorter term, for which the Bank documents the corresponding evidence.
2. Determine the effective interest. It is the result of subtracting the estimated future cash flows to be received, from the net financed amount determined as described in numeral 1 of the second paragraph of this note.
3. Determine the effective interest rate. It represents the relationship between the effective interest and the net financed amount.

When according to the terms of the contract, the interest rate is periodically modified, the effective interest rate calculated at the beginning of the period is the one used throughout the life of the loan, that is, it is not determined again for each period.

There is the presumption that future cash flows and the expected life of the credit can be reliably estimated.

The Bank believes that future cash flows and the expected life of the loan can be reliably estimated in most circumstances, however, in those cases where it is not possible to estimate them reliably, the Bank uses contractual cash flows, documenting the circumstances and facts that led to this conclusion, which is authorized by the credit committee.

The commissions and transaction costs are amortized against the results of the fiscal year for the period corresponding to the term of the associated line of credit. If the line of credit is canceled, the outstanding balance to be amortized is fully recognized in results.

Commissions recognized after the granting of credit that are generated as part of the maintenance of such credits, as well as those charged for unplaced credits, are recognized against the results of the fiscal year as they are accrued.

The commissions charged for the concept of credit card annuity are initially recognized as a deferred credit and are amortized over a period of 12 months against the results of the fiscal year, under the item of "Commissions and fees charged".

On September 23, 2021, the Commission published through the DOF, the resolution that modifies the General Provisions Applicable to Credit Institutions, through which it communicates to the Institutions, the possibility of continuing to determine the amortized cost referred to in criterion B-6 "Credit Portfolio" contained in annex 33 in force until December 31, 2021, for the recognition of the commissions charged and transaction costs, as well as the accrued interest of their portfolio based on the contractual interest rate.

For the above reasons, the Bank recognizes until December 31, 2023 and 2022, as a deferred charge, the costs and expenses associated with the granting of credits, and they are amortized as an interest expense during the same period in which the income from charged commissions is recognized. The costs and expenses that the Bank defers are those considered incremental. In accordance with the Accounting Criteria established by the Commission, they are presented net of the commissions charged for the initial granting of the credit in the item "Deferred credits and advanced collections" in the consolidated financial statement.

Restricted credit portfolio

Restricted credits are considered those credits for which there are circumstances that prevent their use or disposal; for example, the credit portfolio that the transferring entity provides as a guarantee or collateral in securitization operations.

i) Traditional capture

This item includes demand deposits, term deposits from the general public and those obtained through operations in the money market, issued credit securities and the global collection account without movements in national currency, foreign currency or UDIS, which are integrated as described on the next page.

a) Immediate demand deposits. These include checking accounts, savings accounts, and current account deposits, among others.

   Overdrafts in the checking accounts of the Bank's customers, who do not have a line of credit for such purposes, are classified as overdue debts under the heading of "Accounts receivable, net" and the Bank simultaneously establishes an estimate of uncollectibility for the total amount of such overdraft, at the moment such an event occurs.

b) Term deposits. These include, among others, certificates of deposit withdrawable on predetermined days, bank acceptances, and promissory notes with yield payable at maturity obtained from the general public and through operations in the money market. The latter refers to term deposits made with other financial intermediaries, as well as with company treasuries and government entities.

c) Credit titles. They are made up of, among others, bank bonds and stock certificates.

d) Global collection account without movements. It includes the principal and interest of the collection instruments that do not have an expiration date, or that, having one, are automatically renewed, as well as transfers or expired and unclaimed investments.
   Over the course of three years from when the funds are deposited into the global collection account without movements, whose amount does not exceed per account, the equivalent of three hundred units of measure and update (UMAS), they prescribe in favor of the public charity's assets. The bank is obliged to deliver the corresponding resources to the public charity within a maximum period of

fifteen days counted from December 31 of the year in which the previously described assumption is met.

Discounted titles that do not accrue interest (zero coupon) are recorded at the time of issuance based on the amount of cash received.

The Bank must determine the effective interest rate based on what is established in the NIF C-19 "Financial Instruments to be paid" and evaluate whether the determined rate is within the market, comparing it with an interest rate that considers the value of money over time and the inherent payment risks for similar financing, to which it has access. Only in the event that the market interest rate is substantially different from the effective rate, should the market rate be used as the effective interest rate in the valuation of the instrument, recognizing in the net profit or loss the effects that occur in the value of the IFP due to the change in interest rate.

Traditional collection interests are recognized in results as they are earned within the "Interest Expenses" category.

Issuance costs, as well as the discount or premium on placement, are recognized as a deferred charge or credit, as applicable, which is amortized in results as it accrues as expenses or interest income, as appropriate, taking into account the term of the title that originated it in proportion to the maturity of the titles.

j) Subordinated debentures outstanding

For the subordinated obligations in circulation that meet the characteristics established by the NIF C-12 "Financial instruments with liability and equity characteristics", to be considered with liability characteristics, the principal of the instrument is classified as a liability within the consolidated financial statement. In the event that the contractual conditions for the payment of returns are met, these will be paid at the total discretion of the Bank and will be recognized in the results of previous exercises.

The expenses incurred to issue a financial instrument that qualifies as a liability should be deducted from the amount of the liability and should be considered when determining the effective interest rate.

k) Interbank loans and loans from other institutions

In this item, direct loans from national and foreign banks are recorded, as well as loans obtained through credit auctions with the Central Bank and financing through development funds. Likewise, it includes loans from discounted portfolios that come from resources provided by banks specialized in financing economic, productive, or development activities. Interests are recognized in results as they are accrued under the item of "Interest Expenses".

Loans should initially be recognized at the transaction price, adding or subtracting transaction costs, as well as other prepaid items, such as commissions and interest; the Bank must determine the future value of the estimated cash flows that will be paid for principal and contractual interest, during the remaining term of the loan or in a shorter term, if there is a probability of prepayment or another circumstance that requires using a shorter term.

The Bank must determine the effective interest rate, for the calculation of expected cash flows considering all contractual terms of the IFP (such as prepayment, extension, early repayment and other similar options), additionally, it must evaluate whether the determined effective interest rate is within the market, comparing it with an interest rate that considers the value of money over time and the inherent payment risks for similar financing, to which the entity has access.

If the Bank receives a loan with a contractual interest rate that is substantially out of market, but a commission is paid upfront at the start of the credit when determining the effective interest rate based on the previous paragraphs, such commission should be taken into account.

The CINIF has issued the NIF and Improvements mentioned below:

Improvements to the NIF 2024

In December 2023, The Mexican Council of Financial and Sustainability Information Standards, A. C. (CINIF) issued the document called "Improvements to the NIF 2024", which contains specific modifications to some already existing NIF. The main improvements that generate accounting changes are the following:

NIF A-1 Conceptual Framework of Financial Reporting Standards - Comes into force for years beginning on or after the 1st. from January 2025, allowing its early application from 2024 if the disclosures of the specific NIF applicable to the corresponding type of entity are adopted in advance. It includes the definition of public interest entities and requires disclosure of whether the entity is considered a public interest entity or an entity that is not of public interest. Divide the disclosure requirements of the NIF into: i) disclosures applicable to all entities in general (public interest entities and entities that are not), and ii) additional mandatory disclosures only for public interest entities. Any change that is generated must be recognized in accordance with NIF B-1 Accounting Changes and Error Corrections. The Administration estimates that the adoption of this improvement to the IFRS will not generate significant effects.

NIF B-2, Statement of cash flows/NIF B-6, Statement of financial position/ NIF B-17, Determination of fair value/ NIF C-2, Investment in financial instruments/ NIF C-16, Impairment of financial instruments receivable/ NIF C-20, Financial instruments to collect principal and interest/ INIF 24, Recognition of the effect of the application of the new reference interest rates - Comes into force for years beginning on or after the 1st. from January 2024, allowing its early application in 2023. Change the term financial instruments to collect or sell to financial instruments to collect and sell. Any accounting change that is generated must be recognized in accordance with NIF B-1 Accounting Changes and Error Corrections. The Administration estimates that the adoption of this improvement to the IFRS will not generate significant effects.

NIF D-4, Income taxes - Comes into force for fiscal years beginning on or after the 1st. from January 2024, allowing its early application in 2023. This Improvement clarifies what is the applicable rate that should be used to recognize assets and liabilities for income taxes caused and deferred when there were benefits in tax rates of the period to encourage the capitalization of profits (undistributed profits). Under these circumstances, the assets and liabilities for accrued and deferred taxes must be determined with the rate that will be applicable to undistributed profits in the period, when they are paid as dividends in future periods. Any accounting change that is generated must be recognized in accordance with NIF B-1 Accounting Changes and Error Corrections. The Administration estimates that the adoption of this improvement to the IFRS will not generate significant effects.

The mentioned improvements did not generate effects on the financial information as of January 1, 2024.

Afirme Bank, Inc. A., Institución de Banca Múltiple,
Afirme Grupo Financiero y Subsidiarias
(Subsidiaria de Afirme Grupo Financiero, S. A. de C. V.)

Notes to the Consolidated Financial Statements

Amounts in millions of pesos

XX.- The Capitalization Index for the second quarter of 2024 is presented below, as well as the assets subject to credit and market risk, in order to comply with the General Provisions Applicable to the institution.

ANNEX 1-O
Amount in millions of pesos as of June 30, 2024
(figures before replicas with Bank of Mexico)

TABLE I.1 Capital integration disclosure format without considering the transitional period in the application of regulatory adjustments

Reference	Common Equity Tier 1 (CET1): Instruments and Reserves	Amount
1	Common shares that qualify for Tier 1 common capital plus their corresponding premium	3,918.63
2	Results of past exercises	3,612.59
3	Other elements of comprehensive income (and other reserves)	1,713.09
4	Capital subject to phase-out of Tier 1 common equity (only applicable for companies that are not linked to shares)	Not applicable
5	Ordinary shares issued by subsidiaries held by third parties (allowed amount in common equity level 1)	Not applicable
6	**Tier 1 common capital before regulatory adjustments**	9,244.30
	Tier 1 Common Capital: Regulatory Adjustments	
7	Prudential valuation adjustments	Not applicable
8	Commercial Credit (net of its corresponding deferred income taxes charged)	0.00
9	Other intangibles other than rights for mortgage services (net of their corresponding deferred income taxes payable)	245.91
10 (conservative)	Deferred income taxes in favor that depend on future earnings, excluding those derived from temporary differences (net of deferred income taxes payable)	
11	Result from valuation of cash flow hedging instruments	0.00
12	Reserves pending to constitute	0.00
13	Benefits on the remainder in securitization operations	
14	Gains and losses caused by changes in the own credit rating on liabilities valued at fair value	Not applicable
15	Defined benefit pension plan	
16 (conservative)	Investments in treasury shares	
17 (conservative)	Reciprocal investments in ordinary capital	
18 (conservative)	Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold)	

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19 (conservative)	Significant investments in common shares of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital (amount that exceeds the 10% threshold)	
20 (conservative)	Mortgage servicing fees (amount exceeding the 10% threshold)	
21	Deferred income taxes in favor from temporary differences (amount exceeding the 10% threshold, net of deferred taxes payable)	**193.64**
22	Amount exceeding the 15% threshold	Not applicable
23	Of which: Significant investments where the institution owns more than 10% in common shares of financial institutions	Not applicable
24	Of which: Rights for mortgage services	Not applicable
25	Of which: Deferred income taxes in favor derived from temporary differences	Not applicable
26	National regulatory adjustments	472.85
TO	Of which: Other elements of comprehensive income (and other reserves)	454.01
B	Of which: Investments in subordinated debt	
C	Of which: Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions)	
D	Of which: Investments in multilateral organizations	
E	Of which: Investments in related companies	
F	Of which: Venture capital investments	
G	Of which: Investments in mutual funds	18.84
H	Of which: Financing for the acquisition of own shares	
I	Of which: Operations that contravene the provisions	
J	Of which: Deferred charges and advance payments	
K	Of which: Positions in First Loss Schemes	
L	Of which: Employee Participation in Deferred Profits	
M	Of which: Relevant Related Persons	
N	Of which: Defined benefit pension plan	
OR	Of which: Adjustment for capital recognition	
27	Regulatory adjustments applied to Tier 1 common capital due to insufficient additional Tier 1 capital and Tier 2 capital to cover deductions	
28	**Total regulatory adjustments to Tier 1 common capital**	1,712.39
29	**Common Equity Tier 1 (CET1)**	7,531.91
Additional Tier 1 Capital - Instruments		
30	Directly issued instruments that qualify as additional Tier 1 capital, plus your premium	
31	of which: Classified as equity under the applicable accounting criteria	
32	of which: Classified as liabilities under the applicable accounting criteria	Not applicable
33	Directly issued capital instruments subject to phase-out of additional Tier 1 capital	
34	Additional Tier 1 capital instruments issued and Tier 1 common equity instruments not included in line 5 that were issued by subsidiaries held by third parties (allowed amount in additional level 1)	Not applicable

Amounts in millions of pesos

35	Of which: Instruments issued by subsidiaries subject to phase-out	Not applicable
36	**Additional Tier 1 capital before regulatory adjustments**	0.00
	Additional Tier 1 Capital: Regulatory Adjustments	
37 (conservative)	Investments in equity instruments of additional Tier 1 capital	Not applicable
38 (conservative)	Investments in reciprocal shares in additional Tier 1 capital instruments	Not applicable
39 (conservative)	Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold)	Not applicable
40 (conservative)	Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital	Not applicable
41	National regulatory adjustments	
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	Not applicable
43	**Total regulatory adjustments to additional Tier 1 capital**	0.00
44	**Additional Tier 1 Capital (AT1)**	0.00
45	**Tier 1 capital (T1 = CET1 + AT1)**	8,331.91
	Tier 2 capital: instruments and reserves	
46	Directly issued instruments that qualify as Tier 2 capital, plus your premium	
47	Directly issued equity instruments subject to phase-out from Tier 2 capital	2,556.88
48	Tier 2 capital instruments and Tier 1 common equity instruments and Tier 1 additional capital that have not been included in lines 5 or 34, which have been issued by subsidiaries held by third parties (amount allowed in complementary capital level 2)	Not applicable
49	of which: Instruments issued by subsidiaries subject to phase-out	Not applicable
50	Reserves	
51	**Tier 2 capital before regulatory adjustments**	2,556.88
	Tier 2 capital: regulatory adjustments	
52 (conservative)	Investments in own Tier 2 capital instruments	Not applicable
53 (conservative)	Reciprocal investments in Tier 2 capital instruments	Not applicable
54 (conservative)	Investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution does not have more than 10% of the issued capital stock (amount that exceeds the 10% threshold)	Not applicable
55 (conservative)	Significant investments in the capital of banks, financial institutions and insurance companies outside the scope of regulatory consolidation, net of eligible short positions, where the Institution owns more than 10% of the issued share capital	Not applicable
56	National regulatory adjustments	

Amounts in millions of pesos

57	**Total regulatory adjustments to Tier 2 capital**	**0.00**
58	**Tier 2 Capital (T2)**	2,556.88
59	**Total capital (TC = T1 + T2)**	10,888.79
60	**Total risk-weighted assets**	71,361.94
	Capital ratios and supplements	
61	Common Tier 1 Capital (as a percentage of total risk-weighted assets)	10.55
62	Tier 1 Capital (as a percentage of total risk-weighted assets)	11.68
63	Total Capital (as a percentage of total risk-weighted assets)	15.26
64	Institutional specific supplement (at least it must consist of: the common capital requirement of level 1 plus the capital conservation buffer, plus the countercyclical buffer, plus the G-SIB buffer; expressed as a percentage of total risk-weighted assets)	7.00
65	Of which: Capital Conservation Supplement	2.50
66	Of which: Specific Banking Countercyclical Supplement	Not applicable
67	Of which: Global Systemically Important Banks Supplement (G-SIB)	Not applicable
68	Common Tier 1 Capital available to cover supplements (as a percentage of total risk-weighted assets)	3.55
	National minimums (if different from Basel 3)	
69	CET1 national minimum ratio (if it differs from the minimum established by Basel 3)	Not applicable
70	T1 national minimum ratio (if it differs from the minimum established by Basel 3)	Not applicable
71	National minimum TC ratio (if it differs from the minimum established by Basel 3)	Not applicable
	Amounts below deduction thresholds (before risk weighting)	
72	Non-significant investments in the capital of other financial institutions	Not applicable
73	Significant investments in common shares of financial institutions	Not applicable
74	Rights for mortgage services (net of deferred income taxes payable)	Not applicable
75	Deferred income taxes in favor derived from temporary differences (net of deferred income taxes payable)	
	Limits applicable to the inclusion of reserves in Tier 2 capital	
76	Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to the standardized methodology (prior to application of the cap)	
77	Limit on the inclusion of provisions in Tier 2 capital under the standardized methodology	
78	Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to internal rating methodology (prior to application of cap)	
79	Limit on the inclusion of reserves in Tier 2 capital under the internal rating methodology	
	Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)	
80	Current cap on CET1 instruments subject to phase-out	Not applicable

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81	Amount excluded from CET1 due to the limit (excess over the limit after amortizations and maturities)	Not applicable
82	Current limit on AT1 instruments subject to phase-out	
83	Amount excluded from AT1 due to the limit (excess over the limit after amortizations and maturities)	
84	Current limit on T2 instruments subject to phase-out	
85	Amount excluded from T2 due to limit (excess over limit after amortizations and maturities)	

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TABLE I.1 Notes to the disclosure format of the integration of capital without considering the transitional period in the application of regulatory adjustments.

Reference	Description
1	Elements of contributed capital in accordance with section I, paragraph a), items 1) and 2) of Article 2 Bis 6 of these provisions.
2	Results of prior years and their corresponding restatements.
3	Capital reserves, net income, gain or loss from valuation of available-for-sale securities, cumulative translation adjustment, gain or loss from valuation of cash flow hedging instruments, gain or loss from holding non-monetary assets, and the balance of remeasurements for defined benefit employee benefits, considering in each item their restatements.
4	Not applicable The capital stock of credit institutions in Mexico is represented by securities or shares. This concept only applies to entities where such capital is not represented by representative securities or shares.
5	It does not apply to the capitalization scope in Mexico, which is on an unconsolidated basis. This concept would only apply to entities where the scope of application is consolidated.
6	6 Sum of concepts 1 to 5.
7	Not applicable Mexico does not allow the use of internal models for the calculation of the market risk capital requirement.
8	Commercial Credits, net of deferred income taxes payable in accordance with the provisions of Section I, paragraph n) of Article 2 Bis 6 of these provisions.
9	Intangible assets, other than commercial credits and, if applicable, mortgage servicing rights, net of deferred income taxes payable, in accordance with the provisions of Section I, paragraph n) of Article 2 Bis 6 of these provisions.
10	Deferred income tax credits arising from tax loss carryforwards and tax credits in accordance with Section I, paragraph p) of Article 2 Bis 6 of these provisions. This treatment is more conservative than that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011, as it does not allow offsetting against deferred income taxes payable.
11	Result from valuation of cash flow hedging instruments corresponding to hedged items that are not valued at fair value.
12	Reserves pending constitution in accordance with the provisions of Section I, paragraph k) of Article 2 Bis 6 of these provisions. This treatment is more conservative than that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011, as it deducts from Common Equity Tier 1 the preventive reserves pending to be constituted, in accordance with the provisions of Chapter V of Title Two of these provisions, as well as thoseIn the case of institutions that use methods based on internal ratings to determine their capital requirements, it does not only deduct the positive difference between Total Expected Losses minus Total Eligible Reserves, but also those reserves charged to accounting accounts that are not part of the income statement or stockholders' equity.
13	Benefits on the remainder of securitization transactions in accordance with the provisions of Section I, paragraph c) of Article 2 Bis 6 of these provisions.
14	Not applicable
15	Investments made by the defined benefit pension fund that correspond to resources to which the Institution does not have unrestricted and unlimited access. These investments will be considered net of plan liabilities and any applicable deferred income tax expense that has not been applied in any other regulatory adjustment.

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16	The amount of the investment in any own shares acquired by the Institution: in accordance with the provisions of the Law as set forth in Section I, paragraph d) of Article 2 Bis 6 of these provisions; through the securities indexes provided for in Section I, paragraph e) of Article 2 Bis 6 of these provisions; and through the investment funds considered in Section I, paragraph i) of Article 2 Bis 6 of these provisions. This treatment is more conservative than that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011 because the deduction for this item is made from Common Equity Tier 1, regardless of the level of capital invested.
17	The Bank may also invest in other financial entities that are members of the group to which the Institution belongs or of their financial subsidiaries in accordance with the provisions of Section I, paragraph j) of Article 2 Bis 6 of these provisions, including those investments corresponding to investment funds considered in Section I, paragraph i) of Article 2 Bis 6. This treatment is more conservative than the one established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011 because the deduction for this concept is made from common equity tier 1 capital, regardless of the level of capital invested, and additionally because any type of entity is considered, not only financial institutions.
18	Investments in shares, where the Institution owns up to 10% of the capital stock of financial entities referred to in Articles 89 of the Law and 31 of the Law to Regulate Financial Groupings in accordance with the provisions of section I, paragraph f) of Article 2 Bis 6 of these provisions.I paragraph f) of Article 2 Bis 6 of these provisions, including those investments made through the investment funds referred to in section I paragraph i) of Article 2 Bis 6. The above investments exclude those made in the capital of multilateral development or international development organizations that have a credit rating assigned to the issuer by one of the rating agencies, equal to or better than Risk Grade 2 in the long term. This treatment is more conservative than that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011 because the deduction for this concept is made from Common Equity Tier 1, regardless of the level of capital in which it has been invested, and additionally because the total recorded amount of the investments is deducted.
19*	Investments in shares, where the Institution owns more than 10% of the capital stock of the financial entities referred to in Articles 89 of the Law and 31 of the Law to Regulate Financial Groupings in accordance with the provisions of section I, paragraph f) of Article 2 Bis 6 of these provisions.I paragraph f) of Article 2 Bis 6 of these provisions, including those investments made through the investment funds referred to in section I paragraph i) of Article 2 Bis 6. The above investments exclude those made in the capital of multilateral development or international development organizations that have a credit rating assigned to the issuer by one of the rating agencies, equal to or better than Risk Grade 2 in the long term. This treatment is more conservative than that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011 because the deduction for this concept is made from Common Equity Tier 1, regardless of the level of capital in which it has been invested, and additionally because the total recorded amount of the investments is deducted.
20*	Mortgage service fees will be deducted for the total amount recorded if such fees exist. This treatment is more conservative than the one established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011 due to the fact that the total amount recorded is deducted from the rights.
21	The amount of deferred income taxes in favor arising from temporary differences less the corresponding deferred income taxes payable not considered to offset other adjustments, which exceeds 10% of the difference between reference 6 and the sum of references 7 to 20.
22	Not applicable The items were deducted from equity in their entirety. See notes 19, 20 and 21.
23	Not applicable The concept was deducted from capital in its entirety. See note to reference 19.
24	Not applicable The concept was deducted from capital in its entirety. See note to reference 20.
25	Not applicable The concept was deducted from capital in its entirety. See note in reference 21.

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26	**National adjustments considered as the sum of the following items.** A. The sum of the cumulative exchange adjustment and the result from holding non-monetary assets considering the amount of each of these items with the opposite sign to that considered for inclusion in reference 3, i.e. if they are positive in this item they will be included as negative and vice versa. B. Investments in subordinated debt instruments, in accordance with the provisions of Section I, paragraph b) of Article 2 Bis 6 of these provisions. C. The amount that results if as a result of the acquisition of securitization positions, the originating institutions record a profit or an increase in the value of their assets with respect to the assets previously recorded in their balance sheet, in accordance with the provisions of section I, paragraph c) of Article 2 Bis 6 of these provisions. D. Investments in the capital of multilateral development or international development organizations in accordance with the provisions of Section I, paragraph f) of Article 2 Bis 6 of these provisions, which have a credit rating assigned by one of the rating agencies to the issuer, equal to or better than Risk Grade 2 in the long term. E. Investments in shares of companies related to the Institution under the terms of Articles 73, 73 Bis and 73 Bis 1 of the Law, including the corresponding amount of investments in mutual funds and investments in indexes as established in section I, paragraph g) of Article 2 Bis 6 of these provisions. G. Investments in shares, other than fixed capital, of listed investment funds in which the Institution holds more than 15 percent of the stockholders' equity of the investment fund, in accordance with Section I (i) of Article 2 Bis 6, which have not been considered in the above references.
	H. Any type of contribution whose resources are destined to the acquisition of shares of the controlling company of the financial group, of the other financial entities that are members of the group to which the Institution belongs or of their financial subsidiaries in accordance with the provisions of section I, paragraph l) of Article 2 Bis 6 of these provisions. I. Operations that contravene the provisions, in accordance with the provisions of Section I, paragraph m) of Article 2 Bis 6 of these provisions. J. Deferred charges and prepayments, net of deferred income taxes payable, as established in Section I paragraph n) of Article 2 Bis 6 of these provisions. K. Positions related to the First Loss Scheme in which risk is retained or credit protection is provided up to a certain limit of a position in accordance with Section I (o) of Article 2 Bis 6. L. Employees' deferred profit sharing payable pursuant to Section I, paragraph p) of Article 2 Bis 6 of these provisions. M. The aggregate amount of the Transactions Subject to Credit Risk by Relevant Related Persons in accordance with section I paragraph s) of Article 2 Bis 6 of these provisions. N. The difference between the investments made by the defined benefit pension fund in accordance with Article 2 Bis 8 minus reference 15. O. Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C1 of the format included in section II of this Annex. P. Investments or contributions, directly or indirectly, in the capital of companies or in the assets of trusts or other similar types of entities whose purpose is to compensate and settle transactions carried out on the stock exchange, except for the participation of such companies or trusts in the latter in accordance with paragraph f) section I of Article 2 Bis 6.
27	Not applicable There are no regulatory adjustments for additional Tier 1 capital or supplementary capital. All regulatory adjustments are made to Common Equity Tier 1. 28 Sum of lines 7 to 22, plus lines 26 and 27. 29 Section 6 minus Section 28.
30	The corresponding amount of the securities representing the capital stock (including the premium on the sale of shares) that have not been considered in the Fundamental Capital and the Capital Instruments, which meet the conditions set forth in Exhibit 1-R of these provisions in accordance with the provisions of Section II of Article 2 Bis 6 of these provisions. 31 Amount of line 30 classified as equity under applicable accounting standards.
32	Not applicable Directly issued instruments that qualify as additional Tier 1 capital, plus their premium, are recorded for accounting purposes as capital.
33	Subordinated debentures computable as Non-Core Basic Capital, in accordance with the provisions of the Third Transitory Article of Resolution 50a, which amends the general provisions applicable to credit institutions (Resolution 50a).

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34	Not applicable See note in reference 5.
35	Not applicable See note in reference 5.
36	Sum of Sections 30, 33 and 34.
37	Not applicable The deduction is made in full from Common Equity Tier 1.
38	Not applicable The deduction is made in full from Common Equity Tier 1.
39	Not applicable The deduction is made in full from Common Equity Tier 1.
40	Not applicable The deduction is made in full from Common Equity Tier 1.
41	**National adjustments considered:** Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C1 of the format included in section II of this appendix.
42	Not applicable There are no regulatory adjustments for supplementary capital. All regulatory adjustments are made to Common Equity Tier 1.
43	Sum of Section 37 to 42.
44	Section 36, minus Section 43.
45	Section 29, plus Section 44.
46	The corresponding amount of the securities representing the capital stock (including the premium on the sale of shares) that have not been considered in the Fundamental Capital or in the Non-Fundamental Basic Capital and the Capital Instruments, which comply with Exhibit 1-S of these provisions in accordance with the provisions of Article 2 Bis 7 of these provisions.
47	Subordinated debentures computable as supplementary capital, in accordance with the provisions of the Third Transitory Article of Resolution 50a.
48	Not applicable See note in reference 5.
49	Not applicable See note in reference 5.
50	Provisions for credit risk up to the sum of 1.25% of the assets weighted by credit risk, corresponding to the Transactions in which the Standardized Method is used to calculate the capital requirement for credit risk; and the positive difference of the Total Allowable Reserves minus the Total Expected Losses, up to an amount not to exceed 0.6 percent of the assets weighted by credit risk, corresponding to the Operations in which the method based on internal ratings is used to calculate the capital requirement for credit risk, in accordance with section III of Article 2 Bis 7.
51	Sum of Section 46 to 48, plus Section 50.
52	Not applicable The deduction is made in full from Common Equity Tier 1.
53	Not applicable The deduction is made in full from Common Equity Tier 1.
54	Not applicable The deduction is made in full from Common Equity Tier 1.
55	Not applicable The deduction is made in full from Common Equity Tier 1.
56	**National adjustments considered:** Adjustment for recognition of Net Equity. The amount shown corresponds to the amount recorded in cell C4 of the format included in section II of this appendix.
57	Sum of Sections 52 to 56.
58	Section 51, minus Section 57.
59	Section 45, plus Section 58.
60	Weighted Assets Subject to Total Risk

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61	Section 29 divided by Section 60 (expressed as a percentage).
62	Section 45 divided by Section 60 (expressed as a percentage).
63	Section 59 divided by Section 60 (expressed as a percentage).
64	Report the sum of the percentages expressed in lines 61, 65, 66, and 67.
65	Report 2.5%.
66	Percentage corresponding to the Countercyclical Capital Supplement referred to in paragraph c), section III of Article 2 Bis 5.
67	The SCCS amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the systemic capital supplement of the multiple banking institution, in terms of paragraph b), section III of Article 2 Bis 5.
68	Section 61 minus 7%.
69	Not applicable The minimum is the same as that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011.
70	Not applicable The minimum is the same as that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011.
71	Not applicable The minimum is the same as that established by the Basel Committee on Banking Supervision in its document "Basel III: Global Regulatory Framework for Strengthening Banks and Banking Systems" published in June 2011.
72	Not applicable The concept was deducted from capital in its entirety. See note in reference 18.
73	Not applicable The concept was deducted from capital in its entirety. See note to reference 19.
74	Not applicable The concept was deducted from capital in its entirety. See note to reference 20.
75	The amount, not to exceed 10% of the difference between reference 6 and the sum of references 7 to 20, of deferred income taxes in favor arising from temporary differences less the corresponding deferred income taxes payable not considered to offset other adjustments.
76	Provisions for credit risk corresponding to the Operations in which the Standardized Approach is used to calculate the capital requirement for credit risk.
77	1.25% of the assets weighted by credit risk, corresponding to the Transactions in which the Standardized Approach is used to calculate the capital requirement for credit risk.
78	Positive difference of Total Eligible Reserves minus Total Expected Losses for Transactions where the internal ratings-based approach is used to calculate the capital requirement for credit risk.
79	0.6 percent of the credit risk weighted assets, corresponding to the Operations in which the method based on internal ratings is used to calculate the capital requirement for credit risk.
80	Not applicable There are no instruments subject to transition that are included in Common Equity Tier 1.
81	Not applicable There are no instruments subject to transition that are included in Common Equity Tier 1.
82	Balance of the instruments that computed as capital in the basic portion as of December 31, 2012 for the corresponding limit of the balance of such instruments.
83	Balance of instruments computed as equity in the basic portion as of December 31, 2012 less line item 33.
84	Balance of the instruments that computed as capital in the supplementary part as of December 31, 2012 for the corresponding limit of the balance of such instruments.
85	Balance of instruments computed as capital in the supplementary part as of December 31, 2012 less line 47.
70	T1 national minimum ratio (if it differs from the minimum established by Basel 3)

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71	National minimum TC ratio (if it differs from the minimum established by Basel 3)
Amounts below deduction thresholds (before risk weighting)	
72	Non-significant investments in the capital of other financial institutions
73	Significant investments in common shares of financial institutions
74	Rights for mortgage services (net of deferred income taxes payable)
75	Deferred income taxes in favor derived from temporary differences (net of deferred income taxes payable)
Limits applicable to the inclusion of reserves in Tier 2 capital	
76	Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to the standardized methodology (prior to application of the cap)
77	Limit on the inclusion of provisions in Tier 2 capital under the standardized methodology
78	Reserves eligible for inclusion in Tier 2 capital with respect to exposures subject to internal rating methodology (prior to application of cap)
79	Limit on the inclusion of reserves in Tier 2 capital under the internal rating methodology
Equity instruments subject to phase-out (applicable only between January 1, 2018 and January 1, 2022)	
80	Current cap on CET1 instruments subject to phase-out
81	Amount excluded from CET1 due to the limit (excess over the limit after amortizations and maturities)
82	Current limit on AT1 instruments subject to phase-out
83	Amount excluded from AT1 due to the limit (excess over the limit after amortizations and maturities)
84	Current limit on T2 instruments subject to phase-out
85	Amount excluded from T2 due to limit (excess over limit after amortizations and maturities)

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TABLE II.1 Financial Situation Figures

Reference of the items in the financial statement	Statement of financial position line items	Amount presented in the statement of financial position
	Active	**290,910.96**
BG1	Cash and cash equivalents	5,365.15
BG2	Margin accounts	117.66
BG3	Investments in securities	173,319.56
BG4	Debtors by repurchase	38,320.55
BG5	Securities Lending	0.00
BG6	Derivatives	368.50
BG7	Valuation adjustments for hedging financial assets	-142.37
BG8	Total loan portfolio (net)	62,080.51
BG9	Benefits to be received in securitization operations	0.00
BG10	Other accounts receivable (net)	1,574.26
BG11	Foreclosed assets (net)	262.52
BG12	Property, furniture, and equipment (net)	5,626.34
BG13	Permanent Investment	209.05
BG14	Long - term assets available for sale	0.00
BG15	Deferred taxes and employee profit sharing (net)	568.95
BG16	Other assets	3,240.28
	Liabilities	**282,466.55**
BG17	Traditional deposits	86,966.85
BG18	Interbank and other agencies loans	3,996.80
BG19	Creditors for Repurchase	145,671.83
BG20	Securities lending	0.00
BG21	Collaterals sold or pledged	38,320.64
BG22	Derivatives	93.58
BG23	Valuation adjustments for coverage of financial liabilities	0.00
BG24	Obligations from securitization operations	0.00

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BG25	Other accounts payable	2,286.17
BG26	Subordinated bonds issued	3,356.88
BG27	Deferred taxes and employee profit sharing (net)	1,652.88
BG28	Deferred credits and early collections	120.91
	Stockholders' equity	**8,444.30**
BG29	Contributed capital	3,918.63
BG30	Earned capital	4,525.68
	Memorandum accounts	**695,327.30**
BG31	Guarantees granted	1,115.07
BG32	Contingent assets and liabilities	0.00
BG33	Credit commitments	13,711.38
BG34	Assets in trust or mandate	63,156.83
BG35	Financial agent of the federal government	0.00
BG36	Assets in custody or management	208,518.39
BG37	Collaterals received by the entity	37,920.73
BG38	Collaterals received and sold or delivered as collateral by the entity	37,920.73
BG39	Investment banking operations on behalf of third parties (net)	0.00
BG40	Uncollected accrued interest from past due loan portfolio	313.20
BG41	Other registration accounts	332,670.97

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TABLE II.2 Regulatory concepts considered for the calculation of the components of Net Capital

Identifier	Regulatory concepts considered for the calculation of the components of Net Capital	Reference of the disclosure format of the capital integration of section I of this annex	Amount in accordance with the notes to the table Regulatory concepts considered for the calculation of the Net Capital components	Reference (s) of the item of the balance sheet and amount related to the regulatory concept considered for the calculation of the Net Capital from the mentioned reference.
	Active			
1	Commercial Credit	8	0.00	BG16
2	Other Intangibles	9	245.91	BG16
3	Deferred income tax (in favor) from losses and tax credits	10	0.00	BG15
4	Benefits on the remainder in securitization operations	13	0.00	BG09
5	Investments of the pension plan for defined benefits without unrestricted and unlimited access	15	0.00	
6	Investments in shares of the institution itself	16	0.00	
7	Reciprocal investments in ordinary capital	17	0.00	

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8	Direct investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock	18	0.00	
9	Indirect investments in the capital of financial entities where the Institution does not own more than 10% of the issued capital stock	18	0.00	
10	Direct investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital	19	0.00	
11	Indirect investments in the capital of financial entities where the Institution owns more than 10% of the issued share capital	19	0.00	
12	Deferred income tax (in favor) from temporary differences	21	193.64	
13	Reserves recognized as complementary capital	50	0.00	BG8
14	Investments in subordinated debt	26 - B	0.00	
15	Investments in multilateral organizations	26 - D	0.00	
16	Investments in related companies	26 - E	0.00	
17	Venture capital investments	26 - F	0.00	
18	Investments in mutual funds	26 - G	18.84	BG13
19	Financing for the acquisition of own shares	26 - H	0.00	
20	Deferred charges and advance payments	26 - J	0.00	
21	Deferred employee profit sharing (net)	26 - L	0.00	
22	Investments in the defined benefit pension plan	26 - N	0.00	
23	Investments in clearing houses	26 - P	0.00	BG13
	Liabilities			
24	Taxes on deferred income (payable) associated with goodwill	8	0.00	
25	Deferred income taxes (payable) associated with other intangibles	9	0.00	
26	Liabilities of the pension plan for defined benefits without unrestricted and unlimited access	15	0.00	

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27	Deferred income taxes (payable) associated with the defined benefit pension plan	15	0.00	
28	Deferred income taxes (payable) associated with others other than the above	21	0.00	
29	Subordinated obligations amount that complies with Schedule 1-R	31	0.00	
30	Subordinated obligations subject to transitory status that are computed as basic capital 2	33	0.00	
31	Subordinated obligations amount that complies with Schedule 1-S	46	0.00	
32	Subordinated obligations subject to transitory status that are computed as complementary capital	47	0.00	
33	Deferred income taxes (payable) associated with deferred charges and prepayments	26 - J	0.00	
	Stockholders' equity			
34	Contributed capital that complies with Schedule 1-Q	1	3,918.63	BG29
35	Results of previous years	2	3,612.59	BG30
36	Result from valuation of instruments for cash flow hedging of items recorded at fair value	3	0.00	BG30
37	Other elements of earned capital other than the above	3	1,713.09	BG30
38	Contributed capital that complies with Schedule 1-R	31	0.00	
39	Contributed capital that complies with Schedule 1-S	46	0.00	
40	Result from valuation of instruments for cash flow hedging of items not recorded at fair value	3, 11	0.00	
41	Cumulative effect of conversion	3, 26 - A	0.00	
42	Result from holding non-monetary assets	3, 26 - A	0.00	
	Memorandum accounts			
43	Positions in First Loss Schemes	26 - K	0.00	
	Regulatory concepts not considered in the balance sheet			

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44	Reserves pending to constitute	12	0.00	
45	Profit or increase in the value of assets due to the acquisition of securitization positions (Originating Institutions)	26 - C	0.00	
46	Operations that contravene the provisions	26 - I	0.00	
47	Operations with Relevant Related Persons	26 - M	0.00	
48	Capital recognition adjustment	26 - O, 41, 56	0.00	

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TABLE III.1 Positions exposed to market risk by risk factor

Concept	Amount of equivalent positions	Capital requirement
Operations in national currency with nominal rate	4,537	363
Operations with debt securities in national currency with a surcharge and a reviewable rate	5,217	417
Operations in national currency with a real rate or denominated in UDI's	72	6
Operations in national currency with a rate of return referred to the growth of the General Minimum Wage	0	0
Positions in UDI's or with performance referred to the INPC	2	0
Positions in national currency with a rate of return referred to the growth of the general minimum wage	0	0
Operations in foreign currency with nominal rate	12	1
Positions in currencies or with yield indexed at the exchange rate	19	1
Gold Positions	5	0
Positions in shares or with yield indexed to the price of a share or group of shares	0	0

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TABLE IV.2

Concept	Risk-weighted assets	Capital requirement
Group III (weighted at 20%)	382.76	30.62
Group III (weighted at 50%)	189.04	15.12
Group III (weighted at 100%)	49.25	3.94
Group III (weighted at 150%)	0.86	0.07
Group IV (weighted at 20%)	327.51	26.20
Group V (weighted at 20%)	52.02	4.16
Group V (weighted at 50%)	174.91	13.99
Group V (weighted at 150%)	630.79	50.46
Group VI (weighted at 20%)	598.91	47.91
Group VI (weighted at 25%)	397.58	31.81
Group VI (weighted at 30%)	1,036.28	82.90
Group VI (weighted at 40%)	336.27	26.90
Group VI (weighted at 50%)	268.97	21.52
Group VI (weighted at 70%)	5.99	0.48
Group VI (weighted at 75%)	9,845.17	787.61
Group VI (weighted at 85%)	9,315.93	745.27
Group VI (weighted at 90%)	947.82	75.83
Group VI (weighted at 100%)	2,009.55	160.76
Group VI (weighted at 115%)	667.91	53.43
Group VI (weighted at 150%)	1,927.57	154.21
Group VII_A (weighted at 20%)	901.83	72.15
Group VII_A (weighted at 50%)	74.64	5.97
Group VII_A (weighted at 100%)	17,368.26	1,389.46
Group IX (weighted at 100%)	4,105.88	328.47
Group IX (weighted at 115%)	239.33	19.15

TABLE III.3 Weighted assets subject to operational risk

Risk-weighted assets	Capital requirement
9,645	772

Average of the requirement for market and credit risk of the last 36 months	Average positive annual net income for the last 36 months
N/A	4,979

As of the end of June 2024, Afirme Bank is classified as Category I, in accordance with the provisions applicable to capitalization requirements, issued by the National Banking and Securities Commission to Multiple Banking institutions under the terms of Article 50 of the LIC, Chapter I of the First Bis Title.

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ANNEX 1-O Bis

(Before replies with Banco de México)

DISCLOSURE OF INFORMATION REGARDING THE REASON FOR LEVERAGE

I.- Integration of the main sources of leverage
II.- Comparison between total assets and Adjusted Assets
III. - Reconciliation between total assets and on-balance sheet exposure
IV. Analysis of the most important variations of the elements (numerator and denominator) of the Leverage Ratio.

I. Integration of the main sources of leverage
Institutions must disclose the integration of the main sources of leverage, according to Table I.1

Table I.1

Reference	ITEM	AMOUNT
1	Items within the balance sheet (excluding derivative financial instruments and repurchase operations and securities loans -SFT for its acronym in English- but including collaterals received as collateral and recorded on the balance sheet)	249,835
2	(Amounts of assets deducted to determine Basel III Tier 1 capital)	- 912
3	On-balance sheet exposures (Net) (excluding derivative financial instruments and SFT, sum of lines 1 and 2)	248,923
	Exposures to derivative financial instruments	
4	Annual replacement cost associated with all operations with derivative financial instruments (net of allowable cash variation margin)	223
5	Amounts of additional factors for potential future exposure, associated with all operations with derivative financial instruments.	47
6	Increase in Collateral contributed in operations with derivative financial instruments when said collateral is removed from the balance sheet in accordance with the operational accounting framework	-
7	(Deductions to accounts receivable for variation margin in cash contributed in operations with derivative financial instruments)	-
8	(Exposure for operations in derivative financial instruments on behalf of clients, in which the clearing partner does not grant its guarantee in case of breach of the obligations of the Central Counterparty)	-
9	Adjusted effective notional amount of subscribed credit derivative financial instruments	-
10	(Compensations made to the adjusted cash notional of the subscribed credit derivative financial instruments and deductions of the additional factors for the subscribed credit derivative financial instruments)	-
11	Total exposures to derivative financial instruments (sum of lines 4 to 10)	269.80

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	Total exposures to derivative financial instruments (sum of lines 4 to 10)	
12	Gross SFT assets (without offset recognition), after accounting transaction adjustments for sales	194
13	(Accounts payable and receivable from SFT cleared)	-
14	Counterparty Risk Exposure by SFT	1,782
15	Exposures by SFT acting on behalf of third parties	-
16	Total exposures from securities financing operations (sum of lines 12 to 15)	1,976
	Capital and total exposures	
17	Off-balance sheet exposure (gross notional amount)	14,921
18	(Adjustments for conversion to credit equivalents)	- 14,316
19	Off-balance sheet items (sum of lines 17 and 18)	605
	Capital and total exposures	
20	Tier 1 Capital	8,332
21	Total exposures (sum of lines 3, 11, 16, and 19)	251,773
	Leverage ratio	
22	Basel III leverage ratio	**3.31%**

TABLE II.1

Reference	ITEM	AMOUNT
1	Total assets	288,524
2	Adjustment for investments in the capital of banking, financial, insurance, or commercial entities that are consolidated for accounting purposes, but are outside the scope of regulatory consolidation	- 473
3	Adjustment related to trust assets recognized in the balance sheet according to the accounting framework, but excluded from the measurement of the exposure of the leverage ratio	-
4	Adjustment for derivative financial instruments	- 99
5	Adjustment for repurchase operations and securities loan	- 36,345
6	Adjustment for items recognized in memorandum accounts	605
7	Other settings	- 440
8	Leverage ratio exposure	251,773

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TABLE III.1

Reference	ITEM	AMOUNT
1	Total assets	288,524
2	Operations in derivative financial instruments	- 368.50
3	Repurchase operations and securities loans	- 38,320.55
4	Trust assets recognized in the balance sheet in accordance with the accounting framework, but excluded from the leverage ratio exposure measure	-
5	Exposures within the Balance Sheet	249,835

TABLE IV.1

MAIN CAUSES OF THE MOST IMPORTANT ELEMENT VARIATIONS

(NUMERATOR AND DENOMINATOR) OF THE LEVERAGE REASON

CONCEPT/QUARTER	T-1	T	VARIATION (%)
Basic Capital 1/	8,104	8,332	2.81%
Adjusted Assets 2/	250,883	251,773	0.35%
Leverage Ratio 3/	3.23%	3.31%	2.44%

1/ Reported in row 20, 2/ Reported in row 21 and 3/ Reported in row 22, of Table I.1

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Characteristics of the obligations

Reference	Characteristic	QAFIRME-15 Options	BAFIRME-20 Options	BAFIRME-20-2 Options	BAFIRME-22 Options	BAFIRME-22-2 Options	BAFIRME-23 Options
1	Transmitter	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.
2	ISIN, CUSIP or Bloomberg identifier	N/A	N/A	N/A	N/A	N/A	N/A
3	Legal framework Regulatory treatment	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Circular Única de Bancos, Single Banking Circular	Law of Credit Institutions Credit Institutions, Unique Circular of Banks
4	Capital level with transience	Basic 2	Complementary	Complementary	Complementary	Complementary	Complementary
5	Capital level without transience	Basic 2	Complementary	Complementary	Complementary	Complementary	Complementary
6	Instrument level	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries	Credit institution unconsolidated subsidiaries
7	Type of instrument	Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares.	Subordinated Non-Preferred Capital Debentures Not Convertible into Shares	Subordinated Non-Preferred Capital Debentures Not Convertible into Shares	Subordinated Non-Preferred Capital Debentures Not Convertible into Shares	Subordinated Non-Preferred Capital Debentures Not Convertible into Shares	Subordinated Non-Preferred Capital Debentures Not Convertible into Shares
8	Amount recognized in regulatory capital	$ 800.00 million pesos They are recognized within the basic non-fundamental capital.	$ 2,550.65 are recognized within complementary capital.	$ 2,550.65 are recognized within complementary capital.	$ 2,550.65 are recognized within complementary capital.	$ 2,550.65 are recognized within complementary capital.	$ 2,550.65 are recognized within complementary capital.
9	Instrument nominal value	$ 100.00 (One hundred pesos 00/100 MN) each.	$ 100.00 (One hundred pesos 00/100 MN) each.	$ 100.00 (One hundred pesos 00/100 MN) each.	$ 100.00 (One hundred pesos 00/100 MN) each.	$ 100.00 (One hundred pesos 00/100 MN) each.	$ 100.00 (One hundred pesos 00/100 MN) each.
9A	Instrument currency	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos	Mexican pesos

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10	Accounting classification	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost	Liability at amortized cost
11	Date of issue	04/02/2015	27/03/2020	22//10/2020	15/02/2022	14/09/2022	30/11/2023
12	Instrument term	Perpetuity	Maturity	Maturity	Maturity	Maturity	Maturity
13	Expiration date	Without caducity	March 15, 2030	10/10/2030	03/02/2032	01/09/2032	17/11/2033
14	Advance payment clause	Yes	Yes	Yes	Yes	Yes	Yes
15	First advance payment date	From the fifth year.	From the fifth year.	From the fifth year.	From the fifth year.	From the fifth year.	From the fifth year.
15A	Regulatory or tax events	No	No	No	No	No	No
15B	Settlement price of the advance payment clause	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment	At a price equal to its nominal value plus accrued interest on the date of early repayment
16	Subsequent advance payment dates	NA	NA	NA	NA	NA	NA
	Yields / dividends						
17	Yield/dividend type	Variable Yield	Variable Yield	Variable Yield	Variable Yield	Variable Yield	Variable Yield
18	Cup of Interest/Dividend	Interest Rate: 91-day TIIE + 4.00%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%	Interest Rate: 28-day TIIE + 2.80%
19	Dividend cancellation clause	NA	NA	NA	NA	NA	NA
20	Discretion in payment	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Interest increase clause	NA	NA	NA	NA	NA	NA
22	Yield/dividends	Performance	Performance	Performance	Performance	Performance	Performance
23	Instrument convertibility	Convertibles	Non Convertibles	Non Convertibles	Non Convertibles	Non Convertibles	Non Convertibles
24	Convertibility conditions	NA	NA	NA	NA	NA	NA
25	Degree of convertibility	NA	NA	NA	NA	NA	NA
26	Conversion rate	NA	NA	NA	NA	NA	NA
27	Type of instrument convertibility	NA	NA	NA	NA	NA	NA

Amounts in millions of pesos

28	Type of convertibility financial instrument	NA	NA	NA	NA	NA	NA
29	Instrument emitter	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.	Banca Afirme, SA, Institución de Banca Múltiple, Afirme Grupo Financiero.
30	Decrease in value clause (*Write-Down*)	NA	NA	NA	NA	NA	NA
31	Conditions for decrease in value	NA	NA	NA	NA	NA	NA
32	Degree of loss of value	NA	NA	NA	NA	NA	NA
33	Temporality of the decline in value	NA	NA	NA	NA	NA	NA
34	Time value decrease mechanism	NA	NA	NA	NA	NA	NA
35	Position of subordination in case of liquidation	Subordinated Capital Obligation Non-Preferential, Perpetual and Susceptible to be Converted into Shares.	Subordinated non-preferred capital debentures not convertible into shares	Subordinated non-preferred capital debentures not convertible into shares	Subordinated non-preferred capital debentures not convertible into shares	Subordinated non-preferred capital debentures not convertible into shares	Subordinated non-preferred capital debentures not convertible into shares
36	Non-compliance characteristics	No	No	No	No	No	No
37	Description of default characteristics	NA	NA	NA	NA	NA	NA

DISCLOSURE OF LIQUIDITY COVERAGE COEFFICIENT

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In compliance with Annex 5 of Article 8 stipulated in Section III of the General Provisions on liquidity requirements for Multiple Banking institutions, the disclosure format of the liquidity coverage ratio for the second quarter of 2024 is detailed.

	LIQUIDITY COVERAGE COEFFICIENT DISCLOSURE FORM (Figures in millions of Mexican Pesos)	Unweighted amount (average)	Weighted amount (average)	Unweighted amount (average)	Weighted amount (average)
COMPUTABLE LIQUID ASSETS					
1	Total Computable Liquid Assets	Not applicable	20,509	Not applicable	20,486
CASH OUTFLOWS					
2	Unsecured Retail Financing	27,418	1,941	27,418	1,942
3	Stable funding	16,007	800	16,005	800
4	Less stable financing	11,411	1,141	11,412	1,141
5	Unsecured wholesale funding	39,072	18,021	39,080	17,981
6	Operational deposits	0	0	0	0
7	Non-operational deposits	39,072	18,021	39,080	17,981
8	Unsecured debt	0	0	0	0
9	Guaranteed Wholesale Financing	Not applicable	323	Not applicable	324
10	Additional requirements:	12,983	1,725	12,708	1,681
11	Outputs related to derivative financial instruments and other collateral requirements	1,350	1,026	1,350	1,026
12	Outputs related to losses from the financing of debt instruments	0	0	0	0
13	Lines of credit and liquidity	11,634	699	11,358	655
14	Other contractual financing obligations	1	1	1	1
15	Other contingent financing obligations	0	0	0	0
16	TOTAL CASH OUTPUTS	Not applicable	22,012	Not applicable	21,930
CASH INPUTS					
17	Cash inflows for guaranteed operations	46,009	3	46,030	3
18	Cash inflows for unsecured operations	7,253	4,730	7,544	4,873
19	Other cash inflows	5,403	5,403	5,469	5,469
20	TOTAL CASH INPUTS	58,664	10,137	59,043	10,346
			Adjusted amount		Adjusted amount
21	TOTAL COMPUTABLE LIQUID ASSETS	Not applicable	20,509	Not applicable	20,486
22	TOTAL NET OF CASH OUTPUTS	Not applicable	11,875	Not applicable	11,584
23	LIQUIDITY COVERAGE COEFFICIENT	Not applicable	172.71%	Not applicable	176.84%

	2Q 2024
Average daily individual CCL of the quarter	172.71%
Consolidated daily CCL average of the quarter	176.84%

- 91 calendar days are considered for the quarter corresponding to April - June 2024.
- During the period in question, the main change was due to cash outflows from unsecured wholesale financing.
- The evolution of the composition of Eligible and Computable Liquid Assets was as follows:

April	May	June
-15.32%	-0.25%	12.98%

- Banca Afirme does not have a currency mismatch.
- The centralization of liquidity management is concentrated in Banca Afirme.
- Within the flows reported in the form as informative, the flows for the quarter for Inputs and Outputs are detailed:

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Month	Exits	Income
April	0.5	0.4
May	0.5	0.0
June	0.7	0.3

**Amounts in millions of pesos*

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REVELATION OF THE NET STABLE FUNDING RATIO

In compliance with Annex 10 of Article 8 stipulated in Section III of the General Provisions on liquidity requirements for Multiple Banking institutions, the disclosure format of the net stable funding ratio for the second quarter of 2024 before Banxico replicas is detailed.

		Individual Figures					Consolidated Figures				
		Unweighted amount by residual term					Unweighted amount by residual term				
Amounts in millions of pesos		Without caducity	< 6 month	From 6 months to < 1 year	≥1 year	Weighted amount	Without caducity	< 6 month	From 6 months to < 1 year	≥1 year	Weighted amount
ELEMENTS OF THE AMOUNT OF STABLE FINANCING AVAILABLE											
1	Capital:	9,229	-	-	2,556	11,785	9,229	-	-	2,556	11,785
2	*Fundamental capital and non-fundamental basic*	9,229	-	-	-	9,229	9,229	-	-	-	9,229
3	*Other capital instruments*	-	-	-	2,556	2,556	-	-	-	2,556	2,556
4	Retail deposits:	-	26,984	417	17	25,719	-	25,306	396	17	25,719
5	*Stable deposits*	-	22,895	312	9	21,739	-	21,434	296	9	21,739
6	*Less stable deposits*	-	4,090	105	8	3,980	-	3,872	100	8	3,980
7	Wholesale financing:	-	45,005	4,616	569	21,462	-	18,630	2,315	890	21,835
8	*Operational deposits*	-	-	-	-	-	-	-	-	-	-
9	*Other wholesale financing*	-	45,005	4,616	569	21,462	-	18,630	2,315	890	21,835
10	Interdependent liabilities	-	-	-	-	-	-	-	-	-	-
11	Other liabilities:	8,022	192,241	118	2,772	42,592	-	42,501	84	7	42,592
12	*Liabilities for derivatives for purposes of the Financing Coefficient Stable Net*	Not applicable	-	-	-	Not applicable	Not applicable	-	-	-	Not applicable
13	*All liabilities and own resources not included in the categories previous*	8,022	192,241	118	2,772	42,592	-	42,501	84	7	42,592
14	**Total Amount of Stable Financing Available**	Not applicable	Not applicable	Not applicable	Not applicable	101,559	Not applicable	Not applicable	Not applicable	Not applicable	101,932

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	Amounts in millions of pesos	Individual Figures – Unweighted amount by residual term: Without caducity	< 6 month	From 6 months to < 1	≥1 year	Weighted amount	Consolidated Figures – Unweighted amount by residual term: Without caducity	< 6 month	From 6 months to < 1	≥1 year	Weighted amount
	ELEMENTS OF THE REQUIRED STABLE FINANCING AMOUNT										
15	Total liquid assets eligible for purposes of the Coefficient of Net Stable Financing.	Not applicable	Not applicable	Not applicable	Not applicable	993	Not applicable	Not applicable	Not applicable	Not applicable	993
16	Deposits with other financial institutions for purposes operational.	-	-	-	-	-	-	-	-	-	-
17	Current loans and securities:	-	272,732	12,465	31,995	52,727	-	20,822	6,422	26,501	53,745
18	*Guaranteed financing granted to financial institutions with liquid assets level I eligible.*	-	257,033	-	167	12,864	-	12,864	-	-	12,864
19	*Guaranteed financing granted to financial institutions with different eligible liquid assets level I.*	-	-	-	-	-	-	-	-	-	-
20	*Guaranteed financing granted to counterparties other than financial institutions, the which:*	-	15,267	12,360	29,829	39,124	-	7,938	6,398	25,806	40,142
21	*They have a credit risk weighting less than or equal to 35% according to the Basel Standard Method for Credit Risk II.*	-	11,384	8,463	24,829	30,750	-	5,892	4,370	21,193	31,455
22	*Housing loans (in force), of which:*	-	-	-	41	41	-	-	-	41	41
23	*They have a credit risk weighting less than or equal to 35% according to the Standard Method established in the Provisions.*	-	382	852	11,170	10,111	-	191	426	9,494	10,111
24	*Debt and equity securities other than Eligible Liquid Assets (that are not in default).*	-	432	105	1,958	698	-	20	24	654	698
25	Interdependent assets.	-	-	-	-	-	-	-	-	-	-

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		Individual Figures					Consolidated Figures				
		Unweighted amount by residual term				Weighted amount	Unweighted amount by residual term				Weighted amount
	Amounts in millions of pesos	**Without caducity**	**< 6 month**	**From 6 months to < 1 year**	**≥1 year**		**Without caducity**	**< 6 month**	**From 6 months to < 1 year**	**≥1 year**	
	ELEMENTS OF THE REQUIRED STABLE FINANCING AMOUNT										
26	Other Assets:	22,764	10,318	4,713	648	8,155	5,739	2,198	248	-	8,185
27	*Physically traded commodities, including gold.*	-	-	-	-	-	-	-	-	-	-
28	*Initial margin awarded in transactions in derivative financial instruments and contributions to the loss absorption fund of central counterparties*	Not applicable	-	-	-	-	Not applicable	-	-	-	-
29	*Assets by derivatives for purposes of the Net Stable Financing Coefficient.*	Not applicable	-	-	-	-	Not applicable	-	-	-	-
30	*Liabilities for derivatives for purposes of the Net Stable Financing Coefficient before deduction for the change in the initial margin*	0.2	-	-	-	0.2	0.2	-	-	-	0.2
31	*All assets and operations not included in the above categories.*	22,764	10,318	4,713	648	8,155	5,738	2,198	248	-	8,185
32	Off-balance sheet operations.	Not applicable	-	-	-	-	-	-	-	-	-
33	**Total Amount of Stable Financing Required.**	Not applicable	Not applicable	Not applicable	Not applicable	61,875	Not applicable	Not applicable	Not applicable	Not applicable	62,923
34	**Net Stable Financing Coefficient (%).**	Not applicable	Not applicable	Not applicable	Not applicable	164.13%	Not applicable	Not applicable	Not applicable	Not applicable	161.99%

Information before Banxico replicas.

	Second Quarter Average of 2024
Individual CFEN average for the quarter	164.13%
Consolidated CFEN average of the quarter	161.99%

Information before Banxico replicas.

The evolution of the composition in the Amount of Stable Financing Available and the Required Stable Financing is as follows:

Net Stable Financing Ratio	April 2024	May 2024	June 2024*
Amount of Stable Financing Required	60,074.59	64,557.96	64,136.70
Amount of Stable Financing Available	105,358.83	101,649.20	98,787.67

Figures in millions of pesos. *Information before Banxico replicas.

Amounts in millions of pesos

ENTITIES OF AFIRME FINANCIAL GROUP THAT COULD RECEIVE FINANCIAL SUPPORT

According to Annex 11 of the Liquidity Provisions, the entities listed below, members of AFIRME Financial Group, could receive financial support up to the amount indicated according to what was approved in the Board of Directors meeting on July 23, 2024:

Name of the Entities	Amount of Financing	Type of operation
Arrendadora Afirme, SA de CV, SOFOM	$1,990	Credit line derived from a contract with a term
Factoraje Afirme, SA de CV, SOFOM	$1,000	Line of credit derived from a term loan agreement
Almacenadora Afirme, SA de CV, Organización Auxiliar de Crédito	$2,690	Credit line derived from a contract with a term
Seguros Afirme	$25	CCC for firm deposits and overdrafts.
Banco de Inversión Afirme, SA de CV, Institución de Banca Múltiple	$6,830	Call money line

The entities listed below, which are members of AFIRME Grupo Financiero, are the ones that consolidate for the calculation of the ratios:

Name of the Entities	Amount of Financing
Arrendadora Afirme, SA de CV, SOFOM	$1,990
Factoraje Afirme, SA de CV, SOFOM	$1,000

Additionally, to address liquidity issues, the Institution has the Banca Afirme Contingency Plan, which was approved by the Board of Directors on April 25, 2023, and contains corrective actions to deal with liquidity stress situations.

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Notes to the Consolidated Financial Statements

Amounts in millions of pesos

Main Sources of Financing

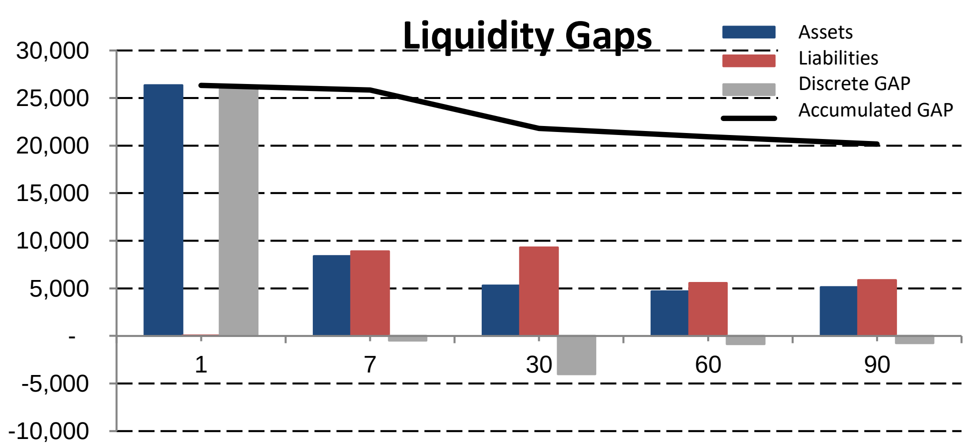
In general, the financing needs of the Institution's loan portfolio are covered by traditional fund-raising, however, other liquidity elements are maintained if required as credit lines and the ability to issue bank paper in the market, not encountering legal, regulatory or operational limitations.

Traditional Catchment End of June 2024	
Immediate enforceability deposits	39,572
Fixed term deposits	45,615
Credit Securities Issued	-
Capture without movements	154
Total	**85,341**

Liquidity risk

Liquidity Risk is defined as the potential loss from the impossibility of renewing liabilities or contracting others under normal conditions for the Bank, or from the early or forced sale of assets at unusual discounts to meet its obligations. To measure the liquidity risk, the Liquidity Coverage Ratio (CCL) and the liquidity bands are determined, considering the nature of the assets and liabilities on the balance sheet over a period of time.

The accumulated band at 60 days of Banca Afirme was $20.938 billion pesos at the close of 2Q 2024, a level that respected the established limit. The bands for term up to 90 days would be the following:



On a daily basis, the Liquidity Coverage Coefficient (CCL) is monitored, since the Supervisory Authority imposes a minimum to promote the short-term resistance of the liquidity risk profile, guaranteeing that the

Amounts in millions of pesos

Institution has sufficient high-quality liquid assets to overcome a significant stress scenario over a 30-day period.

As of the end of June 2024, the Liquidity Coverage Ratio is 176.05%. In order to show the behavior of the CCL, the closing values for Q2 2024 are presented below, compared to the previous quarter.

CCL evolution	**March 2024**	**June 2024***
Computable Liquid Assets (Weighted)	27,626	28,441
Net Exits at 30 days	18,707	16,156
CCL	**148%**	**176%**

*Information before replicas.

The evolution of Computable Liquid Assets compared to the immediately preceding quarter is shown below:

Computable Liquid Assets Evolution (Unweighted)	**March 2024**	**June 2024**
Liquid Assets Level 1	26,098	27,088
Liquid Assets Level 2	1,798	1,593
Total Liquid Assets	**27,896**	**28,680**

*Information before replicas.

As of the end of June 2024, the Net Stable Funding Ratio is 175.38%.

Net Stable Funding Ratio	**March 2024**	**June 2024**
Required Stable Financing Amount	64,032	60,075
Stable Financing Amount Available	106,375	105,395
CFEN	**166%**	**175%**

*Information before replicas.

For its part, the market VaR adjusted for liquidity, which is interpreted as the loss that the bank would incur due to the time it would take to liquidate the position of the securities in the market, for this the VaR adjusted for liquidity is estimated as the product of the daily market VaR times the square root of 10.

Amounts in millions of pesos

In order to show the behavior of the liquidity-adjusted VaR, the values at the end of Q2 2024 are presented below compared to the previous quarter.

Trading Business Unit	Liquidity-adjusted VaR	
	March-2024	June-2024
Money table	(29.26)	(31.65)
Treasury	(3.80)	(2.94)
Global	**(28.91)**	**(31.29)**

The following shows the average liquidity-adjusted Value at Risk of the monthly closings of the corresponding quarter of the different business units.

Trading Business Unit	VaR adjusted for average liquidity
	Apr 2024 - Jun 2024
Money table	(42.20)
Treasury	(3.12)
Global	**(42.19)**

In general, the financing needs of the Institution's loan portfolio are covered by traditional fund-raising, however, other liquidity elements are maintained if required as credit lines and the ability to issue bank paper in the market, not encountering legal, regulatory or operational limitations.

Traditional Catchment End of June 2024	
Immediate enforceability deposits	39,572
Fixed term deposits	45,615
Credit Securities Issued	-
Capture without movements	154
Total	**85,341**

It is important to mention that the financial desks use a financing strategy via repurchase of direct positions, except for those securities that remain in order to maintain an adequate level of liquid assets.

Liquidity risk management is executed in the Treasury and Risk Management areas.

The Treasury area performs daily monitoring of current and future liquidity requirements, taking the necessary steps to ensure that the necessary resources are available. On the other hand, the Risk Management area performs liquidity risk analysis by analyzing liquidity gaps and repricing, as well as the effects on the structural balance of possible adverse scenarios. Both areas have a constant coordination.
To monitor the various risks to which the Institution is exposed, in particular liquidity risk, it has an organizational structure the following decision-making areas and bodies participate in:

- The Treasury area as the one in charge of managing resources.

- The Risk Management area as the area in charge of monitoring and reporting to the Risk Policy Committee on liquidity risk measurements and stress tests, as well as reporting to the Board of Directors on compliance with the established limits by said Council.
- The Assets and Liabilities Committee is in charge of monitoring the balance sheet and proposing balance management strategies, as well as authorizing hedging strategies.
- The Risk Policies Committee is in charge of approving risk measurement methodologies, stress test scenarios, risk monitoring and, where appropriate, establishing courses of action.
- The Board of Directors establishes the maximum tolerance to the risks to which the Institution is exposed, as well as authorizing contingency action plans in case of requiring liquidity.

As mentioned before, the Treasury and Risks areas generate reports that are distributed and presented to the Committees in charge of liquidity risk management, such as cash flow gaps, repricing gaps, stress test analysis and uptake compared to portfolio structure.

The bank's liquidity strategy is based mainly on two main objectives, the first is to maintain an amount of liquid assets that is significantly higher than the bank's liquidity needs and; the second is to extend the term of its collection. With the foregoing, all its clients and counterparties are guaranteed compliance with the commitments assumed by the bank.

The bank's centralized financing strategy is based on traditional deposits through the commercial network. With this strategy, fund-raising generates greater diversification and stability. The bank has significant incentives to generate higher deposits, particularly in terms of term. Our network has been increased to be able to penetrate with new clients in different geographical areas, deconcentrating our clients. In addition to the above, there are sources of financing in the formal market, as they have ample credit lines.

The monitoring of the different indicators mitigates the liquidity risk since these indicators induce the diversification of the deposits, to extend the term of the same, increase the liquid assets and punish the concentration both in term and in clients and the reduction of the liquid assets.
Stress tests consist of applying scenarios where there are situations that could be adverse for the Institution and thus being able to verify the Institution's capacity to face the realization of said scenarios. In the particular case of liquidity risk, scenarios are made based on variables characteristic of financial crises that affect the liquidity of banks in general. This evidence is presented to the Risk Policy Committee on a monthly basis for analysis. The variables used to build adverse scenarios are overdue portfolio, interest rates and sources of financing, mainly.

In accordance with the regulations applicable to credit institutions, the Institution has liquidity contingency plans in case situations arise that could affect the Institution. These plans contain the functions of the personnel who would participate in the necessary actions, the authorization levels and the required information flow. The aforementioned actions are specifically identified and designed to generate liquidity, considering the Bank's structure for this purpose and are divided according to the severity of possible scenarios.

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Amounts in millions of pesos

Annex 11:

CERTIFICATE

Mr. Mario Alberto Chapa Martinez, as in my official capacity as the Pro-Secretary of the Board of Directors of **Banca Afirme S.A., Institución de Banca Múltiple, Afirme Grupo Financiero,** I hereby provide the formal certification for the purpose of general decisions regarding liquidity requirements for multiple banking institutions. At the board of Directors meeting held on July 23, 2024, the Board of Directors of the aforementioned institution determined that the following entities, which are members of Afirme Grupo Financiero, are eligible to receive support up to the respective amounts indicated in the following table:

Entities Denomination	Financial Amount	Type of Operation
Arrendadora Afirme, SA de CV SOFOM	$1,900	Line of credit derived from a contract with a term.
Factoraje Afirme SA de CV SOFOM	$1,000	Line of credit derived from a contract with a term.
Almacenadora Afirme SA de CV Organización Auxiliar de Crédito	$2,690	Line of credit derived from a contract with a term.
Seguros Afirme	$25	CCC for time deposits and overdrafts.
Banco de Inversión Afirme SA de CV Institución de Banca Múltiple	$6,830	Call Money Line

Furthermore, the Board of Directors determined that, due to the nature of the financial entities within the Financial Group, the following financial entities shall be consolidated for the calculation of the coefficients, as listed in the table below:

Entities Denomination	Financial Amount
Arrendadora Afirme, SA de CV SOFOM	$1,990
Factoraje Afirme SA de CV SOFOM	$1,000

As a result of this determination, the Board of Directors hereby states that there is no explicit or implicit commitment, and it is not foreseen to provide financial support by the Institution to the financial entities within the Group that have not been included in the aforementioned list, in the event that they face an adverse liquidity scenario. This includes the provision of financing or engaging in buy-sell transactions with said financial entities, when such operations could have a negative impact on the liquidity position of the Institution itself.

Sincerely,

[Signature]
Mr. Mario Alberto Chapa Martínez
Pro-Secretary of the Board of Directors

Derivatives

Derivatives are used for balance sheet management, that is, to achieve stability and balance in terms of financial risks. This implies the assurance of minimum (objective) levels of margin, with a consequent release of capital requirements, hedging can be executed with two approaches, either accounting or economic:

- Hedging is understood as derivatives that are directly linked to assets or liabilities, called primary position, these derivatives offset the effects of market variables in the primary position. The compensation must be such that it meets the criteria established in the applicable regulations, which establish the minimum and maximum percentages of compensation to be considered as hedges, which is called efficiency. When derivatives are considered hedging, they have a different accounting treatment.

- On the other hand, derivatives can be made for trading purposes (*Trading*), for which it must adhere to the risk limits established by the Risk Committee, as well as the Business Plan that is approved annually by the Risk Committee, in which the qualitative and quantitative goals of the operation of these instruments are established. These operations can be used as hedges, although they are not recorded as such, since they are not directly linked to assets and liabilities, but they are contrary to what is intended to be hedged, in such a way that, in the event of a movement in the market variables, the compensation generated by the derivatives does not necessarily meet the criteria established in the regulations, but they have the opposite effect, reducing the effects on the primary position.

Specific objectives include:

- Reduce repricing risks in the case of positions funded at market rates, but with a different review than the review of loans granted.
- Risk reduction and determination of margins in credit positions granted at fixed rates and funded in the market at variable rates.
- Cost reduction and use of special conditions by achieving assets and liabilities in currencies other than those used in the primary position of operations.
- Reduce the duration gaps for the portfolio of assets and liabilities with rigorous market valuation.
- Reduction of capital requirements in positions subject to determining fixed margins, with the consequent use of alternative business opportunities.

The Institution has contemplated the use of financial instruments called *swaps*, either interest rate or foreign currency. These operations are subject to different risks including:

- Interest rate market risk, mainly to the TIIE reference curve.
- Market risk of foreign interest rates, if there were exchange rate operations, there would be an exposure to the reference curve of the underlying currency.
- Exchange rate market risk.
- Credit risk due to default of counterparties.

The instruments traded in the Institution are mainly interest rate *swaps* referenced to the TIIE as well as referenced to foreign currencies. When these instruments are used for hedging purposes, a strategy is developed to better replicate the flows, terms and amounts of the asset or liability to be hedged, so that the hedging strategy is a mirror of the hedging object. All hedging operations are authorized by a Committee with powers for this purpose, in addition the strategy is analyzed in a particular way by the decision-making staff that are members of the Committee. The negotiation of the hedging operations is carried out through the quotation, with the authorized counterparties, of the operations with the particular characteristics of each operation (once approved by the corresponding Committee) that is intended to be hedged and is accepted or not depending on the conditions market. On the other hand, the negotiation of *trading* operations is the quotation with the counterparties of the standard conditions of the operations by observing the quotations of the *brokers* in the market.

Currently, Banca AFIRME operates in the domestic over-the-counter (OTC) market for these instruments and the eligible counterparties are only domestic or foreign banking institutions with which it has ISDA contracts (local or international) and with which it has granted a line of credit to the Institution. In addition, as of December 2016, the Institution has operations in the Derivatives Exchange associated with Asigna, the clearinghouse that acts as the central counterparty. Currently, trading with clients or brokerage firms is not allowed.

In the case of derivatives that are operated through the over-the-counter market, Banca AFIRME agrees with each counterpart who would be the calculation agent, usually it is agreed that the calculation agent is the counterparty with which the operations are carried out, which is documented in the framework contracts signed with the counterparties, although the valuations reported by the counterparties are monitored and in the event that relevant differences arise, there are procedures established in the same contracts to determine the corresponding valuation. These procedures even contemplate making quotes with third parties.

With the counterparties, margin calls are contemplated in the guarantee contracts in order to reduce exposure to credit risk and in particular; In OTC markets, the counterparties with which they are traded are analyzed and a line of credit is granted.

Contracts are signed in which the counterparties are obliged to make margin calls, in said contracts the types of admissible guarantees are established. These guarantees include cash and government financial instruments to which a discount established in the contracts would be applied depending on their term. In the entire period of time, the margin calls have been made in cash, therefore, no discounts have been made.

For all trading positions, the market risk value is measured under the historical VaR methodology. Global limits are established on this VaR, for the *Trading* portfolio and for the derivatives portfolio. For the *trading* and derivatives portfolio, the limits are authorized by the Risk Committee.

The hedging derivatives are not part of these portfolios and as they are managed in a particular way, compared to the assets or liabilities that are hedged, they are not subject to the market risk limits mentioned above.

The Institution has established internal controls regarding the operation, documentation and management of derivative instruments. In terms of operation and documentation, there are procedures aligned with the applicable regulations, in particular with the 31 requirements of the Bank of Mexico, as well as with sound market practices.

Regarding the risk management of these instruments, there are VaR, sensitivity, counterparty and *stop loss* limits, in order to monitor the operation of these instruments in a timely manner. All limits are applicable to positions classified as trading and in the case of counterparty risk, they are consolidated with hedging operations. In the event that there is any excess to the established limits, these are reported to the corresponding officials and decision-making bodies for the preparation of the corresponding actions. The transactional system has the aforementioned limits implemented, so monitoring is continuous.

The positions, results, risk measures and monitoring of the limits are included in the daily reports issued by the UAIR, and said report is sent to the operating personnel, as well as to Senior Management.

Procedures are continuously reviewed internally and annually by a third party within the process of auditing the 31 requirements of the Bank of Mexico.

The operation of derivatives in the Institution was authorized by the Board of Directors, and it is the Risk Committee that annually authorizes the business plan regarding these instruments in which the goals, objectives and use of derivatives are documented.

The valuation of interest rate *swaps* is performed through the projection of the cash flows of each instrument and the sum of the present values of each of the projected flows is calculated. To perform the projection, the method of *forward* rates is used, for which the interest rate curves published by the price provider are considered. Valuation by this method assumes no arbitrage.

The valuation of foreign currency *swaps* is performed by calculating the present value of the projected cash flows in each currency and corresponding rate.

The valuation of financial instruments is performed daily and internally in the Institution's transactional system.

When it comes to hedging instruments, it is necessary to monitor hedging efficiency. This efficiency is determined at least quarterly and two types of efficiency are generated, retrospective and prospective. The method depends on whether the hedge is fair value or cash flow. In all cases, for it to be considered efficient, the efficiency indicators must be between 80% and 125%.
If the hedge is of fair value: the retrospective efficiency is calculated by comparing the ratio of the change observed in the valuation of the derivative and the change observed in the valuation of the hedged asset; while the prospective one projects valuation scenarios with the simulation of rates that generate changes in the present value of the future flows of the hedging derivative against the changes in the present value of the

future flows of the primary position. With the data series, the correlation coefficient (R-squared) and the sign of the independent variable of a linear regression are determined to determine its compensation capacity.

If the hedge is cash flow: the retrospective efficiency is calculated by verifying the ratio of the flows realized in the hedged position and the cash flows observed in the *swap* ; while the prospective one uses the fair value method to the accumulated changes to the future flows of the variable leg of the hedging instrument against the future flows of the primary position, valued with the rates of simulated scenarios.

Currently all hedging derivatives are within the established ranges to continue to be considered as hedging derivatives.

Our internal sources of funding are mainly our stable clients, which give us the ability to meet any requirement related to derivative operations, these clients allow us to have a current liquidity greater than 20,938 million that more than cover any liquidity risk, including derivative operations. In addition to the above, we have extensive external capacities with lines exceeding 15,000 million of which currently only 1,500 million are used.

With the above, we can conclude that Banca Afirme has a very adequate liquidity to face periods of liquidity requirements, including the needs for derivative operations.

During the quarter, no significant changes were observed in the exposure to the main risks previously mentioned.

The underlying asset to which we were exposed during the second quarter of 2024 was the Interbank Interest Rate (TIIE), which has daily movements according to the market's own movements. However, these changes did not generate new relevant obligations or affect the liquidity of the Institution.

Next, the impact obtained on Cash Flow at the end of Q2 2024 is presented:

	Amount
Interest paid	2,980
Interest charged	94,140
Net effect	**91,161**

Amounts in thousands of pesos

The following table shows the impact on Results by Derivative Valuation for Q2 2024:

	Balance March 2024	Balance June 2024	Quarter effect
Trading swaps	2,938	34,344	31,406
Hedging swaps	- 3,276	-3,778	- 501
Cap	-	-	-

Amounts in thousands of pesos

During this quarter, 7 interest rate *swap* transactions matured and 31 derivative financial instrument transactions were carried out.

The comparison between the counterpart exposure and the guarantees received is performed on a daily basis; and in the event that a differential greater than the threshold (*Threshold*) and the rounded figures agreed with each counterpart is detected, the margin call is made. This process is generated continuously generating various margin calls during the quarter. These margin calls have been made both in favor of the counterparties and in favor of the Institution and at all times the calls have been covered in cash so there is no additional exposure to market risk. In addition, the credit risk of the counterparty (cva) and that of the entity itself (dva) are calculated on a daily basis.

There have been no breaches in the contracts related to these instruments.
At the end of the quarter, there were the following derivative operations in which guarantee contracts with the counterparties were contemplated:

Summary of Derivative Financial Instruments
Figures at the end of June 2024

Derivative type	End	Notional	Asset value		Fair value		Maturity amounts	
			Current quarter	Previous quarter	Current quarter	Previous quarter	2024	Later
SWAP TIIE	Coverage	10,126,206	11.2445	11.25	247,380	64,666	541,641	9,584,565
TIIE SWAP	Negotiation	185,700,000	11.2445	11.25	19,563	- 3,906	185,700,000	-
SWAP TIIE *	Negotiation	22,500,000	11.2445	-	7,938	-	22,500,000	-

**** Affirm takes short position, in the rest of the trades takes long position. Fair value considers the value per cva and dva.***

Considering the implemented methodology, the sensitivity of the *Trading* portfolio is calculated assuming a parallel change in the interest rates in all the curves that intervene in the valuation of the instruments. These movements cause the value of the derivatives to change and depending on the net position you have, it will result in a profit or a loss.

Derivative Rate Sensitivity Figures in thousands of pesos at the end of June 2024				
25 BP[1/]	**50 PB**	**100 PB**	**150 PB**	**200 PB**
51,216	102,433	204,866	307,299	409,732

1 / PB: base points

The hedging efficiency measures have been kept within the efficiency levels because the hedging instruments used in the hedging strategies seek to replicate the cash flow structure, so these strategies efficiently protect the hedged positions before changes in the risk factors that affect, either in the valuation or in the cash flows. It is important to mention that the efficiency methodology does not consider the margin of credit positions and deposits as inefficiency since it is precisely what it is desired to cover. Considering the above, under stressful situations with significant fluctuations in risk factors, acceptable coverage levels will continue to be maintained.

Banca Afirme, S.A.
Annex - Breakdown of Credits
Current Accumulated
June 30, 2024
Amounts in millions of pesos

Type of Credit / Institution	Foreign Institution (Yes/No)	Date of signature/contract	Expiration date	Interest rate and/or surcharge	Denomination [axis] National currency [member] Time interval [axis] Current year [member]	Up to 1 year [member]	Up to 2 years [member]	Up to 3 years [member]	Up to 4 years [member]	Up to 5 years or more [member]	Foreign currency [member] Time interval [axis] Current year [member]	Up to 1 year [member]	Up to 2 years [member]	Up to 3 years [member]	Up to 4 years [member]	Up to 5 years or more [member]
Breakdown of credits [items]																
Bankers [synopsis]																
							-	-	-	-	-	-	-	-	-	-
TOTAL					-	-	-	-	-	-	-	-	-	-	-	-
With guarantee (banking)																
TOTAL																
Commercial banking																
TOTAL																
Other bankers																
NAFIN	No		Indefinite	TIIE + 1	10	581	-	-	62	32	-	8	-	-	-	-
BANCOMEXT	No		Indefinite	TIIE + 1	10	8	3	155	30	911	-	-	-	-	-	-
FIRA	No		Indefinite	TIIE + 0.50	17	36	178	239	380	1,337	-	-	-		-	-
TOTAL					**37**	**625**	**181**	**394**	**472**	**2,280**	**-**	**8**	**-**	**-**	**-**	**-**
Bank total					**37**	**625**	**181**	**394**	**472**	**2,280**	**-**	**8**	**-**	**-**	**-**	**-**
	Foreign Institution (Yes/No)	**Date of signature/contract**	**Expiration date**	**Interest rate and/or surcharge**	***Denomination [axis]*** **National currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**	**Foreign currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**
Scholarships and private placements [synopsis]																
Securities listed on the stock exchange (unsecured)																
STOCK CERTIFICATES			Several	TIIE +0.80	1,790											
SUBORDINATED BONDS			sep-32	tiie 28 +2.80%	34					3,323						
TOTAL					**1,824**		**-**	**-**	**-**	**3,323**	**-**	**-**	**-**	**-**	**-**	**-**
Stocks listed on the stock exchange (with guarantee)																
TOTAL																
Private placements (promissory notes)																
TOTAL																
Private placements (with guarantee)																
SUBORDINATED BONDS						-	-	-	-		-	-	-	-	-	-
TOTAL					-	-	-	-	-	-	-	-	-	-	-	-
Total securities listed on the stock exchange and private placements					**1,824**	**-**	**-**	**-**	**-**	**3,323**	**-**	**-**	**-**	**-**	**-**	**-**
	Foreign Institution (Yes/No)	**Date of signature/contract**	**Expiration date**	**Interest rate and/or surcharge**	***Denomination [axis]*** **National currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**	**Foreign currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**
Other current and non-current liabilities with cost [synopsis]																
Other current and non-current liabilities with cost																
VISUAL PERCEPTION			Several	Several	37,661						1,910					
TERM DEPOSIT			Several	Several	42,545	1,276	272				1,398					
TOTAL					**80,206**	**1,276**	**272**	**-**	**-**	**-**	**3,308**					
Total current and non-current liabilities with cost					**80,206**	**1,276**	**272**	**-**	**-**	**-**	**3,308**	**-**	**-**	**-**	**-**	**-**
	Foreign Institution (Yes/No)	**Date of signature/contract**	**Expiration date**	**Interest rate and/or surcharge**	***Denomination [axis]*** **National currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**	**Foreign currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**
Suppliers [synopsis]																
Suppliers																
TOTAL																
Total suppliers																
	Foreign Institution (Yes/No)	**Date of signature/contract**	**Expiration date**	**Interest rate and/or surcharge**	***Denomination [axis]*** **National currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**	**Foreign currency [member]** ***Time interval [axis]*** **Current year [member]**	**Up to 1 year [member]**	**Up to 2 years [member]**	**Up to 3 years [member]**	**Up to 4 years [member]**	**Up to 5 years or more [member]**
Other current and non-current liabilities at no cost [synopsis]																
Other current and non-current liabilities without cost																
TOTAL																
Total other current and non-current liabilities without cost																
Total of credits					**82,067**	**1,901**	**453**	**394**	**472**	**5,603**	**3,308**	**8**	**-**	**-**	**-**	**-**